Department for Environment Food & Rural Affairs

Taskforce for Nature-related Financial Disclosures Secretariat

An International Climate Finance Business Case
Department of Environment, Food and Rural Affairs

COVER SHEET

PROGRAMME SUMMARY	This intervention is an contribution to establish the Taskforce for Nature-related Financial Disclosures (TNFD), which will give international corporate and financial institutions the tools to map, measure and manage their impact and dependencies on nature. This includes funding for resourcing engagement, building and testing the TNFD framework, and research. Integrating nature-related risk and impact reporting into the financial sector will help to reduce environmental harm and increase the positive impact the sector has on nature and just development as a result of investment, credit and insurance underwriting decisions. Better accounting for nature-related risks will shift financial incentives away from activities that harm nature towards nature-positive projects, supporting the crucial transition to a nature positive economy and sustainable livelihoods.
COUNTRY / REGION	Global
PROGRAMME VALUE	Up to £3m
START DATE	June 2021
END DATE	July 2023
OVERALL RISK RATING	Moderate

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TABLES

FIGURES

GLOSSARY

AR	Annual Review
BAU	Business as Usual
BEIS	Department for Business, Energy and Industrial Strategy
CBD	Convention on Biological Diversity
CBG	Consolidated Budget Guidance
CDSB	Council
FCDO	Foreign Commonwealth and Development Office
FY	Financial Year
G20	Group of 20
G7	Group of 7
GBP	Great British Pound
GDP	Gross Domestic Product
GFI	Green Finance Institute
GRI	Global Reporting Initiative
HMG	Her Majesty's Government
IATI	International Aid Transparency Index
ICF	International Climate Finance
IFRS	International Financial Reporting Standards
IFRS SSB	International Financial Reporting Standards Sustainability Standards Board
IIRC	International Integrated Reporting Council
KM	Knowledge Management
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MEL	Monitoring, reporting and evaluation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PM	Programme Manager
PRI	Principles for Responsible Investment
PRI	Principles for Responsible Investment
RDEL	Resource Delegated Expenditure Limit
SASB	Sustainability Accounting Standards Board
SRO	Senior Responsible Owner
TCFD	Taskforce for Climate-related Financial Disclosures
TNFD	Taskforce for Nature-related Financial Disclosures
TNFD IWG	Taskforce for Nature-related Financial Disclosures Informal Working Group
UNDP	United Nations Development Programme
UNEP FI	United Nations Financial Institutions
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollars
WG	Working Group
WWF	Worldwide Fund for Nature
XWH	Cross-Whitehall

1. INTERVENTION SUMMARY

1.1 SUMMARY OF PROGRAMME OBJECTIVES

This intervention will support the establishment of the Taskforce for Nature-related Financial Disclosures (TNFD), which will give international corporate and financial institutions a framework to map, measure, manage and report their nature related risks. This includes funding for resourcing, engagement, building, testing and disseminating the TNFD framework, and research.

Integrating nature-related risks into the financial sector will help to reduce environmental harm and increase the positive impact the sector has on nature and just development as a result of investment, credit and insurance underwriting decisions.

Better accounting for nature-related risks will shift financial incentives away from activities that harm nature towards nature-positive projects, supporting the crucial transition to a nature positive economy and sustainable livelihoods.

1.2 WHAT ARE THE MAIN PROGRAMME ACTIVITIES?

Defra will contribute, up **to £3m to the Green Finance Institute (GFI) to manage the development and dissemination of a TNFD framework, building on the current work of the TNFD Informal Working Group** (see annex A for membership)**.** This will anchor the UK's commitment outlined in the Green Finance strategy to **catalyse market-led action on enhancing nature-related financial disclosures.** The total TNFD programme budget is £11.1m, with contributions from other donors making up this total alongside the UK's contribution. There are 5 phases of building the TNFD framework set out below in table 1.

Phase	Outcome
Phase 1 - Prepare: April - September 2021	• Establish the TNFD, with implementation beginning in June 2021 • Proof of concept pilots in priority sectors such as agriculture (e.g. soy) and forestry • Market readiness study
Phase 2 - Build: September 2021 - August 2022	• Develop framework's purpose, objective, output, and outcome • Develop TNFD framework for testing • Data development including integrating TNFD into extant financial standards and climate-nature scenario analysis
Phase 3 - Test: August 2022 - January 2023	• TNFD reporting framework and recommendations will be tested with financial institutions and companies in collaboration with regulators.
Phase 4 - Consult: January - June 2023	• Draft framework edited in response to consultation and launched • Consultations to help facilitate widespread adoption in relevant sectors and geographies
Phase 5 - Disseminate: July 2023	• Publicising the TNFD Framework and setting the enabling conditions for its initial uptake, which could include, for example, capacity building in priority countries and institutions.

Table 1: Phases of the TNFD

Defra will contribute **£560k** of funding in June 2021 for **the preparation and build phases of the TNFD framework financing activities that will take place from June to December 2021**, which will fund the secretariat and core TNFD team (referred to hereon as 'secretariat'), communications, initial phase data and tools development, engagement at CBD COP15 and UNFCCC COP26.

Defra will contribute an **additional up to £2.4m** to finance, alongside contributions from other donors (see table 5 in section 4.5) **the remaining execution phases of the TNFD,** which will fund the secretariat core team, research, stakeholder engagement, working groups, technical support, travel, and data and tools development.

Defra's total contribution is crucial **cornerstone funding to crowd in further contributions from other government and philanthropic organisations**, ensuring the TNFD has the necessary resources to have sufficient global reach and to undertake vital activities to achieve transformational change in a time sensitive manner.

1.3 WHAT ARE THE EXPECTED RESULTS?

Outputs:

- Public and non-public funding mobilised to fully fund the programme
- Market-tested, international backed TNFD framework adopted by financial and corporate institutions

Outcomes

- International corporate and financial institutions understand, map, measure, manage and report on their impact and dependencies on nature
- Nature-related risk management and disclosures integrated into existing financial standards

Impact:

- Finance is redirected away from activities that harm nature towards nature-positive activities globally including in developing countries/emerging markets, supporting a nature-positive economy for sustainable livelihoods and poverty reduction.

2. STRATEGIC CASE

2.1 CONTEXT AND NEED FOR A UK INTERVENTION

The global biosphere is rapidly approaching a planetary tipping point; climate change and biodiversity loss present one of the most severe tests to global resilience. Estimates of our total impact on nature suggest that we would require 1.6 earths to maintain the world's current living standards.[i] To date, the global financial system, alongside global institutions, have not had adequate incentivisation to protect nature, and in many cases have been incentivised to degrade nature. To meet global biodiversity and climate targets and sustainable development goals, a system level change is required to shift the incentives in global markets to be nature positive.

The impacts of climate change and biodiversity loss hits the world's poorest people first and the hardest.[ii] There are clear links between the degradation of natural ecosystems and biodiversity loss, with impacts of climate change and high rates of poverty across the developing world.[iii] Poverty worsens environmental degradation by leaving the poor with no alternatives to meet their needs and environmental degradation exacerbates poverty through deteriorating the poor's livelihoods, income and health.[iv] Lack of aggregate action on biodiversity will create major development challenges**,** such as increase health dangers from loss of natural sources for disease prevention, and increasing pressures on food production and food security. For example, degrading biodiversity can decrease productivity of land, leading to lower yields and less income; therefore, shifting market incentives away from investing in these activities supports our objectives to reduce poverty by disincentivising those activities that lead to unstable and unreliable income.

The global systemic risk related to landscape degradation and loss of ecosystem services is increasingly perceived to be as great as climate risk[v] and loss of nature is a risk to financial systems (see figure 1).[vi] USD$44 trillion of global GDP – around half – is dependent on nature and loss of biodiversity results in greater volatility and uncertainty around the goods and services ecosystems provide.[vii]

Ecosystem degradation resonates with investors; prompted by the Amazon fires in 2019, 230 institutional investors representing $16.2 trillion in assets under management called on companies to tackle the financial material deforestation risks within their operations and global supply chains.[viii]

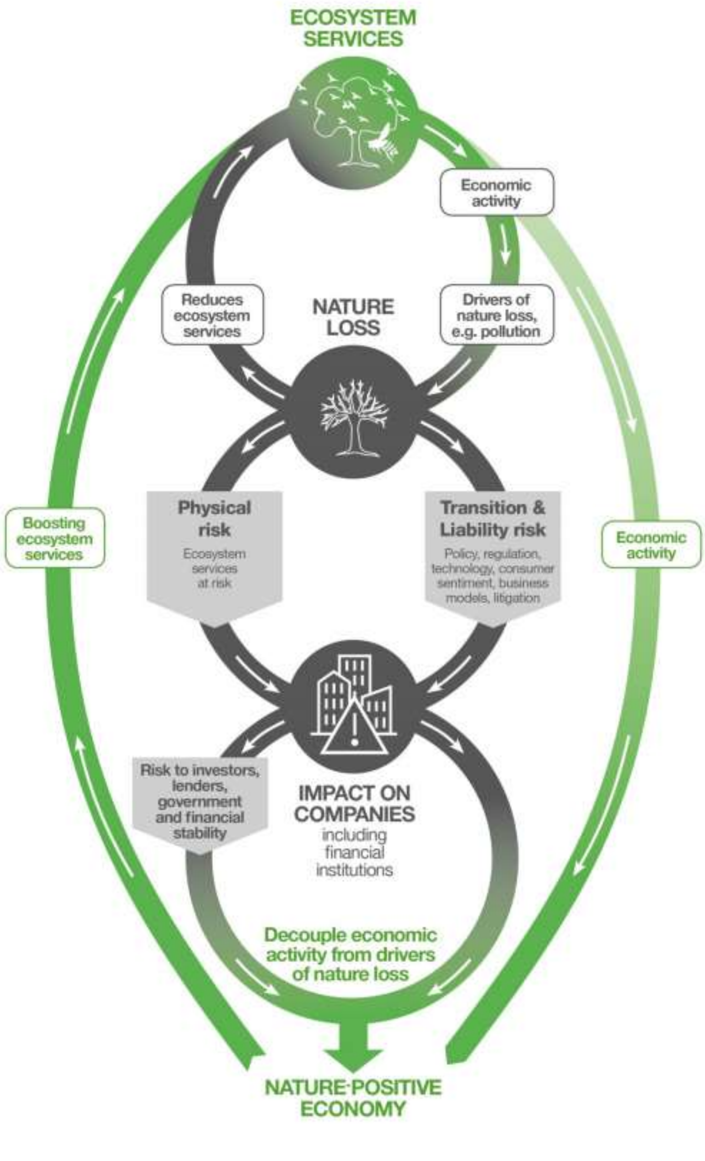


Figure 1: Connections between economic activity, nature, and financial risk (Cambridge Handbook for Nature-related Financial Risks, 2021)

Shifting incentives away from activities that lead to forests fires could reward more responsible stewardship of forests thereby supporting sustainable livelihoods; 1.6 billion poor people depend on forests for their livelihoods. Rewarding the retention of forests also provides climate benefits; deforestation is the second-leading cause of climate change globally, after burning fossil fuels, and accounts for around 6.7 Gt CO_2e of GHG emissions per year. The OECD recommends expanding market-based approaches, so the current value of biodiversity is reflected in market activities.[ix] Therefore, effective integration of nature-related risk management in the financial sector is therefore crucial and there is a demand from key actors in the market.[x]

MARKET, GOVERNANCE, AND INFORMATION FAILURES

As the recent Dasgupta review of the economics of biodiversity shows, despite the considerable direct and indirect value of biodiversity, economic activity which degrades or improves biodiversity is not penalised or rewarded, respectively, by the market which is an example of **market failure**. Specifically, biodiversity is a **public good** which provides benefits which are non-excludable and non-rival, which means beneficiaries cannot be excluded from consuming these benefits and the consumption by one person doesn't affect the consumption by another. This gives rise to the **free rider problem** and therefore biodiversity is underinvested in. In addition, biodiverse ecosystems are open-access resources which are subject to the **tragedy of the commons** and overexploited. For example, the market doesn't fully reward more sustainable farming practices which can improve biodiversity or capture the cost of biodiversity loss incurred through land use change for cattle farming. Furthermore, activities that degrade ecosystems are incentivised and, at present, there are few market incentives to protect them. We need to reset the market to shift incentives towards nature-positive activities.

To date, risk management in the financial sector has integrated these nature-related risks into its decision-making, governance and controls, in a **failure of governance**. There is limited understanding or consensus across the industry of how to do this and a lack of availability of decision grade data and frameworks to guide decision making, in a **failure of information**. The absence means nature-related impacts and dependencies aren't captured or considered in governance and strategic decision making. Despite this, there is substantial appetite from the sector to develop better information and tools to incorporate nature-related risks into their decision making.

It is these market, governance and information failures which lead to perverse incentives to overinvest in activities that are exposed to risks arising from ecosystem degradation and biodiversity loss.

There is precedent for equipping the financial system appropriately. The Taskforce to Climate-related Financial Disclosures (TCFD) has provided the financial sector with the tools to identify and report on **climate-related risk**. Over 110 regulators and governmental entities from around the world and nearly 60% of the world's 100 largest public companies support the TCFD, including the governments of Belgium, Canada, Chile, France, Japan, New Zealand, and the United Kingdom and over 1,340 companies with a market capitalization of $12.6 trillion and financial institutions responsible for assets of $150 trillion.[xi] Governments are now legislating for mandatory disclosures following the TCFD. **Now, we need to ensure nature and climate are considered together as environmental risk.**

TNFD was proposed in January 2019 at the World Economic Forum's Davos meeting and in May 2019, AXA and WWF called for a TNFD-like mechanism.[xii] Along with UNDP, HMG, through FCDO, provided funds to establish the TNFD informal working group (IWG) which comprises 74 members (including the UK government) across the world (membership at Annex A), including 49 financial institutions and corporates, 8 governments and 17 consortiums; indicating strong sectoral demand. Membership includes key actors such as Black Rock (the world's biggest asset management company) and the largest body connecting corporate institutions on sustainability (the World Business Council for Sustainable Development). The TNFD IWG has developed the scope of and a work plan for the TNFD, supported by a technical expert group and an observer group of government, private sector and civil society organisations. Now, the TNFD IWG is preparing to implement the TNFD fully to build, test, and disseminate a TNFD framework.

2.2 WHAT SUPPORT WILL THE UK PROVIDE?

Defra's investment of up to £3m represents ~27% of the programme's budget and is financing activities that align with the department and HMG's strategic objectives as outlined in section 2.3. Total funding for this project is £11.1m from 10 donors set out in section 4.5, including Defra. The project runs for just over two years (June 2021 – July 2023), and Defra's funding contributes to activities across this period as well as providing cornerstone funding to crowd in other contributions.

Defra's funding comes from the ODA budget, as the intended programme impact is to promote a nature positive economy for sustainable development and poverty reduction. The programme will work with financial centres in emerging economies as well as in London and Europe to maximise its impact on poverty reduction. Through their role on the oversight board, Defra SROs will ensure that programme activities and outcomes continue to be consistent with ODA funding.

2.3 HOW WILL THIS PROGRAMME CONTRIBUTE TO DEFRA AND OTHER POLICY OBJECTIVES?

In 2021's Integrated Review, HMG made tackling climate change and biodiversity loss its number one international priority and in January committed to spend at least £3bn of International Climate Finance (ICF) from 2021-2026 on nature. Professor Dasgupta's review into the economics of biodiversity highlighted how we have collectively failed to engage with nature sustainably and the Prime Minister has called for an ambitious response to the findings of the Dasgupta review.

This programme will be key to delivering the Integrated Review's key action **to invest in nature and a 'nature positive' economy** and **integrate biodiversity into economic decision-making,** HMG's International Nature Strategy, and to respond to the Dasgupta Review's call to **manage nature-related financial risk and uncertainty.** These commitments are a priority for COP26 and COP15. Through the UK's **Green Finance Strategy**, HMG committed to working with international partners to **catalyse market-led action on enhancing nature-related financial disclosures**. The TNFD will complement HMG's work on green taxonomy and the **Global Resource Initiative**; both seek to highlight nature and climate related impacts and risks related to trade and investments. The G20, the UK Prime Minister, and Minister Goldsmith have endorsed the TNFD.

The programme will leverage Defra's significant policy and scientific expertise on green finance, natural capital, and biodiversity. It will support delivery and compliment other work within our international commitments to **reversing biodiversity loss by 2030** in line with post-2020 global biodiversity framework goals and targets, **the Leader's Pledge for Nature**, the **25 Year Environment Plan**, the G7's commitment to biodiversity set out in the Metz charter, and our commitment to **protecting at least 30% of the world's land and ocean globally by 2030**.

The programme will form a key part of Defra's ODA portfolio, which is focused on reversing biodiversity loss, and includes *inter alia:* the Global Centre of Excellence which is developing world class evidence on nature-based solutions; the Global Programme for Sustainability that looks to integrate natural capital into economic decision-making globally, and the Biodiverse Landscape and

Blue Planet Funds that focus on restoration and protection of ecosystems. It also links with work across government to ensure UK ODA is overall nature positive by 2025.

2.4 RISKS[xiii]

Risk	Residual risk	Mitigation
DELIVERY/CONTEXT: Due to Covid-19 and extant action on the climate agenda **there is a risk that** the nature agenda is deprioritised or not seen as a priority relative to climate change and/or re-building the global economy **Which may result in** a lack of traction with key stakeholders or insufficient resource provided, which might prevent the TNFD fully meeting its objectives and therefore the impact that results from Defra's funding	Major	Defra and GFI will utilise strong international networks and those of the delivery partners to understand these issues and how these may be resolved, and GFI will ensure sufficient resources are appropriately allocated for comms to ensure the TNFD has real impact
DELIVERY: Due to delays in securing funding, **there is a risk that** not enough funding is secured to establish the TNFD to align with key moments in 2021, **the result of which would be** reduced impact and reach, and ability to achieve objectives	Minor	Defra programme manager (owner) to ensure business case is delivered on time and that the delivery organisation implement effective programme management to ensure to keep on track against key deliverables.
DELIVERY: Due to the high proportion of public funding, **there is a risk of** reduced private sector buy in **the result of which would be** lack of legitimacy, limited uptake, and ineffective integration into existing frameworks	Moderate	TNFD (owner) is clear it will be market-led; continue to ensure high level of involvement of private sector e.g. currently there are high levels of private sector involvement in the TNFD WG and its current membership is over 60% financial and corporate institutions.
DELIVERY: Due to delays in securing funding, insufficient comms, and lack of demand, **there is a risk that** key players don't participate, **the result of which would be** reduced impact and ability to achieve objectives and embed the approach in financial markets, compromising the sustainability of the programme	Moderate	(Owner: TNFD) As above; get comms plan from GFI; policy lead well embedded with relevant network to drive ambition; and support secured from ministers and PM. We are also exploring the option of seconding Defra's TNFD policy lead to work 2-3 days per week in the TNFD Secretariat which will help mitigate this risk.
DELIVERY: Due to poor design, **there is a risk that** investments merely move away from what can be defined as nature negative to nature-neutral investments and not nature-positive investments, **the result of which would be** funds are not effectively redirected to ensure the halting ecosystem degradation	Moderate	(Owner: TNFD) Implement lessons learned from TCFD, evidence base established to draw upon to ensure effective programme design. Ensure activities support the clear outcome of encouraging companies and FIs to transition to more nature friendly pathways. Embed these considerations in proof of concept stage (phase 1)

Table 2: Risks

3. APPRAISAL CASE

3.1 ECONOMIC RATIONALE

For achieving the impact set out in the theory of change (Annex B), we considered three options of i) do nothing; ii) invest in the TNFD iii) invest in establishing the TNFD only under phase 1. We have discounted two additional options:

1. **A new bilateral programme.** Developing a parallel UK programme dilutes the convening power of the TNFD and is highly inefficient. It does not provide as good an opportunity as the TNFD to work closely with and learn from the TCFD given the TNFD already links up with the TNFD. It is unlikely Defra would be able to create a global network of national governments and businesses in its own bilateral initiative. Private sector buy in is essential, so it is key no single government leads. The time it would take to design, procure, and implement means the programme implementation would not align with COP26 and CBD COP.
2. **Regulation.** Building an international framework is pre-requisite to any mandatory approach to nature-related financial disclosures that works across sectors and national boundaries and can be integrated into existing financial governance. To have a UK-only regulation as the first step does not create the global enabling conditions needed to shift Financial Institutions (FIs) and corporates to understand and report nature-related risks. Nor is it market-led, which is key to achieving buy in from the private sector. As with the TCFD, regulation may follow the introduction of a tried and tested TNFD framework but it is vital to build and test this across different sectors, regions and actors globally before legislating.

Each of the three shortlisted options have been assessed against objectives set out in the strategic case summarised as follows:

1. Responds to the Dasgupta Review's call to **manage nature-related financial risk and uncertainty** and **effectively integrates nature-related risk management into markets**
2. Enables better decision making through **developing decision-grade data** for use by financial and corporate institutions
3. **UK leadership**, in line with commitments in the Green Finance Strategy and Integrated Review, **catalyses market led action on enhancing nature-related disclosures**.

Alongside a further 2 criteria as below:

4. **Costs**, including Defra's management costs (i.e. both resource and financial)
5. **Transformational change –** will the programme contribute to shifting the global economy away from environmentally destructive activity and towards a nature-positive economy?

3.2 APPRAISAL DESIGN AND SHORTLISTED OPTIONS

OPTION 1: CONTINUE BAU POLICY WORK

Defra would not invest in TNFD but would continue its policy work in this area. This includes engagement with the TNFD informal working group (IWG) alongside the green finance strategy and green taxonomy. However, the policy work is a necessary but not sufficient contribution to our green finance policy objectives. While UK policy work can contribute to the enabling environment needed to shift the financial sector towards more nature-positive investment, funded implementation is needed to translate policy ambition into tangible transformational change on the ground. The TNFD is the key foundational work, needed alongside our policy work, to achieve green finance and CBD policy objectives set out in the strategic case.

There is a high risk that without UK funding, the TNFD would not be able to secure the funding needed to establish the TNFD. This could result in the TNFD being unable to go ahead on the current timescale needed for maximum impact and to align with other concurrent reporting initiatives, such as the IFRS prototype. This risks reducing the impact of the programme and its ability to achieve its outcomes. This could also result in the programme being unable to deliver in line with COP and with the urgency needed to tackle climate change and biodiversity loss effectively.

Assessing against criteria

This option would result in no additional costs to Defra and there would be no resource costs of time associated with programme development and implementation. However, this option would not meet 2 and 3 strategic objectives criteria above nor would it meet criterion 5 on transformational impact. Further, there is a non-negligible risk that without UK funding the TNFD will not be established on time and begin timely implementation and be effective which greatly risks not meeting our strategic objectives, as our policy work is a necessary but not sufficient lever to achieve these objectives.

OPTION 2A: TNFD

Defra would contribute, alongside other donors, **up to £3m to the TNFD,** anchoring the UK's commitment outlined in the Green Finance strategy to **catalyse market-led action on enhancing nature-related financial disclosures.** The TNFD will build a framework to give international corporate and financial institutions the tools to map, measure, manage and report on their nature-related risks. Significant global sectoral actors will be involved in developing and testing the framework and, crucially, the work of the TNFD will identify how to integrate the framework into existing financial reporting architecture.

The total TNFD budget is £11.1m over 2 years. **Defra's up to £3m** is ~27% of the total TNFD budget and is provided over financial years 2021/22 to 2023/24 for the TNFD's activities June 2021 – July 2023.

The TNFD

The 5 phases of the TNFD are set out below in table 3 and Defra funds activities across all phases. This funding covers building, testing, and disseminating the TNFD framework. Please see annex B for the Theory of Change.

Phase	Outcome
Phase 1 - Prepare: April - September 2021	• Establish the TNFD • Proof of concept pilots including a study of the soy sector, bringing in corporate and financial institutions to test metrics • Market readiness study maps nature-related metrics, data, tools, stress tests, risk management practices from public and private sector
Phase 2 - Build: September 2021 - August 2022	• Develop framework's purpose, objective, output and outcome • Framework development testing • Work on data stacks, integrating standards, climate nature nexus and scenario analysis

Phase 3 - Test: August 2022 - January 2023	• Draft TNFD reporting framework and recommendations will be tested with financial institutions and companies in close collaboration with relevant financial regulators.
Phase 4 - Consult: January - June 2023	• Draft framework edited in response to consultation and launched • Consultations to help facilitate widespread adoption in relevant sectors and geographies
Phase 5 - Disseminate: July 2023	• Publicising the TNFD Framework and setting the enabling conditions for its initial uptake, which could include, for example, capacity building in priority countries and institutions.

Table 3: Phases of the TNFD

There is likely to be a sixth phase focused on increasing uptake building on the work of phase 5. The activities and funding for this will be scoped in due course as part of the TNFD's activities over the next two years. Defra will consider commercial options as outlined in 4.2 to support this phase.

TNFD will select relevant sub-sectors which are a mixture of high-impact, high-dependency, and high-risk (e.g. soy or cotton farming) to build and test the framework alongside testing in emerging markets. Stakeholder mapping has already been conducted in sub-Saharan Africa and Brazil and work is being undertaken to connect with stakeholders in the Africa region. Phase 1 and 2 will work to understand further how to engage with different reporting standards, sectors, asset classes, different regions. The proof of concept pilots will be key to understanding transition risks and how to mitigate these.

Throughout each phase, the work of the TNFD will identify how to integrate the framework into complementary market reporting requirements and initiatives to ensure maximum impact (such as International Financial Reporting Standards Sustainability Standards Board (IFRS SSB), green taxonomy, and Environment, Social and Governance reporting). This mainstreaming work is key, and the TNFD should be seen as part of the reporting landscape for the heretofore underreported 'E' in ESG (Environmental, Social and Governance reporting). Over time, mandatory disclosure requirements are expected in line with the trajectory of the Task Force on Climate-related Financial Disclosures (TCFD). The TNFD builds on the work of the TCFD and will work closely with the TCFD secretariat to ensure continued alignment.

Defra's contribution

Defra's contribution of up to £3m will finance the following:

1. Defra would contribute **£560k** funding in June to establish the TNFD and begin implementation, funding activities from June to December 2021**.** The total budget to establish the TNFD and for initial implementation is £1.3m and the ~£600k remaining has been secured via existing contracts. UK funding is critical for this as without the UK's timely contribution, the TNFD will not be established in time to align with other related financial reporting initiatives and to align with UNFCCC and CBD COPs, greatly reducing the impact of the programme. This will pay for the following and the full budget is at annex C:
    a. **The secretariat and core TNFD team**, made up of globally recognised expertise in the relevant sectors. The secretariat costs also include the admin fee for GFI.
    b. **Communications** for when the TNFD is established and initial implementation to ensure effective global reach

    c. **Initial phase data and tools development** to facilitate development of decision grade data for financial and corporate institutions
    d. **Engagement at CBD COP15 and UNFCCC COP26** to ensure global reach and integration/complementarity with existing initiatives
2. The rest of Defra's contribution **(up to £2.4m)** makes up ~27% of total TNFD budget. It will finance, alongside other donors, **the remaining phases of the TNFD and the secretariat which operates across all phases**. Without this contribution, there is a high risk that the activities will not be funded to the quantum and time needed for maximum impact. This will pay for the following and the full budget is at annex C:
    a. **The secretariat and core TNFD team** made up of globally recognised expertise in the relevant sectors. The secretariat costs also include the admin fee for GFI.
    b. **Research**, including assessment of current sectoral landscape
    c. **Communications** for the testing, consulting and dissemination phase, with significant portion focused on dissemination to ensure effective uptake and integration
    d. **Working groups** (Governance; Work Plan and Budget; TNFD Resourcing; Communications, Outreach and Knowledge Management) to ensure the TNFD is run effectively and delivers on objectives
    e. **Technical support** to bring in world class expertise and ensure the TNFD framework is effectively integrated into financial governance architecture (e.g. PRI, IFRS SSB etc)
    f. **Travel** of the secretariat to understand context specific challenges and opportunities
    g. **Data and tools development** to facilitate development and dissemination of decision grade data for financial and corporate institutions

Defra's total contribution is crucial to establish the TNFD in June in line with the G7 financial ministers meeting and the response to the Dasgupta review. GFI have confirmed it is crucial to act as **cornerstone funding to secure further contributions from other government and philanthropic organisations** therefore catalysing market led action on enhancing nature-related disclosures, ensuring it has the necessary resources to have sufficient global reach and to undertake the relevant activities to achieve transformational change in the financial sector.

It is key that the Defra's contribution is appropriately balanced with other contributions and that the TNFD is genuinely market-led. The TNFD financing comes from donor government and philanthropic sources, and the activities of the TNFD are done by market leaders. This is so, whilst industry plays a crucial role in testing and consulting on the framework to ensure it works for industry and for each sector and geography, philanthropic and public funded is needed to initiate the programme to avoid any conflict of interest, industry 'paying to play' and potential greenwashing. Ownership by the industry is built into the delivery model in this way.

Equity

The TNFD: The TNFD is committed to diversity and gender representation in its secretariat, resourcing, and membership. Its outputs will be made accessible to all on the same basis to ensure equitable access to tools and data.

TNFD impact: As outlined in the strategic case, action on biodiversity is linked to action for equity, in terms of reducing poverty and environmental degradation's links to poorer outcomes for women and biodiversity loss can perpetuate inequalities for women and children.[xiv] The TNFD itself understands the links between these issues and so aims to contribute to longer term impacts related to improved outcomes for women and poorer people.

Results and benefits

Outputs:

- Public and non-public funding mobilised to fully fund the programme
- Market tested, international backed TNFD framework adopted by financial and corporate institutions

Outcomes

- International corporate and financial institutions understand, map, measure, manage and report on their impact and dependencies on nature
- Nature-related risk management and disclosures integrated into existing financial standards

Impact:

- Finance is redirected away from activities that harm nature towards nature-positive activities globally and in developing countries/emerging markets, supporting a nature-positive economy and sustainable livelihoods.

The TNFD is the foundational step towards this impact and is a key part of the wider policy work being undertaken by Defra and globally as outlined in the strategic case and above. This includes **the green finance strategy, regulatory work** on green taxonomies, EFRAG (European Financial Reporting Advisory Group), NFRD (Non-Financial Reporting Directive), and SFDR (Sustainable Finance Disclosure Regulation), and **complementary reporting initiatives in which the TNFD framework will be integrated**, such as the CDSB (Climate Disclosures Standards Board), GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board), and IIRC (International Integrated Reporting Council). Defra's additionality is to secure a foothold to demonstrate HMG leadership on this and join up with the G7 mandate position, which will collectively serve to demonstrate how seriously we take our Green Finance Strategy policy delivery commitments and Dasgupta Review recommendations. Furthermore, the contribution secures UK government's reputation as being the Green Finance capital of the world and leading on addressing urgent environmental issues beyond climate.

Please see section 5.8 – accounting officer tests for an outline of the programme's sustainability.

Assessment against criteria

By funding activities outlined in 2A above, the intervention would meet all three objectives outlined above to respond to the Dasgupta review by **managing nature-related financial risk and uncertainty** and **effectively integrates nature-related risk management into markets;** enabling better decision making through **developing decision-grade data** for use by financial and corporate institutions; and **catalyse market led action on enhancing nature-related disclosures.**

This option would be the most costly in terms of programming and resource cost; but it has high benefits given its potential for transformational change, its ability to demonstrate UK leadership and set an ambitious agenda for action and to deliver on all strategic objectives.

3.2.3 OPTION 2B: TNFD SECRETARIAT ONLY

For this option, **Defra would contribute £560k** to establish the TNFD and **begin implementation** from June to the end of 2021. This funds the secretariat, the establishment of the TNFD, and initial research for the TNFD up to the end of 2021.

Defra would not contribute the cornerstone funding to catalyse further investment from other donors to fully fund the activities of the TNFD nor would it contribute to the TNFD activities to test, consult, and disseminate the TNFD framework and findings. This would greatly reduce impact of UK funding. UK funding is now directly allocated to activities across the programme, so without this funding it is unclear whether funding can be secured in a timely fashion to finance these activities.

There is a risk that without UK funding the TNFD cannot go ahead fully funded when required to ensure maximum impact and timely integration with existing global financial architecture and reporting standards. Lack of clarity on amount and timing may delay the establishment of TNFD and make it redundant to wider market initiatives relating to financial governance (such as IFRS SSB, PRI, TCFD) that it urgently needs to integrate with.

This reduces the TNFD's ability to meet its objectives, have global reach, and achieve the transformational change the Government is committed to in its response to Dasgupta and through the Leaders' Pledge for Nature.

Assessment against criteria

By funding only the set up and initial implementation of the TNFD, there is a risk that the programme does not maximise its impacts and benefits, particularly with regards to integrating the TNFD into the global financial architecture which is vital. If only this part of the TNFD's activities was funded, the three strategic objectives outlined would only partially be met and it does not meet criterion on transformational change and UK leadership and ambition setting; so despite costing less than option 2A, this option may offer poorer value for money than the preferred option.

3.2.4. PREFERRED OPTION

Option	Funding amount	Activities funded
1 – Do nothing	0	None
2A –provide ~27% of funding needed for all TNFD activities	Up to £3,000,000	**Seed funding** for: • For establishing and the initial implementation of the TNFD and • to establish the secretariat of the TNFD. Alongside other donors, funding for the **5 phases of TNFD** Act as **cornerstone funding** to secure further contributions
2B – provide ~50% of funding needed for the establishment and initial implementation of the TNFD and 0% provided for the subsequent phases of the TNFD.	£560k	**Seed funding** for: • For establishing and the initial implementation of the TNFD and • to establish the secretariat of the TNFD.

Table 4: Summary of options

Option 2A, an investment in the whole TNFD, is seen as providing the highest value for money. Through economies of scale, a trusted delivery partner, and funding all activities needed to ensure an effective, market-led framework that can integrate into existing financial architecture, the programme will be able to deliver ambition in advance of COP26 and pioneer integrating nature into financial decision-making at a much greater scale and speed than other options. The UK's contribution is essential to sending the right market signals to crowd in other funding.

4. COMMERCIAL CASE

4.1 COMMERCIAL APPROACH

The Commercial Case demonstrates that this project will result in a viable and well-structured solution and includes details on how the procurement will be planned and managed.

Due consideration has been given to different procurement options including contracts as set out in the Government Grants and Alternative Funding Options guidance document, the proposed funding route is through a direct award grant. The proposed activities align with Defra's and HMG's objectives as set out in the strategic case, section 2.3. The initial TNFD IWG is an existing initiative in which Defra's policy lead already takes part and there are no equivalent interventions that will help Defra achieve the same outcomes, as outlined in the appraisal case.

Given that the funding and activities are not revenue generating and do not otherwise provide a direct economic benefit to Defra but rather, further the implementation of Defra's policy objectives, a commercial procurement was not considered feasible. A commercial contract was discounted since Defra does not wish to purchase goods or services. A grant is therefore the most appropriate route.

PREFERRED OPTION: DIRECT AWARD GRANT

Rather than a competitive process, a direct award grant was considered the most feasible option against the criteria identified below:

- The Green Finance Institute (GFI) have been chosen by the TNFD IWG, a group of 74 governments, businesses, financial institutions, and think tanks, to administer the TNFD secretariat and funds. It would be uneconomical to appoint a separate organisation to manage Defra's contribution. GFI are a UK-based business with excellent international sectoral connections and will work with TNFD IWG members to deliver the TNFD's objectives.
- The GFI, through its existing grant agreement with BEIS, is mandated to support the UK government deliver on its green finance strategy by, for example, fostering collaboration on green finance between the public and private sector.
- UNDP, UNEP FI and OECD were considered as delivery partners to host the secretariat, alongside GFI. However, given the accelerated timescale to deliver the TNFD framework and in order to achieve the outlined delivery milestones in the run up to establishing the TNFD, an agile private sector facing organisation with market credibility is needed to facilitate progress at pace. Through market research, the team understand that GFI fulfils all these criteria.

4.2 YEARS 3 - 5

Defra's commitment of up to £3m will fund activities across the lifetime of the current proposed programme June 2021 – July 2023. The policy team will review their strategic delivery plans and funding needs for subsequent years to inform the development of subsequent awards should the programme continue after the initial 2 years and reconvene with Defra Group Commercial for advice. For example, considerations would include whether a costed or no cost extension is required, or whether to continue with the proposed delivery partner or compete for another delivery partner. Defra Commercial will be consulted to support the decision for future grants awards/funding. For example, the TNFD are likely to include a phase 6 to continue the dissemination work of phase 5, to measure and ensure increase uptake of the TNFD and Defra may wish to contribute to this. However, we will expect GFI to demonstrate financial sustainability of funding and explore other potential funding sources.

4.3 DELIVERY PARTNER'S EXPERIENCE, GOVERNANCE AND CONTROLS

GFI was established through grant funding from BEIS and the City of London in 2019. Since being established, they have diversified their funding sources to include philanthropic organisations. GFI has a financial controls policy that has board level oversight. In advance of each quarterly board meeting, GFI's Chief Operating Officer meets with the non-executive director with delegated authority for assurance and risk to review, challenge and approve GFI's financial statements and risk register ahead of reporting to the main board. Income and expenditure will be monitored and reported in monthly management accounts to the TNFD Chair. Day rates are attached at annex D.

GFI have confirmed there is no conflict of interest in delivering the work.

4.4 APPOINTMENT AND COMPETENCY OF SUBCONTRACTORS

When contracting third parties, GFI will put in place appropriate contracts or agreements that will specify the expected key performance indicators (KPIs) and the return of funds in the event of outcomes not being achieved and for misuse of funds. Any sub-contractors or further distribution of the grant will be procured according to GFI's procurement policy proportionate with the value of the contract to ensures a fair and transparent process and value for money. GFI's procurement policy is at annex E.

Most recipients of funds will be established international public entities, which will greatly reduce the financial and fraud risk, such as UN Development Programme and Organisation for Economic Cooperation and Development (OECD) who have received funds from HMG before e.g. through FCDO. GFI will conduct proportionate due diligence to assess the financial viability and fraud risk of contractors and grant recipients on a risk weighted basis, for example when granting or contracting with small or lesser known entities.

4.5 MATCH FUNDING

Total funding for this programme is £11.1m from 10 contributors, including Defra. Other contributors and their contributions are set out in table 5 below. It is key that there is the right balance of contributions from all donors to ensure the TNFD is not perceived as a UK initiative and so it develops a sustainable financing platform outside of government contributions so it has independence from government and is genuinely private sector led. Co-funding this programme also allows us to increase our impact and reach through funding alongside other contributions. Please see financial and fraud risks for how we will mitigate the risk of duplicate funding.

Estimated contributions for the total life of the programme	
United Nations Development Programme/ UN Environment Programme	£1,566,000

FCDO	£681,912
Norwegian Agency for Development Cooperation	£144,000
Netherlands	£108,138
France	£105,975
Children's Investment Fund Foundation	£1,033,200
Global Environment Facility	£1,215,381
Switzerland	£165,600
Monitoring Authority of Singapore	£774,106
Defra (including final evaluation for Defra costs)	£3,000,000
Secondment	£1,854,451
In-kind	£618,122
Total estimated contributions (not including final evaluation for Defra costs)	**£11.1m**

Table 5: Other contributions

4.6 SAFEGUARDING

The GFI will report any failure to meet its obligations or any safeguarding/fraud concerns immediately to the Defra programme manager, who will escalate concerns as per the relevant escalation procedure. GFI's safeguarding policy is at annex F.

4.7 EQUALITY AND COMPLIANCE WITH GENDER SECTIONS OF 2002 INTERNATIONAL DEVELOPMENT ACT

The TNFD: The TNFD is committed to diversity and gender representation in its secretariat, resourcing, and membership. Its outputs will be made accessible to all on the same basis to ensure equitable access to tools and data.

TNFD impact: As outlined in the strategic case, action on biodiversity is linked to action for equity, in terms of reducing poverty and environmental degradation's links to poorer outcomes for women and biodiversity loss can perpetuate inequalities for women and children.[1] The TNFD itself understands the links between these issues and aims to contribute to longer term impacts related to improved outcomes for women and poorer people.

4.8 SUBSIDY CONTROLS

The programme does not constitute a subsidy under the EU-UK Trade and Co-Operation Agreement or the Northern Ireland Protocol.

4.9 KEY COMMERCIAL AND FINANCIAL RISKS

A Commercial risks review have been undertaken to ensure that key risks are categorised and allocated to the owner who is best able to manage it. We expect the commercial and financial risks to be low. Risks are summarised below in table 6. Please see the strategic case for overall programme risks and the financial case for financial and fraud risks. Annex J contains a complete risk register.

	Description		Mitigation and owner

[1] https://www.cbd.int/gender/doc/cbd-towards2020-gender_integration-en.pdf

Risk type and owner		Residual risk rating	
Context/operational (owned by Policy team and GFI)	**Due to** Covid 19, **there is a risk that** work cannot be undertaken as planned. **This could result in** a delay to launching the framework or lack of robust testing of the framework.	Moderate	Secretariat identify options for areas in which to pilot the framework, ensure remote working options and technologies are in place and tested, and virtual visits are facilitated where necessary.
Operational	**Due to** capability or capacity, **there is a risk that** the Defra team do not effectively monitor the programme. **This could result in** being unable to determine whether the programme is delivering value for money or is on track, compromising the impact of the programme.	Minor	Programme manager conducts grant manager training and ODA hub PM training, and monitoring requirements are set out clearly in the business case and project initiation document. Defra also holds extensive ODA delivery experience both in programme managers and analysts.
Operational	**Due to** unforeseen circumstances, **there is a risk that** GFI are no longer able to deliver the grant. **This could result in** outcomes not being delivered effectively or to timescales.	Minor	(Contingency): Funding may be routed through a different third party, work with commercial to procure or identify a suitable third party.
Delivery	**Due to** several potential factors including mismanagement of funds, poor programme management, **there is a risk that** work funded is not undertaken **resulting in** objectives not met.	Minor	Check for evidence that the work has been completed and that it meets the required standard. This is done through monthly performance review, meetings/reports and audited annual reports. The grant agreement must specify suspension of funds, termination and claw back arrangements if work is not delivered as intended.
Delivery	**Due to** fraud or a change in programme objectives, **there is a risk that** funds are not used for their intended purpose, **resulting in** objectives not met		Work together to monitor spend and project progress. Check that activities are being funded through the right source e.g. check finance statement.

Table 6: Commercial risks

5. FINANCIAL CASE

5.1 NATURE AND VALUE OF THE EXPECTED COSTS

The **UK's contribution will be up to £3m** of a total TNFD budget of £11.1m, for activities running for 26 months from June 2021 to July 2023. The funding for the project comes from Defra's International Climate Finance, part of Defra's ODA budget allocation for FY21/22 and will also require Defra ICF budget from 2022/23 – 2023/24. Future FYs 2022/23 and 2023/24 budget will be secured via future spending reviews.

Defra's contribution will be a grant and comprises **£560k for the establishment and initial implementation of the TNFD** and up to **£2.4m for the full execution of the TNFD** as set out in the appraisal case. How the grant will be paid is set out in section 5.2 - Payment. Defra's contribution is up to ~27% of the total budget and Defra will not earmark the contribution beyond allocating £560k of the up to £3m for the establishment and initial implementation.

The total indicative TNFD budget is at table 7, Defra's contribution is at table 8, with an outline of donor contributions at table 5 in the commercial case. More detailed indicative budget for the life of the programme is at Annex C. The secretariat drives and delivers the work of the TNFD, which is why they are a significant proportion of the costs. Other staffing costs include secondees so are paid salaries from the budget but overhead costs are met in kind by the organisations from which they are seconded from. Salaries have been negotiated by the TNFD working group on which Defra sits. The chairs and co-chairs and the stewardship group are providing their resource in kind. The admin fee follows the FCDO NPAC guidance here with regards what is in and out of scope and Defra's admin payment is for management of Defra's share only (i.e. ~27%). Budgets (including the admin fee) are indicative and actual payments will be made based on quarterly reporting, which will outline the activities the funds will be used for and how previous funds have been used.

FY = April to March.	FY21/22	FY22/23	FY23/24	
Secretariat (August 2021 - August 2023)	£1,014,131	£1,405,335	£391,204	
Phase 0 (April 2021 - August 2021)	£113,862			
Phase 1 (August 2021 - July 2022)	£1,821,656	£668,097		
Phase 2 (July 2022 - Jan 2023)		£1,996,956		
Phase 3 (Jan 2023 - June 2023)		£932,310	£932,310	
Phase 4 (July 2023 - August 2023)			£1,828,620	
TOTAL	**£2,949,651**	**£5,002,699**	**£3,152,134**	**£11,104,484**

Table 7: Total TNFD budget breakdown

FY = April to March	DEFRA Contribution per year	Of which is admin fee (**indicative,** equiv. to ~4%)	Of which is monitoring	Of which is evaluation
FY21/22	£801,855	£44,562	£18,000	
FY22/23	£1,155,000	£53,474	£18,000	
FY23/24	£670,000	£17,825	£18,000	Up to £200,000
TOTAL	**£2,826,855**	**£115,861**	**£54,000**	**£200,000**

Table 8: Defra's contribution budget breakdown

The programme will require the below internal Defra resource FY2021/22 – FY23/24. This has been deemed affordable within Defra's FLD staff budget for 21/22 but will need to be secured in the spending review for future FYs.[2]

Grade	DEFRA	Estimated costs p.a.
SCS	<0.05	Up to £5,605
G6	<0.1	Up to £8,525
G7	<0.2	£14,314
H/SEO programme manager	0.5	£27,340
HEO analyst	0.25	£11,176
TOTAL		£72,566

Table 9: Defra resource costs

5.2 PAYMENT

Defra's contribution of £560k for the establishment and initial implementation phase will be paid on signature of the grant agreement in advance expected June 2021 before the TNFD is established as these funds are starter funds to set up and establish the TNFD. The remaining up to £2.4m will be paid to GFI according to the conditions and milestones in table 10. Payment in advance has been approved by the Financial Governance and Regularity team.

The funds will be paid into a ring-fenced bank account for the TNFD programme. All payments are made in advance of each phase for that phase's activities. GFI will submit a disbursal request to Defra at each milestone and will need to demonstrate that all previous Defra funds have been spent before Defra disburse the next payment.

Date	Deliverables	Amount
Jun-21	To seed fund the launch of TNFD and paid once a chair and secretariat have been agreed.	£558,400
Apr-22	On completion of the initial TNFD framework to fund testing the framework	£225,000
Jul-22	On completion of testing the initial framework to fund the first three sub-sector pilot tests.	£300,000
Oct-22	On completion of the pilot tests to fund the next three sub-sector pilot tests.	£150,000
Jan-23	On completion of the pilot tests and finalisation of the initial framework to fund the consultation phase	£120,000
Jun-23	On completion of the consultation phase to launch and disseminate the TNFD framework	£535,000
Date	Secretariat costs	Amount
Jun-21	To fund the secretariat	£68,455
Sep-21		£85,000
Dec-21		£90,000
Apr-22		£90,000
Jul-22		£90,000
Oct-22		£90,000

[2] Based on average across London and National

Jan-23		£90,000
Apr-23		£90,000
Jul-23		£45,000
At close of programme in 2023	Evaluation	£200,000
Total		**£2,826,855**

Table 10: Conditions for payment)

5.3 FINANCIAL ACCOUNTING CONSIDERATIONS FOR DEFRA

The costs of this programme are RDEL. Consolidated Budget Guidance (CBG) states capital spend is unrequited transfer payments which the recipient must use to buy capital assets; buy stocks or repay debt. Of the outcomes set out in the Strategic Case, none of the spend meets the capital definition and therefore the spend is classified as resource RDEL.

5.4 MONITORING, REPORTING AND ACCOUNTING FOR EXPENDITURE

GFI will provide Defra with quarterly unaudited and yearly audited financial reports for its programme activities. Quarterly reports will be delivered in line with the payment schedule above (please see management case: reporting section for more information). The quarterly reports will confirm what funds have been spent on, that funds disbursed to date have been spent, when future payments are needed and when funded activities have taken and will take. The annual review referred to in the M&E section will include assessment of financial performance. Reports will show what Defra funds have and haven't been spent to ensure effective clawback should this be necessary and to ensure leftover funds at the end of the programme can be identified as Defra's and appropriate re-disbursed.

5.5 FINANCIAL MANAGEMENT

Further to the section on the delivery partner's governance and controls, TNFD programme funds will be held separate from GFI funds and ring fenced in a designated bank account and will finance activities in Annex I. Payments will be made to GFI in GBP, therefore there is no financial exchange risk for Defra. Any interest accrued will be reported in the monthly management account and invested back into the programme. Funds left over at the end of the programme will be returned or repurposed with the consent of Defra.

5.6 FINANCIAL AND FRAUD RISK ASSESSMENT

Description of financial and fraud risk	Residual risk rating	Mitigation
Due to insufficient controls**, there is a risk that** the delivery partner do not declare a conflict of interest or third parties do not declare to the delivery partner a conflict of interest. **This could result in** biased allocation of resources.	Minor	**Preventative:** Confirm there is no conflict of interest with delivery partner. Defra programme manager undertaken grant management and fraud training. **Monitoring:** Due diligence check from commercial to support mitigation.

Due to insufficient controls**, there is a risk that** the delivery partner receives duplicate funding for activities **resulting in** funds not used effectively, or funds are not used for eligible activities	Minor	**Preventative**: Provisions in grant agreement allow for claw back in the cases of detected duplicate funding and that GFI must not apply for duplicate funding, and then funding will only be disbursed once Defra is satisfied it will be used for eligible activities. Defra programme manager undertaken grant management and fraud training. **Monitoring:** Income and expenditure will be monitored and reported in monthly management accounts to the TNFD Chair and outcome reported in quarterly reports to Defra to identify risk of duplicate funding. Annual financial reports will also support risk management for duplicate funding.
Due to insufficient controls, **there is a risk that** a third party actor that has applied for contracts may offer kickbacks or bribes to the beneficiaries in order to influence the award of contracts, **resulting in** value for money not being achieved and reputational risk	Minor	**Preventative:** Defra programme manager undertaken grant management and fraud training.
Due to insufficient controls, **there is a risk of** manipulation of the competitive procurement process by the delivery partner, lack of competitive process where third party awards should have been competed, or bidders collude to manipulate the competitive procurement process.	Minor	**Preventative:** Defra programme manager has reviewed procurement policy which is proportionate. Defra programme manager undertaken grant management and fraud training. The award of any tender is carried out in compliance with pre-agreed procurement rules which ensure transparency and value for money. **Monitoring:** The annual review will assess financial management, Defra programme manager to monitor third party procurement activity through quarterly reports and monthly catch ups.
Due to poor programme management, inaccurate reporting, **there is a risk of** overpayment or payment in error	Minor	An agreed payment plan is specified in the grant agreement payment schedule is followed and check financial transactions against planned schedule of payments (milestones) agreed for the financial year. Put in place immediate recovery plan.

Table 11: Financial and fraud risks

5.6 PROVISIONS FOR DEFRA TO WITHDRAW FUNDING

The scenarios of potential suspension of funding, termination and returns to Defra and how they might be triggered, including by the monitoring and reporting cycle, are at annex G. Reports will track what Defra funds have and haven’t been spent to ensure effective clawback should this be necessary.

5.7 ACCOUNTING OFFICER TESTS

Affordability: The funds have been secured in FY21/22 ODA budget for the programme. Funds for future financial years will be secured through the next spending review(s).

Propriety: The programme will adhere to the relevant approvals and controls process. As an up to £3m programme, the final business case will be cleared by the joint SROs, Tamsin Ballard and Emma Donnelly. Regular oversight will ensure that the programme meets International Development Act requirements for ODA expenditure.

Feasibility: The programme will be implemented accurately and to the intended timescale. The business case will outline an assessment of delivery risks and the governance, controls, monitoring, and reporting frameworks in place to manage these.

Sustainability: Key to the longevity and sustainability of the TNFD is that the framework will be complementary to the TCFD which the market is already beginning to use. As outlined in the appraisal case, the TNFD could seek integration with the TCFD to create a comprehensive framework for environmental risk disclosure in the finance and corporate sectors. We expect that countries will mandate the use of the TNFD Framework, as is happening now with TCFD. This will do more than any other measure to ensure its sustainability.

A sixth phase is planned following the establishment of the TNFD as outlined in the appraisal case. For this, the TNFD IWG is seeking funds to catalyse more uptake of the framework amongst financial and corporate institutions, for example, to ensure the information is of high quality for making well-informed decisions. This will build on the dissemination activities in phase 5 to measure and ensure increased uptake of the TNFD framework globally to cover a 10 year period to 2033.

Value for Money: Please see appraisal case for demonstration of the programme's value for money, section 3.2.

5.8 POWERS FOR SPENDING

The International Development Act (2002) sets out the powers to spend.

6. MANAGEMENT CASE

6.1 WHAT ARE THE MANAGEMENT AND GOVERNANCE ARRANGEMENTS FOR IMPLEMENTING?

6.1.1 IN THE TNFD

The Green Finance Institute will host the TNFD secretariat and the fund management for the programme. The governance structure is outlined at figure 2 below.

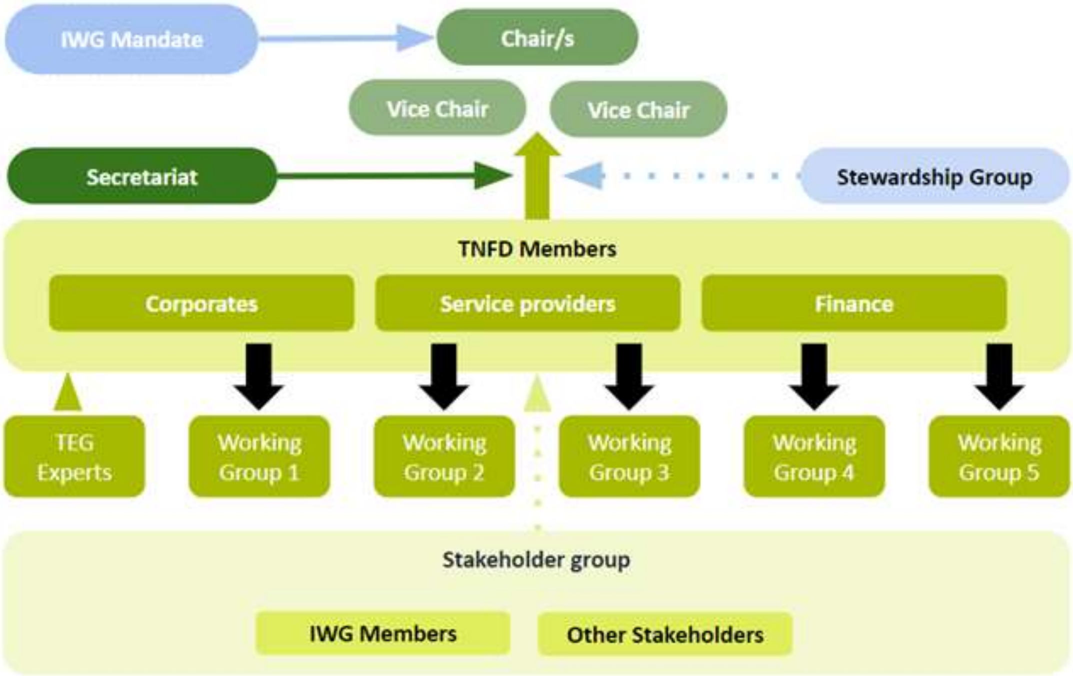


Figure 2: Governance structure

TNFD membership is open to **data developers:** corporates i.e. best practice leaders from high biodiversity impact sectors; **data users:** financial institutions e.g. banks, insurers, portfolio management companies, other asset managers and owners; and **data providers:** rating agencies, reporting, accounting firms and other data providers

Proposed working groups (WG):

- **WG1:** works on the development of the TNFD framework and is responsible for sectors, data and metrics, reporting and standards and other initiatives
- **WG2:** looks at innovative approaches for data collection including spatial data and work to prepare new methods including scenarios
- **WG3:** responsible for the external engagement, strategic communication, and mandate of the TNFD
- **WG4:** investigates learning and knowledge management and supports the piloting of the framework, publications, and regional outreach
- **WG5**: works on the climate-nature nexus and is responsible for the interactions with the TCFD.

Each working group will meet twice a month, once collectively and once with the chair and vice chair. Defra will participate in the Stewardship Group which ensures that the TNFD continues to deliver on its strategic objectives but does not influence the activities or outputs of the TNFD.

6.1.2. IN DEFRA

At the working level [PROGRAMMATIC]: A TNFD secretariat-led working level programme steering group will monitor programme implementation and meet once a month to do so, to include in addition from the GFI project team: the Defra policy lead, Defra programme manager and team leader, Defra analyst, a representative from the TNFD secretariat project team. This meeting will cover implementation, finances, MEL, and risks. From time to time, Defra will also monitor equality and sustainability practices as set out in the sustainability and equality assessments conducted prior to investment.

At the senior level [STRATEGIC]: There will also be an annual donor meeting whereby Defra SCS and senior TNFD secretariat stakeholders, to be defined in the project initiation document will attend. The meeting will facilitate any formal issue escalation and resolution, allow strategic direction setting and provide updates to all seniors on the annual review score, progress against outcomes, delivery performance and progress against recommendations.

Within 6 weeks of the grant agreement being signed, a project initiation document will be developed and agreed in collaboration between the TNFD secretariat and Defra to confirm roles and responsibilities, delivery plan, schedule for communications, and monitoring mechanisms as initially set out in the business case.

Defra's Director General-chaired ODA board provides senior oversight of ODA programmes. Risks and issues will be escalated to the ODA board through the risk escalation process, whereby the board can recommend remedial actions to the SRO if programme performance is off track.

6.1.3 ROLES, RESPONSIBILITIES AND ACCOUNTABILITIES

Please see table 12 for an outline of Defra and TNFD secretariat roles and responsibilities, key processes have dual responsibility between the delivery partner and Defra:

Task	TNFD secretariat (hosted by GFI)	Programme manager/Policy	SRO	Finance business partner	Legal	Analyst
Grant agreement	Responsible	Responsible	Accountable	Accountable	Consulted	N/A
Annual review	Consulted	Responsible	Accountable	Informed	N/A	Consulted
Monitoring and assurance	Responsible	Responsible	Accountable	Accountable	N/A	Consulted
Reporting	Responsible	Responsible	Accountable	Informed	N/A	Consulted
Evaluation	Responsible	Responsible	Accountable	Consulted	N/A	Consulted

Table 12: Roles and Responsibilities

6.2 ENSURING VALUE FOR MONEY

6.2.1 MONITORING, EVALUATION AND LEARNING (MEL)

Monitoring

Defra's results framework consisting of the log frame and Theory of Change will be finalised in the first 3 months of the programme in collaboration with GFI and this will be signed off by the programme team lead and the lead analyst in the international nature, climate and development division. The draft log frame is at annex H and draft theory of change is at annex B.

The TNFD secretariat hosted by GFI is responsible for providing Defra with the necessary information to monitor, report and evaluate the programme. A monitoring and evaluation (M&E) coordinator in the TNFD secretariat will be responsible for:

- Collaborating with Defra M&E specialists to agree the baseline and milestone data for Defra logical framework
- Providing the annual report to Defra by X date annually (the content of the annual report will be defined and agreed in the project initiation document), including a complete logical framework
- Drafting and agreeing with Defra a high-level evaluation plan no later than 3 months after grant agreement signatories
- Attending monthly working level programme steering groups with Defra

Evaluation:

The programme will conduct an independent evaluation to identify and share key lessons learned and recommendations for future interventions. A high-level monitoring and evaluation plan will be drafted and agreed in the first 3 months of the programme in collaboration between the TNFD secretariat and Defra MEL teams. The M&E budget is outlined in the financial case.

6.2.2 REPORTING

As will be set out in the grant agreement, GFI will **provide an annual report** on the 30th April:

- Progress made towards achieving agreed outputs and the defined longer-term outcomes set out in the logframe as outlined at annex H. Where possible, the report will quantify what has been achieved.
- If relevant, details of assets either acquired or improved using the grant.
- Commercial and financial performance including
    - Contracts awarded
    - What Defra funds have been spent on
    - What all funds have been spent on and forecasts
- Risks
- Lessons learned
- Progress against delivery plan

The TNFD secretariat will **provide a quarterly report** aligning with the secretariat payment schedule on the following. The report must show that Defra funds have all been disbursed before any request for disbursals:

- Progress against milestones
- Spend
- Risks

The Defra programme manager will be responsible for conducting an annual review (AR) of the programme. The AR assesses whether the programme is still providing value money, considering the four Es – economy, effectiveness and cost-effectiveness, equity and efficiency. This will include:

- How the programme is delivering against expected outputs and outcomes
- Performance against KPIs
- Progress against the delivery plan

- Risks of the programme
- Commercial and financial performance
- Recommendations and key lessons learned for the next year of the programme

If the programme receives a B score in two consecutive annual reviews or a C in a single annual review[4], Defra will explore corrective measures to get the programme back on track in line with FCDO smart rules.

The programme will be assessed against **ICF Key Performance Indicator 15** – Extent to which ICF intervention is likely to have a transformational impact. This programme is an excellent example, should it be successful, of transformational change, seeking to shift the way the financial sector makes decisions away from activities that degrade nature and lead to climate change towards nature positive activities. Please see table 13 below for an outline of process KPIs and output/outcome/impact KPIs.

KPI	Source
Process KPIs where not in output/outcome/impact logframe KPIs (tied to payment schedule)	
Phase 1: TNFD fully funded and established	Monthly Programme management meetings
Phase 1: Chair and secretariat in place	Monthly Programme management meetings
Phase 2: Workplan approved by chairs and in place	Monthly Programme management meetings
Phase 2: Initial draft framework finalised	Monthly programme management meetings
Phase 3: 3 Phase 3 pilots ready to be undertaken	Monthly programme management meetings
Phase 3: Phase 3 finished and consultation ready to be undertaken	Monthly Programme management meetings
Phase 5: TNFD framework finalised and ready to be disseminated	Monthly Programme management meetings
Output/outcome/impact logframe KPIs	
IMPACT INDICATOR 1: KPI 15 - extent to which ICF intervention is likely to have a transformational impact.	Project completion review
OUTCOME 1 INDICATOR 1: # of companies and FIs reporting on nature-related risk disaggregated by geography, sector, and type of company or FI	Quarterly reports and monthly programme management meetings
OUTCOME 2 INDICATOR 1: # of financial reporting standards that TNFD is integrated into	Quarterly reports and monthly programme management meetings
OUTPUT 1 INDICATOR 1: £ finance mobilised (public and non-public)	Monthly programme management meetings
OUTPUT 2 INDICATOR 2.1: # of proof of concept pilots conducted	Quarterly reports and monthly programme management meetings
OUTPUT 2 INDICATOR 2.2: # market readiness studies conducted	Quarterly reports and monthly programme management meetings
OUTPUT 2 INDICATOR 2.3: # companies and FIs consulted and responded disaggregated by geography, sector, and type of company or FI	Quarterly reports and monthly programme management meetings
OUTPUT 2 INDICATOR 2.4: # of KM products developed and disseminated by the project	Quarterly reports and monthly programme management meetings
OUTPUT 3 INDICATOR 3.1: # of FIs and companies testing the draft TNFD framework disaggregated by type of FI and company	Quarterly reports and monthly programme management meetings

OUTPUT INDICATOR 3.2: # of public expressions of support for the TNFD provided by FIs, companies, regulators and their stakeholders. Disaggregated by geography and sector, and type of FI or company	Quarterly reports and monthly programme management meetings
OUTPUT INDICATOR 3.3: # of companies and FIs implementing KM products disaggregated by geography, sector, and type of company or FI	Quarterly reports and monthly programme management meetings
OUTPUT INDICATOR 3.4: # FIs and companies reporting the framework enables better decision making	Quarterly reports and monthly programme management meetings
OUTPUT INDICATOR 3.5: Survey of readers of the reports published under phase 3 who respond saying that the reports have 'significantly' or 'very significantly' increased their understanding of nature-related risk and how to identify impacts and dependencies on nature.	Quarterly reports and monthly programme management meetings

Table 13: Key performance indicators

6.2.3 WORKPLAN

The workplan is outlined in annex I.

6.3 WHAT ARE THE KEY RISKS AND HOW WILL THEY BE MANAGED?

Please see annex J for the complete risk register, strategic case for headline risks, and the commercial and financial cases for commercial and financial risks.

The Defra programme manager will assess risks and update a risk register monthly, reporting the overall risk rating to the ICF portfolio office and SRO every month and any specific risks that require escalation following the escalation process. Risks will be prioritised according to their severity and will be escalated to the ODA Board, XWH ICF Management Board or XWH ICF Strategy Board where one of the following criteria applies:

- The risks worsen and enter the 'Severe' or 'Major' categories;
- The residual risks remain Severe or Major even after the mitigating actions are undertaken;
- The residual risks fall outside Departmental risk appetites;
- Adequate mitigating actions are beyond the scope of the risk managers to implement.

The risk appetite for the programme follows the standard Defra ICF risk appetite and is at annex K.

6.4 TRANSPARENCY

All outputs will be published on IATI, free to users whenever possible. The programme manager is responsible for ensuring all relevant programme outputs are uploaded to the UK Development Tracker.

ANNEX A – TNFD INFORMAL WORKING GROUP MEMBERSHIP

Financial institutions and private firms

1. AFD: Agence Française de Développement, France
2. Aggrego Consultores, Brazil
3. AXA, France
4. BPCE/Natixis, France
5. BNP Paribas, France
6. BP, UK
7. Banco del Progreso, Alcaldía de Cúcuta, Colombia
8. Banco Sudameris, Paraguay
9. Banorte, Mexico
10. BNDES – Brazilian Development Bank
11. CAF: Latin America Development Bank
12. Citi, USA
13. Credit Suisse, Switzerland
14. Danske Bank, Denmark
15. DBS Bank, Singapore
16. EBRD: European Bank for Reconstruction and Development
17. EcoAdvisors, Canada
18. EIB: European Investment Bank
19. Ernst & Young, USA
20. FAMA Investimentos, Brazil
21. FirstRand Group, South Africa
22. GlaxoSmithKline Plc, UK
23. H&M, Sweden
24. HSBC Pollination Climate Asset Management
25. Iberdrola, Spain
26. IFC: International Finance Corporation
27. Impax Asset Management, UK
28. ISS ESG: Institutional Shareholder Services Inc, USA
29. JBS
30. Kering
31. KPMG
32. Lloyds Banking Group, UK
33. Manulife Investment Management
34. Maua Capital, Brazil
35. Mirova, France
36. NatWest Group, UK
37. Pimco, USA
38. Rabobank, Netherlands
39. Raiffeisen Switzerland
40. Reckitt Benckiser, UK
41. Rio Tinto
42. Robeco, The Netherlands
43. Standard Chartered, UK
44. Storebrand Asset Management, Norway
45. Sumitomo Mitsui Trust Asset Management, Japan
46. Tesco, UK

47. Wells Fargo Asset Management, US
48. World Bank
49. Yes Bank Limited, India

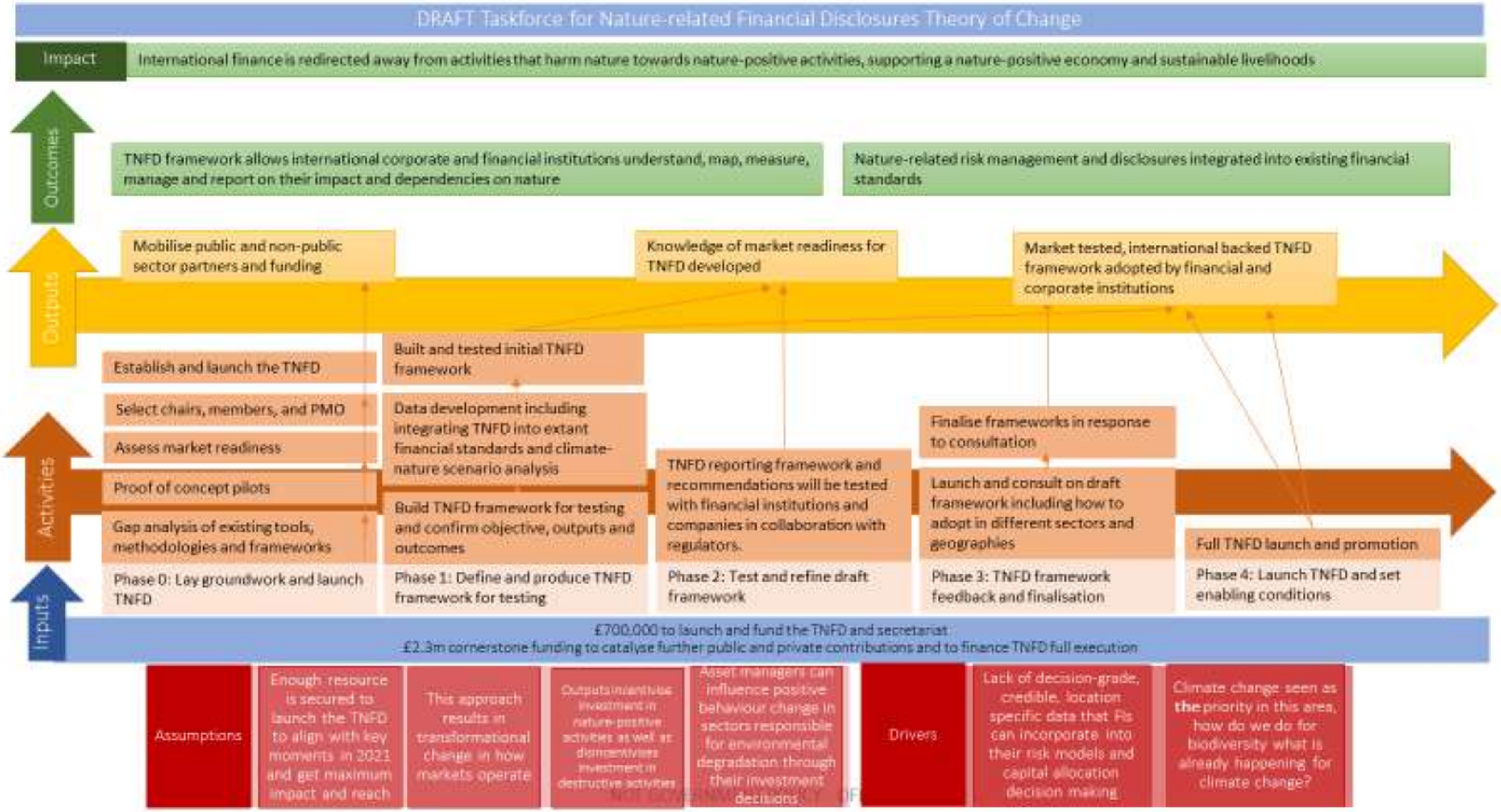
Governments and regulatory bodies

1. CNBV: Comisión Nacional Bancaria y de Valores, México
2. COFEMA: Federal Council for the Environment of Argentina
3. Government of France
4. Government of the Netherlands
5. Government of Peru
6. Government of Switzerland
7. Government of the United Kingdom
8. RBA: Retirement Benefits Authority, Kenya

Think tanks and consortia

1. CEBDS: Brazilian Business Council for Sustainable Development
2. CDSB: Climate Disclosure Standards Board
3. CBD: Convention on Biological Diversity
4. CEDAF, Domincan Republic
5. CIFAL Argentina
6. Ecoacsa, Spain
7. FC4S: Financial Centers for Sustainability
8. SIF: Sustainable Insurance Forum
9. Finance for Tomorrow
10. GEF: Global Environment Facility
11. IIF: Institute of International Finance
12. IIGF: International Institute of Green Finance, China
13. OECD: Organisation for Economic Co-operation and Development
14. PRI: Principles for Responsible Investment
15. SusCon Japan
16. WBCSD: World Business Council for Sustainable Development
17. WEF: World Economic Forum

ANNEX B – THEORY OF CHANGE



ANNEX C – TOTAL BUDGET BREAKDOWN FOR TNFD PROGRAMME

The below outlines the total budget for the whole programme. Defra's contribution is not earmarked so will fund its share of the below i.e. ~27%. Salaries have been included as the secretariat's activities are key activities to meeting programme outcomes.

Items	GBP Total	GBP Annual Salary (minus 40% overheads where not In-kind)	Cash / In-kind	Phase	% Time	Day Rate equiv. (GBP)
PEOPLE						
Key TNFD Roles						
Chair 1			In-Kind	1-4	5%	
Chair 2			In -Kind	1-4	5%	800
Sherpa to Chair 1			In-Kind	1-4	5%	
Sherpa to Chair 2			In-Kind	1-4	5%	630
Vice Chair (Stewardship Group)	130,000		Cash/in-kind	0-2	40%	867
Secretariat Core Team						
Vice Chair (Secretariat/Funding)	104,850	52,426	Cash/In-kind	0-4	30%	782.46
Executive Director	435,600	130,680	Cash	1-4	100%	990.00
Technical Director	367,200		Cash	1-4	100%	834.55
Technical Advisor	108,000	110,160	Cash/In-kind	1-4	60%	(costs being met from other donors and home organisation)
Engagement & Operations Director	216,000	108,000	Cash/In-kind	1-4	100%	686.97
Coordination Specialist	129,600	64,800	Cash/in-kind	1-4	60%	412.37
Communications Director	270,000	81,000	Cash	1-4	100%	613.64
Communications Support	60,000	30,000	Cash/in-kind	1-4	40%	(costs being met from other donors and home organisation)
Financial Controller	181,440	54,432	Cash	1-4	100%	412.36

M&E Analyst/Finance Support	129,600	38,880	Cash	1-4	100%	294.55
Technical Manager	172,800		Cash	1-4	80%	(costs being met from other donors and home organisation)
Secretariat Supporting Roles						
Legal Advisor	34,560		In-kind	1-4	40%	
Engagement Manager (Stakeholder Group)	60,000		In-kind	1-4	80%	
Admin Costs	463,446		Cash	0-4	100%	
Subtotal Core Team	**2,810,671**					
ACTIVITIES						
Research						
Mini-pilot	90,000		In-kind / Cash	0-1		
Market Readiness	57,600		Cash	0-1		
Data stack	72,000		Cash	1,2		
Existing initiatives study	21,600		Cash	1		
Build Framework - data purchase	36,000		Cash	1,2		
TNFD Emerging Markets/Global South Implementation	288,000		Cash	1		
Subtotal Research	**565,200**					
Engagement						
Website	20,160		Cash	1		
Events			Cash	1		
Strategic comms	176,400		Cash	1&2		
Comms materials (infographics, social media etc)	32,400		Cash	1		
Testing phase comms and engagement	54,000		Cash	2		

Consult phase comms and engagement	72,000		Cash	3		
Phase 4: Uptake and support engagement (outreach, communications, support for uptake and roll-out)	1,800,000		Cash/In-kind	4		
Subtotal Comms	**2,154,960**					
Technical Consultancies						
Piloting Leads	235,584		Cash/In-kind	1&2		
TEG and Working Groups Support	1,149,120		Cash/In-kind	1		
Supporting Research	576,000		Cash/In-kind	1		
Testing technical support	1,546,344		Cash/In-kind	2		
Consultation technical support	1,692,000		Cash/In-kind	3		
Subtotal External Consultancies	**5,199,048**					
Travel						
Chair	17,280		Cash/In-kind	1 to 4		
Secretariat travel	64,800		Cash/In-kind	1 to 4		
Travel Test phase	72,000		Cash/In-kind	2		
Travel Consult phase	36,000		Cash/In-kind	3		
Subtotal Travel	**190,080**					
Other						
Legal support	11,520		Cash/In-kind	1 to 4		
HR and onboarding/wind-down	80,125		Cash	0 - 1		
Overheads	6,480		Cash	1 to 4		
Virtual Meetings	14,400		Cash	1 to 4		
Tool development (Transition Check)	72,000		Cash	2,3		
Subtotal Other	**184,525**					
Total	**11,104,484**					

ANNEX D – DELIVERY PARTNER DAY RATES

Items	Total (over life of programme)	GBP Annual Salary	Cash / In-kind	% Time	Day Rate equiv. where available
Key TNFD Roles					
Chair 1			In-Kind	5%	
Chair 2			In -Kind	5%	800
Sherpa to Chair 1			In-Kind	5%	
Sherpa to Chair 2			In-Kind	5%	630
Vice Chair (Stewardship Group)	130,000		Cash/in-kind	40%	867
Secretariat Core Team					
Vice Chair (Secretariat/Funding)	104,850	52,425	Cash/In-kind	30%	782.46
Executive Director	435,600	130,680	Cash	100%	990.00
Technical Director	367,200		Cash	100%	834.55
Technical Advisor	108,000	110,160	Cash/In-kind	60%	
Engagement & Operations Director	216,000	108,000	Cash/In-kind	100%	687.97
Coordination Specialist	129,600	64,800	Cash/in-kind	60%	412.37
Communications Director	270,000	81,000	Cash	100%	613.64
Communications Support	60,000	30,000	Cash/in-kind	40%	
Financial Controller	181,440	54,432	Cash	100%	412.36
M&E Analyst/Finance Support	129,600	38,880	Cash	100%	294.55
Technical Manager	172,800		Cash	80%	
Secretariat Supporting Roles					
Legal Advisor	34,560		In-kind	40%	
Engagement Manager (Stakeholder Group)	60,000		In-kind	80%	
Admin Costs	376,700		Cash	100%	115,826

ANNEX E - GFI PROCUREMENT POLICY

GFI Procurement
and purchasing poli

ANNEX F – GFI SAFEGUARDING POLICY

GFI - Safeguarding
policy.pdf

ANNEX G – CLAWBACK PROVISIONS

Clawback, Events of Default, Termination and Rights Reserved for Breach and Termination

Events of Default

1.1. The Authority may exercise its rights set out in condition 26.3 if any of the following events occur:

1.1.1. the Grant Recipient uses the Grant for a purpose other than the Funded Activities;

1.1.2. the Grant Recipient fails to comply with its obligations under the Grant Funding Agreement, which is material in the opinion of the Authority;

1.1.3. where delivery of the Funded Activities do not start within 3 months of the Commencement Date and the Grant Recipient fails to provide the Authority with a satisfactory explanation for the delay, or failed to agree a new date on which the Funded Activities must start with the Authority;

1.1.4. the Grant Recipient uses the Grant for Ineligible Expenditure;

1.1.5. the Grant Recipient fails, in the Authority's opinion, to make satisfactory progress with the Funded Activities and in particular, with meeting the Agreed Outputs set out in Schedule 3 of these Conditions;

1.1.6. the Grant Recipient fails to:

(i) submit an adequate Remedial Action Plan to the Authority following a request by the Authority pursuant to condition 1.3.4 or condition **Error! Reference source not found.**; or

(ii) improve delivery of the Funded Activities in accordance with the Remedial Action Plan approved by the Authority;

1.1.7. the Grant Recipient is, in the opinion of the Authority, delivering the Funded Activities in a negligent manner (in this context negligence includes but is not limited to failing to prevent or report actual or anticipated fraud or corruption);

1.1.8. the Grant Recipient fails to declare Duplicate Funding;

1.1.9. the Grant Recipient fails to declare any Match Funding in accordance with condition **Error! Reference source not found.**;

1.1.10. the Grant Recipient receives funding from a Third Party which, in the opinion of the Authority, undertakes activities that are likely to bring the reputation of the Funded Activities or the Authority into disrepute;

1.1.11. the Grant Recipient provides the Authority with any materially misleading or inaccurate information and/or any of the information provided in their grant application or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which the Authority considers to be significant;

1.1.12. the Grant Recipient commits or has committed a Prohibited Act or fails to report a Prohibited Act to the Authority, whether committed by the Grant

Recipient, its Representatives or a Third Party, as soon as they become aware of it;

1.1.13. the Authority determines (acting reasonably) that the Grant Recipient or any of its Representatives has:

(iii) acted dishonestly or negligently at any time during the term of the Grant Funding Agreement and to the detriment of the Authority; or
(iv) taken any actions which unfairly bring or are likely to unfairly bring the Authority's name or reputation and/or the Authority into disrepute. Actions include omissions in this context;
(v) transferred, assigns or novates the Grant to any Third Party without the Authority's consent;
(vi) failed to act in accordance with the Law; howsoever arising, including incurring expenditure on unlawful activities;

1.1.14. the Grant Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation;

1.1.15. the Grant Recipient becomes insolvent as defined by section 123 of the Insolvency Act 1986, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;

1.1.16. the European Commission or the Court of Justice of the European Union requires any Grant paid to be recovered by reason of a breach of State Aid Law through its application under Article 10 of the Northern Ireland Protocol;

1.1.17. a court, tribunal or independent body or authority of competent jurisdiction requires any Grant paid to be recovered by reason of breach of the UK's obligations under the Trade and Co-operation Agreement or the terms of any UK subsidy control legislation;

1.1.18. The Grant Recipient breaches the Code of Conduct and/or fails to report an actual or suspected breach of the Code of Conduct by the Grant Recipient or its Representatives in accordance with condition **Error! Reference source not found.**;

1.1.19. The Grant Recipient undergoes a Change of Control which the Authority, acting reasonably, considers:

1.1.20. will be materially detrimental to the Funded Activities and/or;

1.1.21. the new body corporate cannot continue to receive the Grant because they do not meet the Eligibility Criteria used to award the Grant to the Grant Recipient;

1.1.22. the Authority believes that the Change of Control would raise national security concerns and/or;

1.1.23. the new body corporate intends to make fundamental change(s) to the purpose for which the Grant was given.

1.2. Where, the Authority determines that an Event of Default has or may have occurred, the Authority must notify the Grant Recipient to that effect in writing, setting out any relevant details, of the failure to comply with these Conditions or pertaining the Event of Default, and details of any action that the Authority intends to take or has taken.

Rights reserved for the Authority in relation to an Event of Default

1.3. Where, the Authority determines that an Event of Default has or may have occurred, the Authority must take any one or more of the following actions:

1.3.1. suspend or terminate the payment of Grant for such period as the Authority determines; and/or

1.3.2. reduce the Maximum Sum in which case the payment of Grant must thereafter be made in accordance with the reduction and notified to the Grant Recipient; and/or

1.3.3. require the Grant Recipient to repay the Authority the whole or any part of the amount of Grant previously paid to the Grant Recipient. Such sums are recoverable as a civil debt; and/or

1.3.4. give the Grant Recipient an opportunity to remedy the Event of Default (if remediable) in accordance with the procedure set out in condition 26.4 to 26.10;

terminate the Grant Funding Agreement.

Opportunity for the Grant Recipient to remedy an Event of Default

1.4. Where the Grant Recipient is provided with an opportunity to submit a draft Remedial Action Plan in accordance with condition 1.3.4, the draft Remedial Action Plan must be submitted to the Authority for approval, within 5 Working Days of the Grant Recipient receiving notice from the Authority.

1.5. The draft Remedial Action Plan must set out:

1.5.1. full details of the Event of Default; and

1.5.2. the steps which the Grant Recipient proposes to take to rectify the Event of Default including timescales.

1.6. On receipt of the draft Remedial Action Plan and as soon as reasonably practicable, the Authority must submit its comments on the draft Remedial Action Plan to the Grant Recipient.

1.7. The Authority must have the right to accept or reject the draft Remedial Action Plan. If the Authority rejects the draft Remedial Action Plan, the Authority must confirm, in writing, the reasons why they have rejected the draft Remedial Action Plan and will confirm whether the Grant Recipient is required to submit an amended Remedial Action Plan to the Authority.

1.8. If the Authority directs the Grant Recipient to submit an amended draft Remedial Action Plan, the Parties must agree a timescale for the Grant Recipient to amend the draft Remedial Action Plan to take into account the Authority's comments.

1.9. If the Authority does not approve the draft Remedial Action Plan the Authority may, at its absolute discretion, terminate the Grant Funding Agreement.

1.10. The Authority must not by reason of the occurrence of an Event of Default which is, in the opinion of the Authority, capable of remedy, exercise its rights under either condition 1.3.3 or 1.3.4 unless the Grant Recipient has failed to rectify the default to the reasonable satisfaction of the Authority.

General Termination rights – Termination for Convenience

1.11. Notwithstanding the Authority's right to terminate the Grant Funding Agreement pursuant to condition 26.9 1.3.4 above, either Party may terminate the Grant Funding Agreement at any time by giving at least 3 months or a timescale proportionate to the Funding Period; whichever is the shorter written notice to the other Party.

1.12. If applicable, all Unspent Monies (other than those irrevocably committed in good faith before the date of termination, in line with the Grant Funding Agreement and approved by the Authority as being required to finalise the Funded Activities) must be returned to the Authority within 30 days of the date of receipt of a written notice of termination from the Authority.

1.13. If the Authority terminates the Grant Funding Agreement in accordance with condition 26.11 the Authority may choose to pay the Grant Recipient's reasonable costs in respect of the delivery of the Funded Activities performed up to the termination date. Reasonable costs must be identified by the Grant Recipient and must be subject to the Grant Recipient demonstrating that they have taken adequate steps to mitigate their costs. For the avoidance of doubt, the amount of reasonable costs payable must be determined solely by the Authority.

1.14. The Authority will not be liable to pay any of the Grant Recipient's costs or those of any contractor/supplier of the Grant Recipient related to any transfer or termination of employment of any employees engaged in the provision of the Funded Activities.

Change of Control

1.15. The Grant Recipient must notify the Authority immediately in writing and as soon as the Grant Recipient is aware (or ought reasonably to be aware) that it is anticipating, undergoing, undergoes or has undergone a Change of Control, provided such notification does not contravene any Law.

1.16. The Grant Recipient must ensure that any notification made pursuant to condition 1.15 must set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.

1.17. Where the Grant Recipient has been awarded to a consortium and the Grant Recipient has entered into a collaboration agreement, the notification required under condition 1.15 must include any changes to the consortium members as well as the lead Grant Recipient.

1.18. Following notification of a Change of Control the Authority must be entitled to exercise its rights under condition 1.1 of these Conditions providing the Grant Recipient with notification of its proposed action in writing within three (3) months of:

(i) being notified in writing that a Change of Control is anticipated or is in contemplation or has occurred; or

(ii) where no notification has been made, the date that the Authority becomes aware that a Change of Control is anticipated or is in contemplation or has occurred,

1.19. The Authority must not be entitled to terminate where an approval was granted prior to the Change of Control.

ANNEX H – DRAFT LOGFRAME

PROJECT TITLE	**Taskforce for Nature-related Financial Disclosures**						
IMPACT	**Impact Indicator 1**		**Baseline**	**Milestone 1**	**Milestone 2**	**Target (date)**	**Assumptions**
International finance is redirected away from activities that harm nature towards nature-positive activities, supporting a nature-positive economy and sustainable livelihoods	KPI 15 - extent to which ICF intervention is likely to have a transformational impact.	**Planned**					
		Achieved					**RISK RATING**
			Source				
OUTCOME 1	**Outcome Indicator 1**		**Baseline**	**Milestone 1**	**Milestone 2**	**Target (date)**	**Assumptions**
[CAPACITY BUILT] TNFD framework allows International corporate and financial institutions understand, map, measure, manage and report on their impact and dependencies on nature	# of companies and FIs reporting on nature-related risk disaggregated by geography, sector, and type of company or FI	**Planned**	0				
		Achieved					
			Source				
			Phase 3 surveys				
OUTCOME 2	**Outcome Indicator 1**		**Baseline**	**Milestone 1**	**Milestone 2**	**Target (date)**	**Assumptions**
[CAPABILITY BUILT] Nature-related risk management and disclosures integrated into existing global financial standards	# of financial reporting standards that TNFD is integrated into	**Planned**	None identified			2023	Outcome indicator and target to be confirmed following adoption of the workplan in phase 1
		Achieved					
			Source				
			Secretariat				

OUTPUT 1	Output Indicator 1.1		Baseline	Milestone 1	Milestone 2	Target (date)	Assumptions
[FINANCE LEVERAGED] Funding mobilised	£ finance mobilised	**Planned**	0	£11.1m contributed			
		Achieved					
IMPACT WEIGHTING (%)		**Source**					**RISK RATING**
		Green Finance Institute figures					
OUTPUT 2 -	**Output Indicator 2.1**		**Baseline**	**Milestone 1**	**Milestone 2**	**Target (date)**	**Assumptions and notes**
[Knowledge of market readiness for TNFD developed	# of proof of concept pilots conducted	**Planned**	TNFD doesn't exist	TNFD established and operational	n/a	Summer 2021	Target for proof of concept pilots and market readiness study to be confirmed once the strategic workplan is adopted
		Achieved					
		Source					
		Green Finance Institute communications					
	Output Indicator 2.2		**Baseline**	**Milestone 1**	**Milestone 2**	**Target (date)**	
	# market readiness studies conducted	**Planned**	0			Early 2022	
		Achieved					
		Source					
		Green Finance Institute communications					
IMPACT WEIGHTING (%)	**Output indicator 2.3**		**Baseline**	**Milestone 1**	**Milestone 2**	**Target (date)**	
	# of companies and FIs consulted and responded disaggregated by geography, sector, and type of company or FI	**Planned**					
		Achieved					
		Source					
	Output indicator 2.4						
	# of knowledge management products developed and disseminated by the project						

OUTPUT 3	Output Indicator 3.1		Baseline	Milestone 1	Milestone 2	Target (date)	Assumptions and notes
[ADOPTION] Market tested, international backed TNFD framework adopted by financial and corporate institutions	# of FIs and companies testing the draft TNFD framework disaggregated by type of FI and company	**Planned**	0	95		2022	Target number of FIs and companies to test draft Framework and target date to be confirmed based on the TNFD workplan produced by IWG WS2.
		Achieved					**RISK RATING**
		Source					
		Review of reporting provided by the secretariat on the testing process					
	Output Indicator 3.2		**Baseline**	**Milestone 1**	**Milestone 2**	**Target (date)**	**Assumptions and notes**
	# of public expressions of support for the TNFD provided by FIs, companies, regulators and their stakeholders. Disaggregated by geography and sector, and type of FI or company	**Planned**					Disseminated means the framework and report is distributed via social media and partner websites alongside consultation launch events. Targets for 4.3 - 4.5 to be confirmed following adoption of the workplan in output 2.2
		Achieved					
		Source					
		Review of dissemination statistics and launch event reports.					
	Output Indicator 3.3		**Baseline**	**Milestone 1**	**Milestone 2**	**Target (date)**	
	# of companies and FIs implementing KM products disaggregated by geography, sector, and type of company or FI	**Planned**					
		Achieved					
		Source					
	Output Indicator 3.4		**Baseline**	**Milestone 1**	**Milestone 2**	**Target (date)**	**Assumptions**
	# FIs and companies reporting the framework enables better decision making	**Planned**	0				
		Achieved					
		Source					

		Surveys					
	Output indicator 3.5		**Baseline**	**Milestone 1**	**Milestone 2**	**Target (date)**	**RISK RATING**
	Survey of readers of the reports published under phase 3 who respond saying that the reports have 'significantly' or 'very significantly' increased their understanding of nature-related risk and how to identify impacts and dependencies on nature.	**Planned**					
		Achieved					
		Source					
IMPACT WEIGHTING (%)							

ANNEX I – WORKPLAN WITH BUDGET ALLOCATED TO PHASES

	Outcomes & Outputs			Indicative budget (not including secretariat costs)
	Outcome	**Output**	**Activities**	
Phase 1 - Apr - Sept 2021	To lay the groundwork for the TNFD to build upon: formal establishment of TNFD, pilot approach and mapping study.	TNFD establishment & Transition.	Chair Selection / Onboarding Member Selection: criteria, process & selection PMO (Secretariat) Seed Funding	£115k as most activities in the secretariat
		State of Play study / Market Readiness / Landscapes Study.	Select FIs & corporates for interviews Prepare questionnaires Interview selected organisations Report Synthesis & Design	
		Mini-pilot: Gap analysis on data, methodologies and tools	Select and convene soy supply chain actors Gap analysis on policies Market-led draft framework Practical examples & lessons learned report	
	Milestone 1:	**June 2021:** Launch Event to announce Chair & Call for TNFD Members		
	Deliverables:	1. State of Play Report 2. Mini-pilot worked example with lessons report		

Phase 2: Sept 2021 - Aug 2022	To define and produce a draft workable framework for the TNFD for testing and consultation.	Build the TNFD Framework	Develop purpose, objective, output & outcome, including classification of definitions Framework development, consisting off: Categorize risk and opportunity Sector/industry prioritization Define and organise the metrics in "data stacks" Reporting Standards Develop guidance on scenario analysis Drafting recommendations/framework	£2.5m
	Milestone 2 **Deliverables:**	August 2022: Draft Framework 1. Draft Framework 2. Guidance & Recommendations		
Phase 3: Oct 2022 - Feb 2023	To test the draft TNFD framework and recommendations to identify areas for revision ahead of finalisation and launch for consultation.	Carry out a series of pilot tests with two key stakeholder groups: data developers (corporates), and data users (financial institutions).	Tester shortlists Secretariat support Initial guidance document Piloting (the bulk of the budget)	£2m
	Milestone 3 **Deliverables**	**Feb 2023:** Framework tested with financial institutions and corporates 1. Lessons learned report on testing process		

Phase 4: Mar - Aug 2023	Obtaining feedback on the finalized draft of the TNFD framework and recommendations to ensure that any issues impacting use and uptake are identified.	Consultation on the second draft of the framework containing the Framework as updated following the piloting experiences in Phase 2	Draft framework launch Consultations: Public consultation via tnfd.info Data Users/Data Developers Data developers (Internal) Financial regulators	£1.86m
	Milestone 4 **Deliverable:**	**Aug 2023:** Public and specific consultations carried out with data users and data developers. 1. Feedback received and included in the framework		
Phase 5: July 2023	Publicising the TNFD Framework and setting the enabling conditions for its initial uptake.	Full Launch, awareness raising and mainstreaming	TNFD Full Launch and promotion TNFD support and recommendations launch Finalized guidance documents Pilot case studies Online knowledge hub Series of outreach events after launch day	£1.8m
	Milestone 5 **Deliverables**	**July 2023:** Full launch of the framework with guidance and recommendations. 1. Events in Europe, Latin America, North America, Asia and Africa to disseminate the framework.		

ANNEX J – COMPLETE RISK REGISTER

Risk type	Risk reference	Description of Risk	Risk owner	Mitigation	Residual risk		
					Likelihood	**Impact**	**Overall residual risk**
Context/delivery	R001	**Due to** Covid-19 and extant action on the climate agenda **there is a risk that** the nature agenda is deprioritised or not seen as a priority relative to climate change and/or re-building the global economy. **This may result in** a lack of traction with key stakeholders or insufficient resource provided, which might prevent the TNFD fully meeting its objectives	SRO	Utilise our strong international networks and those of the delivery partners to understand these issues and how these may be resolved, and ensure sufficient resources (including comms budget) to ensure the TNFD has real impact.	Possible	Major	
Context/delivery	R002	**Due to** Covid 19, **there is a risk that** pilots cannot be conducted in some sectors. **This could result in** a delay to launching the framework or lack of robust testing of the framework.	SRO	Identify 2nd and 3rd options for areas in which to pilot the framework, ensure remote working options and technologies are in place and tested, and virtual visits are facilitated where necessary.	Unlikely	Moderate	

Delivery	R003	**Due to** delays in securing funding, **there is a risk** that not enough funding is secured to establish the TNFD to align with key moments in 2021, **the result of which would be** reduced impact and reach, and ability to achieve objectives	SRO	Monitor business case progress through workplans. Ensure business case is delivered on time and that the delivery organisation implement effective programme management to ensure to keep on track against key deliverables. Monitor progress through monthly check ins. Audit the CVs and experience of TNFD to ensure appropriate skills are in place to leverage influence internationally.	Rare	Moderate	
Delivery	R004	**Due to** the high proportion of public funding, **there is a risk** of reduced private sector buy in **the result of which would be** lack of legitimacy, limited uptake, and ineffective integration into existing frameworks	SRO	TNFD is clear it will be market-led; continue to ensure high level of involvement of private sector e.g. currently there are high levels of private sector involvement in the TNFD WG and its current membership is over 60% financial and corporate institutions.	Unlikely	Moderate	

Delivery	R005	**Due to** delays in securing funding, insufficient comms, and lack of demand, **there is a risk tha**t key players don't participate, **the result of which would be** reduced impact and ability to achieve objectives and embed the approach in financial markets, compromising the sustainability of the programme	SRO	As above; get comms plan from delivery organisation; policy lead well embedded with relevant network to drive ambition; and support secured from ministers and PM. Defra collegue seconded to the secretariat to leverage HMG influence when appropriate.	Rare	Major	
Delivery	R006	**Due to** poor design, **there is a risk that** investments merely move away from what can be defined as nature negative to nature-neutral investments and not nature-positive investments, **the result of which would be** funds are not effectively redirected to ensure the halting ecosystem degradation	SRO	Implement lessons learned from TCFD, evidence base established to draw upon to ensure effective programme design. Strong theory of Change in place to ensure activities support the clear outcome of encouraging companies and FIs to transition to more nature friendly pathways and logframe indicators in place to objectively assess progress towards this.	Unlikely	Moderate	

Operational	R007	**Due to** capability or capacity, **there is a risk that** the Defra programme manager does not effectively monitor the programme. **This could result in** being unable to determine whether the programme is delivering value for money or is on track, comprimising the impact of the programme.	SRO	Programme manager conducts grant manager training and ODA hub PM training, and monitoring requirements are set out clearly in the business case and project initiation document.	Rare	Moderate	
Operational	R009	**Due to** capability, capacity or fraud, **there is a risk that** third party contracts are not awarded in a way that ensures value for money. **This could result in** the contract being awarded unfairly, or Defra are exposed to paying higher prices and low-quality work.	SRO	Review GFI procurement policy and assess awarded contracts as part of the quarterly reviews and annual financial reports.	Rare	Moderate	
Operational	R010	**Due to** unforeseen circumstances, **there is a risk that** GFI are no longer able to deliver the grant. **This could result in** the grants outcomes not being delivered effectively or to timescales.	SRO	(Contingency): Funding may be routed through a different third party, work with commercial to procure or identify a suitable third party.	Rare	Moderate	

Delivery	R011	**Due to** insufficient funding or an increase in costs and scope, **there is a risk that** the programme activities need to go beyond the initial 2 years and funding is not secured for this **which would result in** the programme not delivering expected impact	SRO/GFI	Policy team is aware that continuation and budget is dependent on commitment from other contributors, outcome of year 1-2 deliverables and Government Spending Reviewing. GFI to explore other potential funding to ensure financial sustainability	Unlikely	Moderate	
Fiduciary	FR001	**Conflict of interest** The delivery partner do not declare a conflict of interest or third parties do not declare to the delivery partner a conflict of interest. This could result in biased allocation of resources.	SRO	Directive: Defra grant forms require grant managers to confirm that no conflict of interest has been declared. Preventative: Parties are required to declare conflicts of interest: (a) during a procurement process relating to the TNFD, or (b) upon appointment or secondment to the Taskforce. Monthly review meetings to check for potential conflicts of interest and that specified programme of work is being conducted.	Rare	Moderate	

Fiduciary	FR002	**Duplicate funding** The delivery partner receives duplicate funding for activities resulting in funds not used effectively.	SRO	Directive: Guidance in place when drafting a business case to clearly represent matched funding. Preventative: GFI has a financial controls policy that has Board oversight. In advance of each quarterly board meeting GFI's COO meets with the non-executive director with delegated authority for assurance and risk to review, challenge and approve the Institute's financial statements and risk register ahead of reporting to the main board. Income and expenditure will be monitored and reported in monthly management accounts to the TNFD Chair. Detective: Annual audited reports required alongside quarterly unaudited reports to assess payments and activities these payments are for.	Rare	Moderate	

Fiduciary	FR003	**Lack of competitive tender for third party contracts where required** The delivery partner deliberately avoids a competitive tendering process (eg, by splitting the purchase order or contracts or inappropriately using single sourcing/direct award) to give the contract to a specific supplier, in exchange for personal benefit or due to an established relationship, resulting in the contract being awarded unfairly and the Department exposed to paying higher prices	SRO	Directive: GFI have a procurement policy in place that must be followed. Preventative: All staff are required to familiarise themselves with the policy and all contracts must be signed my an authorised signatory who is aware of the detailed policy. Detective: Annual audited reports required alongside quarterly unaudited reports to assess payments and activities these payments are for.	Rare	Moderate	
Fiduciary	FR004	**Kickbacks and bribes** A third party actor that has applied for contracts may offer kickbacks or bribes to the beneficiaries in order to influence the award of contracts, resulting in value for money not being achieved and reputational risk.	SRO	**Preventative:** (i) All applications are reviewed by more than one person, ensuring that issues are picked up early. (ii) Applicants are required to provide evidence that an appropriate process has taken place to establish that the cost of items funded under the project are reasonable and represent value for money. (iii) Applicant declarations, which must be completed, confirm that it is an offence to supply false or misleading	Rare	Moderate	

				information. (iv) All contracts and awards are signed off by the CEO/COO/ED/ or Company Secretary, adding an additional layer of oversight. **Detective**: (i) The whistleblowing route can be used where a where a kick back or bribe has been discovered internally. GFI has a whistleblowing policy available to all staff in the online handbook. This can be used by employees with concerns. (ii) Where the bribe or kick back is discovered externally the fraud can be reported to the COO or Company Secretary.			

Fiduciary	FR005	**Manipulation of the competitive procedure process** A beneficiary, in exchange for personal benefit, tailors the specification to a certain supplier or service/product (broad, narrow or vague specification), leading to the contract being awarded unfairly with potential loss to the department through buying goods/services that are to the wrong specification Contracting, project design or bid evaluation personnel from a beneficiary may leak confidential information to help a favoured bidder formulate a superior technical or financial proposal, such as estimated budgets, preferred solutions, or the details of competing bids or Beneficiaries can manipulate bids after receipt to ensure that a favoured contractor is selected	SRO	**Preventative** (i) All staff are bound by Codes of Conduct in the Staff Handbook and are required to disclose any conflicts of interest. (ii) The award of any tender is carried out in compliance with pre-agreed procurement rules (using MEAT methodology) which ensure transparency and value for money. (iii) Evaluations for tender are undertaken by more than one person. **Detective:** (i) The annual review will assess financial performance.	Rare	Moderate	

Fiduciary	FR006	**Collusive bidding and non disclosure** Bidders manipulate the competitive procedure organised by a beneficiary to win a contract by colluding with other bidders to: 1. rotate contracts between themselves ensuring that a pre-selected bidder wins on a rotating basis (bid rotation) 2. divide the market (geographically or otherwise) and agree not to bid against each other (market sharing) 3. reduce the number of bidders or use of coercive means to prevent other submitting bids (bid suppression) 4. submit bids with no intention of winning (e.g. by submitting high cost bids to assist the 'winning' bidder (complementary bidding and cover pricing) 5. Include suppliers that do not exist to ensure a certain supplier is successful as the only genuine company resulting in the inappropriate award of a contract and potential financial loss to the department 6. Beneficiaries may be aware of	SRO	**Preventative** (i) All applications are reviewed to ensure the veracity and propriety of information supplied. (ii) Applicants are required to confirm and provide evidence (when appropriate) that an appropriate process has taken place to establish that the cost of items funded under the project are reasonable and represent value for money. (iii) Sample checks are undertaken on chosen and preferred suppliers to check that the quotations/etc supplied are genuine and have been independently sourced. (iv) Applicant declarations, which must be completed, confirm that it is an offence to supply false or misleading information. (v) Collusion clause included in Government Offer letter. **Detective** (i) The procurement process would be reviewed under the percentage (to be agreed) of projects to under go a detailed monitoring visit/audit and teams will do on-site visits.	Rare	Moderate	

		actions taken by or may have information inferring other beneficiaries and/or third parties have engaged in activities which have allowed these third parties to gain a financial benefit they are not entitled to. This can include but is not limited to having an awareness or knowledge of; (i) collusive bidding (ii) identity fraud (iii) substitution of products (iv) dual applications		(ii) The whistleblowing route can be used where a where a kick back or bribe has been discovered internally. GFI has a whistleblowing policy available to all staff in the online handbook. This can be used by employees with concerns. (iii) Where the bribe or kick back is discovered externally the fraud can be reported to the COO or Company Secretary.			

Fiduciary	FR007	**Defective pricing** Third parties may fail to disclose current, complete and accurate cost or pricing data in their price proposals resulting in an increased contract price and VFM not being achieved	SRO	**Preventative:** (i) All applications for funding which are approved receive a funding award which is specific in terms of value and time bound in terms of timetable to draw funding. If any additional costs or time is required to fulfil the project, then a request to modify the project must be made for consideration and decision. (ii) Random checks take place in the claims process to contact suppliers and confirm price quotes included in the application process. If the preferred quote is higher than the other comparable quotes GFI will seek a justification from the applicant as to why they've gone with that one to ensure VFM **Detective:** (i) Random monitoring checks take place on invoices which are submitted as evidence along with the claims. Suppliers are contacted for quotes or confirmation of the pricing shown on invoices.	Rare	Moderate	

ANNEX K – RISK APPETITE

Risk Type	Risk Appetite
	Project
Context (e.g. in country political developments)	Major
Reputational (risk that could threaten Defra's reputation)	Moderate
Fiduciary (funds not being used for intended purposes or being properly accounted for)	Minor
Delivery (risks associated with achieving the aims and objectives of the project)	Major
Safeguarding (risk of doing harm)	Minor
Operational (Defra's capacity and capability to manage the projects)	Minor

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[i] See Global Footprint Network (footprintnetwork.org) and Dasgupta. P (2021) The Economics of Biodiversity: The Dasgupta Review. London, HM Treasury.
[ii] World Bank (2010) World Development Report 2010: Development and Climate Change.
[iii] For example, see https://www.macfound.org/media/files/csd_gender_white_paper.pdf
[iv] The Poverty - Environment Nexus in Developing Countries: Evidence from Ethiopia: A Systematic Review | Asian Journal of Agricultural Extension, Economics & Sociology (journalajaees.com)
[v] See World Economic Forum (2020) Global Risks Report 2020, http://www3.weforum.org/docs/WEF_Global_Risk_Report_2020.pdf and World Economic Forum (2020) Nature Risk Rising: Why the crisis engulfing nature matters for business and the economy. http://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf
[vi] handbook-for-nature-related-financial.pdf (cam.ac.uk)
[vii] Dasgupta, P (2011) The Economics of Biodiversity.
[viii] Brandford, S. (2019) Prompted by Amazon fires, 230 investors warn firms linked to deforestation. Mongabay. https://news.mongabay.com/2019/09/prompted-by-amazon-fires-230-investors-warn-firms-linked-to-deforestation/
[ix] OECD (2008) Environmental Economic Output to 2030. https://www.oecd.org/env/resources/43310901.pdf
[x] For example, see broad membership of the Central Banks and Supervisors' Network for Greening the Financial System (NGFS)
[xi] https://assets.bbhub.io/company/sites/60/2020/09/2020-TCFD_Status-Report.pdf
[xii] AXA and WWF report
[xiii] A full risk register is at annex X.
[xiv] https://www.cbd.int/gender/doc/cbd-towards2020-gender_integration-en.pdf