AVIVA

From ambition to implementation: Aviva's policy priorities for COP17 and COP31

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Executive summary

Aviva is the UK's only diversified insurer across insurance, wealth and retirement, with over 25 million customers in the UK, Ireland, and Canada. Increasing impacts from climate change and nature degradation create risks for the economy, including for insurers and investors. Meanwhile, efforts to tackle climate change, adapt to climate risks, and restore nature create investment opportunities in low-carbon infrastructure and supply chains, adaptation solutions, and nature projects.

In 2021, we announced our ambition to become a Net Zero company by 2040, covering all parts of our business from investments and insurance underwriting, through to our operations and supply chain (see Section 4 for more detail on our integrated approach to taking climate action).

Key asks for COP17 negotiators

- **Use the first global review to accelerate implementation of the Kunming-Montreal Global Biodiversity Framework.** Parties should ensure the review is leveraged to agree practical follow-up actions to address the implementation gaps, barriers, and opportunities identified.
- **Strengthen delivery of the resource mobilisation strategy and establish a credible pathway to scale finance from all sources.** Parties are encouraged to strengthen accountability and transparency for biodiversity finance commitments. They should also identify collective actions to mobilise new, additional, and diversified financial resources to deliver the objectives of target 19 and the resource mobilisation strategy.

We have produced two transition plans, with our second published in February 2025.[i] For us to achieve our ambition, a supportive public policy and regulatory environment is critical, and our transition plan sets out a number of key external dependencies. We therefore engage actively in the policy debate. This includes calling for policy progress at global summits such as the UN Convention on Biological Diversity (CBD) COP17 and the UN Framework Convention on Climate Change (UNFCCC) COP31. It also includes calling for effective implementation action by national governments.

Key asks for COP31 negotiators

- **Use the second global stocktake to accelerate implementation.** Parties should launch the second global stocktake (GST2) with a focus on assessing progress against mitigation and adaptation commitments, identifying delivery barriers, and agreeing practical actions to address them. This should be supported by advancing the technical work needed to operationalise the Belém Adaptation Indicators.
- **Strengthen confidence that climate and adaptation finance commitments will be delivered.** Clearer delivery pathways and accountability mechanisms for international climate finance commitments would help increase confidence that they will be met and help scale up the complementary role of private finance.
- **Strengthen the integrity of Article 6 carbon markets.** Continued progress on operationalising Article 6 with robust rules would help build confidence in high-integrity carbon markets, including high-integrity nature-based removals that support both climate and biodiversity outcomes.

Key asks for national governments

- **Use international review processes to strengthen national implementation.** Governments should use findings from international review processes, such as the GBF Global Review and the GST2 process, set to conclude in 2028, to strengthen national plans, improve alignment between biodiversity, climate, and adaptation action, and support practical delivery.
- **Establish policy frameworks to unlock investment in the low-carbon transition.** Clear sectoral pathways and long-term policy frameworks can help translate climate commitments, mobilise private investment, accelerate deployment across key sectors, and support effective collaboration between government, business, and finance on delivery.
- **Embed adaptation and resilience across national policy frameworks.** Ambitious National Adaptation Plans with clear, measurable objectives, robust accountability mechanisms, and credible financing plans will help integrate adaptation and resilience across wider sectoral policy.
- **Create the conditions for greater private investment in nature.** Translating nature and biodiversity commitments into domestic policy frameworks can help improve visibility of revenue streams, support high-integrity nature markets, and crowd in private investment in nature restoration projects.

Introduction

We recognise that climate change is deeply interconnected with other sustainability challenges, including nature degradation, and that together, these represent a source of financially material risks today,[ii] and increasing risks in the long term[iii]. Climate risks exacerbate traditional financial risks[iv], while the worsening physical impacts of climate change are increasing insured and uninsured losses, placing growing financial pressures on individuals, businesses, and the wider economy[v].

Extreme weather is also becoming more frequent and more intense and without action, economic and societal disruption is expected to increase across all regions of the world.[vi] Recent analysis from UNEP suggests that a temporary exceedance of 1.5°C is now likely, reinforcing the urgency of accelerating emissions reductions to limit the scale and duration of any overshoot, while strengthening adaptation and resilience to the growing impacts of climate change.[vii]

At the same time, our society, economies, and financial systems are embedded in nature. We ultimately rely on nature for our essential needs, such as for food and water, and its broader services, such as climate regulation and flood management. More than half of global GDP is moderately or highly dependent on high-functioning biodiversity and ecosystem services.[viii] There is also no credible pathway to net zero or resilience without nature: nature-based solutions could contribute over one-third of the cost-effective climate mitigation needed by 2030 to stabilise warming to below 2°C[ix], and could potentially reduce flood and drought risk in up to one-third of high-risk locations globally.[x]

Climate change and nature degradation create risks from both an insurance and investment perspective. As a provider of savings, pensions, and insurance, unaddressed climate change and nature degradation can pose a threat to our ability to provide positive long-term outcomes for the customers and beneficiaries whose money we steward. These are system-wide risks that cannot always be mitigated through investment diversification[xi], and the actions taken today will shape the scale and severity of their future impact.

With the right global and national public policy framework, efforts to tackle climate change and nature degradation can not only reduce risks, they can also create investment opportunities in commercially viable low-carbon infrastructure, supply chain, and nature projects.

We therefore believe it is in the best interests of our customers, clients, and shareholders to play our part in supporting coherent action to reduce emissions, build resilience to a changing climate, and restore nature. This includes engaging with national and international policymakers, multilateral processes, businesses, and other financial institutions, recognising that addressing systemic and interconnected risks requires coordinated action.

The 2015 Paris Agreement and the 2022 Kunming-Montreal Global Biodiversity Framework provide the core international frameworks to drive action on climate change mitigation, adaptation and resilience, and nature. The priority now is for national governments to translate global commitments into durable national delivery plans and policy frameworks that provide long-term certainty, mobilise public and private finance, and enable action from businesses, financial institutions, and wider society.

Although COP17 and COP31 take place under different international agreements, the challenges they need to address are deeply interconnected. They both have an important role to play in driving ambitious commitments and collaboration, strenghtening accountability, identifying delivery barriers, and developing the policy, market, and institutional solutions to overcome them.

Delivering the low-carbon transition

A majority of countries have submitted revised 2035 Nationally Determined Contributions (NDCs).[xii] However, full implementation of current NDCs would still fall short of the goals under the Paris Agreement.[xiii] We therefore encourage all countries to regularly review, and where possible, increase the ambition of their NDCs in line with their national circumstances, while ensuring they are accompanied by credible delivery plans.

High ambition must be matched by a relentless focus on implementation. Delivery will require substantial investment and infrastructure deployment across energy systems, transport, buildings, and industry, much of which will ultimately depend on action by businesses, financial institutions, and households.

While the pace of policy development will understandably vary according to national circumstances, the conditions for low-carbon investment and speed of delivery will be fundamentally shaped by national policies, laws, and regulations. Robust national frameworks are also essential to ensure growing low-carbon investment translate into economic growth, skilled job creation, and enhanced energy security benefits.

International cooperation also remains important to maintain ambition, strengthen accountability, mobilise public finance, and develop common frameworks and mechanisms. COP29 agreed a new climate finance goal, including a commitment from developed countries to mobilise at least US$300 billion for developing countries per year by 2035 and an ambition to scale total public and private climate finance flows to US$1.3 trillion per year.[xiv] COP30 took forward the Baku to Belém Roadmap to help identify how these goals could be delivered in practice and established a new two-year climate finance work programme.

COP31 should build on this progress by strengthening accountability for delivery, including by putting the Second Global Stocktake (GST2) process on a strong footing for completion in 2028. More broadly, we would encourage governments to use both the wider action agenda and domestic policy development to accelerate implementation, strengthen investment conditions, and unlock the wider benefits of the transition.

Priorities for international negotiators

1. **Use the Second Global Stocktake to accelerate implementation (COP31):**

   COP31 should commence an ambitious and implementation-focused GST2 process. The submissions informing the technical dialogue beginning in June 2027 should provide substantial evidence on progress against existing commitments, implementation barriers, and practical solutions to accelerate delivery.[xv]

   Separately, the COP31 Presidency should use its Action Agenda to help translate high-level commitments into more granular interim milestones. For example, we welcome the Presidency's announcement of a new voluntary electrification target to increase the share of final energy demand met by electricity, alongside a commitment to build a global coalition to enable the goal's delivery.[xvi]

2. **Strengthen the integrity of Article 6 carbon markets (COP31):**

   COP31 should continue efforts to strengthen the integrity, effectiveness, and transparency of international carbon markets under Article 6, building the confidence of market participants. Parties should continue to strengthen the implementation of Article 6.2, while the Article 6.4 Supervisory Body should progress the operationalisation of the removals market, including through robust approaches to monitoring, reporting and verification, permanence, and reversal risk.

   Clear and credible rules will be essential to build wider

market participation, unlock private investment, and ensure Article 6 carbon credits effectively support climate and nature outcomes. Countries will also need to continue to develop national approaches to unlock greater demand for high-integrity carbon credits, including nature-based carbon removals (see Section 3 for our recommendations on unlocking demand for nature-based carbon removals).

3. **Build confidence in the delivery of climate finance commitments (COP31):**

   Building on the Baku to Belém Roadmap, the new UNFCCC two-year climate finance work programme should lay the groundwork for the future development of an actionable delivery plan for the US$300 billion goal. This could include improving clarity on Parties' intended contributions and pathways, alongside mechanisms to track progress.

   Strengthening confidence that these commitments will be delivered is important to support the broader ambition to mobilise at least US$1.3 trillion per year from all sources of finance, for which private investment is expected to play a complementary role to public finance. Greater clarity on the scale and timing of public finance delivery, and the role of public finance institutions, multilateral development banks (MDBs), and risk-sharing mechanisms, would help define where private capital can contribute most effectively to international climate finance. This should include clarity on the resources, mandates, and shareholder support that will be provided to MDBs, enabling them to deploy finance effectively and deliver tangible climate outcomes.

Priorities for national governments

1. **Develop whole-of-economy implementation strategies:**

   Governments should set out holistic NDC implementation strategies that translate economy-wide targets into sectoral pathways with clear delivery milestones. The strategies should incorporate a "whole-of-government" approach that sets clear accountability mechanisms for delivery across all areas of government and helps ensure the transition delivers tangible benefits for consumers, businesses, and communities. Greater clarity on near-term priorities will help guide joined-up decision-making across government and give businesses and investors greater confidence in the overall trajectory.

2. **Establish policy frameworks that enable private sector action and low-carbon investment:**

   Sectoral pathways need to be underpinned by appropriate policy and market frameworks that stimulate low-carbon investment if they are to be delivered in practice. This requires cross-cutting policy enablers such as a supportive planning, skills, and carbon pricing regimes, as well as sector-specific policy mechanisms that improve the visibility of revenue streams for private sector investment in low-carbon supply chains and infrastructure and nature projects.

   Emerging work through the Santa Marta Process to develop national and regional roadmaps could help inform national policymaking on the combination and sequencing of policy and market levers needed to create stronger enabling conditions for low-carbon investment.

3. **Strengthen coordination and collaboration for delivery:**

   Delivering climate and nature goals will require coordinated action across government, businesses, financial institutions, and civil society. Governments should establish mechanisms within the policy process that embed dialogue and collaboration between different actors. For example, policymaking should inform and be informed by corporate and financial sector transition plans, allowing coordination and reinforcement between public and private sector plans. Maintaining connections between different parts of the system is essential to address system-wide risks and improve policy design and implementation.

Spotlight on the UK: How policy frameworks have unlocked private investment and cross-sector collaboration

Key takeaways for policymakers

Effective implementation frameworks can help translate high-level climate commitments into:

- pipelines of commercially viable investment opportunities;
- economic growth and skilled job creation opportunities; and
- improved energy security benefits.

Detailed national policy delivery plans, technology - and sector-specific pathways, and ongoing public-private collaboration to support implementation on the ground can provide clearer signals to investors and help mobilise greater flows of private capital.

In the UK, high-level climate commitments are increasingly being translated into more granular delivery frameworks seeking to provide clearer investment signals. In 2025, the UK Government published an updated Carbon Budget and Growth Delivery Plan, which provided a whole-of-economy delivery plan for its emissions reductions targets. Underpinning this, more detailed strategies – such as the Clean Power Action Plan and the Industrial Strategy – identify technology-specific deployment pathways and potential investment opportunities, alongside outlining supportive policy plans.

This policy framework is complemented by the work of cross-economy and civil society forums, such as the Net Zero Council, co-ordinated by the Department for Energy Security and Net Zero. Bringing together business, finance, and civil society leaders with ministers, the Net Zero Council provides an ongoing strategy and delivery forum to advise on implementation and the development of an effective low-carbon policy framework, including through its work on sector transition plans that translate economy-wide goals into credible pathways. It also supports engagement with communities across the country to identify ways in which the transition can effectively deliver benefits and opportunities across different regions and communities.

The continued development of a detailed national-level policy framework appears to be bearing fruit in investment terms. According to the UK Government, over £100 billion of private investment was secured for clean energy projects between July 2024 and June 2026, including offshore wind, nuclear, batteries, and networks.[xvii]

See Aviva Investors' latest Low Carbon Investment Policy Roadmap for our full suite of policy recommendations for the UK Government to unlock greater flows of private investment into low-carbon projects, infrastructure, and businesses.[xviii]

Adapting to and building resilience to climate change

The Global Goal on Adaptation (GGA), established under the Paris Agreement, provides the overarching framework for international action to enhance adaptive capacity, strengthen resilience, and reduce vulnerability to climate change. However, adaptation finance remains far below estimated needs. The UN Environment Programme estimates that adaptation finance needs in developing countries could reach US$365 billion annually by 2035, while international public adaptation finance flows to developing countries totalled only US$26 billion in 2023.[xix]

Recent COPs have strengthened the framework for international action by adopting the UAE Framework for Global Climate Resilience and the 59 Belém Adaptation Indicators (designed to support assessment of progress towards the GGA). This commits to at least tripling adaptation finance for developing countries by 2035, and establishing the two-year Belém–Addis Vision on Adaptation to support the operationalisation of the indicators, alongside further technical work on their methodologies and use.

With headline targets and indicators now agreed, the priority is to strengthen the arrangements needed to put them into practice. **COP31 should advance the technical and institutional work needed to operationalise the indicators and lay the foundations for clearer pathways to deliver the adaptation finance goal.**

Effective national implementation is essential to reduce avoidable losses, protect insurability, limit the growth of the protection gap, and build resilience to climate impacts around the world. National governments should move from high-level adaptation planning to practical delivery frameworks that reduce risk, embed resilience across economic and sectoral policy, guide public and private investment, and support communities, businesses, and households.

Priorities for international negotiators

1. **Advance the technical work needed to operationalise the Belém Adaptation Indicators (COP31):**

   COP31 should advance, through the Belém-Addis Vision on Adaptation, the institutional and technical arrangements needed to operationalise the Belém Adaptation Indicators in time to inform GST2, due to conclude in 2028. This should include establishing processes to develop methodologies and technical guidance, and to support periodic assessments of progress towards the GGA.

   Delivering this work in the near term would support a more holistic GST2 assessment of progress across mitigation and adaptation. A robust and predictable assessment framework will help negotiators and Parties identify implementation gaps and priority actions, while providing businesses and financial institutions with greater clarity on emerging adaptation risks, resilience priorities, and investment requirements.

2. **Deliver on adaptation finance commitments (COP31):**

   The new two-year UNFCCC climate finance work programme should lay the foundations for clearer delivery pathways for the commitment to at least triple adaptation finance by 2035. This should include work to clarify the baseline and scope of the commitment, approaches to monitoring progress, the mix of financial instruments, and the respective roles of public and private finance in meeting different adaptation finance needs.

   Clearer signals on the scale, timing, and composition of adaptation finance, including where private capital can complement public finance, will help businesses and financial institutions develop their own strategies and investment plans, supporting a more coordinated effort to build resilience.

Priorities for national governments

1. **Establish comprehensive National Adaptation Plans:**

   Countries should establish National Adaptation Plans (NAPs) that align with, and help to deliver, the Global Goal on Adaptation, UAE Framework for Global Climate Resilience, and the COP29 commitment to at least triple adaptation finance for developing countries by 2035. At present, 79 developing countries have submitted NAPs to the UNFCCC and a further 56 have initiated the NAP process.[xx]

   However, national adaptation planning often does not go far enough in effectively protecting communities and economies against increasing climate impacts, and particularly in channelling finance to where it is needed most. To be effective, NAPs should set clear, measurable adaptation objectives for all major sectors of the economy, backed by the data and metrics needed to assess risk, track progress, and strengthen accountability. This should be informed by priority hazards and vulnerability hotspots.

   They should also include credible investment and financing plans that address structural barriers to investment, create incentives for private sector investment, and use public finance to de-risk and crowd in private investment. This must be supported by practical delivery measures that embed adaptation into infrastructure, land use, housing, health, food, water, and financial policy.

2. **Embed adaptation and resilience across wider sectoral policy:**

   Governments should embed the adaptation and resilience objectives set out in their NAPs across sectoral policy frameworks, such as infrastructure, housing, land use, nature protection and restoration, health, agriculture, water, transport and financial policy, ensuring they support meaningful implementation across key economic sectors. For example, planning frameworks should prevent unprotected development in current and future high-risk areas, building regulations should require low-cost proven property resilience measures, and nature-based solutions should be scaled as a means of protecting against flood and other climate risks.

   Sectoral policy measures such as these will act as protections for future risks and impacts, in turn protecting insurability and ensuring that the insurance protection gap does not widen as climate impacts increase. They will also help to mitigate the impact of physical risks on investment portfolios and capital markets, and the potential effects on wider financial stability.

Spotlight on the UK: Overview and next steps for the UK's national adaptation framework

Key takeaways for policymakers:

Statutory frameworks for national adaptation programmes are crucial foundations for action but must be complemented with appropriate delivery mechanisms.

These should include:

- clear adaptation targets;
- effective whole -of-government oversight;
- clear accountability for actions;
- sector-specific policy and regulatory mechanisms to manage and minimise climate-related damage;
- risk-bearing measures to protect communities and the financial system;
- mechanisms/incentives to attract and de-risk private investment into climate adaptation projects.

The UK has a well-established statutory framework for assessing and responding to climate change risks. Under the Climate Change Act 2008, the Government is required to undertake a UK Climate Change Risk Assessment every five years, informed by independent advice from the Climate Change Committee (CCC), and produce a National Adaptation Programme (NAP), setting out how it intends to address those risks.

Despite this framework providing an important foundation, recent assessments found little evidence to indicate that the third NAP (NAP3) has driven the step change needed from planning to implementation.[xxi]

With the upcoming development of the fourth NAP (NAP4) in 2028, there is an opportunity to strengthen the UK's framework and overall preparedness to address physical climate risks. A credible NAP4 should set clearer objectives, measurable targets, delivery plans and funding pathways for climate adaptation projects. NAP4 should aim to drive the policies and incentives needed to **manage and minimise climate-related damage** across the economy and society, put appropriate **risk-bearing measures** in place to protect communities and the financial system, and support **capital mobilisation** where it is most needed.

Aviva's key recommendations for NAP4 include:

- Set clear adaptation objectives, targets for adapting to a 2°C global warming level by 2050, and clear ownership including a "whole of government" approach to delivery.
- For each target, create delivery plans that set out who is expected to act and invest, what action is needed, and how it will be enabled.
- Monitor delivery progress against targets via an evaluation framework that tracks adaptation outcomes, assesses effectiveness, and guides improvements.
- Set out delivery measures for all sectors of the economy, including:
  1. Measures to protect insurability and close the protection gap,
  2. Measures to mobilise private investment in adaptation and close the investment gap,
  3. Foundational data and reporting requirements to enable action, and
  4. Sector-specific policy measures to deliver resilience outcomes across the economy.

Protecting and restoring nature

The Kunming-Montreal Global Biodiversity Framework (GBF), adopted by 196 countries (including the UK in December 2022), provides a globally agreed framework and targets. It underscores the importance of scaling both public and private finance. In the New Biodiversity Finance Strategy, adopted in Rome in 2025, governments agreed to increase investment in biodiversity from all sources to close the biodiversity finance gap. However, in 2024, global financing for nature was estimated at approximately US$200 billion, falling significantly short of the estimated US$1 trillion needed annually by 2030 to adequately protect and restore nature globally.[xxii]

The GBF Global Review has signalled a clear implementation gap, finding that collective efforts remain insufficient to achieve the GBF's 2030 targets and that progress on key finance-related enablers, including financial flow alignment, disclosure, mainstreaming and subsidy reform, remains uneven and limited.[xxiii] The priority is therefore to move beyond commitments and accelerate implementation by strengthening the policy, regulatory, and market frameworks needed to protect and restore nature in practice.

COP17 provides a timely opportunity to strengthen implementation through the GBF Global Review, while COP31 offers an opportunity to ensure international carbon markets support high-integrity nature-based removals. At the national level, governments should translate commitments made in the GBF into practical national plans that change economic incentives, mobilise public and private finance to close the investment gap, and support nature protection and restoration at scale. Recognising natural capital as critical infrastructure upon which our economy depends will be essential to support ecological outcomes, economic resilience, and the stability of the wider financial system.

Priorities for international negotiators

1. **Use the first Global Review to accelerate implementation of the Kunming-Montreal Global Biodiversity Framework (COP17):**

   The Global Review released ahead of COP17 provides decision-useful analysis of where progress is on or off track, implementation gaps and barriers, and where additional measures may be needed to advance action and achieve the goals of the Framework. The Review highlights that collective efforts remain insufficient and reinforces the need to accelerate implementation across a number of targets.

   This is particularly important for finance-related GBF commitments; the Global Review found that progress against Goal D and Targets 14, 15, 18 and 19 remains limited and uneven, presenting significant questions on the overall ability to deliver on financing ambitions.[xxiv] As such, COP17 discussions should explicitly assess delivery challenges and, where needed, establish mechanisms and guidance to support implementation.

2. **Strengthen delivery of the Resource Mobilisation Strategy and establish a credible pathway to scale finance from all sources (COP17):**

   COP17 should undertake a robust assessment of implementation of the Resource Mobilisation Strategy and identify where delivery is falling short of the finance needed to achieve the Framework's goals. Parties should agree concrete actions to strengthen accountability and delivery under the Strategy by improving transparency on the delivery of biodiversity finance commitments, establishing a clear process for tracking progress and identifying collective actions to scale both public and private finance towards the US$200 billion annual target by 2030.

   In addition, parties should assess whether efforts to mobilise new and additional resources from all sources are on track to deliver the objectives of Target 19 and the Resource Mobilisation Strategy, identify any gaps in implementation, and agree a process through the Finance Roadmap to consider any additional measures required ahead of COP18 in 2028.

3. **Ensure UNFCCC Article 6 supports high-integrity nature-based carbon removals (COP31):**

   COP31 should ensure that the continued operationalisation of carbon markets under Article 6 mobilises greater capital flows into high-integrity nature-based carbon removals, while protecting environmental integrity, transparency, and credibility (see Section 1 for our recommendations on operationalising Article 6 markets).

   Parties should clarify how high-integrity nature-based carbon removals will be treated within international carbon markets, including requirements on permanence, reversal risk, long-term monitoring, appropriate environmental and social safeguards, and, where relevant, approaches to measuring and evidencing biodiversity outcomes. Clear rules will be essential to build buyer

confidence, strengthen market integrity, and avoid weak credits undermining trust in the market.

Priorities for national governments

1. **Use GBF Global Review findings to strengthen national implementation:**

   The Global Review's identification of gaps, barriers, and opportunities for faster action should provide important learnings for countries in establishing their own policy framework and delivery plans to meet domestic targets. For countries yet to submit updated National Biodiversity Strategies and Action Plans (NBSAPs), this shouldinform the development of ambitious plans aligned with the goals of the GBF. For those that have already submitted NBSAPs, the findings should be used to assess whether existing plans provide the clarity, ambition and implementation framework needed to deliver outcomes in practice.

   This includes setting clear domestic objectives, strengthening relevant legislation, establishing credible delivery and financing plans (such as National Biodiversity Finance Plans), and ensuring robust governance and accountability arrangements to monitor progress. Establishing clear objectives for key economic sectors (for example, those with the most significant nature-related dependencies, impacts, risks and opportunities), underpinned by nature-positive sectoral pathways, would help companies and investors understand priority actions and investment requirements, and provide greater clarity on their role in delivering national goals.

2. **Create the conditions for greater private investment in nature:**

   Government interventions can help create the market conditions needed to attract commercial investment in nature restoration, reduce market uncertainty, and manage risk. For example:

- Strengthening compliance and voluntary carbon markets can help to drive investment into nature-based carbon removal projects that have wider benefits for nature, biodiversity and climate resilience.
- Developing new regulated markets for biodiversity and other ecosystem services can help to create reliable revenue streams for a broader range of nature restoration activities.
- Making targeted use of public investment can help crowd in private capital in nature restoration projects, with public support particularly focused in areas where robust revenue streams are currently lacking. Targeted public investment and appropriate risk-sharing mechanisms can help to in addressing barriers to investment, particularly in emerging and developing markets where biodiversity value, land-use pressures and financing needs are often concentrated.
- Building voluntary markets may also help to support greater investment in nature. These markets tend to be driven by firms seeking to deliver corporate nature and climate goals or fund projects that will bring them direct commercial benefits. These markets not only benefit nature and its biodiversity, but often can have wider co-benefits around climate adaptation and mitigation.

3. **Ensure effective integration of international credits into domestic emissions trading schemes to support both climate and nature outcomes:**

   International credits, including those generated through emissions reduction or carbon removal activities in other jurisdictions, can help channel finance for climate mitigation and nature restoration projects to areas where they can have the greatest impact. Governments should consider allowing international credits within domestic emissions trading schemes, while ensuring that they take a cautious, high-integrity approach with robust environmental and social safeguards.

   International credits can help channel finance into climate mitigation and nature restoration, including through nature-based carbon removals, but only where they meet robust standards on additionality, permanence, monitoring, reporting, and verification. Domestic schemes should set clear eligibility rules, limit the use of credits to preserve the core role of domestic emissions reductions, and ensure any credits used are aligned with Article 6 rules and wider national climate and nature goals.

Spotlight on the UK: Mobilising private investment in nature

Key takeaways for policymakers

To attract private finance at scale into nature, national governments need to put in place clear overall policy commitments, backed by detailed policy and regulatory frameworks that effectively tackle the market barriers holding back investment into nature.

In the case of the UK, voluntary carbon markets and the regulation-backed Biodiversity Net Gain scheme are beginning to mobilise private capital. However, the policy framework could help scale up private investment through:

- providing a greater role for compliance carbon (such as the UK ETS) and nature markets (such as BNG);
- improving integrity and trust in voluntary carbon and nature markets;
- deploying targeted blended finance schemes to crowd in private capital.

The UK has a strong overarching framework for nature protection and restoration, including its NBSAP, the Environment Act, the Environmental Improvement Plan and the Land Use Framework for England. However, while targets and commitments are in place, delivery and investment gaps remain. Closing these gaps will require a much greater role for private finance.

Policy drivers are beginning to emerge. Carbon markets currently provide the most developed revenue stream for nature projects, while Biodiversity Net Gain is starting to support wider investment. Significant work is also under way to build voluntary nature markets such as the recent consultation on integrity principles for voluntary carbon and nature markets (though these remain small and early-stage), and to develop nature-positive sectoral pathways to guide private sector investment and action.

Further government action is needed to shape the market conditions that can attract private investment at scale. This should move beyond traditional public grant funding and focus on a fuller policy framework that enables, encourages, and de-risks private investment, including some of the measures set out in Section 3. This should include, for example, developing new compliance nature markets, building on schemes like Biodiversity Net Gain, and considering the inclusion of high-integrity native woodland creation under the UK ETS.[1]

See our Investing in Nature report for the full set of policy recommendations to mobilise private investment in nature in the UK.

[1] Up to a particular cap, having regard to compatibility with the EU Emissions Trading Scheme and the offsetting requirements of different sectors. The inclusion of these projects should be done in a way that does not dilute the price signal under the UK ETS for long-term engineered removal solutions that are likely to be needed to address long-term residual emissions in sectors like aviation.

Our integrated approach to taking climate action

Our integrated approach to the transition

We believe that achieving a global transition to Net Zero requires an integrated approach. This means an inclusive transition to a low-carbon, climate-resilient and nature-positive world. For more on how we are increasingly taking an integrated approach to Climate Action, see Aviva's Sustainability resources and reporting hub, including our latest Transition Plan.[xxv]

Climate Mitigation

- Developing investment and insurance products and solutions that help finance the net zero transition with sustainability embedded within our core default pensions investment solutions My Future Focus and My Future
- Continuing to invest and insure the transition doubling our UK offshore wind underwriting capacity to £150 million in 2025
- Engaging with portfolio companies on their own net zero strategies for example through our Climate Stewardship 2030 programme which engages companies in material sectors
- Decarbonising our own buildings and vehicle fleet by improving energy efficiency, increasing the use of renewable energy and transitioning to lower-carbon transport

Climate Adaptation

- Helping customers and communities prepare for climate-related risks through initiatives such as Aviva's Building Future Communities campaign, and Resilico Connect app for real-time flood alerts and personalised planning support
- Supporting customers to manage physical climate risks through Aviva's risk and resilience expertise, including our Global Risk Management Solutions and customer resilience programmes
- Strengthening preparedness, prevention and recovery through our insurance, claims and resilience propositions, including Build Back Better, alongside investor stewardship on flood risk and resilience across the UK property market
- Collaborating to scale investment in flood and drought resilience, including as a founding member and Chair of the FloodAction Coalition

Nature

- Deepening our understanding of our interface with nature through a Group-wide assessment of nature-related dependencies, impacts, risks and opportunities, alongside ongoing work on risks and opportunities that may affect long-term customer, shareholder and investment outcomes
- Developing nature-related investment strategies, including Aviva Investors' Carbon Removal Strategy, using stewardship to engage portfolio companies and sovereigns on nature-related issues, and supporting the nature restoration sector as a key institutional investor in Nattergal
- Funding nature-based projects across the UK, Ireland and Canada, with more than £100 million pledged to partnership projects intended to support nature restoration in rural and urban environments

Just Transition

- Engaging with investment portfolio companies on transition risks associated with workforces, and exploring the ability to create new insurance propositions to give customers greater access to more affordable renewable energy
- Building internal capability through a bespoke capacity-building programme for investment and insurance teams, strengthening our understanding of relevant metrics, indicators and social considerations

References

i Aviva plc (2025) Transition Plan. Available at: https://www.aviva.com/sustainability/taking-climate-action/transition-plan/

ii For example, the Bank of England has highlighted "Climate change and the transition are impacting the macroeconomy and financial system. This matters for our mission to maintain monetary and financial stability." Climate change | Bank of England. Available at: https://www.bankofengland.co.uk/climate-change

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