

Guernsey proposes world's first Natural Capital Fund regime

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Guernsey could become home to the world's first Natural Capital Fund regime after lawmakers and regulators propose its introduction in new consultation papers.

Investment funds specialist Tim Clipstone, a partner from Ogier's funds team in Guernsey, is a member of Guernsey Finance's green finance committee, which has helped develop concepts behind the consultation papers.

The first paper, published by the Guernsey Financial Services Commission (GFSC), proposes the creation of a Natural Capital Fund designation that is committed to making nature positive investments. It will complement the jurisdiction's existing regulated Guernsey Green Fund regime, which was introduced in 2018 and now channels more than £4.4 billion into green investments.

The second consultation paper seeks to enhance levels of confidence in Guernsey's sustainability framework by introducing further guidance to guard against greenwashing.

"Creating a fund regime that will help channel investment into biodiversity and natural capital projects is a significant step forward. This fund will provide investors with confidence that their investments are transparent and aligned to international reporting standards on nature based targets, and will further enhance Guernsey's reputation as a leading centre for sustainable finance," said Tim, who is also part of Ogier's global Sustainable Investment and Impact Funds practice and chairperson of the firm's global Environmental Steering Committee.

To be designated a Natural Capital Fund, funds will be required to set and monitor targets aligned with the United Nations' Sustainable Development Goals, as well as the Convention on Biological Diversity's Post-2020 Global Biodiversity Framework's 2030 Action Targets.

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