

# Asia Investor Group on Climate Change (AIGCC)

Submission to the *Updates to Hong Kong Biodiversity Strategy  
and Action Plan Public Consultation Document*

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## INTRODUCTION

The Asia Investor Group on Climate Change (AIGCC) welcomes the opportunity to provide feedback on the Consultation on the Update of the Local Biodiversity Strategy and Action Plan (LBSAP) released by the Government of the Hong Kong Special Administrative Region. AIGCC represents a network of over 70 institutional investors across 11 Asian markets, with assets under management exceeding USD 28 trillion. Our members are dedicated to promoting climate- and nature-positive investments across Asia and globally.

AIGCC is a network partner of the Investor Agenda, a global initiative that brings together seven key investor networks—including Ceres, IIGCC, IGCC, PRI, CDP, and UNEP FI—to drive investor action on climate change. AIGCC also supports investor alignment with emerging global frameworks, including the Kunming-Montreal Global Biodiversity Framework (GBF) and the Taskforce on Nature-related Financial Disclosures (TNFD), as well as broader sustainable finance reforms in the region.

We welcome the Government's initiative to strengthen Hong Kong's biodiversity strategy, particularly in light of the increasing recognition of nature as a material, financial, and systemic risk. The update to the LBSAP presents a timely opportunity to enhance policy coherence, accelerate the integration of biodiversity into urban and financial planning, and support Hong Kong's ambition to become a regional leader in sustainable development.

In this submission, AIGCC offers recommendations to enhance the ambition, implementation, and financing of the updated LBSAP. These include greater cross-sector collaboration, alignment with global reporting standards, and scaling Nature-based Solutions (NbS) to achieve multiple environmental, social, and economic co-benefits.

## Responses to Questions of Public Consultation

### **1. What is your vision for Hong Kong's nature conservation and biodiversity in the next 10 to 20 years? What concrete steps should we take to realise such vision?**

We fully support the vision outlined in the Hong Kong Biodiversity Strategy and Action Plan (LBSAP): "The rich biodiversity of Hong Kong is valued, conserved, restored, sustainably managed and wisely used, thereby maintaining essential ecosystem services, sustaining a healthy and liveable place and delivering benefits for all people."

This vision provides a strong foundation for nature conservation. If fully realized, it has the potential to position Hong Kong as a regional leader in urban biodiversity conservation, where ecological resilience, sustainable development, and community engagement are seamlessly integrated into planning and governance.

However, to respond to the escalating impacts of climate change, we believe this vision should be further strengthened by explicitly aligning biodiversity conservation with Hong Kong's climate adaptation and resilience planning. Addressing biodiversity and climate change in silos is no longer sufficient; a unified approach is essential for long-term sustainability.

Furthermore, to achieve this vision, the Government should support the private sector in aligning with the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. This alignment will help businesses better understand their impacts and dependencies on nature, which can translate into nature-related risks or opportunities for their operations and investment strategies. Such awareness is crucial to mainstreaming biodiversity into corporate risk management and strategic planning.

Finally, the Government should begin to explore and develop innovative Nature-based Solutions (NbS) financing mechanisms. Mobilizing resources from the private sector is vital to scaling up conservation and restoration efforts. Establishing blended finance models, green bonds, or outcome-based funding structures can help unlock capital for biodiversity-positive initiatives and support the implementation of the LBSAP.

## 2. Are there any additional challenges or opportunities for Hong Kong's biodiversity conservation that have not been addressed in this document?

While the LBSAP has provided a strong foundation for biodiversity conservation in Hong Kong, we believe that the interconnection between climate and nature requires greater emphasis. This is crucial for the following reasons:

- a) **Vulnerability of Biodiversity to Climate Change:** Hong Kong's biodiversity is highly sensitive to climate impacts. Without proactive, ecosystem-wide adaptation strategies, the loss of even a single species could disrupt food chains and essential ecosystem services. Such degradation could, in turn, harm the economy through increased disaster mitigation costs and the loss of natural assets.
- b) **Transboundary Climate Risks:** As a city heavily dependent on imported food, water, and other resources, Hong Kong's ecological and economic resilience is influenced by climate conditions beyond its borders. Disruptions in supplier regions may indirectly compromise local biodiversity and ecosystem stability.
- c) **Severe Local Climate Challenges:** Hong Kong is increasingly vulnerable to sea level rise, flooding, typhoons, and extreme heatwaves. These climate extremes not only endanger human lives and infrastructure but also place significant stress on habitats and native species.

Given these challenges, we view adopting a climate-nature approach as an opportunity to strengthen public understanding of the close link between climate and biodiversity, and to highlight the importance of nature-based solutions (NbS) in addressing both.

By embedding NbS into climate adaptation strategies, the government has an opportunity to reduce climate risks and enhance biodiversity simultaneously. This approach fosters resilient ecosystems and delivers co-benefits, including carbon sequestration, urban cooling, and natural flood management, making it a vital tool in Hong Kong's sustainability and resilience planning.

**3. Other than the actions briefly outlined under the four strategic areas, what other measures should the Government consider to enhance biodiversity conservation and sustainable development?**

**Leverage Hong Kong's Position as a Global Financial Hub to Mobilise Resources for Nature.**

Hong Kong's position as a leading international financial centre presents a unique opportunity to direct capital towards biodiversity conservation and nature-based solutions (NbS), both locally and regionally. This measure includes:

- Mobilise green and sustainable finance to support biodiversity projects, including urban NbS, ecological restoration, and habitat protection.
- Foster public-private partnerships (PPP) that bring together government, finance, and industry to co-develop scalable NbS investments.
- Develop a strong business case for urban NbS by quantifying co-benefits such as flood mitigation, urban cooling, health improvements, and property value enhancement.
- Encourage financial institutions to integrate biodiversity risks and natural capital valuation into investment decision-making.
- Promote collaboration with other global financial hubs (e.g. Singapore, London) on nature-positive finance frameworks and biodiversity credit schemes.

**Develop a Transparent and Prioritised Biodiversity Action Table**

While LBSAP identifies four strategic areas, the plan would benefit from a more transparent, actionable framework that defines priorities, responsibilities, and timeframes. The document can be in the form of a publicly available "Table of Action Plan and Priorities" that outlines:

- Specific actions under each strategic area
- Lead and supporting agencies are responsible
- Clear timelines and implementation phases
- Assigned priority levels (e.g., high, medium, low)
- Indicators to track progress and outcomes

The table should serve as a living document, updated regularly with stakeholder input to ensure adaptability and transparency. A good example of this table can be seen in

the Biodiversity Strategy of Liverpool City Council, which outlines the priority, strategy, actions, and significance of the outcomes.<sup>1</sup>

### **Encouraging TNFD Adoption to Strengthen Private Sector Engagement in Biodiversity Conservation**

We believe that the Government could consider promoting the alignment of the private sector with the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations. This would directly support the strategic area of deepening the mainstreaming of biodiversity into economic and financial decision-making.

Adopting a phased approach to TNFD implementation would enable businesses in Hong Kong to gradually build the capacity to assess and manage their dependencies and impacts on nature, as well as the related risks and opportunities. As one of TNFD's core recommendations, conducting assessments of nature-related dependencies and impacts serves as a critical first step for businesses to understand the economic and financial significance of biodiversity and ecosystem services.

Through the AIGCC Nature, Forest and Land Use workstream, we have gained direct experience in supporting institutional investors in adopting and integrating TNFD into their investment processes. This has helped investors better understand the nature-related risks within their portfolios and explore opportunities to align capital with nature-positive outcomes. These insights demonstrate the practical benefits of TNFD implementation in informing investment decisions and mobilising private finance for biodiversity.

Progressing from initial assessments to the evaluation of nature-related risks and opportunities can support businesses in integrating biodiversity into risk management frameworks and corporate strategy. This not only enables companies to mitigate negative impacts on ecosystems but also fosters systemic change aligned with the Kunming-Montreal Global Biodiversity Framework.

Moreover, identifying nature-related opportunities encourages the private sector to mobilize capital toward conservation and restoration efforts, both within Hong Kong and throughout their supply chains. Such alignment would enhance corporate sustainability performance while contributing to national biodiversity targets and climate resilience, positioning Hong Kong as a regional leader in sustainable finance.

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<sup>1</sup> <https://www.cbd.int/doc/nbsap/sbsap/au-sbsap-liverpool-en.pdf>

By providing policy guidance, capacity-building programs, and strategic incentives to encourage TNFD-aligned practices, the Government can play a pivotal role in accelerating private sector engagement and unlocking the full potential of biodiversity conservation in support of sustainable development.

#### **4. How can we better raise public awareness towards the importance of biodiversity and encourage broader support and participation in conservation efforts?**

Raising public awareness and encouraging broader participation in biodiversity conservation requires a strategic, multi-sectoral approach that engages both the public and private sectors.

A key starting point is to identify high-impact sectors—such as infrastructure, finance, real estate, and food and beverage—whose activities directly affect biodiversity and ecosystem services. Building on the progress outlined in the updated Local Biodiversity Strategy and Action Plan (LBSAP), structured engagement through targeted workshops, multi-stakeholder dialogues, and capacity-building sessions can promote cross-sector collaboration and knowledge sharing.

Equally important is the identification and empowerment of sectoral “champions” who can advocate for biodiversity within their respective industries. These champions can help normalize nature considerations in business decisions and inspire broader engagement across networks.

In addition, biodiversity objectives should be integrated into existing policy and market frameworks, including climate action plans and ESG investment strategies. In this context, alignment with the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations can serve as a practical pathway for the private sector. The TNFD framework offers a structured approach for businesses to assess and disclose their nature-related impacts, dependencies, risks, and opportunities, thereby elevating the visibility of biodiversity within financial and corporate decision-making. This alignment not only promotes policy coherence and resource mobilisation but also reinforces the economic relevance of biodiversity, helping to raise both public and private sector awareness and catalyse wider support for conservation financing.

## 5. How can we encourage different sectors to play a more active role in supporting biodiversity conservation and sustainable development?

We believe that there are two key drivers to mobilize broader sectoral participation in biodiversity conservation and sustainable development, which are the following:

### **Demonstrate the Economic and Financial Materiality of Nature**

One of the most effective ways to engage sectors is by helping them understand how nature underpins economic activity and financial stability. Many industries—such as agriculture, construction, tourism, and finance—have a significant dependency on and impact on nature. By assessing these dependencies, businesses can begin to see how nature loss translates into material financial risks and opportunities.

- Tools such as natural capital assessments and nature-related risk disclosures (e.g., aligned with the TNFD – Task Force on Nature-related Financial Disclosures) can help sectors identify these linkages.
- The Asia Investor Group on Climate Change (AIGCC) report<sup>2</sup>, published last year, provides valuable insights into how several Asian economies and capital markets are heavily dependent on nature. It also showcases how investors and companies are beginning to integrate nature considerations into business strategies. This document serves as a practical resource for building the business case for nature.

### **Introduce Market-Based Instruments and Regulatory Incentives**

To complement awareness-raising efforts, the government and financial institutions should establish economic incentives and penalties to encourage action.

- Nature valuation tools can help incorporate ecosystem services into business decision-making.
- Phasing out harmful subsidies (e.g., those that encourage overexploitation of natural resources) and introducing nature-positive fiscal instruments—such as green taxes or biodiversity-linked fiscal transfers—can steer markets toward more sustainable practices.
- Regulatory frameworks, such as planning policies that mandate biodiversity improvements, can also be powerful levers. For example, the UK Biodiversity Net Gain (BNG) policy requires all new developments not only to avoid harming nature but also to actively enhance it by delivering a minimum 10% net gain in biodiversity.<sup>3</sup>

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<sup>2</sup> [https://aigcc.net/wp-content/uploads/2024/05/AIGCC-PwC-Nature-at-A-Tipping-Point\\_14-5-24.pdf](https://aigcc.net/wp-content/uploads/2024/05/AIGCC-PwC-Nature-at-A-Tipping-Point_14-5-24.pdf)

<sup>3</sup> <https://www.gov.uk/guidance/understanding-biodiversity-net-gain>



## 6. What opportunities do you see for integrating NbS into Hong Kong's urban development?

Despite its dense urban fabric and limited land availability, Hong Kong is home to a rich diversity of ecosystems, offering significant opportunities to integrate Nature-based Solutions (NbS) into urban development. These solutions can play a critical role in enhancing the city's resilience to climate change—particularly in addressing risks such as flooding, heat stress, and biodiversity loss—while also improving overall urban livability.

A key example is the Hong Kong Wetland Park, located near the internationally recognized Mai Po Ramsar Site. The park demonstrates how natural wetlands can be conserved and showcased within a developed urban setting. It supports migratory bird populations, promotes ecological education, and highlights the value of integrating biodiversity into city planning. This example, we believe, needs to be expanded to more of Hong Kong's wetland reserves.

Opportunities for integrating NbS into Hong Kong's urban context include:

- **Catchment and Watershed Management:** Restoring natural hydrological systems can help manage stormwater, improve water quality, and support carbon sequestration.
- **Protected Area and Reserve Management:** Strengthening management of existing nature reserves enhances habitat conservation and ensures long-term ecological resilience.
- **Ecological Corridors and Connectivity:** Fragmentation due to urban infrastructure limits species movement. Establishing and maintaining green corridors that facilitate the movement of animals and plants between fragmented habitats which are vital for preserving biodiversity, supporting ecosystem health, and helping species adapt to climate change.
- **Strategic Land Acquisition and Restoration:** Protecting areas with high conservation value supports landscape connectivity and safeguards Hong Kong's remaining natural assets.

Furthermore, while NbS is still in its early stages and global frameworks around its credibility and measurement are evolving, we recommend that the Government explore and develop investment opportunities in NbS, such as coral or nature bonds.<sup>4</sup>

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<sup>4</sup> <https://www.nature.org/en-us/newsroom/ecuador-announces-debt-conversion-for-amazon-conservation-tnc-nature-bonds/>

This effort could be supported by leveraging Hong Kong's position as a major financial hub, helping to mobilize private capital toward nature-positive infrastructure and urban development. Doing so would not only strengthen Hong Kong's leadership in sustainable finance but also promote broader public and private sector engagement in nature conservation.

By embedding these strategies into urban development and infrastructure planning, Hong Kong can build a climate-resilient, biodiverse, and sustainable urban environment, serving as a model for other high-density cities in Asia.

## **7. Which actions should Hong Kong take as a matter of priority in conserving biodiversity and natural resources? How can we effectively mobilise resources from different sectors to support these actions?**

Hong Kong should prioritise the assessment and integration of Nature-based Solutions (NbS) into urban planning and development policy. This will help identify where and how nature can be leveraged to deliver co-benefits for biodiversity, climate resilience, and public well-being.

An initial assessment will enable policymakers and stakeholders to better understand the economic and ecological value of nature. This, in turn, can drive greater awareness and help to develop the financing solutions for NbS across sectors to finance the implementation of NbS.

Implementing NbS—such as restoring wetlands, enhancing green infrastructure, and improving ecological connectivity—not only supports biodiversity conservation but also addresses urban challenges like flood risk, heat stress, and air pollution.

To mobilise resources effectively:

- **Government** can provide market-based Instruments and regulatory Incentives, as has been mentioned in the answer to the question (5), especially to support companies in assessing their impact and dependence on nature, as well as taking action in reducing their impact and investing in nature protection
- **Private sector** actors can align ESG strategies and investment with nature-positive outcomes primarily by implementing the TNFD recommendations, which includes starting to assess their impact and dependencies. At the same time, financial institutions should begin by assessing their financing portfolio and developing a financing scheme that can help companies to achieve their nature-positive outcome.

## **8. How can Hong Kong better address the impacts of climate change on biodiversity, and what measures should be taken to enhance the resilience of our ecosystems?**

Hong Kong should adopt an integrated climate-nature approach that reflects the close link between ecosystem health and climate resilience. Given the city's vulnerability to sea-level rise, extreme weather events, and transboundary risks, urgent action is necessary.

A key priority is to embed Nature-based Solutions (NbS)—such as wetland restoration, reforestation, and green infrastructure—into Hong Kong's climate adaptation strategies. These solutions mitigate climate risks while delivering co-benefits, including urban cooling, carbon sequestration, and biodiversity protection.

In addition, efforts should be made to quantify the economic and financial value of NbS in addressing both climate change and biodiversity loss. This could be achieved by building upon the existing climate impact and adaptation assessments specific to Hong Kong.<sup>5</sup> Building a clear evidence base will help highlight the value of ecosystem services and inform the development of innovative NbS financing mechanisms. By doing so, Hong Kong can attract both public and private sector investment, positioning biodiversity and ecosystem resilience as shared priorities across government, industry, and the broader community.<sup>6</sup>

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<sup>5</sup> [www.epd.gov.hk/epd/sites/default/files/epd/english/climate\\_change/files/4\\_CC\\_Tech\\_Appendix\\_C\\_Eng.pdf](http://www.epd.gov.hk/epd/sites/default/files/epd/english/climate_change/files/4_CC_Tech_Appendix_C_Eng.pdf)

<sup>6</sup> [https://wwfint.awsassets.panda.org/downloads/making\\_the\\_case\\_for\\_investing\\_in\\_nature\\_based\\_infrastructure.pdf](https://wwfint.awsassets.panda.org/downloads/making_the_case_for_investing_in_nature_based_infrastructure.pdf)

## **9. How can Hong Kong strengthen collaboration with other GBA cities and international partners to jointly address shared environmental challenges?**

Hong Kong is uniquely positioned to lead regional and international collaboration on environmental issues, particularly within the Greater Bay Area (GBA), due to its strategic role as a global financial hub connecting East Asia, Southeast Asia, and Europe. Its integration with international markets and regulatory systems allows Hong Kong to serve as a vital link between global environmental standards and China's domestic environmental goals, including those related to biodiversity, climate resilience, and ecological civilisation.

This strategic alignment provides Hong Kong with a platform to facilitate cross-border knowledge exchange, promote policy coherence, and advance regional standard-setting. In addition, Hong Kong's ambition to become a leading eco-urban city positions it to showcase replicable models of sustainable development, such as nature-based solutions, green finance innovation, and low-carbon urban planning, which can inspire similar actions across GBA cities and beyond.

To further strengthen collaboration, Hong Kong should prioritize joint initiatives with GBA counterparts, particularly in piloting urban NbS projects that demonstrate the co-benefits of climate resilience, biodiversity protection, and improved urban livability. At the same time, promoting the adoption of international frameworks—such as the Taskforce on Nature-related Financial Disclosures (TNFD)—across the region can help businesses better understand and manage their nature-related dependencies, risks, and opportunities.

In this regard, the private sector in Hong Kong can play a leading role. By supporting the implementation of the TNFD recommendations, the Government can enable businesses to act as regional champions, sharing best practices and technical knowledge with peers across the GBA. Leveraging Hong Kong's mature financial sector to mobilize capital and develop innovative NbS financing mechanisms—such as blended finance models or green bonds—can further catalyze private investment in conservation and ecosystem restoration.

## **10. What innovative technologies could play a vital role in improving biodiversity monitoring and management in Hong Kong?**

The Hong Kong Biodiversity Information Hub has been a valuable resource in increasing transparency and access to biodiversity data for both the public and private sectors. To further enhance biodiversity monitoring and management, Hong Kong could consider adopting the City Biodiversity Index (CBI)<sup>7</sup> —a self-assessment tool developed by the Convention on Biological Diversity to help cities evaluate and track their progress in biodiversity conservation against their own baselines.

Implementing the CBI would not only strengthen local biodiversity governance but also improve alignment with global standards. This could enhance Hong Kong's visibility and comparability in international contexts, supporting informed decision-making by global investors and encouraging the development of financial products that support urban nature-based solutions (NbS).

In addition, widely used tools on nature and biodiversity, such as the ENCORE<sup>8</sup> and Integrated Biodiversity Assessment Tool (IBAT)<sup>9</sup> —which incorporates the Species Threat Abatement and Restoration (STAR)<sup>10</sup> metrics —are increasingly being used by companies and financial institutions to assess nature-related impacts and dependencies at the asset level. Aligning Hong Kong's biodiversity data and monitoring systems with these internationally recognised tools and metrics could facilitate stronger collaboration with the private sector and unlock greater investment in NbS, contributing to the city's long-term ecological and climate resilience.

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<sup>7</sup> <https://www.cbd.int/doc/publications/cbd-ts-98-en.pdf>

<sup>8</sup> <https://encorenature.org/>

<sup>9</sup> <https://www.ibat-alliance.org/>

<sup>10</sup> <https://iucn.org/resources/conservation-tool/species-threat-abatement-and-restoration-star-metric#:~:text=The%20STAR%20metric%20assesses%20the,threat%20abatement>



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Please do contact us for any clarification or assistance on the submission. We look forward to continued engagement in the update of the Hong Kong Biodiversity Strategy and Action Plan.

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## About AIGCC

## ABOUT AIGCC

The Asia Investor Group on Climate Change (AIGCC) is an initiative to create awareness and encourage action among Asia's asset owners and financial institutions about the risks and opportunities associated with climate change and low carbon investing. AIGCC provides capacity and a trusted forum for investors active in Asia to share best practice and to collaborate on investment activity, credit analysis, risk management, engagement and policy related to climate change.

With a strong international profile, the AIGCC network also engages with government pension and sovereign wealth funds, family offices, and endowments, AIGCC represents the Asian investor perspective in the evolving global discussions on climate change and the transition to a net zero emissions economy.