

# Biodiversity and the financial sector

## Private companies and deforestation

September 3rd, 2020



**Jacqueline  
Duiker**  
VBDO



**Reinier  
Hille Ris Lambers**  
WUR

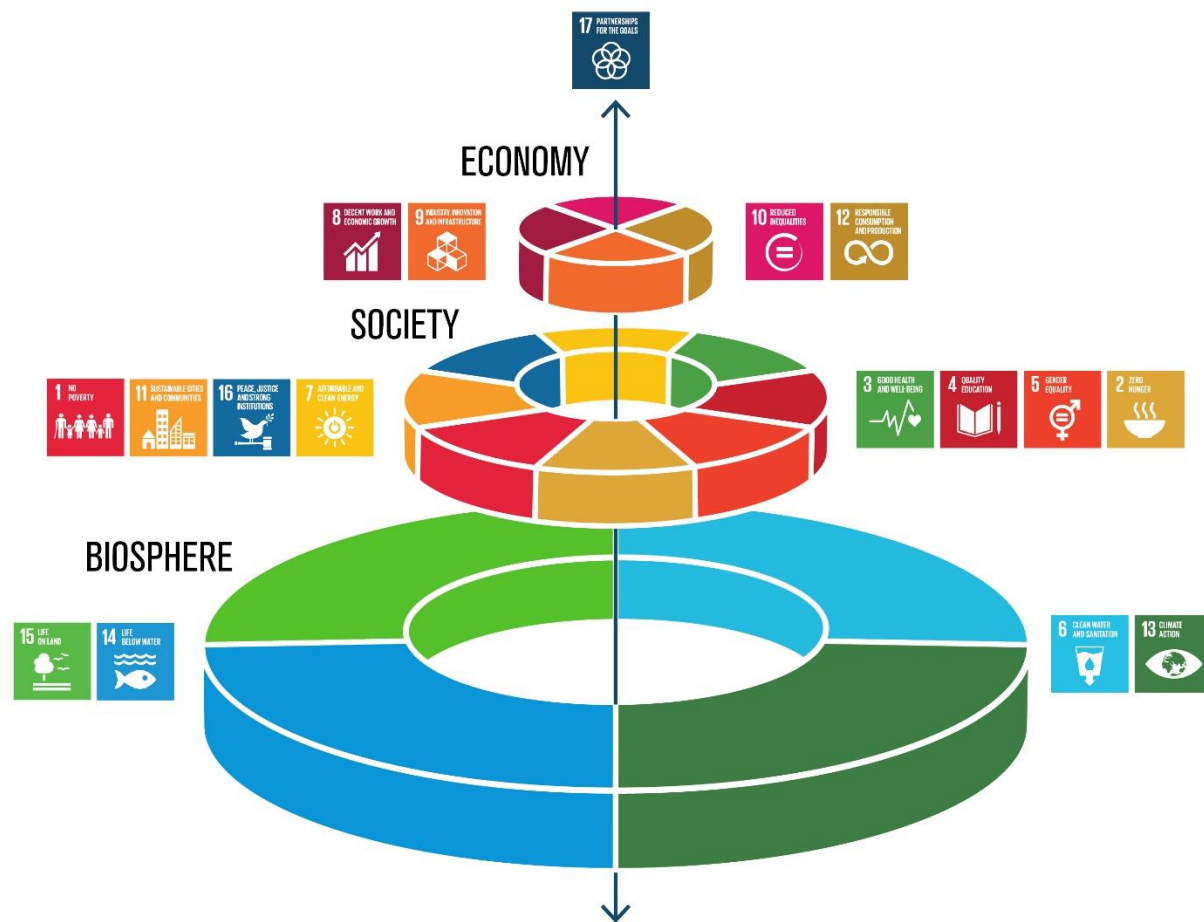


**Romie  
Goedicke**  
IUCN NL



**Peter  
van der Werf**  
Robeco

# SDG-wedding cake



# Speakers

**Jacqueline  
Duiker**



VBDO

**Reinier Hille Ris  
Lambers**



WUR

**Romie  
Goedicke**



IUCN NL

**Peter  
van der Werf**



Robeco





# Ground rules

- Please put your microphone on mute
- Questions can be asked in the chat
- Polling questions can be answered in the chat
- Slides will be shared after the webinar
- The webinar will be available on the VBDO website





# Poll question 1

What are the biggest factors contributing to biodiversity decline?

- Please fill in the poll question in the chat function





# Main factors contributing to biodiversity decline

In descending order:

- Change in land and sea use
- Direct exploitation of organisms
- Climate change
- Pollution
- Invasive alien species





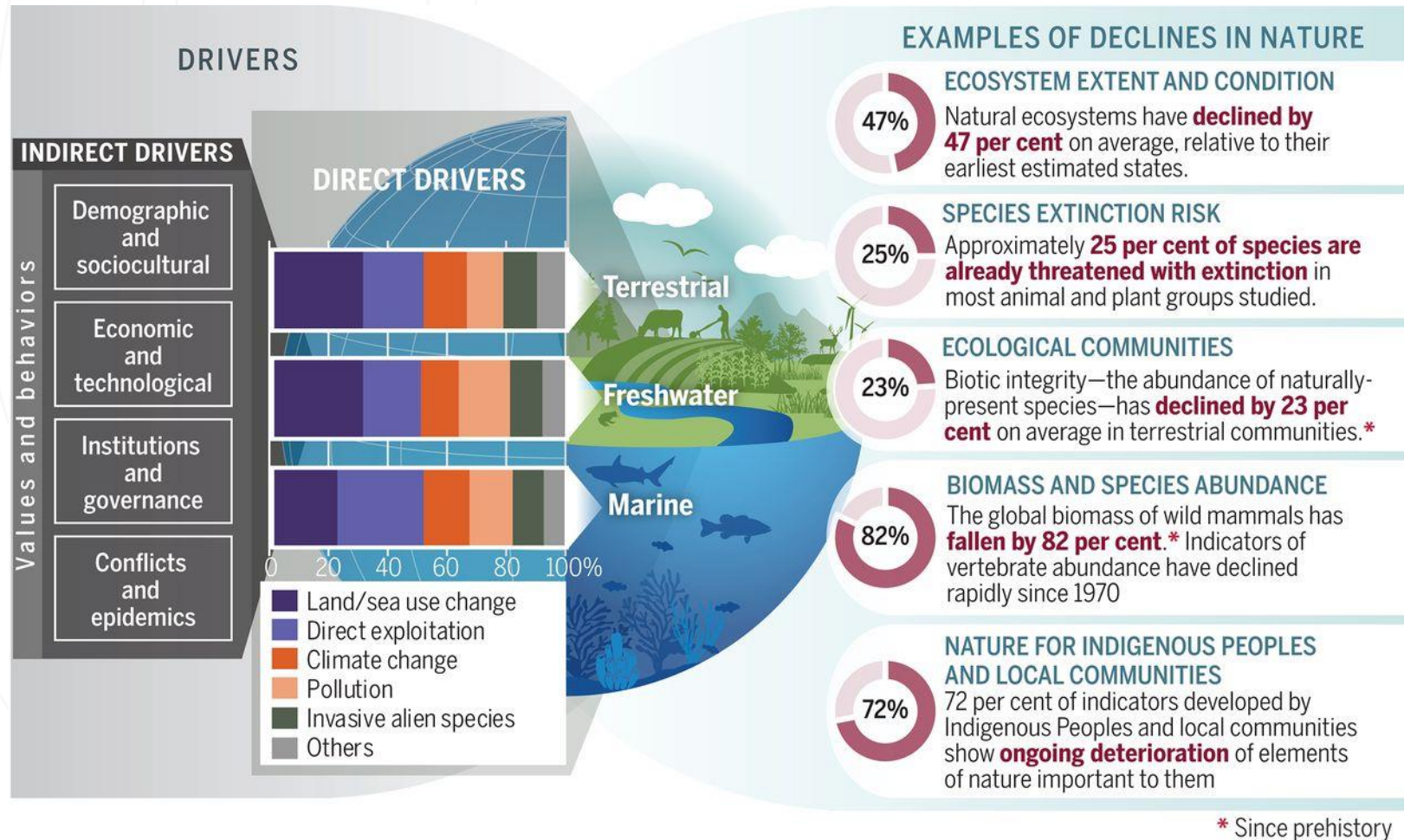
# Biodiversity and the financial sector

**Reinier Hille Ris Lambers**

Head Biodiverse Environment Program, Environmental Sciences Group (WUR)



# Examples of global declines in nature that have been and are being caused by direct and indirect drivers of change





# Biodiversity



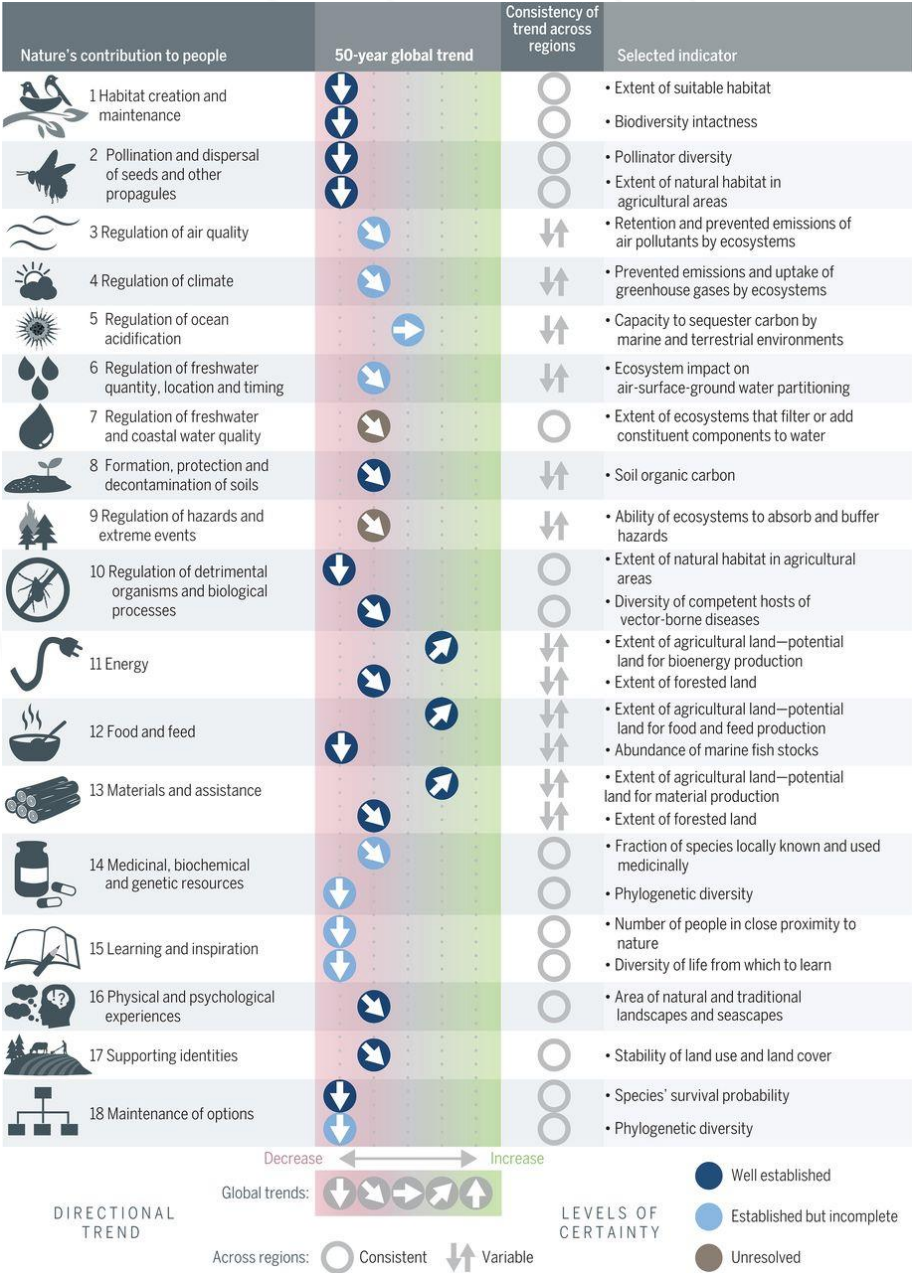
“Nature’s contributions to people”

Includes

- Indigenous knowledge
- Ecosystem Services
- Species Abundance and Diversity
- ...

“the fabric of life”

Fourteen of the 18 categories of nature's contributions to people show decline.





Progress toward major internationally agreed goals (2020) is lagging

**A**

Goal	Aichi Target (abbreviated)	Progress towards elements of each target			
		Poor	Moderate	Good	Unknown
Drivers	1 Awareness		~ ~		
	2 Planning and accounting	✖ ✖ ✖	~ ~		
	3 Incentives	✖ ✖ ✖			
	4 Production and consumption	✖ ✖ ✖			
Pressures	5 Habitat loss	✖ ✖ ✖			
	6 Fisheries	✖ ✖ ✖			?
	7 Agriculture and forestry	✖ ✖ ✖	~		
	8 Pollution	✖ ✖ ✖			
	9 Invasive alien species	✖ ✖ ✖		✓	?
	10 Coral reefs etc	✖ ✖ ✖			
Status	11 Protected and conserved areas		~ ~ ~ ~	✓ ✓	
	12 Extinctions prevented	✖ ✖ ✖			
	13 Genetic diversity		~ ~ ~ ~		?
Benefits	14 Ecosystem services	✖			?
	15 Ecosystem restoration				??
	16 Access and benefit sharing		~	✓	
Implementation	17 Strategies and action plans		~ ~	✓	
	18 Indigenous and local knowledge		~		??
	19 Biodiversity science		~		?
	20 Financial resources		~		

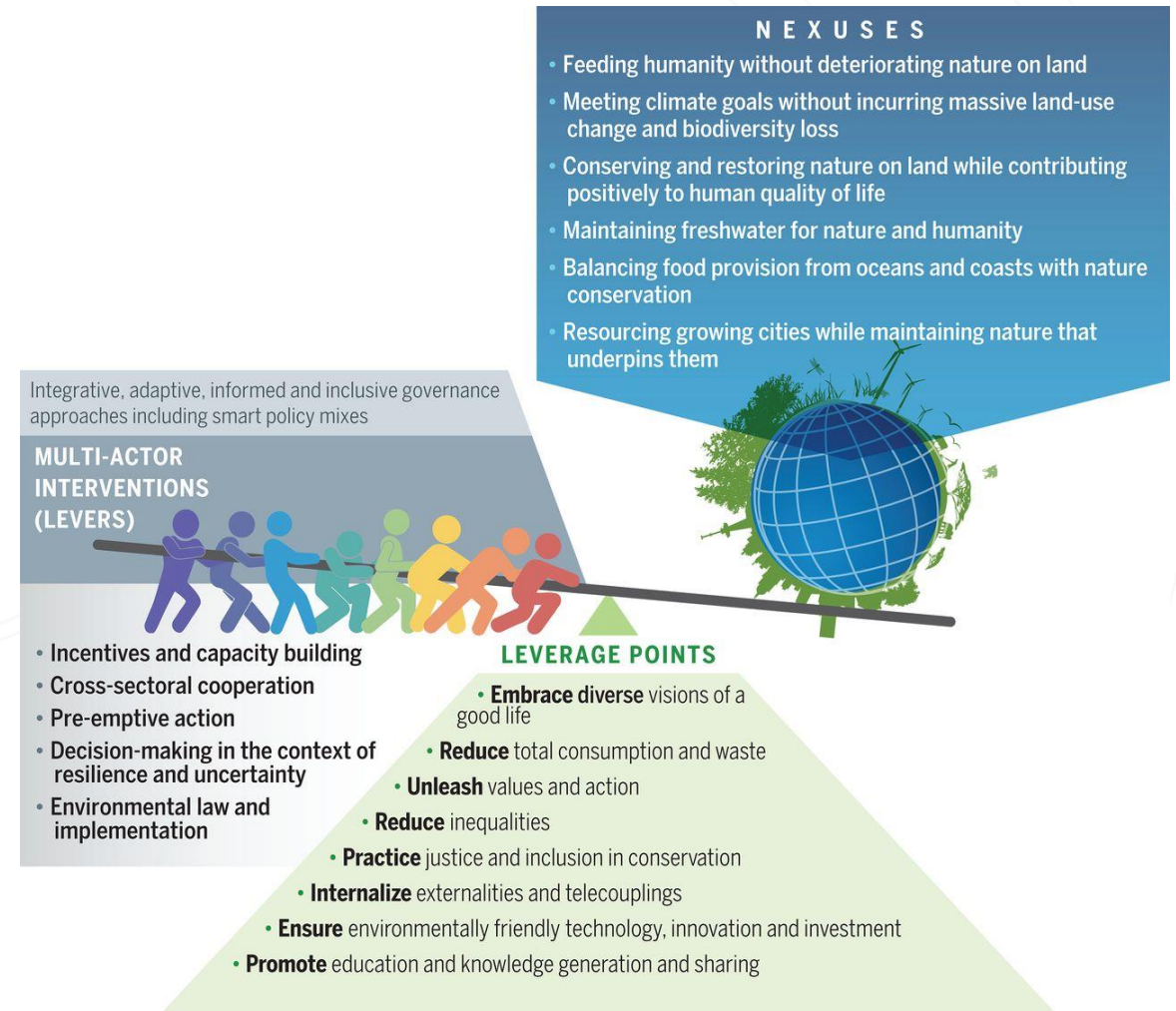
**B**

Selected Sustainable Development Goals	Recent status and trends in aspects of nature and nature's contributions to people that support progress to selected targets		
	Poor/Declining	Mixed	Unknown
1 No poverty	↓ ↓		
2 Zero hunger	↓	→ → →	
3 Good health and well-being			??
6 Clean water and sanitation	↓ ↓ ↓	→	
11 Sustainable cities and communities	↓ ↓ ↓ ↓	→	
13 Climate action	↓	→	???
14 Life below water	↓ ↓ ↓ ↓	→ → →	
15 Life on land	↓ ↓ ↓ ↓ ↓	→ → → →	

# Transformative Change is needed.

Transformative change:

A fundamental, system-wide reorganization across technological, economic and social factors, including paradigms, goals and values.







## Potential for investment?

Estimates of cost of biodiversity restoration 150-430 Billion US\$ p/y  
the cost of inaction in the face of land degradation is at least three times higher than the cost of action the benefits of restoration are 10 times higher than the costs (IPBES, 2018)

BUT There is a major gap in the finance needed to halt biodiversity loss. *Preliminary* estimates suggest that finance flows to biodiversity amount to roughly USD 39 billion. And potentially harmful subsidies to biodiversity. estimated at USD 500 billion per year (OECD, 2019)



# Where should investors focus?

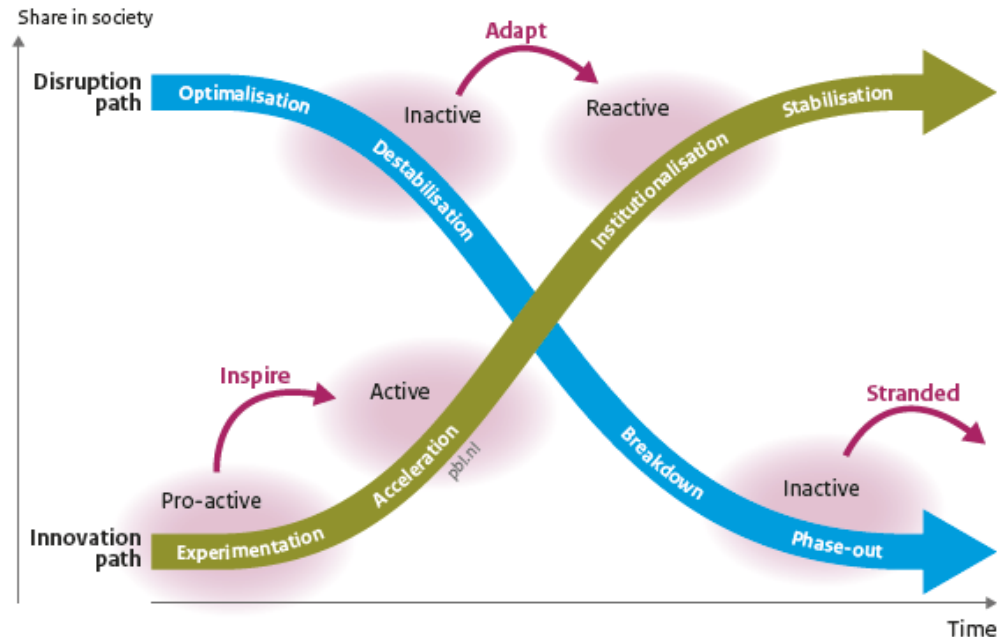




# Can Investments help transitions?

Figure 5

The role of different company strategies in transformative change



Source: DRIFT Erasmus 2018; Van Tulder Erasmus RSM; Adapted by PBL

Companies with alternative strategies for CSR are involved in different phases of the transformative change process. Measures to engage and incentivise pro-active companies in early phases of development are different from measures needed to transform inactive companies later on. So, specific triggers and incentives coming from both private and public actors must be used for companies with different strategies and capacities for change.

- Exclusion Criteria (stranded)
- Stimulate Change through voting/dialogue: inactive/reactive
- Actively partner in to create proactive business models for investment
  - Blended finance?
  - Public/private?



A dense tropical rainforest with tall trees and thick foliage. The image is used as a background for the text.

# Challenges / opportunities

Can we incorporate risks of biodiversity loss in valuation models, and investment decisions.

There are many approaches and methodologies, but in a complex wicked world, it is best to take action.

What is your impact theory of change?

What is needed for investors to commit to net positive biodiversity impact portfolios?



# Thanks!

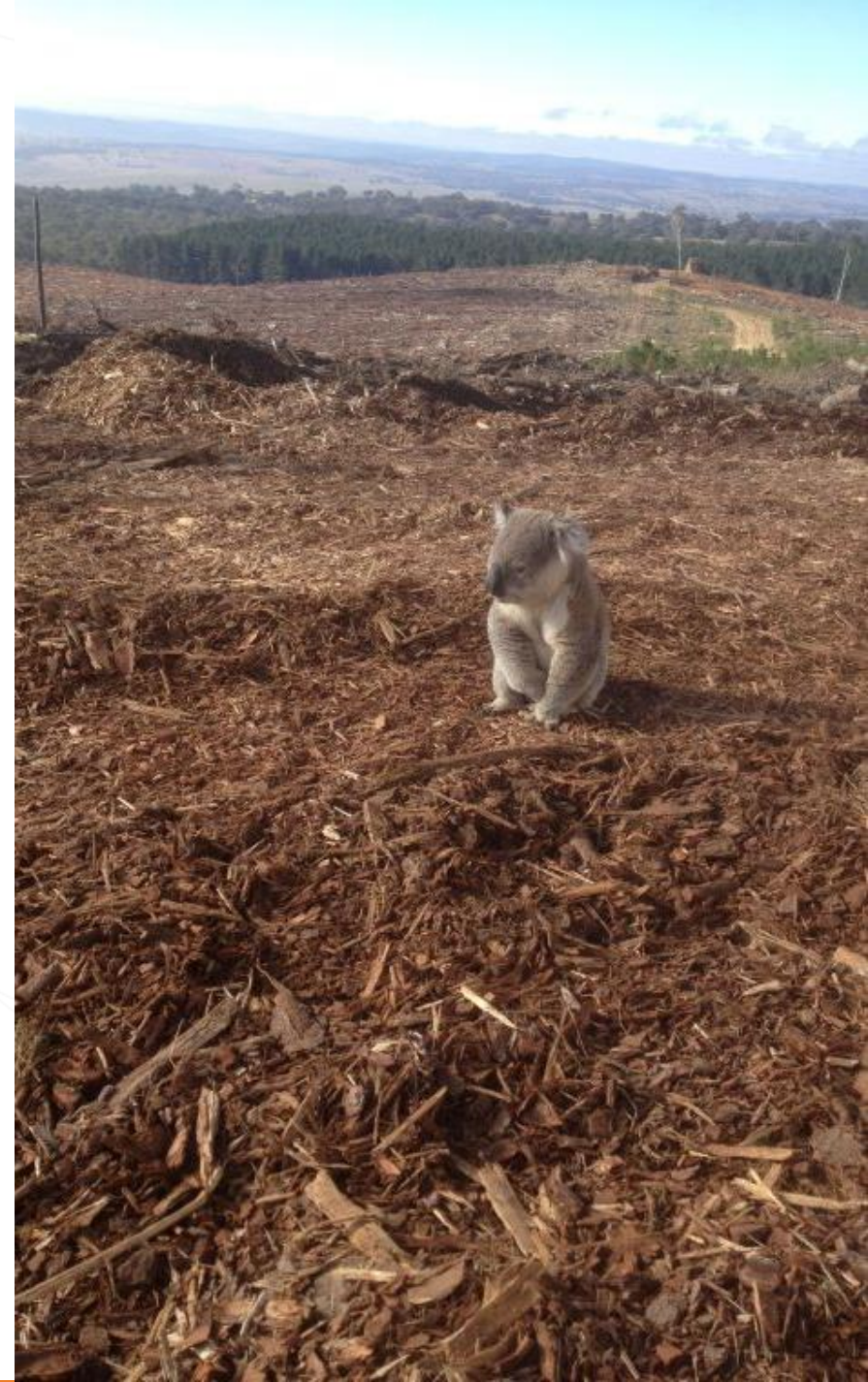
Reinier.hillerislammers@wur.nl  
+31683217655



**WAGENINGEN**  
UNIVERSITY & RESEARCH



# Questions?





# Poll question 2

Should investors develop policies to limit investments in companies with a negative impact on biodiversity?

- Please fill in the poll question in the chat function



# What can investors do?





# Discussion and Questions



# Mobilization in the Netherlands towards global efforts

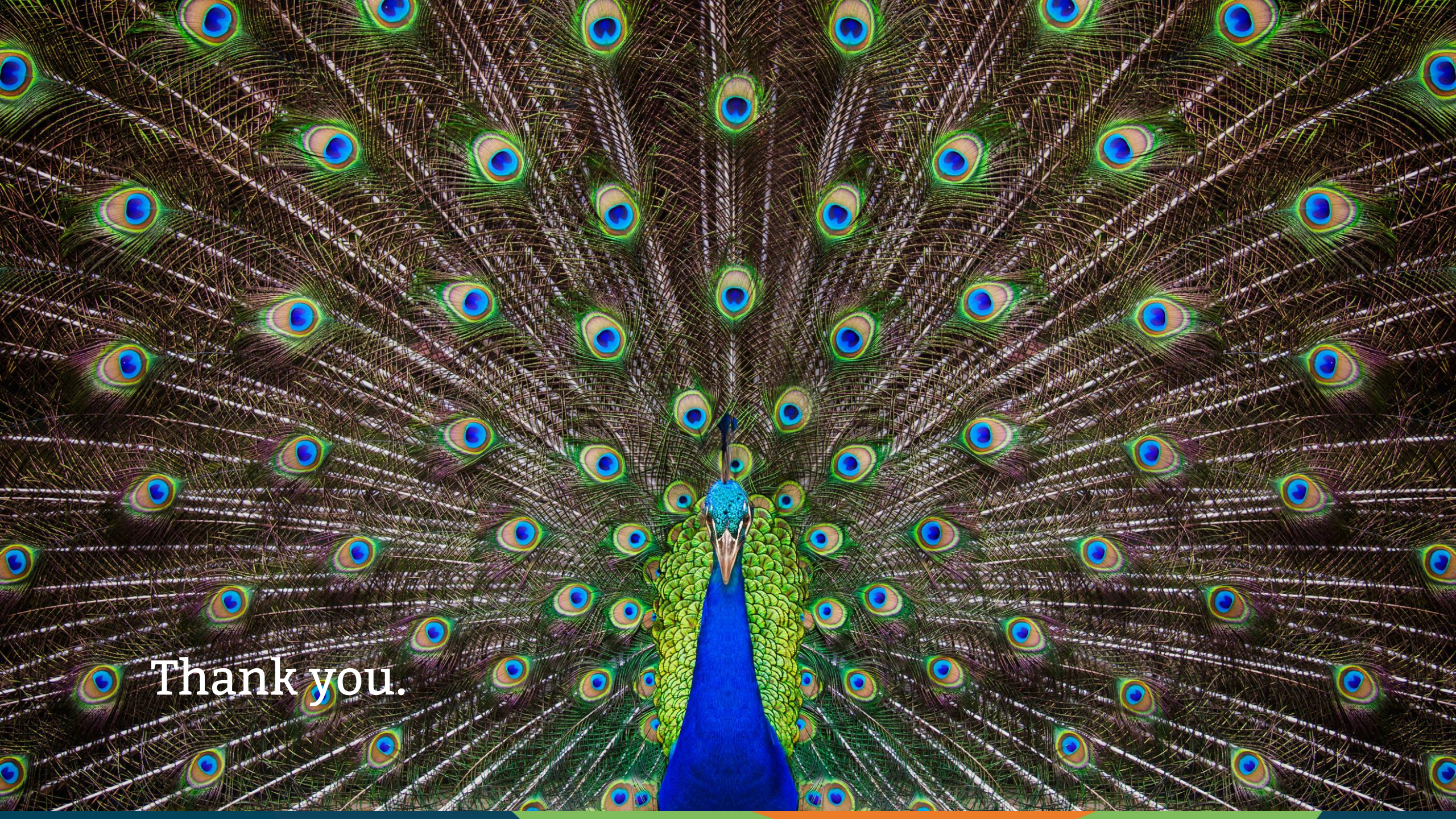
- The Dutch Ministry of Agriculture and Food Quality (LNV) asked IUCN NL & MVO Netherlands to mobilize action by Dutch non-state actors, incl. financial institutions, towards the realization of the CBD agenda.
- IUCN NL & MVO Netherlands are now mapping and catalyzing contributions to the **Dutch Action Agenda** and contributing to the Dutch position towards the post-2020 biodiversity framework.

For more information on how to join the Dutch action agenda

- Visit: <https://www.iucn.nl/en/updates/contribute-to-the-dutch-action-agenda-for-nature-and-people>
- Contact: [henk.simons@iucn.nl](mailto:henk.simons@iucn.nl)







Thank you.