

# Community of Practice

## Financial institutes and Natural Capital (CoP FiNC)

### Summary first meeting, the 5th of June 2014

#### - Biodiversity and ecosystem value -

##### **Presentation Gooisch Natuurreservaat (GNR)**

Bert van der Moolen, director/steward of the Gooisch Natuurreservaat (2800 hectares, annual operating of €1.9 million) said that it is a challenge for site managers to cover the costs of managing natural and recreational areas. Research shows that nature accelerates a health recovery. Consequently, they are searching for new business models that look at the connection between nature and healthcare or the "Healing Environment". Because of its proximity to nature, Tergooi expects that their new hospital will perform better (e.g. patients require a shorter stay). For this new model to work, a long-term cooperation and new coalition partners are needed. The GNR and its business partners are looking at how nature can be used for preventive and curative care ([www.planmonnikenberg.nl](http://www.planmonnikenberg.nl)).

##### **Opening**

Caroline van Leenders opened this first thematic session of the CoP. More and more attention is being paid to biodiversity, the value of ecosystems and the role of financial institutes. They fit into this new era.

##### **Speaker: Keimpe Wieringa (PBL)**

Keimpe Wieringa of the PBL (Netherlands Environmental Assessment Agency) was invited to give insights into what biodiversity and ecosystem services are and help understand of the role of financial sector when talking about these topics. In 1992, the UN formulated a definition of biodiversity, which includes three indicators: species, ecosystems, and genetic variation. Research shows that biodiversity has declined within all these indicators and on all scales: here in the Netherlands, Europe wide, and globally.

The global loss of biodiversity is measured on the basis of Mean Species Abundance (MSA), which assumes that all ecosystems have the same value per hectare. Ecosystem degradation is mainly caused by the food and the timber sectors, for which land productivity will be a key aspect for future survival. The fastest growing sectors in CO2 emissions, and thus the major cause of global loss of biodiversity, are the sectors of energy and transport. Climate change contributes to the decline of biodiversity.

Ten years ago, the concept of ecosystem services was introduced in order to express the utility of nature to mankind. There are four types of ecosystem services:

- Production Services (food, timber, water, etc.)
- Regulating services (pest control, pollination, carbon sequestration, etc.)
- Cultural services (recreation, health, etc.)
- Support services (nutrient cycle, soil, etc.)

The goal is to keep these ecosystem services up to standard. Many goods and services come from Dutch ecosystems. However, the use of foreign ecosystems is increasing because we import of food and other goods. This leads to risks with regard to supply security and underlines the urgency of reducing pressure on foreign ecosystems (for more info. see the PBL study on [sustainable supply chains](#))

In the Netherlands, there are various policy options available such as tax benefits, subsidies, payments for ecosystem services, and investments in natural capital. The WBSCD/OECD has indicated the effectiveness and feasibility of these policy options. It also outlined the need for greater political urgency on the topic than is currently the case.

There are perspectives for sustainable supply chains involving a different distribution of roles between public and private parties:

- 1) Strengthening voluntary sustainability (working towards self-regulation and transparency)
- 2) Assuring that a sustainable supply chain becomes the norm (having no indication of permissiveness nor lower boundaries)
- 3) Scaling up sustainable production elsewhere (professionalizing farmers and steering on conditions?)
- 4) Having an integral look at the supply chain (using raw materials efficiently and having a critical regard on consumption)

The participants recognized the issues that were discussed. Keimpe indicated that it is important to screen your own supply chain in order to know where your impact on ecosystems lies and to develop strategies to reduce this impact by, for example, subsidizing commodities. Keimpe urged the public to showcase their best practices as a way of highlighting the sense of urgency with politicians and citizens. There is an on-going search for the

best way to get the message across to society. Accessible programs such as Spring Watch (BBC2) or a documentary about the underwater world of Bonaire can help.

### **Discussing the definition and biodiversity value of ecosystems**

In order to prepare for this meeting, participants answered questions about biodiversity and the relationship of biodiversity with their businesses as homework. Several insights were provided while sharing this information in small groups:

- In order to create urgency, good stories are needed
- Biodiversity is a prerequisite to be able to achieve your mission
- Focus on sectors with the greatest impact
- Biodiversity = resilience = robust = low risk
- Climate and biodiversity are connected and, by default, the CO2 and MSA indicators

New questions also arose, such as:

- Should we leave nature policies to the market?
- How far do you go in your mission?
- Should biodiversity be treated in isolation or as a by-product of other issues?

### **Definition natural capital, ecosystems and biodiversity**

**Natural capital** involves the ability of nature to provide useful goods and services. These are called ecosystem services (source: [Natural capital as a new policy concept of Environmental Balance 2014](#); PBL, PBL publication number: 1545). Dunes that purify water, pollination by bees, food and timber production or relaxation in nature, these are services that ecosystems provide. People dependent on ecosystem services and influence them.

An **ecosystem** is a defined unit consisting of living organisms and non-living material. Connection and interaction between all organisms, and between inanimate objects like rocks and water, is an important feature of an ecosystem. Ecosystems with great diversity of species (biodiversity), are usually more resilient than systems with fewer species.

The [Convention on Biological Diversity](#) defines **biodiversity** as "life in all its manifestations" or the variety of all life forms. These life forms are divided into three levels. The first level relates to the genetic material in the world, the second level is about species and the third level about the variety of ecosystems.

### **Mapping international organizations**

Intern Nierika Hamaekers has mapped the international organizations that potentially could be relevant for this CoP. In her mind map she distinguishes several categories: sustainability, sustainability and financial institutes, natural capital, natural capital and financial institutes. She asked the participants which organizations they believed are the most important for CoP FiNC from the perspective of gaining knowledge or to becoming a member as a way of increasing their impact. The contributions of the participants were incorporated in the final version of the mind map, which was attached to the report of this meeting and was shared on the [LinkedIn group](#) CoP Financial Institutes and Natural Capital.

### **Organizational issues**

Participants want to continue with CoP FiNC in 2015. Desired direction:

- 1) The focus and range of biodiversity (impact and monetizing, value and strategy)
- 2) Cooperation on financial flows
- 3) Dialogue with companies and communication

### **Closing and feedback**

At the end of the meeting an evaluation round provided the following feedback:

- The Monnikenberg project accurately connected nature with healthcare
- The presentation of PBL was insightful and yielded interesting definitions and figures
- The role of financial institutions should be further developed
- More attention should be given to cooperation
- This could be done through presenting a concrete investment case
- Diversity in the group is good and makes CoP FiNC powerful

The next session (16 September) is about 'measuring impact'.