



UNEP Finance Initiative

Innovative financing for sustainability

Biodiversity and Ecosystem Services: Investment Insight 1.1

This is the second issue of our series of investment updates for the biodiversity and ecosystem services sector. We welcome your own suggestions for key issues to include in this regular update. Please contact Jessica.boucher@unep.org.

New Publications

EIRIS – [‘COP’ Out? Biodiversity Loss and the risk to investors](#)

UNEP FI – [Demystifying Materiality: Hardwiring Biodiversity and Ecosystem Services in Finance](#)

UNEP FI – [Universal Ownership – Why environmental externalities matter to institutional investors](#)

Natural Value Initiative – Phase 2

As we are moving into 2011, UNEP FI’s biodiversity programme is looking for greater endorsement from investors and other UNEP FI members. Please contact Margot Hill (margot.hill@unep.org) if you’d like to know more about the Natural Value Initiative and how to become involved. For more info, please visit the [NVI website](#).

Activity 1: Improving corporate management of impacts and dependence on biodiversity and ecosystem services focusing on those sectors with the biggest impact and biggest risk exposure, thereby reducing degradation of biodiversity and ecosystem services.

Activity 2: Demonstrating the business case for understanding, avoiding, minimising and compensating for impacts on biodiversity and ecosystem services using strong science and sound financial analysis. This will include the production of an analysis of the materiality of biodiversity and ecosystem services to major corporate sectors, working through a learning network with asset managers and rating agencies.

Activity 3: Mainstreaming so the benchmarking approach/tool is commercially self-sustaining and part of a sustainability risk assessment.

Benefits of investor participation:

- Experience built in evaluating biodiversity and ecosystem services risks and opportunities
- Access to widened networks of NGOs and academics active on the issue
- Insight into best practice management of biodiversity and ecosystem services risks and opportunities
- Improved performance on an emerging issue within the private sector and action catalysed to address it

Input requested from investor collaborators

1. **Provision** of company names and contact details within the sectors selected.
2. **Endorsement** of a letter to the companies selected for evaluation encouraging cooperation with the NVI research team.

3. **Attendance** of engagement meetings with the companies alongside the NVI research team.
4. **Review** and **critique** of the public report summarizing the results of the NVI research into key business sectors exposed to risk on this issue.
5. **Endorsement** of a letter to the companies communicating the **results** of the analysis.
6. **Attendance** at a **launch** event for the NVI report.
7. **Attendance** at a series of workshops to evaluate materiality of BES as a business issue or input via email.
8. **Provision** of input into the development of a tool to evaluate the materiality of BES.

The A–Z of Areas of Biodiversity Importance

UNEP-WCMC recently announced the launch of a new website:
[‘The A-Z of Areas of Biodiversity Importance’](#)

The A to Z is an online resource that provides clear, concise and relevant information regarding over 30 important areas for biodiversity conservation ranging from *World Heritage Sites* to *Key Biodiversity Areas*.

The guide, the first of its kind, is geared to assist the business community and governments, as well as NGOs, by providing:

- Expert reviewed information for over 30 widely known areas of biodiversity importance
- Comprehensive overview and analysis of the biodiversity and socio-economic characteristics of areas
- User-friendly business relevant section including legal and compliance information
- Links to additional information and spatial tools
- PDF download function
- Information regularly updated
- Multiple search options

The A-Z of areas of biodiversity importance was developed in partnership with ICMM, IPIECA, the European Investment Bank (EIB), the Inter-American Development Bank (IDB) and the European Bank for Reconstruction and Development (EBRD).

For more information please click [here](#).

The Little Biodiversity Finance Book

The Global Canopy Programme recently released its new publication the Little Biodiversity Finance Book - a guide to proactive investment in natural capital (PINC) and financing options for biodiversity and ecosystems services. It was launched on the 20th of October at the UN biodiversity conference (CBD COP 10) in Nagoya, Japan, where leaders met to discuss new and innovative ways to finance biodiversity and ecosystems. One of the key elements of the book is an analysis of new sources of finance that could raise up to USD 141 billion by 2020 to help meet the target of halting global biodiversity loss.

“ The Little Biodiversity Finance Book will be an indispensable tool, making biodiversity financing options more accessible for both newcomers to this field and national and international policy makers.” says Ahmed Djoghlaif, Executive Secretary of the Convention on Biological Diversity (CBD).

The Little Biodiversity Finance Book highlights a multitude of policy options for biodiversity and ecosystem services and, given significant policy action finance could reach USD 141 billion by 2020. To achieve this, though, will require strong coordination across the biodiversity, climate change and developments agendas.

[Download](#) the Little Biodiversity Finance Book.

ASN Bank – Biodiversity Investment Policy

ASN Bank produced an Issue Paper which interprets and applies its Special Investment Criteria with respect to biodiversity. Biodiversity is the third main theme in the ASN investment policy, in addition to climate and human rights. The Biodiversity theme indicates how they deal with nature and the environment through their investments. This Issue Paper sets out the biodiversity investment criteria that ASN Bank applies in selecting its investments. It also describes how ASN Bank defines the concept of biodiversity when exercising its voting rights as a shareholder of listed companies and in the dialogues it hosts with those companies.

Click [here](#) to view the Issue Paper.

Nedbank – Launch of the Quarterly Sustainability Outlook

Nedbank knows that in this fast changing world there are crucial environmental and social factors that influence business and investments. For this reason they have invested in understanding how exactly these realities interact with the financial markets. As their understanding has grown they have undertaken several pioneering activities, including: becoming the first African bank to become carbon neutral, as well as the first African bank to sign up to the Equator Principles; launching a Green Affinity programme with the World Wild Fund for Nature (WWF); and building the extensions to their headoffice to the highest green building standards. Nedbank has launched the quarterly Nedbank Sustainability Outlook, a collaboration with the University of Cambridge Programme for Sustainability Leadership. The aim is to bring forward some of the critical analysis, data and arguments that will help investors discern vital environmental and social trends that relate to their investment choices.

Click [here](#) for more details.

Road to Market Mechanism for Sustainable Use of Biodiversity

In October 2010, a paper by Takashi Hongo (special advisor and head of Environmental Finance Engineering Department Japan Bank for International Cooperation) released a paper named “The Road to Market Mechanisms for Sustainable Use of Biodiversity”. This paper outlines the value of biodiversity and presents a three step approach for the sustainable use of biodiversity, biodiversity offset markets, cost merit of biodiversity offset trade, voluntary action and other key issues. Please contact Jessica Boucher (Jessica.boucher@unep.org) for a copy of the paper.

Other Interesting and Useful Websites

ForestBonds.com is the home of Forest Bonds, a new class of capital market instrument that connect long term institutional investors with the delivery of sustainable forest and land management worldwide. Forestbonds.com has been created to support and facilitate the development of Forest Bonds to the highest standard, offering guidance to potential developers and assurance to prospective investors.

Find all the background information you need on biodiversity through this comprehensive list of "[The Best Biodiversity Blogs](#)".