The Next Challenge

Towards A Collaborative Effort by Financial Institutions to Integrate Biodiversity and Ecosystem Services into Business

Date: 4 April, 2011 | 10.00 – 16.00
Venue: HypoVereinsbank, UniCredit Bank AG, Prannertr. 4 | 80333, Munich | Germany

UNEP FI, HypoVereinsbank and the Verein für Umweltmanagement und Nachhaltigkeit (VfU) are pleased to invite you to a regional workshop to discuss environmental and ecological risks and opportunities in the finance sector, why this is an important issue for the sector, and the rationale behind the development of a ‘Natural Capital Statement for Financial Institutions’.

There is growing recognition amongst companies of the need to better understand and integrate the management of environmental risks and opportunities into all aspects of business operations. It is also clear that humanity’s impacts on and dependency on biodiversity and ecosystem services (BES) represent risks and opportunities for financial institutions (FIs) and their clients. Increasingly, members of the finance community are also responding to this increased recognition for natural capital, and the pressing need to understand systemic risk in a far more holistic way. Does the financial sector sufficiently understand, and therefore value and price the risks and opportunities related to BES? Such matters are increasingly pertinent for all FIs, and particularly those active in the primary economy and in resource intensive sectors. Now is the time to accelerate both the general recognition of and collective action for the integration of BES as a systemic risk to economic and financial sustainability.

This event will be a crucial stepping stone in the development of key guidance to the finance sector on the incorporation of natural capital as a systemic risk. The event aims to engage all participants in the drafting of and commitment to a statement ‘Natural Capital Statement’ through which UNEP FI will seek support from banks and other financial institutions to commit to embed biodiversity and ecosystem service considerations into internal processes, products and services. The statement will represent a vital step forward for and signal from the international finance community in the run up to Rio+20 in 2012.

This Statement is a crucial process to building momentum around biodiversity conservation, which commenced during the 2010 International Year of Biodiversity, with inception workshops in London, at the CBD COP 10 in Nagoya Japan, and in Hong Kong with Credit Suisse. En route to the United Nations Earth Summit in Rio de Janeiro in 2012, the financial sector has a unique chance to demonstrate that it takes the loss of natural capital seriously and is taking action. In 2011, the momentum continues, as the ‘Natural Capital Statement’ is iteratively refined with inputs from FIs and non-FIs, during this coming event in Munich, and then London, New York, Sao Paolo, Sydney, and Washington ahead of a formal launch in early 2012.

Ivo Mulder        Irina Detlefsen        Eva Kammerer-Kirch
Programme Officer Corporate Sustainability Coordinator
UNEP Finance Initiative HypoVereinsbank VfU

Please confirm your attendance by contacting Jessica Boucher
(Jessica.boucher@unep.org)
Tentative agenda:

10.00-10.30 Opening by UNEP FI, HypoVereinsbank and VfU (plenary)
What do we mean by natural capital & why does this issue need to be higher up on the FI agenda?
 o Where are we with the statement & where do we want to go?
 o Objectives of the day

Warm up: Building our framework for understanding the issue
 o Who we are?
 o What is our involvement in this issue?

10.30 – 11.00 Understanding how BES is material for financial institutions
 o Mapping exercise on BES materiality for finance institutions.
 o Feedback to the group & discussion

11.00 – 11.30 How ecosystem degradation can affect lenders and investors – Part I
 o Daniel Shambracks (KfW) – Implications of BES in high impact sectors & how BES affects lenders.
 o Ivo Mulder (UNEP FI) – Summary of a new CEO Briefing and synthesis of findings and developments from previous events in London, Nagoya & Hong Kong.

11.30 – 11.40 Open Discussion

11.40 – 12.00 Coffee Break

12.00 – 12.45 How ecosystem degradation can affect lenders and investors – Part II
 o Irina Detlefsen (HypoVereinsbank) – Understanding, valuation & integration of environmental and ecological risks and opportunities.
 o Oliver Rüdel (Oekom) – Implications of BES in high impact sectors & how BES affects investors.
 o Speaker (TBC) – What role does the financial sector have in developing innovative financing strategies to better account for natural value

12.45 – 13.00 Open discussion

13.00 – 14.00 Lunch

14.00 – 14.15 Introducing the ‘Natural Capital Statement for Financial Institutions’
 o Questions & Open Discussion
 o Activity Briefing (Drafting Statement)

14.15 – 15.30 Shaping the Natural Capital Statement for Financial Institutions
 o Business Case: Best methods to engage FIs? Which institutions should get involved?
 o Vision: What are the four main points to make clear in the statement?
 o Action: What are the six key points of action for financial institutions to hardwire ecological risk and opportunity into lending and investment?
 o Goals: What do we want the statement to do for the FIs/Clients/Regulation or Policy/Other? How do we make the statement effective and valuable?

15.30 – 16.00 Closing Plenary
 o Discussion of the outcomes of the workshop exercises.
 o Next steps – moving forward and signing up to the Natural Capital Statement for FIs.