

European Business & Nature Summit

Building actions for nature & people

#EUbiodiversity
#BusinessNatureSummit

Madrid, 7 & 8 November 2019



Organisers

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European Business & Nature Summit

GS8 —Strategies and frameworks to engage businesses on biodiversity

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GS8 —Strategies and frameworks to engage businesses on biodiversity

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Ministry of the Environment



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Government frameworks for engaging Business for Biodiversity

Designing an appropriate policy interface

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NATURAL
CAPITAL
COALITION

Martin Lok - Natural Capital Coalition

Main subjects

- › Linking economic sectors to biodiversity
 - Impacts and dependencies on B&NC (Biodiversity and Natural Capital)
 - Mitigation options and no-net-loss
- › Stocktaking business responses
 - Inventory of (Dutch) companies
- › Integration of B&NC in business models
 - Wide diversity in company strategies
- › Business cases for commitment to
 - Finance and risk-management
 - Government roles and instruments



Main points

- › Companies use different strategies to integrate B&NC issues into their business model
- › Strategies are dynamic, change depends on internal leadership and external incentives from societal actors
- › Government needs to consider different motivations for including B&NC in business models, and act appropriately



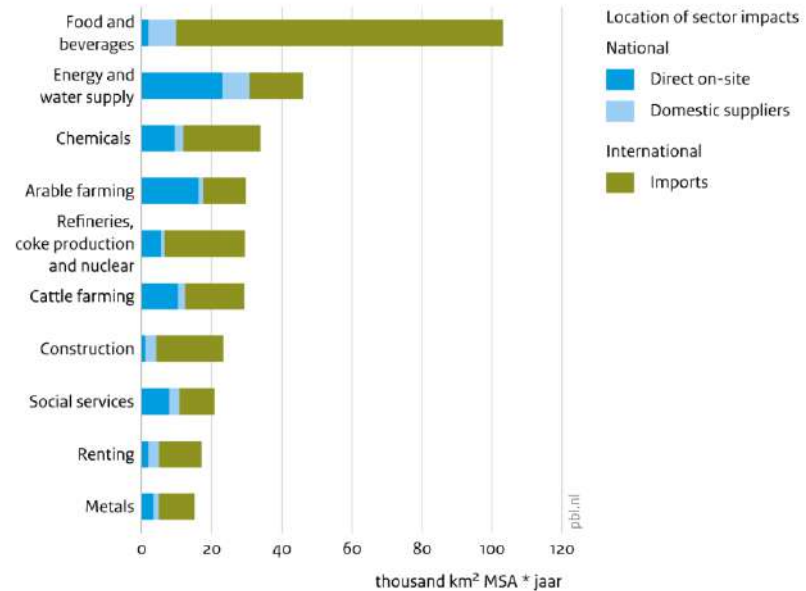
Post-2020 targets for biodiversity

- › Transformative change needed to bend the curve of biodiversity loss !
- › A large role for non-state actors like business and finance !
- › What (can) companies do to reduce impacts and create positive change ?
- › How do businesses integrate B&NC in their business models ?
- › How can governments promote B&NC integration beyond frontrunner?

Business is part of the problem.....

- Business biodiversity footprint
 - Include supply chains!
- Large international component
 - Trade and indirect land-use
- High impact sectors
 - Food and beverages (land-use)
 - Energy (GHG)

Biodiversity footprint of Dutch sectors, 2007



Source: PBL

.... and business is part of the solution

“The Mitigation hierarchy”

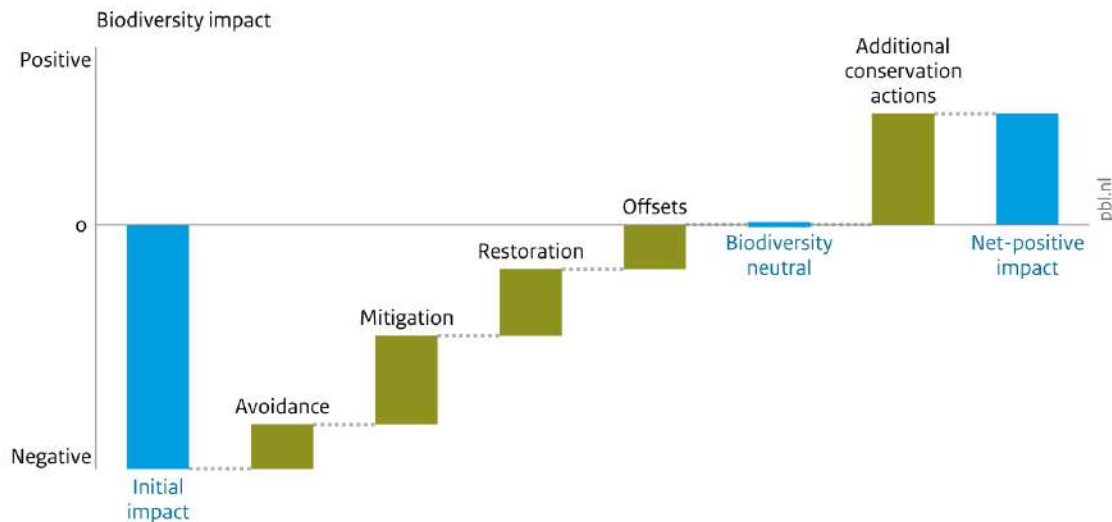
No-Net-Loss approach

- Principles, standards, guidelines
- Over 60 companies committed
- Roadmaps for business and government

Consecutive options to mitigate biodiversity loss and work towards no-net-loss

Cooperative action required over supply-chains

The principle of biodiversity compensation by companies



Source: BBOP

Stocktaking nature-inclusive action by (Dutch) companies

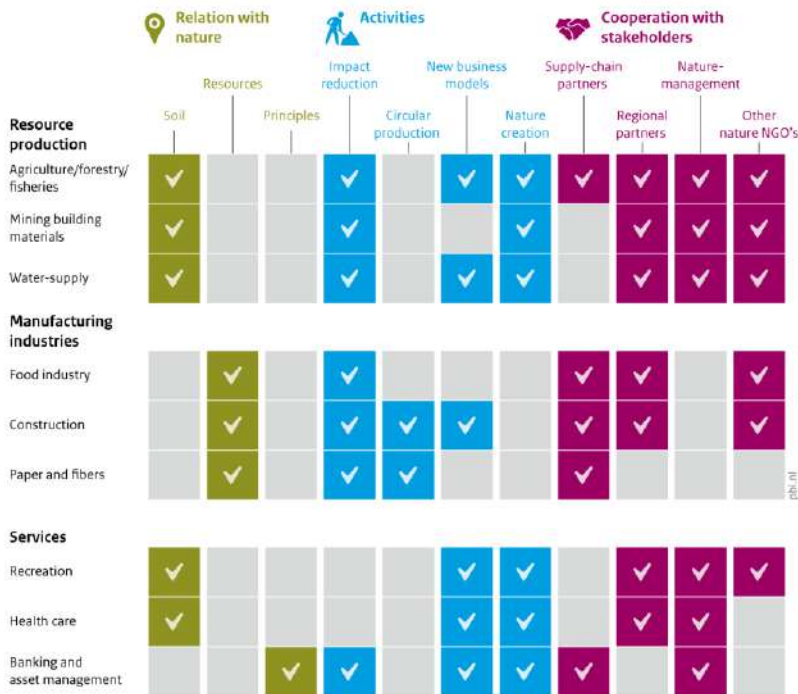
What companies (can) do depends on

- their **position** in the supply-chain
- possibilities and capacity for **partnering**
- their motivation and **strategy** for CSR

Many parts of the puzzle available, but...

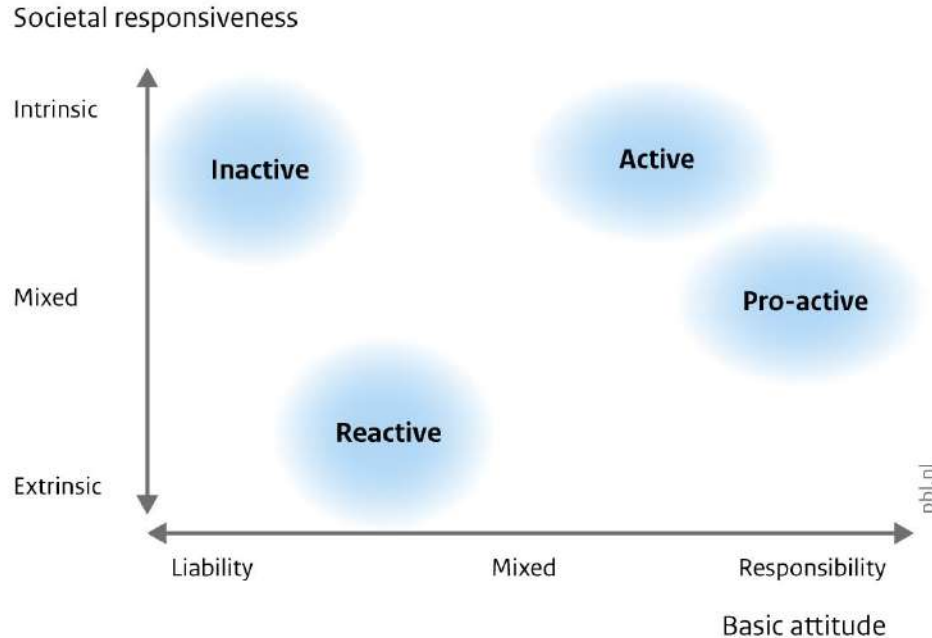
- no systematic monitoring
- results not easy to quantify
- only a coalition-of-the willing is visible
- no signs of mainstreaming

Aspects of nature-inclusive company initiatives



Source: Harms and Overbeek, 2011; Bouma and Van Leenders, 2013; Breman et al., 2014; Van der Heide and Overbeek, 2017; adapted by PBL

Company strategies for sustainable entrepreneurship



Strategies for CSR

Inactive

- Compliance to regulation
- Cost reduction

Reactive

- Reputational issues (risks)
- Avoid further regulation (tactical)

Active

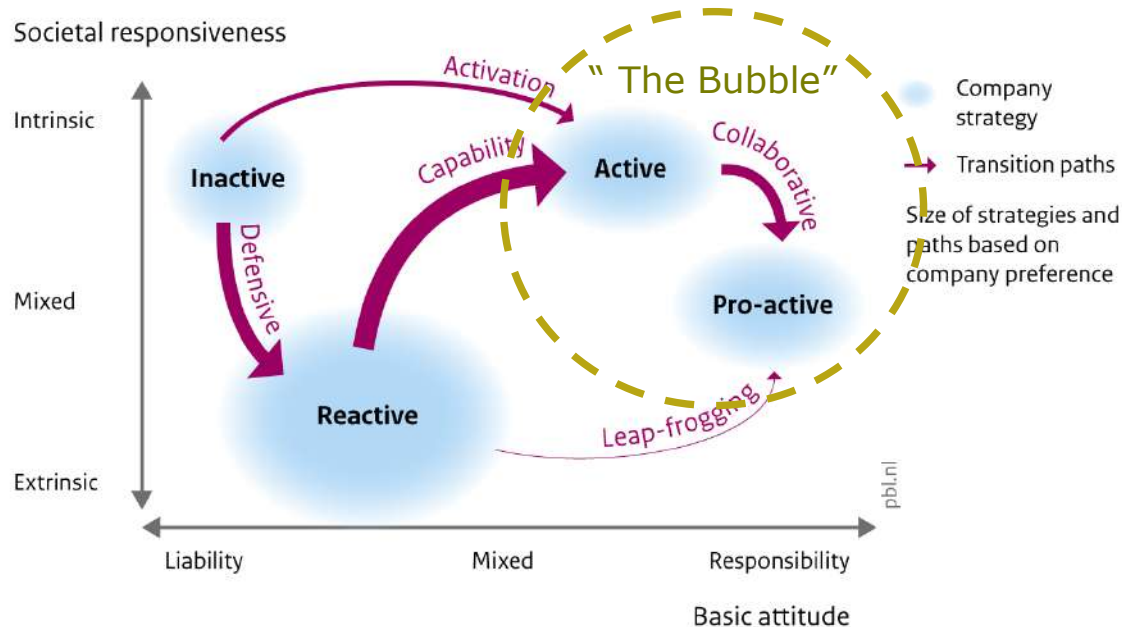
- Strategic innovation (opportunity)
- Competitive advantage

Pro-active

- Contribution to societal challenge
- Partnering to co-create

Source: Van Tulder Erasmus RSM; adapted by PBL

Changing the business cases



Source: Van Tulder Erasmus RSM; adapted by PBL

Triggers and incentives

Consumers

- Demand & social media

Societal stakeholder

- Naming and shaming
- Partnerships

Finance

- Risk assessment
- Responsible investment

Government incentives

- Different roles and instruments

Draft



Government roles in engaging business

Endorsing – support CSR efforts

Publicity on good practices, public appraisal

Partnering – cooperation and combining resources

Public Private Partnerships, platforms and COPs

Facilitating – reward the business case and remove barriers

Tax and subsidies, public procurement, Green Deals

Mandating – regulation and enforcement

Transparency, fiscal penalties, environmental norms

Transparency => EU Guideline on non-financial reporting

Diversify Policy-to-Business interventions

	Inactive	Reactive	Active	Pro-active
Endorsing	0	+ / 0	+	++
Partnering	+ / 0	+ / 0	+	+
Facilitating	+	++	++	++
Mandating	++	+	0 / -	0 / -

Conclusions

- › Many examples of nature-inclusive activities of companies
 - Large variation in specific activities and initiatives
 - Cooperation crucial to reach net positive impact
- › Companies struggle with identifying risks and integrating B&NC
 - Preference for reactive strategies – in response to external triggers
 - Materiality of B&NC (company value) not clear to many companies
 - Rising interest from green finance – focus on reducing financial risks
- › Government has to develop a diverse policy portfolio
 - Previous decade: facilitation and endorsement
 - Awareness and activation programs
 - “Soft policies” serve the Coalition-of-the-Willing
 - Next decade (post 2020): multiple government roles needed
 - Activation beyond the already committed

GOVERNMENT DIALOGUE ON NATURAL CAPITAL

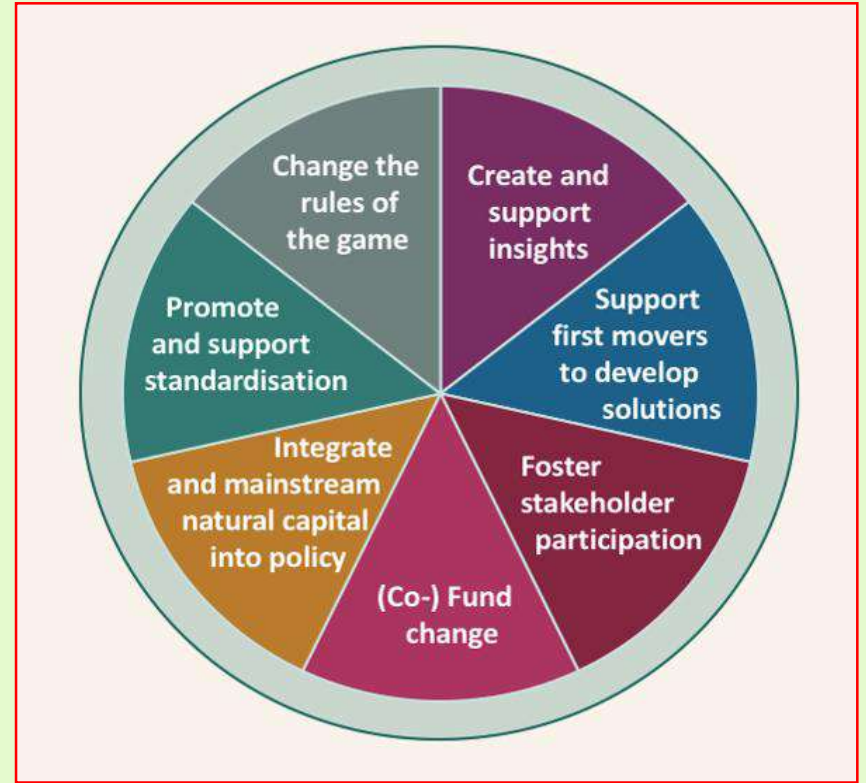
A government led dialogue on their role in creating an enabling environment for natural capital approaches

2018 results:

A [narrative](#) to illustrate why natural capital is important for governments and what they can do

→ 7 levers of change

> 50 examples of best practices



An aerial photograph of a terraced rice paddy field. The terraces are arranged in a grid-like pattern, with some filled with dark brown water and others with young green rice seedlings. Two farmers are visible: one in the upper left corner watering a terrace, and another in the middle right section carrying two buckets and watering a terrace. The scene is captured from a high angle, showing the geometric patterns of the terraces and the vibrant green of the rice plants.

BUSINESS FOR NATURE - DEVELOPING POLICY RECOMMENDATIONS

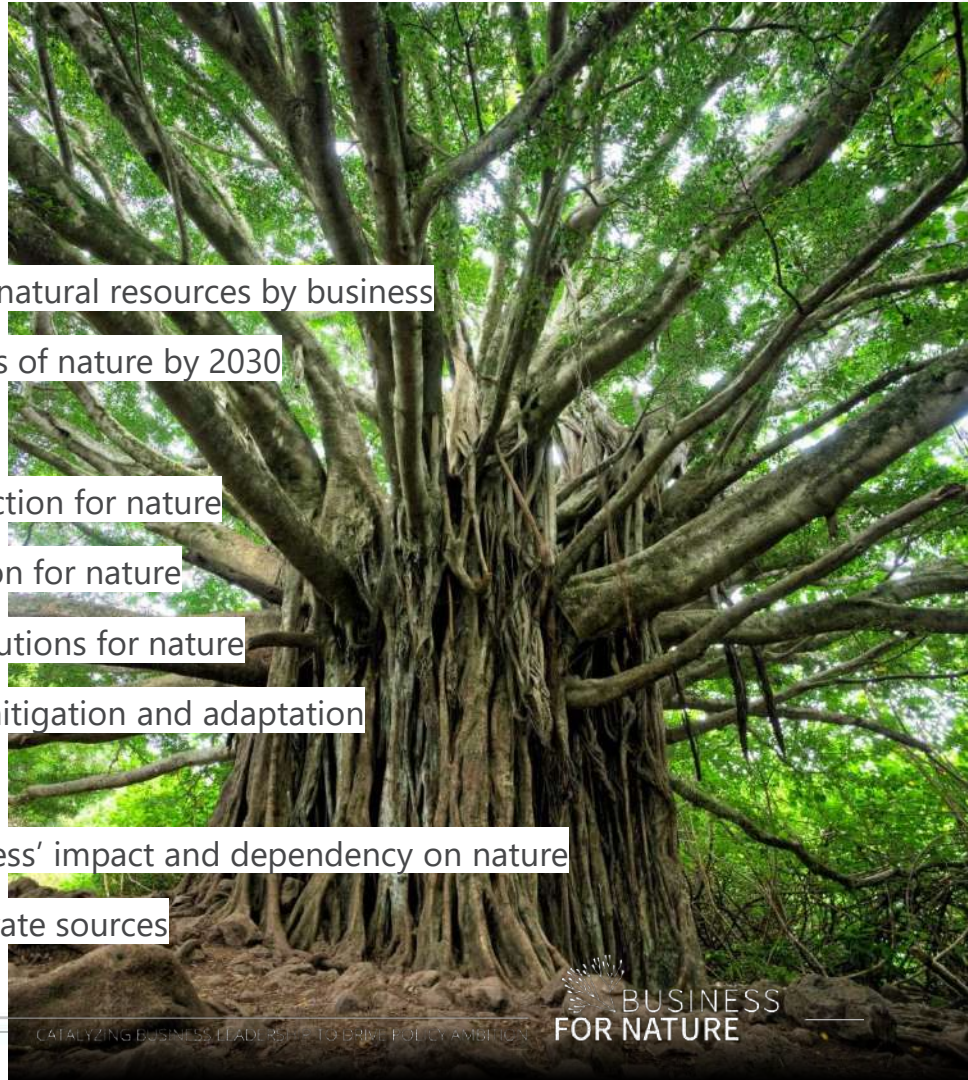
AT THE LAUNCH: 3 KEY POLICY ASKS

- Support the adoption of an emergency declaration for nature and people
- Agree on science based targets to halt the loss of nature by 2030
- Improve economic and financial systems



SURVEY TO GET BUSINESS FEEDBACK ON THE NEED TO ...

1. Adopt policy strategies promoting sustainable use of natural resources by business
2. Adopt science-based nature targets to reverse the loss of nature by 2030
3. Shift the food production and consumption system
4. Adopt incentive mechanisms to accelerate business action for nature
5. Adopt regulatory changes to accelerate business action for nature
6. Adopt facilitation measures to accelerate business solutions for nature
7. Promote nature-based solutions for climate change mitigation and adaptation
8. Improve the coherence of the policy framework
9. Improve availability of data and information on business' impact and dependency on nature
10. Increase nature-related financing from public and private sources
11. Other...





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www.pbl.nl or #PBLNL

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 3. Select your room (Auditorium, Room 1, Room 2)



What are your thoughts?



First Slido-round:

1. What are effective business engagement strategies?
2. What is most challenging in engaging business?
3. How governments could support forerunner businesses?

