

- Management of biodiversity and ecosystem services (BES) is no longer solely the responsibility of governments and other public and NGO groups
- Losses of BES = financially material risks and opportunities for bankers, investors, insurers and traders
- BES risks and opportunities need to be integrated into business models and strategies

Value

- Few ecosystems being explicitly priced
- Priced ones only reflect direct-use values (crops, fish ie directly consumed)
- Non-use values eg cultural - concerned with a species or habitat are almost never priced
- Indirect-use values eg regulating services, only recently starting to be valued
- We need an all-encompassing economic valuation of benefits to society derived from BES = better appreciation of financial implications and costs of BES loss and degradation from misuse and overexploitation

COST



PRICE



VALUE



PROTECTION-CONSERVATION

Existing markets for BES

- Certified agricultural products
- Payments for ecosystem services
- Mandatory and voluntary biodiversity offsets
- Bio-prospecting contracts
- Markets are relatively small and underdeveloped

CSR markets

- Markets in : forest products, sustainable forestry, emissions offsets, watershed mgt, flood risk mitigation, ecotourism, biodiversity, nutrients
- Likely to develop ahead of regulated offsets
- Integrating BES risks and opportunities into corporate planning and decision making
- Providing corporate licence to operate
- Increased customer loyalty
- Better staff recruitment
- Sustainability in supply chain
- Reduced investment and reputational risks
- Improved profitability and investment value
- Accessing new sources of capital

‘Innovative private sector mechanisms to finance and encourage sustainable management of BES are developing, given the imperatives of increasing natural resource scarcity, continuing BES degradation and loss and potentially damaging consequences of such loss for society and the economy’

von Gunten, C. & Cooper, M. (2011). Finance, biodiversity and managed ecosystems. Where’s the data? Report to NERC by Z/Yen Group.