‘Nature Finance’ Workshop Report

13th February

Objectives:

1. Establish a shared understanding off Nature Finance user requirements for EO
2. Explore current EO tools and methods that could be applied
3. Create a vision for the future of EO for Nature Finance

Main messages from speakers:

- Current state of Nature Finance; greening finance/financing green (N Ranger)
- The concrete EO ask for Nature Finance pilots under the LEON project (J Bull)
- Linking GBiOS to Nature Finance, and beyond (A Gonzalez)
- The crucial role of the TNFD (M Connelly)

Conclusions and recommendations:

- Extensive notes, too numerous to capture here; to be shared in a wider report!

Nature Finance workshop: outcomes by LEON project pilots

Mining and Agri-Food (pilots 1, 2):
We need data and metrics that are transparent and comprehensible to investors and the corporates themselves to enable measurement of impacts on nature and verifiable outcomes from mining and agriculture supply chains
In order understand biodiversity impacts of business we need to know supply chains
Also, soil biodiversity, and positive Impacts e.g. agroforestry, field edges

Risks (pilot 3):
We need a globally consistent and comparable measurement of ecosystem degradation and biodiversity loss that can be attributed to specific economic activity, human, and environment drivers; and we must assess ecosystem service provision and/or change over time
Take a ‘vulnerability’ approach to map most exposed area (requires spatial information); localize the material impact of ES at the level of a company footprint
Decide which scale: identify cost-benefit of improving accuracy and reduce uncertainty vs improving scale and maintaining accuracy

Biodiversity credits (pilot 4):
We need a system that can provide useful monitoring and accountability for large landscape scale biodiversity credit projects as well as many small-scale projects across a single landscape
Spatial and spectral resolution for habitat condition monitoring
Indicators beyond species detection, focusing on structural and ecological condition
Also, EO as an early warning system for failure e.g. identify heat stress

Natural Capital Accounting (pilot 5):
We need reliable maps of current, historical and future projections of ecosystem extent and state to facilitate opportunity identification for conservation and restoration

Debt for Nature swaps (pilot 6):
We need to be able to monitor the implementation and outcomes of specific ‘key performance criteria’ on financial instruments, and we need metrics that can capture and attribute a risk reduction benefit of specific restoration or protection activities that can be used to justify and measure a reduction in loan interest or monitor activities conducted with money saved on interest