



NATURAL  
CAPITAL  
COALITION



Natural Capital  
Finance Alliance  
Finance sector leadership on natural capital

Secretariat:



## Consultation Meeting on the Finance Sector Supplement

*28th of June, Amsterdam*

### Introduction

On the 28th of June the Natural Capital Coalition (the Coalition), the Natural Capital Finance Alliance (NCFA) and the VBDO organised a consultation meeting on the Natural Capital Protocol's draft Finance Sector Supplement. More information on the Finance Sector Supplement can be found [here](#).

Several Dutch financial institutions attended the meeting, supplemented by financial institutions from the European community of practice on natural capital (see appendix 1 for a list of attendees). This report provides an overview of the presentations and main outcomes of the consultation session.

### Program

#### 13.00 Word of Welcome

**Angélique Laskewitz** welcomes the participants and introduces the organising organisations: Natural Capital Finance Alliance, Natural Capital Coalition and the VBDO.

**Lars Mueller** from DG Environment also welcomes the participants on behalf of the Community of Practice Finance@Biodiversity (CoP F@B), as this consultation meeting is a joint meeting with members of the CoP and Dutch financial institutions. The CoP F@B is a network of European financial institutions working on the integration of natural capital in their finance activities. Lars also provides an overview of three relevant developments on the European level.

- The first one is the High Level Expert Group on Sustainable Finance that in July will publish their interim advice to the commission. More information can be found [here](#). On the 18<sup>th</sup> of July DG FISMA (Financial Stability, Financial Services and Capital Markets Union) will organise a conference as part of the consultation.
- The publication of the guidelines on Non-Financial reporting is another interesting development, that include references to natural capital, biodiversity and the Natural Capital Protocol. More information can be found [here](#).
- Following a thorough evaluation of the Birds and Habitats Directives, the European Commission has recently adopted the Action Plan for nature, people and the economy to improve their implementation and boost their contribution towards reaching the EU's biodiversity targets for 2020. More information can be found [here](#). The Action Plan focuses on four priority areas and comprises 15 actions to be carried out between now and 2019. It is complemented by specific factsheets on actions which explicitly mention also the role of business and the EU Business@Biodiversity platform see below in action 1, 8, 12 and 24. More information can be found [here](#).

#### 13.15 Setting the scene. Three pitches on the financial institutions and natural capital

Three short presentations are given on financial institutions and natural capital.

##### 1. Platform for Biodiversity Accounting for Financials.

**Caroline van Leenders** gives an overview of the Platform for Biodiversity Accounting for financials. This is a platform for financial institutions working on biodiversity. The platform had a meeting the morning before the consultation meeting, in which Caroline gave a detailed summary. During the meeting a newly developed methodology to assess

biodiversity in the whole portfolio was discussed. The methodology developed by CREM, Pré Consulting and ASN shows biodiversity hotspots in the portfolio. There is still work to be done such as including asset classes such as mortgages, real estate and project finance. That will be an important task for the future meetings of the platform.

## 2. Rabobank & Wolfs Company

**Rabobank (Richard Piechocki) & Wolfs Company (Viviana Lujan)** present how the Rabobank and Wolfs Company have carried out a natural capital assessment on a salmon aquaculture company in Southern Chili. The presentation can be downloaded [here](#). Rabobank brought 7 big Chilean companies, the government and WWF together. These actors are now working together to improve sustainability in the Chilean salmon aquaculture industry. There were obstacles however to organise this coalition. In Chile, the salmon industry was reluctant to work with academia and NGOs. This is where the Rabobank could play an essential role in bringing parties together.

One important part of the partnership between Rabobank and WWF-The Netherlands was to make an ecosystem services assessment of salmon aquaculture. Wolfs Company used multiple methods including interviews and organized a workshop to engage several stakeholders on this assessment. Viviana shows how the approach of the Finance Sector Supplement can be compared and fitted to this assessment. Looking at 'scope', Viviana shows how the assessment was scoped to focus on an area with high biodiversity values and conflict of uses of ecosystem services among different users, which allowed the assessment to also address biodiversity and social aspects. This permitted, for example, to also look at perceived impacts identified by stakeholders and at impacts of other actors on the ecosystem services on which the salmon company depends. When discussing 'measure and value', Viviana presents how the assessment showed the dependency of aquaculture on oxygen provision. At the same time, the negative impact of the salmon aquaculture and other actors on ecosystem services, reduces oxygen availability in the water. These insights also opened a good opportunity to address related social and environmental aspects.

The project represented a wake-up call: assessing its dependency on ecosystem services helped the company to become more resilient, also economically. That is important for a bank such as the Rabobank from a financial point of view. A good plan on how to deal with ecosystem change decreases risks. In addition to that, the assessment contributed to mainstreaming clients' sustainability into the bank's business. Finally it helped creating awareness for bankers about the issue and its importance for clients and the bank.

### Lessons learned

- Making a natural capital assessment help to gain insight on impacts as well as dependencies, which are also relevant from a financial institution point of view.
- The strength of multi-actor/multi-disciplinary processes.
- Focus from the outset on biodiversity, society as well as business.
- It is of importance to have a clear structured method, for which the natural capital protocol works well.

## 3. Natural capital and finance: towards real risk management in agro commodities

On behalf of IUCN-NL, WWF and VBDO **Heleen van den Homberg** presents the work the three organisations are doing in relation to agro commodities and the financial sector. The presentation can be found [here](#). Heleen uses the example of the Chaco, a region in

Paraguay and Bolivia which has to cope with deforestation due to an increase of agricultural land, mainly for cattle ranching and soy. This problem is accelerated since much of the land is deforested illegally. Heleen explains that several public listed companies are involved via their supply chains in this region and that therefore investors can be a force for good in curbing this development. For example, by providing guidance or engagement. For the Finance Sector Supplement it addresses what financial institutions can do on the large agro-commodities.



14.15 Presentation on the draft Finance Sector Supplement and piloting phase  
15.00 Interactive discussion and consultation

**Mark Gough (NCC), Marie Morice (NCFA) and Frank Wagemans (VBDO)** introduce the Finance Sector supplement. The presentation can be found [here](#). The problem the Finance Sector Supplement will solve is that at present there is no agreed framework for financial institutions to measure and value their impacts and dependencies on natural capital. This supplement is about decision-making – how to get it into the everyday practice of financial institutions.

The presentation is followed by an interactive discussion in several sub-groups. The section below provides an overview of the main points made. However, all participants are requested to digitally give feedback through the Collaborase platform on which more information can be found [here](#). This to make sure all points are addressed and to enable any follow up contact on the feedback.

- Although the finance sector supplement is focused on the financial sector, it is important that the results also feed in governmental processes.
- It is important to check and to revise the conceptual model in the finance sector supplement. Is the position of the financial sector in the model the right one?
- Make sure the Finance Sector Supplement gives you something that you can't find in the Protocol. This can be done by giving more emphasis on what the finance sector supplement adds to existing practices. For example, make a list of potential applications in daily practices of financial institutions and elaborate on these.
- Build a context for the finance sector supplement and, for example, explain how it connects to the Sustainable Development Goals and other topical initiatives.

- Also make clear how it connects to other frameworks and practices such as a landscape approach or carbon or water foot-printing.
- Build upon the existing case-studies and specify them for the different type of financial institutions and practices. Use the experience from the piloting phase to do this.
- Involve relevant actors in the financial sector such as ESG-data providers.
- Impacts and dependencies may materialise in the long term, but not in the shorter term of a loan. Important to discuss in the finance sector supplement how to deal as a financial institutions with this tension between short and long term objectives.

#### 16.45 Conclusion, closure and drinks.

Angélique Laskewitz closes the meeting and invites the participants for the drinks. Everybody is invited kindly to use the [Collaborase platform](#) for further feedback and to engage with the NCFA, NCC and VBDO on the further development of the finance sector supplement.

## Appendix 1: Attendees

<b>Name</b>	<b>Organisation</b>
Jeroen Loots	ASN Bank
Menso van Leeuwen	AXA-IM
Kees Ouboter	Actiam
Andre Jakobs	ABN AMRO
Dimitrios Dimopoulos	Piraeusbank
Mark Gough	NCC
Marie Morice	NCFA
Maarten Biermans	Rabobank
Richard Piechocki	Rabobank
Viviana Lujan	Wolfs Company
Jolanda van Schaick	CREM
Mike Sharman	Cambridge Institute for Sustainability Leadership
Martin Lok	Ministry of Economic Affairs
Sharon van Ede	NVB (Dutch Banking Association)
Caroline van Leenders	RVO
Anne-Marie Bor	Next Green
Mikkel Kallesoe	FMO
Judith Verhoeven	ING Be
Anneke Kastelein	Sustainalytics
Sylvaine Rols	EIB
Sandra Mulder	WNF NL
Heleen van den Hombergh	IUCN NL
Vicky van Heck	VBDO
Frank Wagemans	VBDO
Angelique Laskewitz	VBDO
Jochen Harkema	ING
Rikjan van Zalingen	ING
Mark de Hoop	VBDO
Gerhard Mulder	IUCN NL
Lars Mueller	DG Environment, EU
Marco van Diessen	Peterdegroofcam
Joris van Erp	Ministry of Economic Affairs
Rudy Verstappen	VBDO
Jonathan Gheysens	NCFA