



2016 BUSINESS AND BIODIVERSITY FORUM

Mainstreaming Biodiversity: Opportunities for Businesses

December 2-3, 2016
COP 13
Moon Palace Hotel, Cancun, Mexico

Lorenzo J. de Rosenzweig Pasquel

Scope:

- ✓ Integrating conservation and sustainable use of natural capital in business planning and operation.
 - ✓ A significant gap remains in finance for biodiversity conservation and management
 - ✓ Global investment required amounts to between 130 and 440 billion US\$ annually.
 - ✓ ¿How could the productive and financial sectors better engage into biodiversity conservation and sustainable use?
-
- ❑ Address financial mechanisms that consider guidelines on biodiversity conservation and sustainable use, applicable to the private sector, as well as discuss investment opportunities and innovative instruments to scale up involve the private sector in biodiversity finance.

✓ ¿Why is it important to mainstream biodiversity?



COP13 COPMOP COPMOP2
CANCÚN, MÉXICO 2016



✓ ¿Why is it important to mainstream biodiversity?

1995, **33** trillion dls x
year

2011, **125-143**
trillion dls x year (GDP
=75.2 t per year)

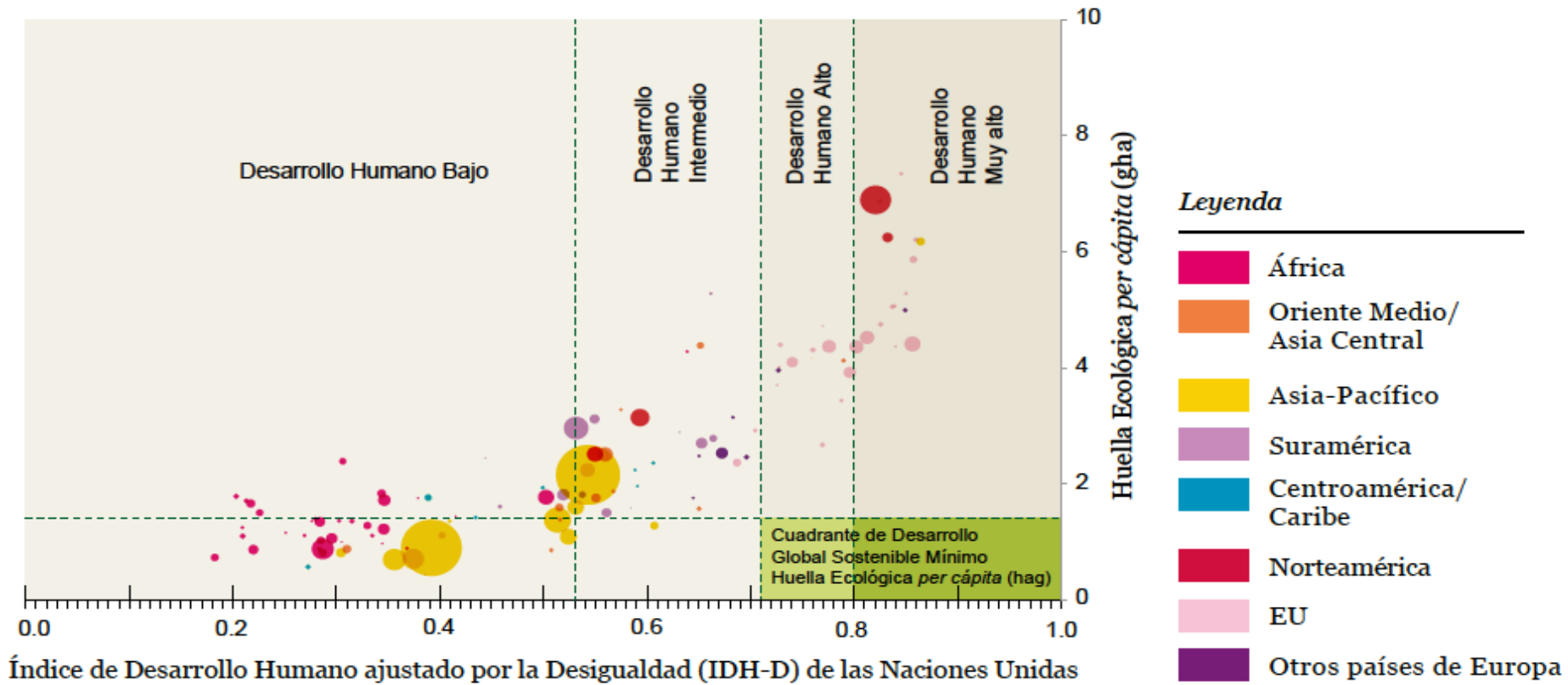
Estimated value of ES
provided to humanity

R. Costanza, 1994-2014

1 trillion= 1×10^{12}

COP13-COMOPS-COMOP2
CANCÚN, MÉXICO 2016





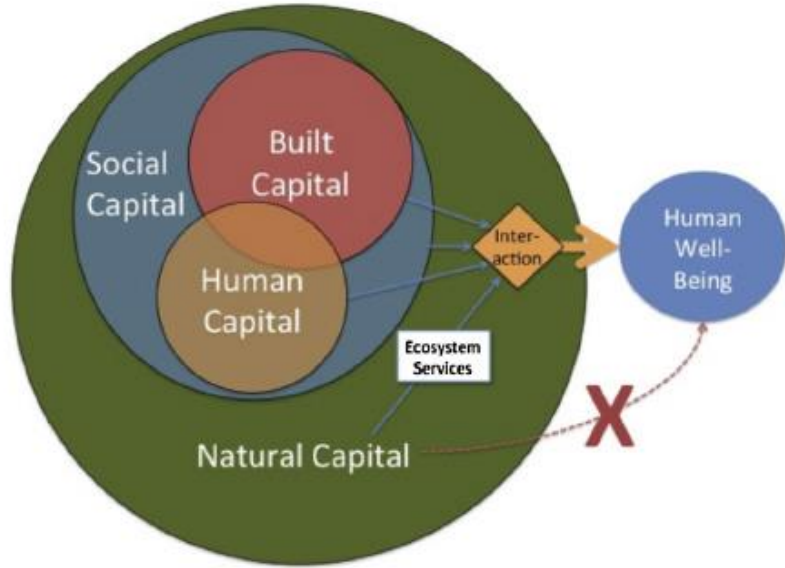
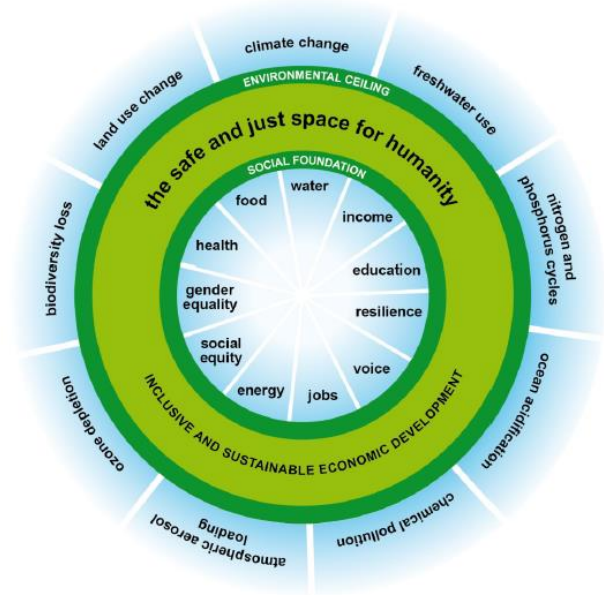


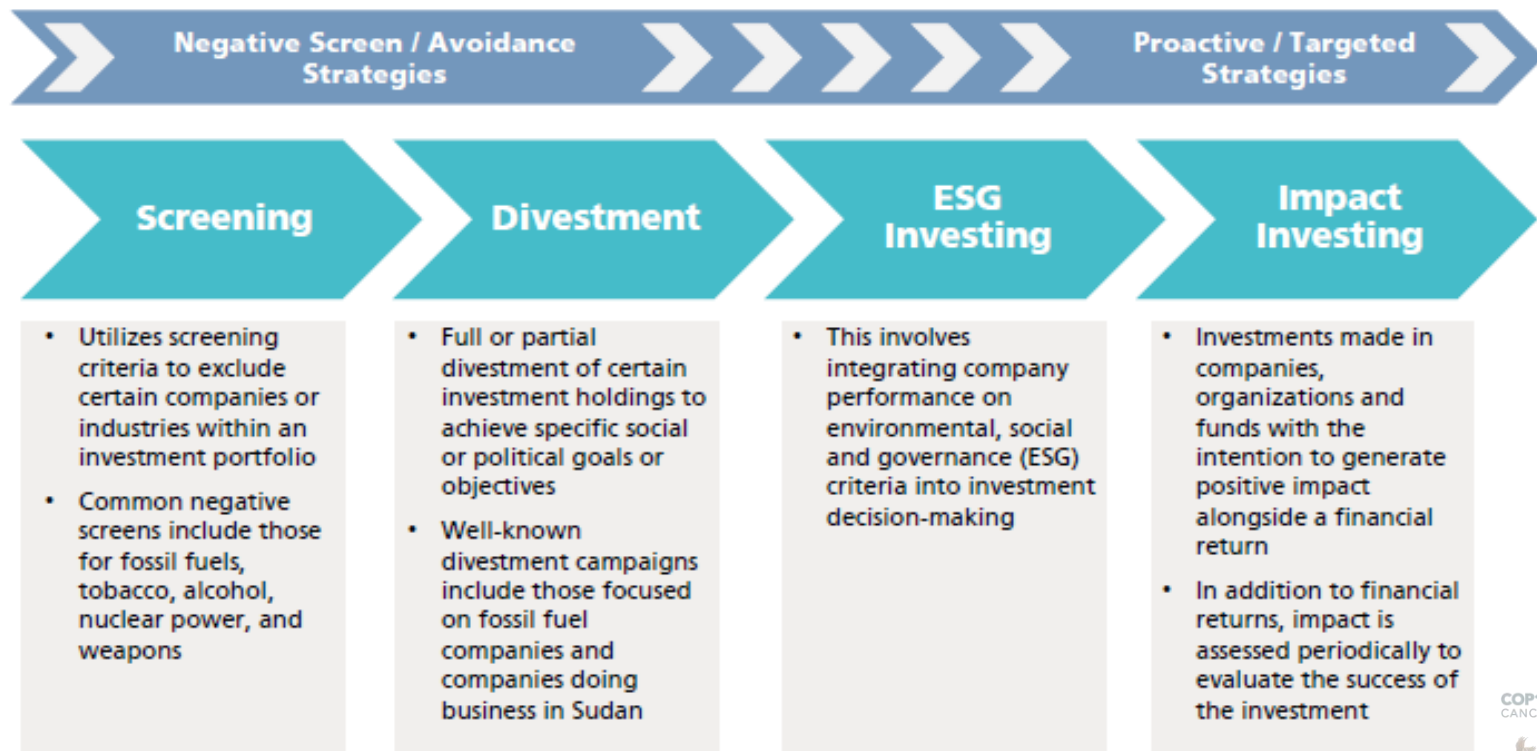
Fig. 1. Interaction between built, social, human and natural capital required to produce human well-being. Built and human capital (the economy) are embedded in society which is embedded in the rest of nature. Ecosystem services are the relative contribution of natural capital to human well-being, they do not flow directly. It is therefore essential to adopt a broad, transdisciplinary perspective in order to address ecosystem services.

Figure 1. A safe and just space for humanity to thrive in: a first illustration



Source: Oxfam. The 11 dimensions of the social foundation are illustrative and are based on governments' priorities for Rio+20. The nine dimensions of the environmental ceiling are based on the planetary boundaries set out by Rockström et al (2009b)

But what is Sustainable Investing (SI)?



Does Sustainable Investing leave money on the table?

Cumulative Index Performance¹



- Returns on the MSCI KLD 400 Social Index have been competitive with its traditional parent index, MSCI USA IMI
- Academic studies have made the investment case for socially responsible investing
- An Empirical Research Partners study concluded that on average, stocks with good ESG credentials beat those with poor scores while also achieving their non-financial, ESG-related goals⁴

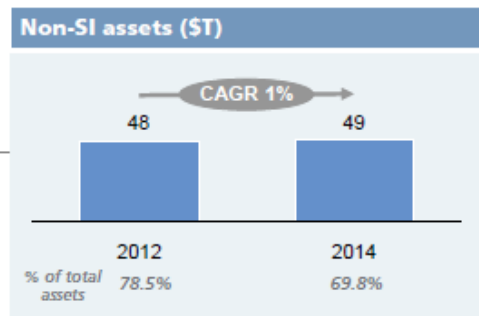
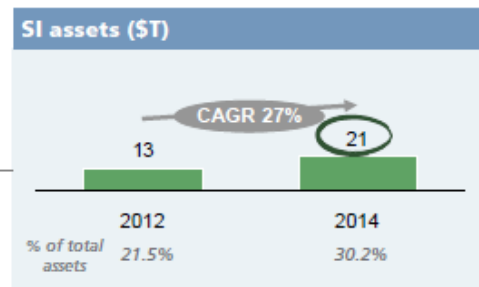
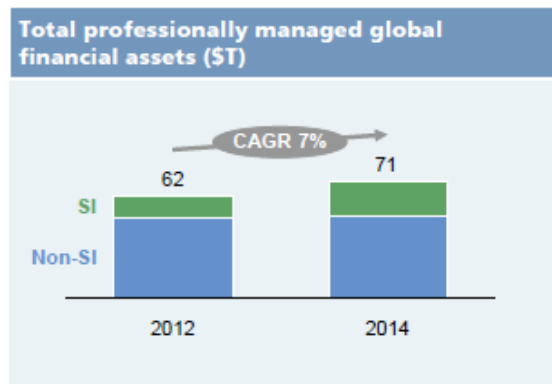
Performance (Since inception annualized returns for the ESG Indices)

MSCI KLD 400 Social Index¹	9.5%	MSCI USA IMI Index	9.4%	S&P 500 TR Index	9.3%
MSCI EAFE ESG Index²	7.7%	MSCI EAFE Index	6.5%		
MSCI ACWI ESG Index³	2.7%	MSCI ACWI Index	1.8%		

(1) Chart shows the appreciation of \$100 invested at KLD 400 inception, 5/31/1994 through 12/31/2015; (2) Since inception performance of EAFE ESG, 8/31/2010 through 12/31/15 (3) Since inception performance of ACWI ESG, 9/28/2007 through 12/31/15 (4) Empirical Research Partners, July 2015 report

Sources: Morningstar, MSCI. Past performance is no guarantee of future results. It is not possible to invest directly in an index. See Appendix for Index Definitions. For illustrative purposes only. Actual performance in a client's specific investment may differ substantially from the performance of the indices noted herein.

Sustainable Investing (SI) assets are \$21.4T globally and growing...

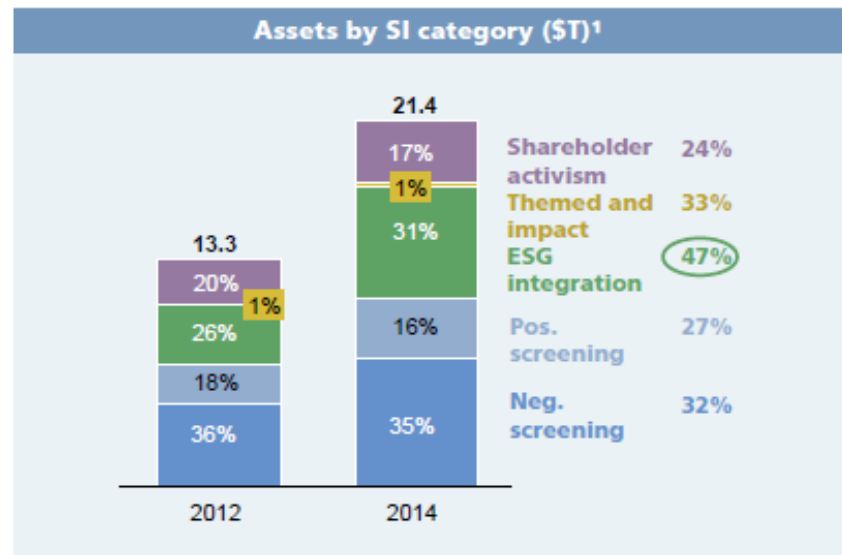
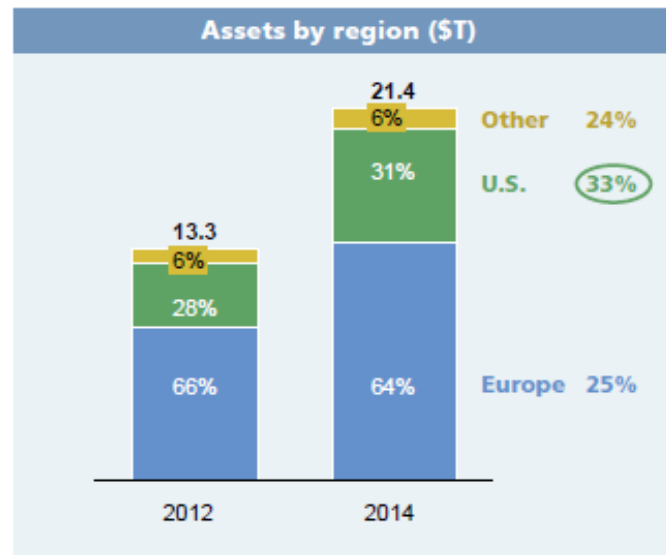


JP Morgan

COP13+3 COMOP13+3
CANCÚN, MÉXICO 2016



While the majority of SI assets are in Europe, the U.S. market and retail segment have experienced strong growth



Source: GSIA, S&P's Money Market Directories (MMD) - 2013, UK Charities Commission; Philanthropic Foundations Canada, Salesforce.com

1. Percentages calculated based on double counting method and applied to actual total SI assets. Includes double counting where assets are included in multiple categories. Total global SRI assets: \$21T, which is 30% of total global professionally managed assets

JP Morgan

COP13+COMOP13+COMOP2
CANCÚN, MÉXICO 2016

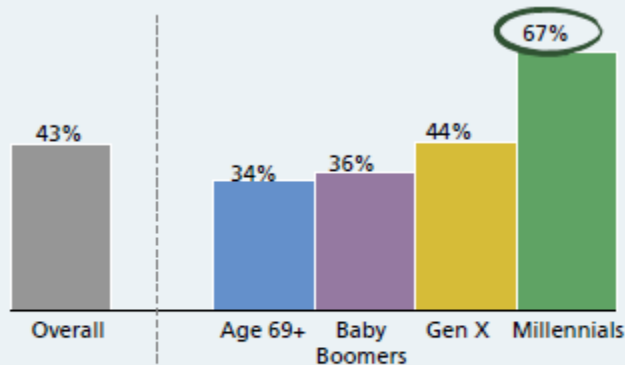


INTRODUciendo LA ECONOMÍA PARA EL BIENESTAR
CONTRIBuyendo A LA DIVERSIDAD BIOLÓGICA

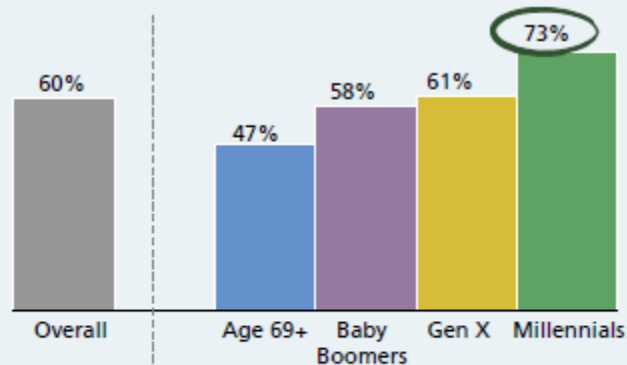
Attitudes on Sustainable Investing

- An estimated \$15 Trillion will be transferred between generations over the next two decades
- Younger generations, particularly millennials, are interested in investments that are in line with their personal values
- Further, they are confident that their investments can have a social impact while maintaining market-rate returns

"My investment decisions express my social, political, or environmental values"



"It is possible to achieve market-rate returns investing in companies based on their social or environmental impact"



Source: 2014 U.S. Trust Insights on Wealth and Worth (based on nationwide survey of 680 high-net-worth and ultra-high-net-worth adults with at least \$3 million in investable assets), J.P. Morgan Philanthropy Centre

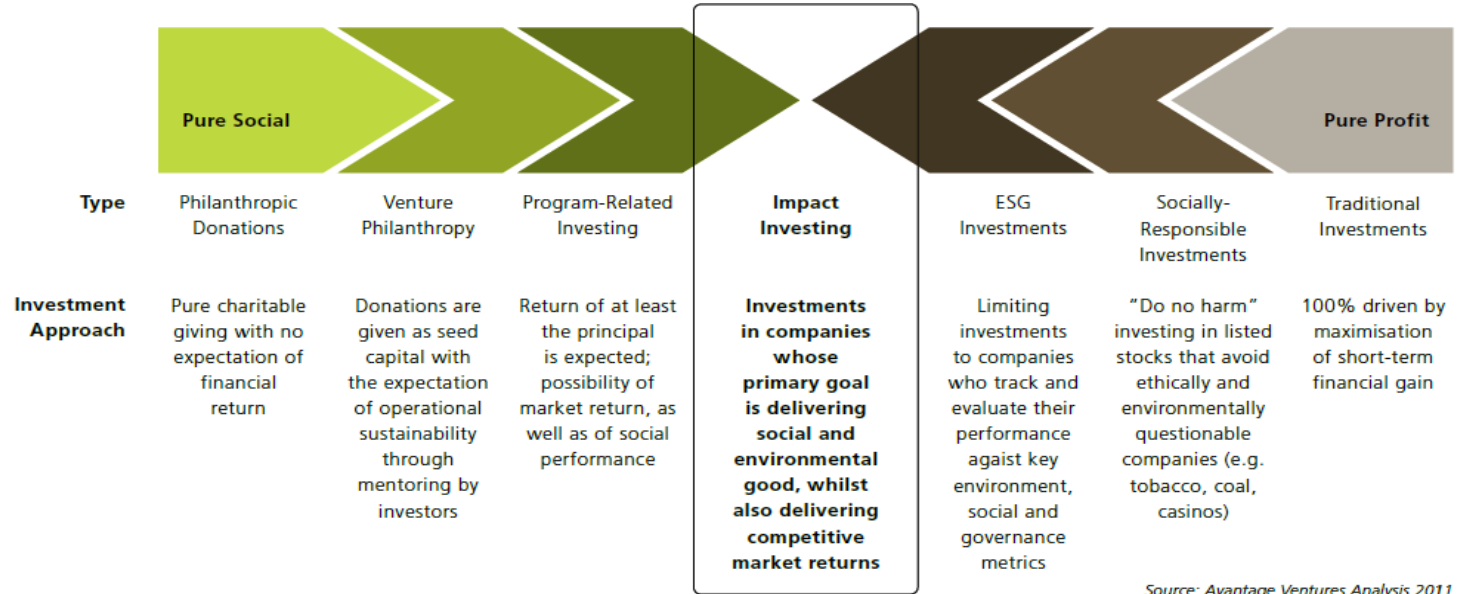
JP Morgan

COP13 COMOP13
CANCÚN, MÉXICO 2016



Financing the **green** and **blue** economies

Spectrum of Social and Financial Objectives



Source: Avantage Ventures Analysis 2011

- Habitat restoration (mangroves, coral reefs)
- Fisheries (recovery, sustainable practices, marketing)
- Tourism
- Other, sustainable sources of income

COP13 COMORA.COMORA
CANCÚN, MÉXICO 2016



Sustainable investing has seen growing interest and commitment



JP Morgan



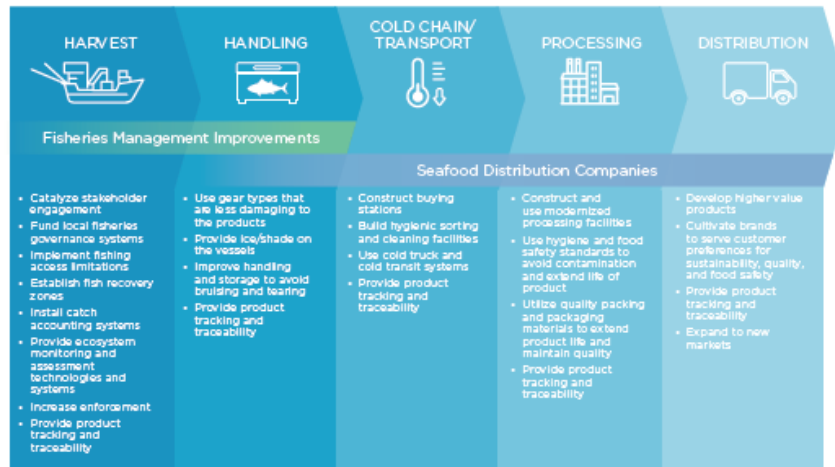
INTRODUciendo LA ECONOMIA PARA EL BIENESTAR
CONTRIBuyendo A LA DIVERSIDAD BIOLOGICA

INVESTING FOR SUSTAINABLE GLOBAL FISHERIES

With support from:
Bloomberg Philanthropies'
Vibrant Oceans Initiative
The Rockefeller Foundation



SMALL-SCALE FISHERIES SEAFOOD SUPPLY CHAIN



COP13 COPMOP COPNCP
CANCÚN, MÉXICO 2016



JP Morgan

NOTANDO LA RECOMENDACIÓN PARA EL BIENESTAR
CONTINÚO SOBRE LA DIVERSIDAD BIOLÓGICA



DESIGNING THE GREEN ECONOMY



THE POSTINDUSTRIAL ALTERNATIVE
TO CORPORATE GLOBALIZATION

.....
BRIAN MILANI

FOREWORD BY **THOMAS BERRY**

LEADERSHIP IN ENERGY EFFICIENCY CASE STUDIES FROM THE GREEN ECONOMY AWARDS IN ASSOCIATION WITH DECC

supported by



**ENDS
GREEN
ECONOMY
awards**

Green Economy

AN EMBASSY POLICY BRIEFING

CARL MEYER

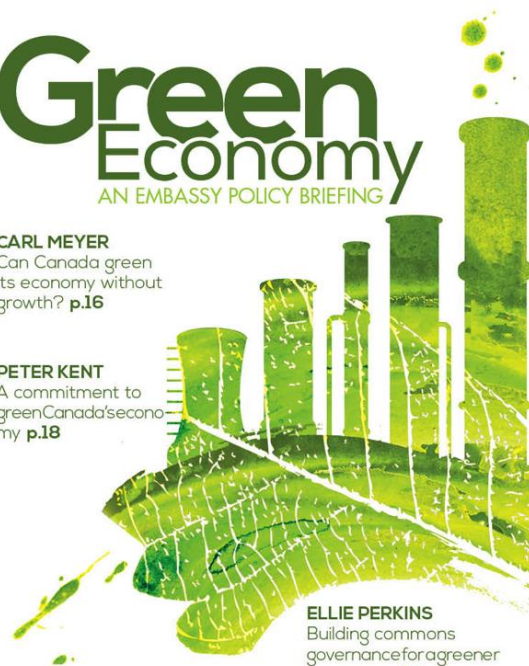
Can Canada green
its economy without
growth? **p.16**

PETER KENT

A commitment to
green Canada's econo-
my **p.18**

ELLIE PERKINS

Building commons
governance for a greener
economy **p.19**



COP13 COP13/CMP.3
CANCÚN, MÉXICO 2016



INTRODUCCIÓN A LA ECONOMÍA PARA EL BIENESTAR
CONTRIBUCIÓN A LA DIVERSIDAD BIOLÓGICA

The
Economist

Intelligence
Unit

Investing in the blue economy

Growth and opportunity in a sustainable ocean economy

A discussion paper by the Economist Intelligence Unit



Sponsored by

GORDON AND BETTY
MOORE
FOUNDATION



MESOAMERICAN REEF 2017 – A VISION FOR THE FUTURE

September, 2016



The Mesoamerican Reef (MAR) region, which extends across the Caribbean coasts of Mexico, Belize, Guatemala, and Honduras is one of the richest and most diverse ecosystems in the world. It continues to face many threats to its health and that of the local communities and economies that depend on it. By effectively addressing these threats through a close alliance of government and civil society, it has the potential to set a global example of how societies can thrive sustainably alongside their environment.

There is a vital link between healthy ecosystems, stable healthy economies and the wellbeing of communities. National environmental authorities play a central role in the development of strategic and effective solutions to critical environmental issues. The 13th meeting of the Conference of the Parties to the Convention on Biological Diversity in 2016, as well as the upcoming 20th anniversary of the Tulum Agreement in 2017, represents an opportunity to showcase current achievements in conservation and key challenges for the future, as well as to demonstrate how decision-makers and regulators can contribute to the critical task of aligning the MAR region's economies with its unique and precious marine resources.

When the heads of state of Belize, Guatemala, Honduras and Mexico signed the Tulum Agreement nearly 20 years ago, they agreed to promote the conservation of the Mesoamerican Reef (MAR) System through its sustainable use, thereby contributing to the welfare of present and future generations. Two decades on, it is now an appropriate time to take stock and plan for the continuing conservation of this globally important region. The Mesoamerican Reef region is world renowned for its diverse natural wonders as well as its rich cultural and ethnic diversity. The interconnected habitats stretching from high-peaked watersheds to deep ocean trenches provide food, shelter, breeding areas, migration routes and nursery grounds for a vast array of species. Our coastal and marine resources include large expanses of mangrove forests and extensive shallow shelves that support important fisheries and some of the best remaining reefs in the Caribbean, which protect our shorelines, our coastal communities and underpin our tourism and fisheries industries.

The
Economist

Intelligence
Unit

The blue economy

Growth, opportunity and a sustainable ocean economy

An Economist Intelligence Unit briefing paper for
the World Ocean Summit 2015



Sponsored by

GORDON AND BETTY
MOORE
FOUNDATION

COP13 COPMOR COPMOP
CANCÚN, MÉXICO 2016



INTRODUciendo LA ECONOMÍA PARA EL BIENESTAR
CONTRIBuyendo A LA DIVERSIDAD BIOLÓGICA

Cuatro modelos de flujo de efectivo en materia de financiamiento de conservación

Type	Cash flow pattern	Examples
Invest up front, manage, and sell		Buy degraded farmland, restore, and sell
Invest up front and generate recurring returns		Buy shrimp farms, convert to sustainable operations, capture returns
Invest gradually and build returns		Help fishermen fish sustainably (net size change, etc.) and capture part of incremental returns
Invest continually and generate recurring returns		Invest in upstream watershed protection and receive payment from downstream water users

Fuente: Conservation Finance, From Niche to Mainstream: The Building of an Institutional Asset Class

Diagnostico Socioambiental

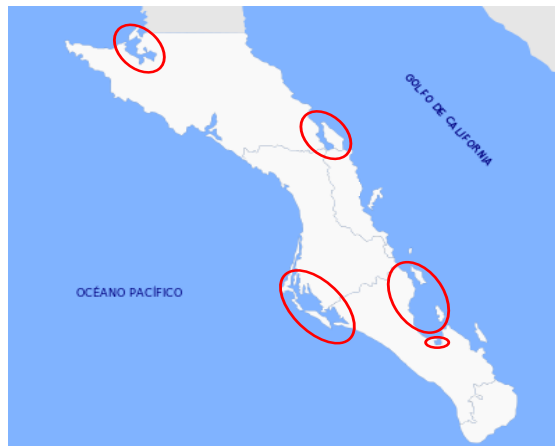
Plataforma Produciendo Correcto

Rancho: Las Anitas

Agua Prieta – SR

Propietario: Cuenca de Los Ojos A.C.

Agosto de 2015



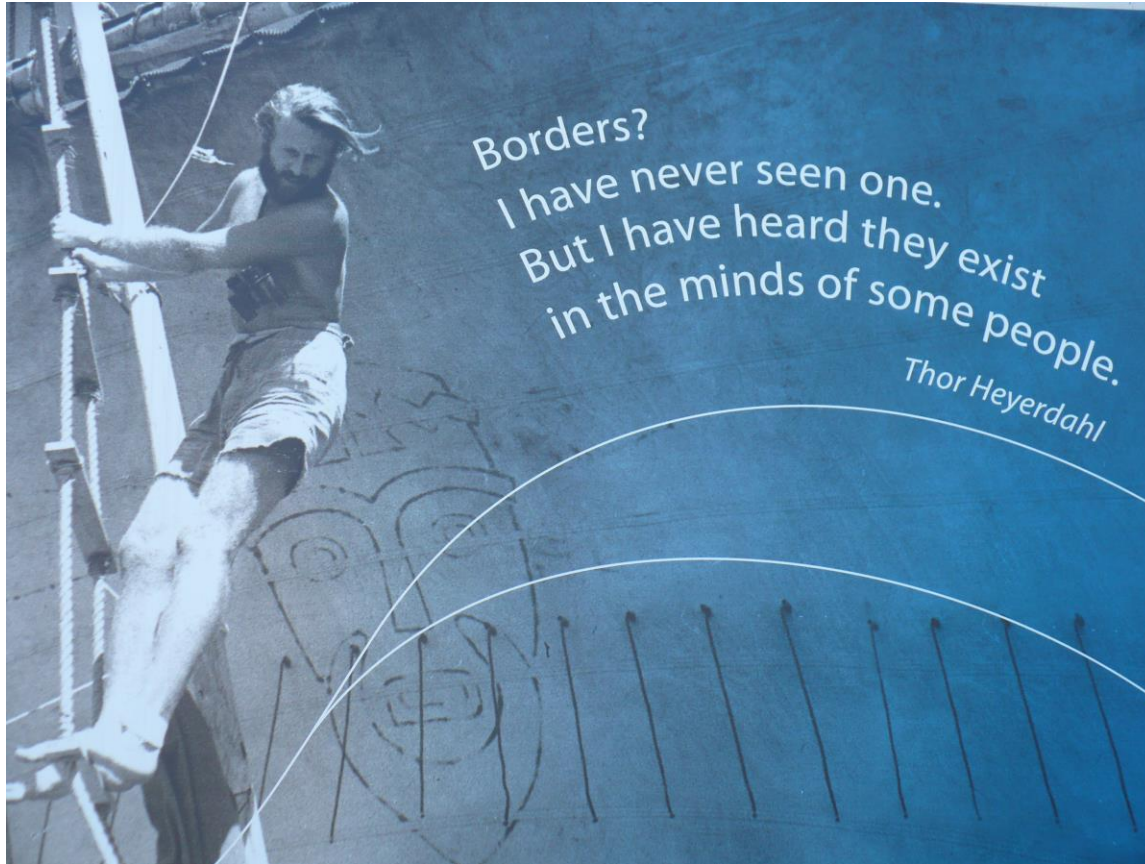
Diversificación productiva, pesca responsable
y conservación de la vaquita (*Phocoena sinus*)
en el Alto Golfo de California



COP13 COPMOP1 COPMOP2
CANCÚN, MÉXICO 2016



INTRODUciendo LA RECONVERSIÓN PARA EL BIENESTAR
CONTRIBuyendo A LA DIVERSIDAD BIOLÓGICA



Gracias

Lorenzo J. de Rosenzweig P.

lorenzo@fmcn.org
www.fmcn.org