



“Finance, Biodiversity & Managed Ecosystems Services: Where’s The Data?”

On **15th November 2010**, 25 financial services professionals gathered at the Chartered Institute for Securities and Investment ([CISI](#)) to participate in the Finance, Biodiversity and Managed Ecosystems symposium.

[Z/Yen Group](#), a delivery partner of the Financial Services Knowledge Transfer Network, on behalf of the Natural Environment Research Council ([NERC](#)), conducted previous research on Finance & Forestry and Finance & Water. **“Finance, Biodiversity and Managed Ecosystems: Where’s the Data?”** is the third research project of this series which seeks to identify the data and modelling capability needs of financial services organisations, for biodiversity and ecosystem services (BES).

Following an initial workshop in October 2010 and a first series of ten interviews with financial services and industry professionals, preliminary conclusions were presented by Chiara von Gunten (project coordinator). In particular, Chiara noted that:

- ◆ The financial services sector understanding of BES is still limited. While BES-related issues can present material risks to project finance, they are only just starting to be recognized in areas of finance such as insurance or overall portfolio risk.
- ◆ Markets for BES are emerging but are constrained by the complexity of BES and the difficulties associated with measurements and the valuation of impacts and outcomes.
- ◆ Global information about the distribution of biodiversity, the condition of species and natural ecosystems, and the major stresses to ecosystems, is not readily accessible;
- ◆ In the context of financial services and corporate risk assessments and decision-making, impacts and dependence on biodiversity and ecosystems services need to be quantifiable using consistent and comparable measurement tools;
- ◆ The main issues relating to the “measurability” of BES include the selection of appropriate indicators to assess BES health and change, the capacity to collect data in a systematic and regular manner, and the comparability of data at the global level;
- ◆ Finally, scientific assessments of risks and opportunities need to be translated into financially-relevant numbers using appropriate valuation methodologies.

The interim report found that:

- ◆ NERC has a key role to play in advancing the general understanding of BES and associated risks and opportunities, through collaborative events with financial services and corporate professionals;
- ◆ NERC can focus research on the development of metrics and methodologies to enable concise assessments of BES health;

- ◆ NERC should continue to participate in the development of risk assessments of BES impact and dependence, including standards and processes;
- ◆ NERC should continue to improve access to existing research, data and models by enhancing the visibility and accessibility of its scientific assets through web portals and other digital library facilities.

The presentation was followed by a lively and thought provoking debate between the panel comprising Dr Ken Norris (Biodiversity Theme leader and researcher at Reading University) and Dr Sarah Turner (Science Coordinator for the Biodiversity Programme at the Centre for Ecology and Hydrology), and the audience.

The final report will be launched at the Long Finance & London Accord Spring Conference 2011, in February/March 2011. For more information, please contact Chiara von Gunten (Chiara_vongunten@zyen.com).