



# Business in the Ecosystem

**E**LIZABETH MARUMA MREMA IS THE EXECUTIVE Secretary of the Secretariat of the Convention on Biological Diversity and Co-Chair of the Taskforce on Nature-related Financial Disclosures. Her dual role puts her at the crux of the global nature and biodiversity agenda, ranging from the UN to the corporate and financial community.

The Convention on Biological Diversity (CBD) aims to preserve nature and biodiversity for the benefit of living beings and their ecosystems while also meeting human and societal needs, ranging from clean air and water to nutrition and health. The Taskforce on Nature-related Financial Disclosures helps organizations report on and respond to risks relating to nature and biodiversity, creating consistent frameworks and steering the global financial system in a nature-positive direction. With leadership positions spanning both organizations, Mrema

More businesses internationally are seeing their responsibilities to nature and biodiversity.

**ELIZABETH MARUMA MREMA** is leading the call. She speaks with Brunswick's **NICK RICE.**

provides a common center for missions with broad implications for the public and private sectors.

Mrema has worked with the UN Environment Programme for over two decades and was the Director of the Law Division at UNEP. Prior to joining the Law Division, she was Deputy Director of the Ecosystems Division, in charge of coordination, operations and program delivery. Prior to these duties, she also served as Executive Secretary of the UNEP/Secretariat of the Convention on the Conservation of Migratory Species of Wild Animals. Her work at UNEP has focused on development, implementation and enforcement of environmental laws, including multilateral environmental agreements at national, regional and international levels.

Before joining UNEP, Mrema worked with Tanzania's Ministry of Foreign Affairs and International Cooperation and left as a Counsellor/Senior

Legal Counsel. During her time there, she was also a lecturer in Public International Law and Conference Diplomacy at Tanzania's Centre for Foreign Relations and Diplomacy. She has also served as a pro bono visiting lecturer at the University of Nairobi Law School and in the past at the International Development Law Organization in Rome.

**In recent years, organizations have put more emphasis on the environment, but with a heavy focus on climate and pollution. What do they need to do for nature and biodiversity to command the appropriate level of attention in the private and public sectors and in society at large?**

We are observing a change in that mindset. More and more companies are realizing the critical role nature has in our economic activities. The World Economic Forum, in its New Nature Report series, estimates that more than half of the world's GDP is moderately or highly dependent on nature and its ecosystem services. If we don't act quickly to reverse biodiversity loss, all economies are at peril. Forward-thinking companies are already developing strategies that tackle both issues on an equal footing. I am optimistic this will inspire others to follow.

**In which industries and locations do we see the most progress on nature and biodiversity, and where do we see the least?**

There are industries whose dependency on biodiversity is so critical that companies have been working on this issue for some time. The hydropower sector has long understood the role of natural areas and ecosystem services in order to secure their own operations. The same applies to water utility companies and to extractives.

To some industries, this connection is less evident. To the information technology, retail and service industries for example, the dependency on biodiversity is still less tangible. We need to work harder to raise awareness across sectors and society, and to do it quickly.

**How important are the interlinkages between nature and biodiversity on the one hand and social and business issues on the other?**

The linkages are becoming more obvious. Biodiversity underpins all life on Earth. Healthy ecosystems are responsible for filtering our air and water, keeping our soil healthy, and providing ecological buffers against storm damage.

Biodiversity ensures that we have fertile soil, as well as a variety of foods, including fruits and

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vegetables. It is the foundation of most of our industries and livelihoods and helps regulate climate through carbon storage and rain cycles.

We depend on nature and ecosystem services to have healthy, resilient and prosperous societies. Our well-being fundamentally depends on biodiversity and ecosystem services.

**How well do you think organizations understand these interlinkages?**

We are witnessing an increasing number of businesses and financial institutions coming forward and taking steps into integrating biodiversity into their operations and portfolios. Last month, 12 business leaders from multinational companies issued a letter calling on governments to take meaningful action on the collapse of ecosystems.

During the 2020 UN Biodiversity Summit, 26 financial institutions collectively committed to collaborate, engage and assess their own biodiversity impact, and to set targets and to report on biodiversity matters by, at the latest, 2024. The CBD in collaboration with the governments of China and Egypt launched the Action Agenda for Nature and People, and over 500 private companies have already been profiled in different commitments for biodiversity.

The writing on the wall is clear and the tide is shifting. Organizations of all sizes and sectors are increasingly becoming aware of the critical role biodiversity and ecosystems have in our economies and well-being.

**How can organizations support social causes in a way that also supports nature and biodiversity?**

There are numerous ways organizations can support social causes in tandem with ensuring support for nature and biodiversity. The interrelationships between social causes, particularly social justice issues and the environment, are increasingly recognized in news media and by mainstream society. Prioritizing support to initiatives that address both social and environmental concerns helps to demonstrate and reinforce the understanding of the inherent interconnectedness of people, society and nature.

**Can you give us an example where this approach has proved particularly effective?**

At the local level, initiatives that promote community leadership on environmental issues, such as habitat restoration projects and community gardens and related environmental education activities, can have many positive social impacts on communities



in terms of social cohesion, greater food security and well-being, as well as beneficial impacts for the environment, including increased awareness.

At broader levels, support for women's empowerment and the culture and autonomy of indigenous peoples and local communities can help these actors play a stronger role in environmental decision-making.

Lands that are managed by indigenous peoples and local communities around the world are critical areas for the maintenance of biodiversity. Increased engagement of women in community-based natural resource management bodies has also produced stronger resource governance and conservation outcomes.

#### **How will financial disclosures help organizations establish a credible nature and a biodiversity strategy, including with respect to related social issues?**

Financial disclosures have a major role to play to enable all investors, banks, insurers and companies to better understand the financial risks associated with nature loss and degradation, and in turn integrate those nature-related risks into investment, credit and insurance underwriting decisions.

Accordingly, financial disclosures will play a transformational role, bringing attention to the impacts and dependencies between finance and nature, and their knock-on effects for economic stability.

#### **How should they work with other parts of society to create and implement their strategy?**

Measuring impacts and dependencies from economic activities on biodiversity is extremely complex. And, because it is such a complex issue, we need a multi-stakeholder approach to develop solutions.

Across the globe different organizations are trying to identify solutions. Service providers are helping companies to develop business strategies that consider not only climate-associated risks but also nature-associated risks.

Companies of all sizes and sectors are re-thinking their operations and integrating biodiversity considerations into their business models. NGOs have been working with the private sector to develop tools and mechanisms that can help in this transition. And financial institutions are looking into their portfolios and re-designing financial flows toward positive models for nature and biodiversity.

We need to scale up these partnerships and collaborations and create an environment that is both enabling and positive for nature.



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**NICK RICE** is a Director in Brunswick's New York office, where he advises on financial services and sustainability. He is a former award-winning journalist with the *Financial Times*.

#### **How will you work with other ESG standard-setting organizations to reflect nature and biodiversity in their approach?**

Some of the leading standard-setting organizations are already working on biodiversity considerations. We see a clear and positive trend under way that we hope will support the upcoming post-2020 global biodiversity framework, due to be adopted in spring 2022. To that end, the CBD Secretariat has been liaising with different standard-setting organizations to explore and strengthen synergies.

#### **What are the biggest adjustments you think companies are going to need to make?**

Businesses have an opportunity to act by changing the way they manage and use natural resources. Those that act quickly across their value chains to ensure a more sustainable and less impactful business model will gain a competitive advantage.

Businesses can assess their impacts and dependencies on nature to ensure they are committing and acting on the most material ones. They will also need to come to the realization that their efforts to combat climate change must be coupled with efforts to curb biodiversity loss. These are two sides of the same problem and need to be addressed together.

#### **How much do you estimate this is going to cost?**

The first draft of the post-2020 global biodiversity framework calls for an increase in financial resources from all sources to at least \$200 billion per year. This includes new, additional and effective financial resources. This is in addition to the calls on governments to redirect, repurpose, reform or eliminate incentives harmful for biodiversity, reducing them by at least \$500 billion per year.

#### **What are the most likely arguments that will be raised against moving forward with the spirit and the implementation of TNFD, and how would you answer those?**

Nature is extremely complex to measure. Not only due to the variety of life on Earth, but also as it relates to its specificity, location, the services it provides and its cultural value. These are not necessarily arguments against TNFD, but they are considerations that need to be factored into the work.

We are also aware of the data sensitivities. There is a lot of available data, but it is not as accessible or as fit for purpose for finance-based decision-making as we would hope. But this can be overcome by bringing all experts together to identify a solution that can help us move forward. ♦