

# TEXT for Nature Today and others

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**Economists and ecologists join forces to explore the worldwide financial risks of nature loss.**

**Nature is under severe pressure worldwide and recent studies project a continued loss. Despite the strong dependence and impact of our society on the many services that nature provides, the worldwide economic impact is largely unknown. To identify which countries and sectors will be most affected, economists and ecologists integrate their expertise and models in a groundbreaking project.**

In the past years, the financial sector has significantly improved its understanding of the risks it faces due to climate change. They, however, largely lack insight into how a loss of nature did and potentially will impact the economy. We do know that the impact is huge. In 2020, the World Economic Forum estimated that half of global GDP – approximately EUR 44 trillion – is linked to nature. Despite the importance of nature to society, recent studies project a continuous loss of nature by 2050 on a global scale.

**Disclosure of nature-related risks and opportunities required by EU law.**

Until now, financial organisations have a limited understanding of which sectors and which countries will be affected in what way by nature loss, how their financial products contribute to the loss of nature, how these two impacts will increase the risks they face, what they can do to reduce nature-related risks and how much nature positive measures will cost. Since 2023, EU law requires large companies and companies listed on the stock market to disclose information on the risks and opportunities arising from social and environmental issues, as well as the impact of their activities on people and the environment.

**Economic and ecological experts join forces and assess 51 world regions.**

Assessing worldwide changes in economy and biodiversity separately is already a challenge. Assessing interactions between the two is even more challenging. However, in the new project, 'Biodiversity Related Risks and Opportunities to the Financial Sector', experts from world-leading organisations from both the economic and ecological domains join forces to expand their horizons. Core of the analysis will be the [MAGNET model](#) of Wageningen Economic Research. It will simulate how a change in the provision of several important ecosystem services, like pollination and providing good soil quality, will impact a wide diversity of sectors in over 51 countries/world regions (see map). Ecologists from the chair group Earth Systems and Global Change of Wageningen University and the Foundation for Sustainable Development will integrate their knowledge of (the monetary value of) ecosystem services and how their provision relates to future climate, nature and society changes.

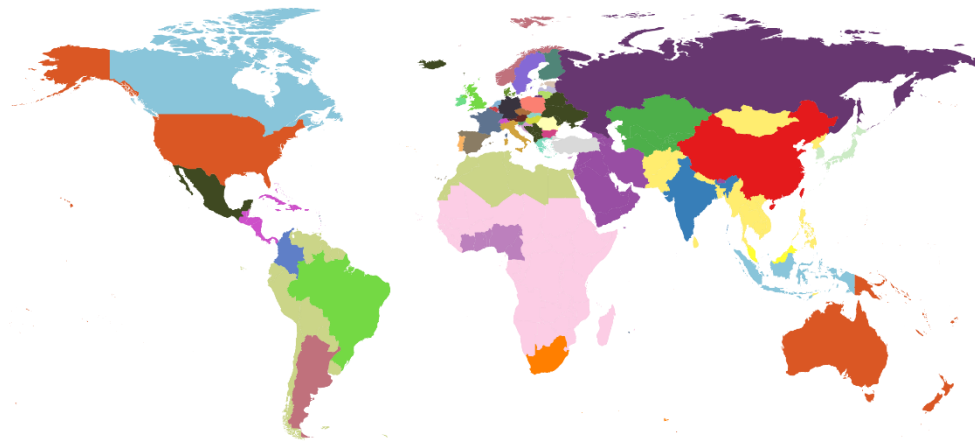
According to Dr. Haki Pamuk, the scientific lead of the project at WUR, *"The financial sector needs to quantify biodiversity-related risks and opportunities like what has been done for climate change. This requires the development of a model and data platform, including quantified/monetary estimates for the risks related to ecosystem services loss, as well as costs and benefits of abatement measures."*

### **Involvement from world-leading organisations from the financial industry.**

The project will be a Public Private Partnership, partly funded by the Dutch Ministry of Agriculture, Nature and Food Quality and a diversity of world-leading organisations in the financial industry. One of the financial stakeholders is Deloitte, who provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. The relevance of the project is clearly stated by Dr. Nicole Röttmer, FSI methodology lead of the project at Deloitte: *"To serve the demand of supervisors, regulators, investors, and the public, science-based biodiversity data and scenarios need to quickly be integrated into current risk and stress test, strategy, market and reporting processes of financial service institutions. I am excited about the data and scenario contribution this consortium will create at the intersection of the [Network of Central Banks and Supervisors for Greening the Financial System](#), the [Science Based Targets Network](#) and the [Taskforce on Nature-Related Financial Disclosures](#), and am looking forward to leveraging our long-standing track record of operationalizing sustainability for the credible, fast and easy integration of material biodiversity impacts into standard financial service institutions' processes".*

Other financial stakeholders are: 1) the Allianz Group, one of the world's leading insurers and asset managers with around 125 million private and corporate customers in almost 70 countries. 2) APG, which is one of the largest Dutch pension provider that looks after the pensions of 4.6 million participants. 3) Ortec Finance is a leading global provider of technology and solutions for risk and return management for financial institutions. 4) ING is a leading European universal bank serving over 38 million customers, corporate clients and financial institutions in over 40 countries. Finally, 5) Commerzbank is the leading bank for the German Mittelstand. In addition, the Bank is a strong partner for around 25,500 corporate client groups and almost 11 million private and small-business customers in Germany.

Together, these organisations will be able to address the huge challenge of integrating state-of-the-art knowledge from the financial sector and a wide diversity of scientific disciplines, data and models. This Public-Private Partnership is uniquely positioned to drive significant change in how the financial industry perceives and responds to biodiversity related risks and opportunities, making this initiative both timely and essential.



Canada	Finland	France	Africa	Indonesia
United States	Estonia	Italy	Turkey	Oceania
Brazil	Denmark	Spain	Cocoa producers Africa	United Kingdom
Central America	Czech Republic	Slovenia	South Africa	Switzerland
Mexico	Rest of EU	Slovakia	East Asia	EmDevEUR
Argentina	Bulgaria	Romania	China	Norway
Rest Latin America	Ireland	Latvia	Middle East	North Africa
Colombia	Austria	Poland	Stans	
Russian Federation	Greece	Netherlands	India	
Hungary	Belgium	Portugal	Japan & Korea	
Germany	Sweden	Lithuania	Malaysia	

*The 51 countries/world regions that will be incorporated in the analysis*