

**Briefing on EU
Biodiversity Strategy**
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CISL Overview Briefing Paper on EU Biodiversity Strategy

It is expected that the European Commission will publish the EU's new Biodiversity Strategy next month, providing detail on one of the key elements of the flagship 'European Green Deal' (EGD) package of economic and environmental policies.

This publication will come at an unprecedented disruptive moment, as we face not only a public health crisis, but also an economic crisis and a political crisis. Its content, however, is critical. Pressures resulting from the current coronavirus crisis could pull the EU away from the direction set in December 2019 in the headlines of the EGD: on the one hand, there is the challenge of rebooting the economy at the same time as pursuing an ambitious environmental agenda while, on the other, the increased relevance of the interconnection between nature and human health has been hammered home by the emergence of Covid-19.

Further, the EU must establish its position in the context of attempts to agree a new international framework on tackling biodiversity loss and back that up with a credible plan to tackle Europe's own biodiversity decline. While the critical international biodiversity summit in Kunming planned for October 2020 has now been delayed, the opportunity for EU leadership on the issue remains open.

The EU's Biodiversity Strategy will be an early test of how seriously the Commission is committed to work to protect and restore nature and support new economic activity that supports and enhances nature's contribution to the European economy.

Why the Biodiversity Strategy matters to business

Economic prosperity, as well as the wellbeing of society, is dependent upon nature, including biodiversity. . The loss of nature can have direct implications for company bottom lines, as supply chains are disrupted, and economic losses are incurred from the increased frequency of flooding and droughts. [\\$44 trillion](#) of economic value generation – over half the world's total GDP – is moderately or highly dependent on nature and its services. The EU is among the regions with the highest amount of GDP in [nature dependent industries](#).

To secure the health of our economies, people and planet, there is a need to protect and restore nature. Nature provides carbon sinks and sequestration of [5.6 gigatonnes](#) of carbon per year, which can help in the fight against climate change; nature cleans the air we breathe and the water we drink; and nature provides healthy soils, pollination and water purification which are needed for food security. Recognition is growing of the urgency and scale of the challenge in the face of serious decline. [The World Economic Forum's Global Risks Report 2020](#) highlighted degradation of nature as a key threat recognised by business. Therefore, policy ambition in this space matters.

The need for a clear policy approach

CISL's experience is that many leading businesses share deep concerns around the decline of nature and are looking to respond. However, market failures mean that many of the actions they would like to take are uneconomic, and even readily available options are not universally adopted by all businesses. The Biodiversity Strategy, and other policies introduced as part of the EGD, must work to fix these market failures and deliver a level playing field.

Businesses require long-term certainty in order to shift their strategies and invest in innovative business models that will restore nature. To safeguard the environmental, social and economic value of Europe's natural assets the EU has an opportunity with the Biodiversity Strategy and the wider EGD to introduce that certainty and clarity.

A key test of whether the Commission has demonstrated seriousness and resolve in this Strategy is whether it has translated rhetoric on restoring damaged ecosystems into concrete and effective policy proposals, so businesses receive a clear signal on how they will be required to adapt their behavior and investment plans and can begin to prepare accordingly.

Supporting business action

The EU has a chance to unlock new business opportunities and spur ever more business action, including at scale, to turnaround the decline of nature. For example, the Biodiversity Strategy is expected to deliver more clarity on the type and scope of measures to better tackle deforestation – and associated nature and climate impacts - caused by the EU's consumption of food, fuel and fibre, so that businesses are empowered to work with their supply chains and deliver change. This would be just one part of the transformation enabled by the EGD.

Practical, evidence-based targets in particular are needed to support business in making this transformation. Policy action is also required to support business in integrating their impact and dependencies on nature into key decision-making processes, supply chain management and risk mitigation strategies.

A range of tools is already available to help companies in these areas, but these are not yet taken up across the board and a shift in the policy landscape could be the trigger that unleashes action.

How to assess if the Biodiversity Strategy measures up?

CISL is part of the **Business for Nature** coalition, which brings together organisations that work with business to support business action on nature and call for governments to reverse nature loss. Together we have identified a set of key policy asks for all governments to adopt:

- Adopt targets to reverse nature loss: provide direction and ambition
- Align, integrate and enforce policies for nature, people and climate: ensure coherence
- Value and embed nature in decision making and disclosure: go beyond short-term profit and GDP
- Reform subsidies and incentive mechanisms: finance a just transformation
- Join forces for nature and empower everyone to act: engage, enable and collaborate

The EU Biodiversity Strategy can be examined against these asks to see how clearly it is responding to the challenge of nature decline:

- Is it clearly setting out targets that adequately focus efforts on critical areas of nature loss? Are those targets ambitious enough?
- Does the Strategy sufficiently align policies across all areas of relevant impact?
- Is the value of nature sufficiently incorporated into EU decision making?
- Are there adequate fiscal incentives and support for restoring nature identified?
- Does the Strategy support public-private collaboration and work between businesses?

While some of these measures sit with member states, a clear pan-European strategy should help shape a collective response to the collective challenge of biodiversity loss.

[The University of Cambridge Institute for Sustainability Leadership](#) (CISL) is a globally influential Institute developing leadership and solutions for a sustainable economy. We believe the economy can be ‘rewired’, through focused collaboration between business, government and finance institutions, to deliver positive outcomes for people and environment. We build the leadership capacity and capabilities of individuals and organisations, and create industry-leading collaborations, to catalyse change and accelerate the path to a sustainable economy.

CISL convenes a number of business leadership groups working on areas such as protecting and restoring nature, climate action and EU policy engagement. These include the Natural Capital Impact Group and CLG Europe.

The Natural Capital Impact Group, convened by CISL, brings together companies to work collaboratively to determine how businesses can maintain and restore nature through their strategies and operating practices. Members of the group range from utilities to international companies with global supply chains. More information is available at <https://www.cisl.cam.ac.uk/business-action/business-nature/natural-capital-impact-group>

[CLG Europe](#) is an influential and diverse group of European businesses driving leadership on measures to deliver climate neutrality, members include Unilever, Coca-Cola European Partners, EDF, DSM, ACCIONA, Iberdrola, Signify, and affiliates include, Anglian Water, IKEA, Sky and Tesco. CLG Europe is a founder member of the [We Mean Business coalition](#).

CISL recently published a report describing the [Biodiversity Impact Metric](#), developed by the Institute’s Natural Capital Impact Group. This metric is a practical risk-screening tool for supply chain businesses that source agricultural commodities. The approach allows businesses to proactively manage risks relating to the degradation of biodiversity and its wider societal impacts and thus provides a first step for businesses to manage their supply chain risks associated with nature.

CISL has also published [Developing a Corporate Biodiversity Strategy](#). This report lays out a practical pathway for companies to establish a strategy to address their impacts on nature. This a transparent and understandable framework with a common language that facilitates discussion and supports decision making.

For general enquiries about this briefing, please contact: info@cisl.cam.ac.uk