Finance and insurance

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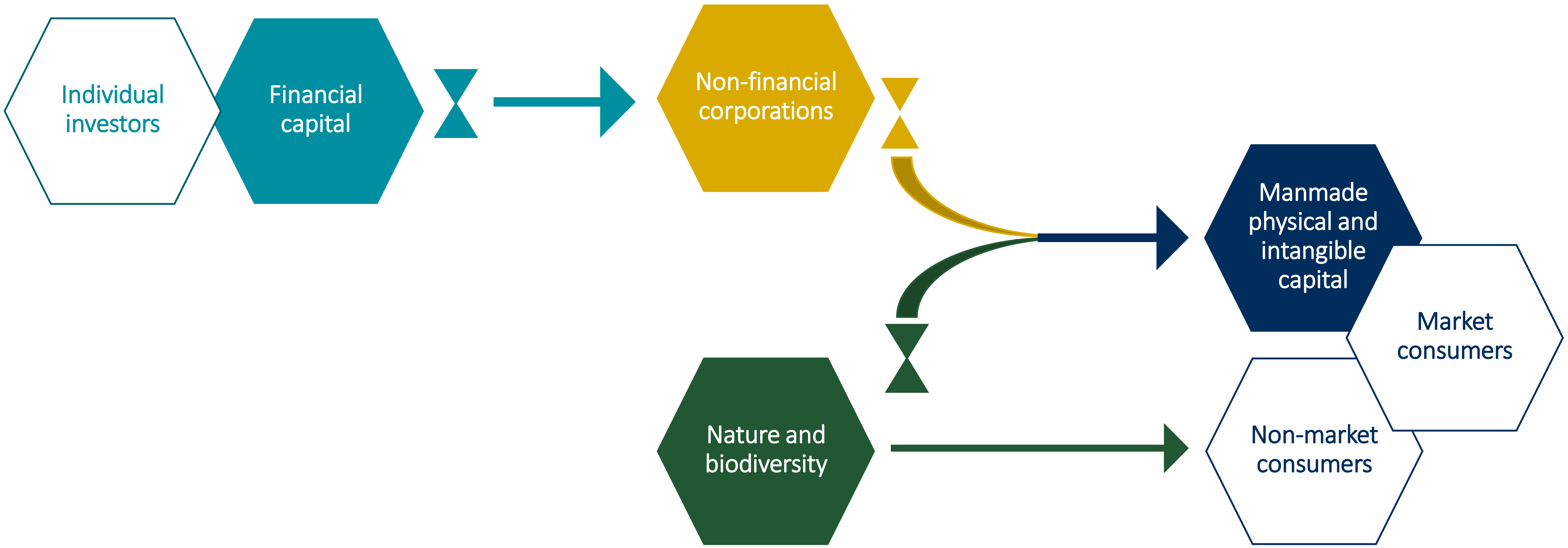
The role of financial corporations



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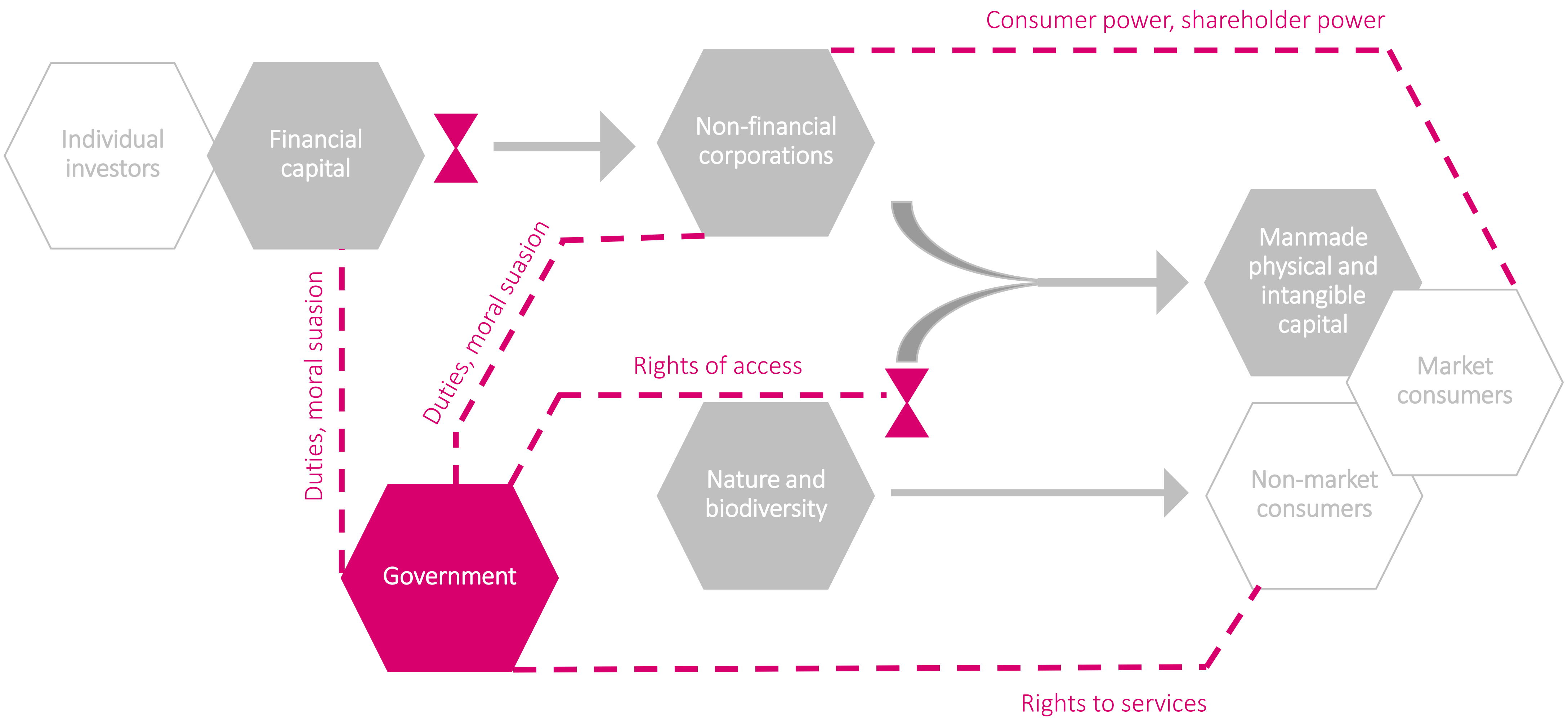
Consumer power, shareholder power
Individual investors
Financial capital
Non-financial corporations
Manmade physical and intangible capital
Market consumers
Duties, moral suasion
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Rights of access
Nature and biodiversity
Non-market consumers
Government
Rights to services

Creation of material liabilities vs conservation finance

Access to nature is too cheap

The ratio of damaging investment to restoration and protection is 20:1

There are many ways to create material liabilities

- Fiscal
- Regulatory
- Supervision
- Governance
- Behavioural norms
- Suasion
- Consumer choice

Once liabilities are in place, financialisation will follow

Standardisation of assets and contracts, leading to a market in securities

Disclosure

Credit rating and additionality assurance

Insurance of contracts and other assets (such as nature-based solutions)

Why and how should we value biodiversity?

Why

Not to work out the optimal level of biodiversity

To internalise costs of damage or benefits of improvement within decision-making: to allocate resources within markets and public spending

How

Employ shadow prices based on agreed or default ecosystem limits and incorporate these into incentives

In addition: use estimates of ecosystem services (market and non-market) values to prioritise investment and divestment *spatially*

Valuation priority #2: liveable cities

Value in placemaking: correcting the undersupply of public goods (greenspaces, good design), and also complementary services of curation and volunteer coordination

Value in active transport: correcting resource allocations towards active transport

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