

## Putting a price on nature: why preserving our biodiversity doesn't have to be costly

A recent UN summit on biodiversity didn't receive nearly as much attention as the UN Climate Change summits. This lack of focus is unwarranted, as biodiversity loss is a significant issue. Necessary interventions to address this problem don't always have to be expensive



A cotton-top tamarin is pictured at the Cali Zoo in Colombia, where COP16 was held last week

COP16, the world's largest biodiversity summit, wrapped up last weekend in Colombia. This article, adapted from a piece by Marieke Blom and Thijs Geijer, originally published in the Dutch publication *FD*, explains that addressing biodiversity loss needn't be as costly for consumers and society as feared. You can read the original article [in Dutch] [here](#).

We are crossing the planetary boundary on biodiversity even more than for climate, a fact that is increasingly being acknowledged in boardrooms and among policymakers.

The World Economic Forum (WEF) sees biodiversity loss as one of the biggest global risks. Similar to

climate change, market interventions are needed to halt the decline in species diversity. Sometimes this comes at a price.

The recent COP16 biodiversity summit in Colombia left many disappointed as countries failed to agree on mobilising essential funding for nature conservation. However, interventions beneficial to biodiversity do not always have to be expensive for consumers and society.

## Consume differently

There are several ways to slow down biodiversity loss. Better protection of existing nature is one way to preserve species diversity. Other methods include altering production processes while maintaining the same products or opting for alternative, less harmful products, which aligns with the concept of green growth. Consuming less is also an option and is more in line with degrowth. In particular, adaptations aimed at consuming differently and less do not have to cost a lot of money.

An example from the food industry can illustrate this. Food production is estimated to account for 30% of global biodiversity loss, primarily due to land conversion for agriculture and overfishing. Additionally, the sector faces significant drawbacks from reduced biodiversity, such as the decline in bee populations affecting pollination, which in turn hampers the ability to harvest fruits like apples and pears.

To stop this, it is good to start at the end of the chain; the consumer. The negative impact of meat, fish and cheese on biodiversity is much greater than that of other foods. The production of beef, for example, requires a relatively large amount of land, at the expense of space for other animals and plants. But coffee and chocolate also have a relatively large impact on biodiversity, because these products are grown in places where the original species diversity is very high. So, the product the consumer chooses certainly matters.

## Beef, chicken, pulses

Switching from beef to chicken is a small step that already makes a big difference to biodiversity. However, when it comes to animal welfare, the consumer must go a step further. Of course, supermarket shelves are teeming with plant-based meat alternatives. These are more animal-friendly, less harmful to biodiversity and often cheaper, such as pulses and mushrooms.

Some critics will argue that animal products are an important source of nutrients, such as protein. That's true, but the average Western consumer is more likely to consume too much of these nutrients than too little. From a health point of view, many national nutritional guidelines indicate that the average consumer is better off with less red and processed meat.

Western consumers are used to enjoying meat, coffee, and chocolate daily, and they can afford it. The challenge for policymakers and companies is to change this consumption pattern. Creating awareness in a positive way is the first step.

The World Wildlife Fund has collaborated with numerous European retailers to tackle issues such as biodiversity loss. Recently, it launched a campaign with a major retailer where children could collect cards featuring endangered animals to raise awareness about their importance. However, it's unlikely that these children will immediately influence their parents to change their purchasing habits.

At the macro level, we do not see that greater awareness automatically leads to structurally different consumption behaviour. Meat consumption in the EU has been fairly stable since the 1990s. In short, letting the market do its work does not always lead to the desired outcome.

## Market interventions

More guidance is therefore needed. For example, by rewarding farmers with subsidies for activities that are positive for biodiversity. This might be in the form of farmers receiving money from the European Union if they preserve landscape features such as hedges and trees on their land. In this way, EU taxpayers contribute indirectly to biodiversity.

The EU's deforestation law also enforces a different way of production. Because of this, deforestation-free products will become the norm. Compliance with that standard increases the production costs of farmers and food processing companies. By reducing deforestation, production becomes less harmful, while a higher price discourages consumers from using products with a high biodiversity impact. Because there are cheap alternatives for the consumer, this does not have to be expensive for society.

Biodiversity loss, on the other hand, is an expensive problem. To describe this as 'yet another cost' is an inaccurate reflection of the economic task at hand. This certainly applies to the food sector, which is one of the most dependent on nature. For example, monoculture agriculture and livestock farming make the sector more vulnerable to pests and diseases. Combating this is costly. The same goes for pollination of our crops, which will be very pricey if there are no more bees and other insects that take care of it for free. If biodiversity is not in order, food will become very expensive in the long run, not only affecting the sector but also the consumer.

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