

INVITATION TO TENDER for Task 4.2 of the EU Horizon SUSTAIN project: Review targets, regulations and incentives

Your organisation along with others is invited to offer a tender for developing a thought paper (briefing) on *Changing rules of the game – Reforming targets, regulations and incentives to promote nature positive outcomes*.

This thought paper is one of the deliverables of the EU Horizon SUSTAIN project (Project 101060320) led by Capitals Coalition, and part of Work Package 4 of the project, led by ShareAction. An intermediate step is an agreement on criteria for reviewing regulations and targets.

The overall objective of WP4 is to identify and promote business cases that show how companies or sectors can contribute to biodiversity positive outcomes. The work package will build on the outcomes of two other work packages on i) Assessing impacts and dependencies on biodiversity and ecosystem services and ii) Developing methods for reducing biodiversity related risks. The business cases will be used to influence financial institutions and policy makers, who can help provide the enabling environment to support and accelerate best practice business activities.

Contract period:

- 9 October 2023– 28 February 2024

Deliverables:

- Scope and criteria for reviewing regulations and targets (23 November 2023)
- Briefing summarising regulations and targets: Thought paper on *Changing rules of the game- Reforming targets, regulations and incentives to promote nature positive outcomes* (28 February 2024).

Guide Budget:

We have a guide budget of EUR 80,000 to complete the work, dependant on the final agreed scope.

Instructions and information on tendering procedures:

To apply please submit a proposal to martin.lok@capitalscoalition.org by Friday 29 September by 5pm CET. The applicant of a proposal must be based in and eligible to work in the EU. Please note that only short-listed candidates will be contacted.

For any queries contact martin.lok@capitalscoalition.org (+31648132438).

Capitals Coalition consists of organizations from all around the world and with people of different gender, race, age, religion, sexual orientation, physical ability, geography, political affiliation, and country of origin, and as much as possible we want this to be reflected in our team. We are committed to promoting a diverse and inclusive community and we welcome applications from all backgrounds.



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DESCRIPTION OF THE ACTION

A thought paper will be written to highlight how the “rules of the game” could be reformed to steer businesses toward nature positive outcomes. A literature review will be conducted to identify existing policy instruments in the EU and associated countries relevant to biodiversity, including those that mention existing targets and incentive mechanisms for companies, and targets set by international authorities. Following that review, an analytical framework will be developed and applied to review how these existing rules of the game contribute to nature positive outcomes¹ and what changes are needed. This task will identify policy opportunities to shift targets, regulations, and incentive mechanisms towards stimulating sustainable business practices in all sectors.

Tasks

- 1. Define the scope for reviewing regulations, targets, and incentive mechanisms.**

This should include a proposed selection of policy instruments such as taxonomies, corporate disclosure regulations, due diligence requirements, plus others that are sector specific. Suggested criteria:

 - The policy is from the EU or member state.
 - The policy explicitly mentions or is applicable to the business sector.
 - The policy is dedicated to or includes necessary actions to reverse or accelerate nature loss and promote nature positive outcomes.
 - Targets set by international authorities
- 2. Carry out a literature review. This will describe the existing rules of the game, based on policies and targets identified in Sub-task 1.**

A description of the policies and government measures (regulations and incentives) that influence corporate behavior regarding nature. The review should identify authoritative bodies or expert organizations that have set ambitious targets in relation to implementing the MKGBF, related to biodiversity protection and restoration, e.g., by following SBTN-guidance, including those with sector-specific focuses, which should be integrated into legislation.
Output: a summary of findings, including agreed scope and criteria for reviewing regulations and targets.
- 3. Create an analytical framework with criteria to analyze how existing "rules of the game" must change to align with a nature positive future.**

Such as, how policies align with targets, how effective they are, barriers to their adoption, gaps in their coverage of all sectors and issues, etc. Apply the analytical framework to identified legislation, to prepare for sub-task 4.
- 4. Write a draft thought paper: *Changing rules of the game – Reforming targets, regulations, and incentives to promote nature positive outcomes***

An introduction of the analytical framework in a narrative format, with a reflection on how current rules of the game (regulations and incentive mechanism) promotes or hinder the transition towards a nature positive future. Including proposed preferred rules of the game or improvement of existing rules to promote nature positive outcomes by redirecting targets, regulations, and incentive mechanisms. The thought paper should include recommendations for: I) Targets

¹ Nature Positive first and foremost refers to a global goal to halt and reverse nature loss by 2030 and achieve full recovery by 2050, as captured in the mission statement of the GBF. Individual organizations can contribute to this goal by adopting a nature positive approach across their spheres of influence, including in their direct operations, across value chains, and in priority areas for nature-related value or stress.



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included in regulation; ii) Which regulations need to be amended (and how) to better govern existing behavior; iii) Integrating or expanding existing incentive mechanisms; and iv) Where entirely new regulation or rules can be considered for enabling nature positive outcomes in the business sector.

5. **Consultation on the draft thought paper**

Harvesting feedback from the SUSTAIN Consortium and externally. Ideal reviewers include organizations or individuals who are members of the advisory board and subject matter experts on biodiversity and EU policy.

6. **Revise and prepare the final deliverable (Thought Paper)**

Final copyediting, designing and communications development.

Definitions

Analytical framework: A framework setting out criteria for analyzing the quality and scope of existing requirements (regulations and incentive mechanisms) on business and biodiversity.

Regulations: the set of requirements (including legislation) that the government has put in place for organizations and people to impose control on the different activities in the country or the conduct of the citizens therein.

Incentive mechanisms: Mechanisms such as subsidies and tax regimes, trainings, etc., to promote desirable outcomes.

Nature positive: a “global goal to halt and reverse nature loss by 2030 with a view of full recovery by 2050” where thriving ecosystems and nature-based solutions continue to support future generations and play a critical role in tackling climate change risks. See [Business for nature, 2022: How business and finance can contribute to a nature positive future now](#).



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BACKGROUND INFORMATION

The SUSTAIN Project

The EU-funded project SUSTAIN (Strengthening Understanding and Strategies of business To Assess and Integrate Nature) will provide businesses, financial institutions, and regulatory bodies with the knowledge and resources to better understand, assess, and monitor the dependencies and impacts on nature from activities across different sectors of the economy. This will drive better corporate and financial decision-making regarding biodiversity and ecosystem services and reduce resulting financial risks. It will bring together a multi-stakeholder and multi-disciplinary team to strengthen understanding and awareness of how all economic activities depend and impact on biodiversity. The project will build on existing work within the business and biodiversity space to update and validate the ENCORE database of business dependencies and impacts; develop methods that actors can use to reduce biodiversity-related risks; and provide a toolbox to support their application. The consortium will drive uptake of these resources through dissemination of targeted business case materials, drawing on existing networks and expertise in communicating with businesses, financial institutions and other key stakeholders.

The project is funded by the EU and will run for 3 years with the ambition is to facilitate transformative changes within the global economy to halt and reverse biodiversity loss. The project partner consortium is made up of Capitals Coalition, [Oxford Sustainable Finance Group](#), [UNEP-WCMC](#), [WBCSD](#), [ShareAction](#), [PBL Netherlands Environmental Assessment Agency](#), [ETH Zürich](#), [Fundación Biodiversidad](#) and [IUCN secretariat](#) and [European Regional Office](#).

For more information, please find the one pager attached. Capitals Coalition is seeking a subcontractor to lead Task 4.2 of the project that aims to develop the thought paper. This falls under Work Package 4.

Work Package 4 (WP4)

The overall objective of WP4 is to use the findings of WP1 (Assessing impacts and dependencies on biodiversity and ecosystem services) and WP2 (Developing methods for reducing biodiversity related risks) to identify and promote business cases that show how companies or sectors can contribute to biodiversity positive outcomes. These cases will be used to influence and how financial institutions and policy makers, who can help provide the enabling environment to support and accelerate these kinds of business activities.

This WP will show a) how companies and sectors can contribute to the conservation, restoration and sustainable use of biodiversity and ecosystem services, and b) promote public accountability by informing regulatory agencies, financial institutions, producers, retailers and consumers.

It will show how policy makers can support and accelerate biodiversity positive business actions through adopting ambitious targets and implementing regulations and incentive-mechanisms that support biodiversity positive outcomes. It will also make the case for financial institutions to take action in priority sectors through stewardship practices. **(This specific part of WP4 refers to developing the thought paper.)**

The key output of this work package, briefings for businesses, regulators and financial institutions, will include highlighting economic sectors with high dependencies and impacts on biodiversity and those likely to be exposed to material risks, as well as ways in which these risks can be managed, and biodiversity positive outcomes can be promoted.



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