



**Solidarity**

**Equality**

**Sustainability**

# DATA, METRICS AND TARGETS TO UNLOCK THE BIOECONOMY

GIB MEETING

ALEX MCNAMARA, NATIONAL BUSINESS INITIATIVE (NBI)

Mbombela, South Africa

26 May 2025

**The National Business Initiative (NBI) is an independent business movement of over 90 of South Africa's largest companies and institutions.**

**Formed in 1995, we work with our members to support a South African economy that is inclusive, resilient, sustainable and based on trust.**

[www.nbi.org.za](http://www.nbi.org.za)



**CEO  
WATER  
MANDATE**

**CLIMATE GROUP**  
**RE100**



# ACCESS TO APPROPRIATE BIOECONOMY RELATED DATA AND EVIDENCE WILL BE BENEFICIAL

**As an investor and lender**, the understanding of bioeconomy opportunities is often low in the financial sector.

Data and evidence should thus help to answer these kinds of questions:

- What commercially viable business models are available in the bioeconomy?
- What are the different potential sources of revenue?
- How advanced are the technologies and markets?
- How might these markets shift in 3-5 years?
- What examples are there of existing scaleable businesses?
- What due diligence related factors need to be considered?
- What is the average ticket size of an investment?
- Where can credible projects/businesses be accessed?

## ACCESS TO APPROPRIATE BIOECONOMY RELATED DATA AND EVIDENCE WILL BE BENEFICIAL (2)

**As a risk manager and corporate entity**, data and evidence should help answer these questions for the financial sector:

- What biodiversity, water, extreme weather and societal risk is the financial sector exposed to, in its key operations and financial portfolio?
- How might harnessing the bioeconomy improve the credit rating of the financial sector's clients (businesses, utilities, commercial farmers, municipalities)
- What opportunities are there for the development of new products or services, including in infrastructure finance and patient capital?
- How will supporting the bioeconomy aid in sector compliance, employee morale, investor relations, carbon reduction and other company goals?



# METRICS AND STANDARDS HAVE AN IMPORTANT ROLE TO PLAY, BUT SHOULD BE USED CAREFULLY

- **Metrics** that relate to financial return, risk mitigation, climate goals and the supporting of livelihoods will likely have greatest traction
- Work on metrics should not override a focus on unlocking appropriate enablers and incentives, and supporting improved market and policymaker understanding of the opportunities available

## METRICS AND STANDARDS HAVE AN IMPORTANT ROLE TO PLAY, BUT SHOULD BE USED CAREFULLY (2)

- **Standards** should help enable uptake and support comparability
- Standards should arguably be voluntary until the market reaches a reasonable level of maturity
- For example, the *Alliance for Water Stewardship (AWS) Standard* provides best practice in corporate water management and can be certified against, but it is voluntary, globally applicable and open access
- Standards that clarify and aid uptake are welcomed. The *GHG Protocol Corporate Standard* released in 2001 is a good example of this
- Compliance with applicable laws around employment, environmental regulation, health and safety, and human rights is a given. This usually does not require new standards to be developed

# GREEN FINANCE TAXONOMIES ARE A KEY BENCHMARK THAT CAN AID ADOPTION, IF USED CORRECTLY

- **Taxonomies** provide a clear reference list for what is technically and credibly green, without compromising on other environmental objectives
- Taxonomies can provide market and societal comfort that a project, facility or investment portfolio is credibly green
- However, voluntary taxonomy uptake can be low, with compliance considered very difficult to achieve based on high technical thresholds
- The associated use of *non-compatible* taxonomies for other investments can help level the playing field for green versus non-green projects
- Not all global taxonomies include nature related technical screening criteria – these taxonomies would need to be expanded over time

# COMPANY TARGETS WILL DRIVE ACTION AND SHOULD BUILD ON EXISTING APPROACHES

## Key questions to consider:

- How can existing company targets integrate the bioeconomy?  
Such as those related to small business development, water, climate mitigation and adaptation?
- Are targets locally relevant, taking cognisance of key social, environmental and economic factors?
- Are targets ambitious and transformative, or incremental?
- Ambitious internal targets can be complemented by more conservative public facing targets
- Are targets linked to senior personnel KPIs? Who at a C-suite level is accountable for these targets?



# NATURE FINANCE AND CLIMATE FINANCE SHOULD BUILD PIPELINES AND CAPACITY, AND DERISK INVESTMENT

## **Nature and climate finance should help to:**

- Build financier capacity in what is technologically feasible and financially viable
- Ensure that appropriate incubators and accelerators are in place
- Help derisk investment in bioeconomy businesses and projects

This includes first loss, performance payments and other guarantees, to unlock private capital as the market matures

- Support project preparation through a small, associated grant component. Without this, many projects and businesses can't scale or move along the project development cycle



Thank you