

TALKING HEADS

Lara Muller

Director Public Sector,
Invest International

Lara joined Invest International in January 2023 as Director Public Sector and is responsible for developing, financing and overseeing the implementation of large infrastructure projects in developing countries. Former head of public affairs at Boskalis, Lara was a permanent member of the EU's platform on sustainable finance for two years, advising on EU taxonomy and strategy. She also teaches creating shared value and sustainable finance at Nijenrode Business School in the Netherlands.



Pieter van Eijk

Programme Head, Deltas and Coasts,
Wetlands International

Pieter leads the Deltas and Coasts programme, overseeing implementation of the strategy in over 20 countries, coordinating programme development and supporting implementation of projects on the ground. As a member of the EcoShape consortium, he works closely with engineering and marine contractors, promoting more sustainable approaches to coastal infrastructure development, in line with the Building with Nature (BwN) philosophy.

WHAT IS THE ROLE OF INVEST INTERNATIONAL AND HOW DOES IT MEASURE THE IMPACT OF ITS INVESTMENTS?

Lara Invest International has two activities in house. It provides loans and equity to Dutch entrepreneurs aiming to expand internationally and, on behalf of the Dutch Ministry of Trade and International Aid, it provides grants and sovereign loans to governments in emerging countries to realise public infrastructure projects. Founded in 2021, with 51% owned by the Dutch Ministry of Finance, its focus is on impactful, sustainable and innovative businesses. We get deeply involved in these businesses and support them not only with capital, but also with the knowledge we have about operating abroad.

We measure our impact primarily on SDG 8 and secondly on SDG 13. The creation of jobs is paramount, whether in the Netherlands as a contribution to the national GDP or in the partner countries we operate in. A lot of people think it's green impact, that it has to be sustainable, which for us is conditional. The aim for us investing in public infrastructure in emerging economies is really to create jobs. It's a critical step to help countries move from aid dependency to an equal trade position because we firmly believe that charity is not the solution. We need to help them stand on their own.

WHAT IS WETLANDS INTERNATIONAL AND ITS SCOPE OF WORK?

Pieter Wetlands International is a non-profit conservation organisation oriented at conserving wetland ecosystems for people and nature. Wetlands are a very broad category of ecosystems. They encompass all areas that have water, except for deep seas and large lakes. This includes, for example, mangroves, salt marshes, river systems, peatlands and seagrass meadows. More than 40% of global biodiversity can be found in wetlands, but they are also important for people. They protect our coasts against extreme events, they store large amounts of carbon, they provide fisheries, the list goes on and on.

We implement a large number of initiatives across the world. Some of these are conventional



Coastal protection site in Beira, Mozambique, where Invest International and partners are working to safeguard the coast and 600,000 residents.

conservation projects where we protect ecosystems for their intrinsic value and to maintain their unique biodiversity. Yet most projects take an integrated approach where we aim to maintain the unique values of wetlands for local communities and the economy at large. Our core message is that truly sustainable development is impossible without putting care for our natural system at the heart of it.

HOW DOES THE ORGANISATION INTEGRATE CONSERVATION WITH INFRASTRUCTURE DEVELOPMENT?

Pieter In our programmes, we promote the adoption by the coastal and water engineering sector of Building with Nature (BwN). This approach promotes integral approaches to infrastructure development that maintain and build on the values of nature and incorporate the needs of local stakeholders. It has been promoted by the EcoShape consortium of which we have been a partner for many years. As an NGO, we add a complementary voice to the perspectives of partners from the private sector and academia within the consortium. We see our role very much as a convener and connector, fostering alignment of corporate, community and broader societal interests. The EcoShape programme offers a safe space where all partners are able to drive innovation jointly, without being restricted by the limitations of conventional projects.

However, we observe that many mainstream projects in the water and coastal engineering sector continue to have a far-reaching negative impact on ecosystems and local communities. For this reason, we are also working with marine contractors directly. In these collaborations, we support adoption of Building with Nature in day-to-day operations and contribute to resolving broader sustainability concerns.

It's not only about people thinking out-of-the-box but making the box bigger!

WHAT'S THE IMPORTANCE OF COLLABORATION BEYOND TRADITIONAL VALUE CHAINS?

Lara Current collaborations in infrastructure projects are often linear, with each party (governments, consultants, financiers, contractors) working in sequence rather than together. If we really want to move the needle, we need to have a more circular way of collaborating. Decisions taken early in a project have an impact throughout and if the fundamentals are wrong and misinformed, it can be a recipe for disaster.

And this is where the EcoShape consortium comes in to collaborate pre-competitively in an effective way. NGOs and parties that are responsible for the execution should be sitting at the table at the earliest stage of the process to support and work with financial institutions to get the right message across to the client before things are decided, designed and shaped. They bring invaluable environmental and social insights, which need to be engaged from the start. But also in terms of innovation, as we often see that contractors are continuously working on innovating their way of working and are often confronted with a tender set in stone with little room to offer alternatives.

IS BEING INVITED TOO LATE IN THE PROCESS A COMMON OCCURRENCE?

Pieter Yes, very much and Lara said it perfectly. In almost all cases NGOs are not seriously involved. They're considered stakeholders from a compliance perspective, often engaged only to show that there has been a participative process. We're usually brought in when the full design is already on the table, leaving little room for meaningful environmental or social improvements. You lose the opportunity to avoid a lot of potential negative

impacts and maximise the impact that you can create by developing an inclusive approach. Infrastructure projects can be sensitive by nature. There's a lot of money and interest involved. And many partners in the sector remain a bit hesitant to engage with NGOs. When we joined EcoShape in the early days, some people considered all NGOs as activists chaining themselves to ships and protesting, without realising that many operate as critical yet constructive dialogue partners. Luckily that is changing now.

DOES THE MISCONCEPTION ABOUT NGOS STOP COLLABORATION?

Lara It can and I think financial institutions are wary of NGOs because some are more into activism than into collaborative models. What I experienced with Wetlands International however, and this isn't always the case with NGOs, is that they find ways to engage without going to the press, without trying to harm reputations, and always try to solve things in dialogue. They proved themselves to be a great partner to work with. Critical, of course, but that's their role, as it should be.

HOW CAN INVESTORS AND NGOS WORK TOGETHER?

Lara I think Invest International and NGOs like Wetlands International have a unique opportunity to address gaps left by governments and companies. Governments often rely on narrow engineering solutions due to limited knowledge, while companies tend to wait to see what the client wants. I try to encourage companies to step out of that box and be more proactive in bringing new approaches to the table. It's not only about people thinking out-of-the-box but making the box bigger! It's also about relationship building. Building trust, being transparent. Being able to collaborate on

Trapping mud behind temporary permeable structures to stabilise the coastline and allow mangroves to seed and grow.
@Wetlands International



Read about the valuation of externalities in maritime infrastructure projects.



an equal level with stakeholders I think is the key. And I think it's the one skill that we need to future proof our companies, future proof our projects and to get nature-based solutions out there.

Pieter I agree, building trust is essential but often overlooked. You have to invest a lot of time. It's also about appreciating each other's complementary values. There's often a lack of understanding about the role and value of NGOs. Some view NGOs as either activists to be avoided or as ineffective talkers. When you really engage in a practical collaboration people start to appreciate our work. One of our partners from the dredging sector recently said, 'Thanks to our engagement with you, we now better understand what it really means to bring community perspectives on board and how you can engage communities directly in large-scale engineering efforts.' Our local knowledge, acquired through our global network of 20 offices, is also highly valued.

IS THERE A LACK OF KNOWLEDGE WHEN IT COMES TO SUSTAINABILITY?

Lara There's a huge knowledge gap from all perspectives about SDGs, about sustainability, about climate change and it's not something that can be tackled alone. We need to be smart and find efficient strategies to address it without constantly reinventing the wheel. I feel the nature-based solutions movement struggles with continually staying in the pilot phase. It's crucial to shift focus from just developing technical aspects to scaling up and leveraging processes to include diverse stakeholders. Collaborating with EcoShape, a neutral pre-competitive body, can facilitate bringing various parties together, including NGOs and companies, without explicitly highlighting their presence. We really need to standardise working together and to look for that collaboration strategically. A lot of approaches to nature-based solutions are being developed, piloted and matured. I think we should start developing, maturing and scaling up a collaboration approach together as an industry.

SUSTAINABLE INFRASTRUCTURE IS OFTEN SEEN AS MORE EXPENSIVE. HOW DO YOU CONVINCE THE POLICYMAKERS OF THE LONG-TERM BENEFITS AND THE NEED TO INVEST IN SUSTAINABLE SOLUTIONS?

Lara The thing is it's hard to quantify. You know there are 250 methodologies to measure impact and still that doesn't convince people. However, showing a loss of 2 million euros from project delays due to local protests, that speaks volumes. Particularly when you can show that if they had invested 200,000 euros in dialogue, grievance mechanisms and local NGO engagement it would have been far more cost-efficient. Numbers talk

We use storytelling as a way to share our projects and to demonstrate the benefits of an integrated approach.

but they need to be presented in a context that decision-makers can understand and relate to. I consider nature-based solutions as much a social as an environmental approach to infrastructure, so not investing at the front end might be a "penny-wise, pound-foolish" strategy.

Pieter I don't think nature-based solutions are necessarily more expensive; they often offer a strong business case that's societal rather than financial. For example, a salt marsh dyke provides ecotourism benefits, boosts local fisheries, stores carbon and reduces flooding risks, benefiting many stakeholders. However, decision-makers must recognise and justify these broader benefits, which aren't always easily translated into financial terms. Connecting these benefits to international commitments such as SDGs can strengthen the case, showing how integrating social and environmental aspects can enhance infrastructure projects and meet broader goals.

WHAT CHANGES ARE NEEDED IN DEMANDING NATURE-BASED SOLUTIONS?

Lara The way we tender is one and it's the reason why we no longer engage in price-only tenders. With up to 50% of project value coming from grants, we want tenders to prioritise quality. We're now experimenting with requiring at least 40% of evaluation based on quality and conducting ESG pre-checks to exclude companies with poor environmental, social or governance records, including corruption. European dredging companies, especially Dutch companies, are top of their field in technical and environmental standards but need a fair competitive playing field. We're also considering mandating to have a nature-based solutions alternative in every tender and using a sustainable procurement toolkit to guide tender structuring.

HOW DOES WETLANDS INTERNATIONAL ADVOCATE FOR CHANGE?

Pieter Aside from engaging as a stakeholder in consortia around concrete projects on the ground, we also actively engage with umbrella organisations such as IADC. And through collaborations with development banks, such as the Asian Development

Bank and the World Bank, we advocate for involving stakeholders from the outset, changing tender procedures and encouraging more inclusive designs. In calling for all these changes, we use storytelling as a way to share our projects and to demonstrate the benefits of an integrated approach. For example, as part of EcoShape, we coordinated a successful pilot project in Central Java, combining engineering with mangrove restoration and community engagement. The project demonstrated the effectiveness of nature-based solutions and won several international awards.

IS LACK OF VISIBILITY AND AWARENESS ABOUT NATURE-BASED SOLUTIONS A FACTOR?

Pieter Definitely and it's a frustrating one because I share Lara's sentiment that we have wanted nature-based solutions to take off much faster than is happening. Now in the Netherlands we see things slowing moving in the right direction, where the government is really stepping up to fund commercial projects based on pilot projects. Unfortunately, in the developing world we still see a big need to get things started.

The good news is that we also see some of the large development banks doing the same as Invest International, by specifically asking more for inclusive approaches. One of the things we're doing now within the EcoShape consortium is mobilising a programme called Building with Nature Asia. We want to develop pilot projects in five Asian countries that show, in different contexts, what these kind of nature-based solution approaches could look like.

But we don't just want to stimulate Building with Nature bottom-up. We also want to support policy reform, capacity building, knowledge development and raising awareness through overarching regional and national scales. Our hope is that this dual approach will address the barriers that currently prevent these projects from kicking off. Hopefully we can create a space where clients demand these kind of approaches and where project developers feel more encouraged

to actually actively propose them. Then we can connect the supply and demand, create a level playing field and move away from compliance and towards developing high-quality projects that both clients and developers are excited about.

HOW DO YOU CONVINCE GOVERNMENTS OF THE NEED FOR CHANGE?

Lara While we have to convince everyone that you should just do this because it's a smart thing to do it and it will boost the quality of your project, I think we need to steer away a little from the word sustainability. And instead talk about "healthy projects" and "healthy economy" because, for a lot of people, sustainability has become a political agenda that they don't understand anymore. I think by constantly promoting the green side of things, that perhaps we're not doing ourselves a favour. Perhaps we should really be focused on convincing governments and stakeholders that this is not about the moral thing to do, because ultimately that's a personal choice, but because it's the smart thing to do, both economically and qualitatively.

If we really want the nature-based solutions discussion to move out of the piloting phase and the very niche environment that it's currently in, perhaps we should also think how we sell it. And if we try selling it as being about quality, about having a "healthy project", we will avoid the lack of knowledge around what sustainability is and what it encompasses. It's a case of reframing the thinking.

Pieter I recognise the negative connotation some people have with the word "sustainability". They tend to think it's going to be expensive, that it's going to be complicated, it's going to delay things, we'll have to engage with all those consultants who tick their boxes. While compliance is important, you would create such a better atmosphere and a much higher quality project if you just turn things around entirely. Start understanding the system that you are working in. What natural values are in play, what does the hydrology look like and the sediment dynamics? How is the landscape governed? What does the economy look like and how do people live? Building this understanding and responding to the needs of local stakeholders without disrupting the natural system is the only way to develop a good design. And don't forget that nature is a key stakeholder in itself that is rarely being heard.

Lara To add another dimension to that, I think competitiveness is very important particularly from a business perspective. Not so much for governments, but for companies here within Europe that are really having to work extremely hard to remain competitive in a very difficult environment

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Lara Muller and Bonaventure Kalou, Mayor of Vavoua, at the signing of a concessional financing package of EUR 300 million between Invest International and the Government of Ivory Coast.

dominated by state subsidised entities that compete on price. By incorporating this approach we're providing them with a way better competitive environment in order to differentiate themselves from the competition on the basis of the right arguments. And not one of price only.

WILL IT TAKE POLICY REFORM TO REALLY ACTION CHANGE?

Pieter For Wetlands International, there's a very large role related to our role as communicators. What we see works in society in terms of approaches, which things we see don't work and bringing voices from local communities and other stakeholders to the ears of the policymakers. And we're already doing that a lot, by sitting around the table with regulators and policymakers to make sure they take that on board. There are two ways in which we facilitate the process. First by bringing that information from society into the policy arena and secondly, what we see a lot in many countries, bringing together different ministries – that don't talk with each other and that pretty much compete with one another – around a single table. Surprisingly we can often have a strong role in working around those dynamics and frictions by quite literally just inviting them to come together. And it can be truly transformational.

And that's where, as an NGO, we're not bound by commercial considerations, by very specific requirements on what we should or should not do. In our projects, we have a freer role and can continue to make the box bigger.

WHAT DO YOU SEE IS THE MAIN WORK FOR INVESTORS IN THE FUTURE?

Lara I think for us as a financial institution, and partly as a governmental financial institution, we can do a lot by engaging with other international financial institutions, such as the World Bank and the Asian Development Bank, to discuss these matters and align more on how we tender projects and what our requirements are. How do we get the nature-based solutions in there? How can we work together, also with commercial banks, in order to align within the financial world on the necessity and the urgency? Also the methods we can propose as financial institutions to be adopted by the client receiving the money, which are generally other governments. It's often a world where our people have to spend a lot of time going backwards and forwards between ministry departments, that don't speak with one another. Again it comes down to trust. They don't trust each other so how are they going to trust us? We work in 44 countries. It just comes down to basic communication and putting things in place where people talk to each other and align on the same page.

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Communication skills and listening. Listening is another key skill to understanding people and what their position is. We benefit a lot from working with embassies. They're instrumental in helping us as they're the ones who have a relationship with the people of that country and with the government. We very much depend on them for their knowledge and network, as I know do a lot of entrepreneurs. So again, it's a case of let's not reinvent the wheel. We need those partnerships, with embassies, with NGOs, with contractors, and we need to start developing that way more strategically. We need to standardise it and integrate best practises because we surely don't need to keep reinventing the wheel.

It's also culture. Changing and developing intercultural and interpersonal skills. Hiring a different DNA within dredging companies that means not only the engineers and technical roles but more strategic communicators. There's a world to win for financial institutions there too and there's homework for us all.