



Convention on
Biological Diversity

BUSINESS AND BIODIVERSITY

The International Context

QCBS SYMPOSIUM

Montreal, Canada
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Ravi Sharma
Principal Officer
Implementation, Technical Support and Outreach
Secretariat of the UN Convention on Biological Diversity
Montreal, Canada





PRESENTATION OUTLINE

- Biodiversity Definitions and Concerns
 - What is Biodiversity
 - What is Biodiversity Loss
 - The Value of Biodiversity
 - The Convention
- The Business Case for Biodiversity
 - Case Studies
- What We are Doing
 - 2020 Biodiversity Targets
 - The Nagoya Protocol
 - CBD and Business Engagement
 - Towards COP 11



WHAT IS BIODIVERSITY?



The Convention on Biological Diversity defines biodiversity as follows:

“Biological diversity” means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.”



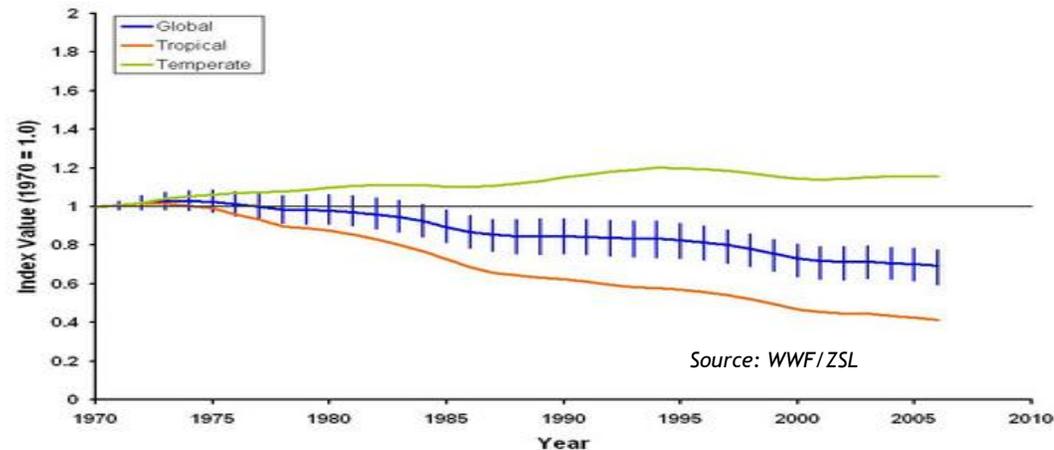
HEALTHY BIODIVERSITY



- There is a constant natural background rate of species loss and replenishment
 - *An ecological niche opens up, new species move in*
- The numbers of species and their interactions give ecological systems a strong degree of resilience in the face of natural disasters or other challenges



BIODIVERSITY LOSS



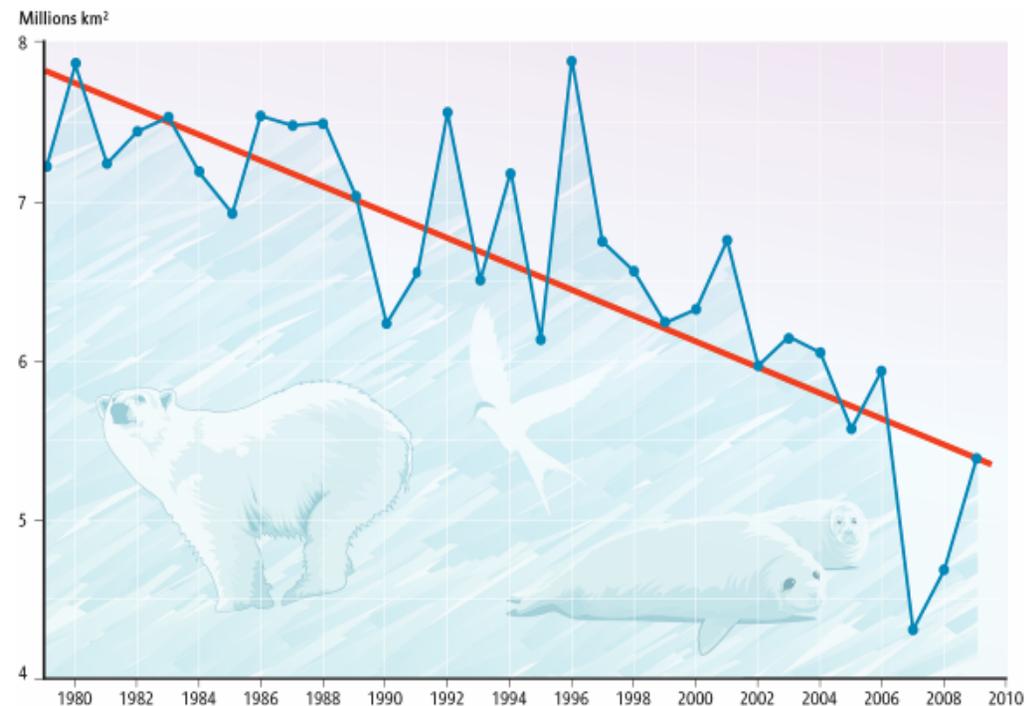
- Evidence that human pressures have been instrumental in increasing the rate of species loss to **1000x** the natural background rate
 - *This includes many rare, unknown and “keystone” species*
- While the eco-system may appear viable, ongoing loss makes it vulnerable and can move it quickly towards a tipping point, beyond which it can crash



BIODIVERSITY LOSS

Trends in habitats are varied but show declines over all:

- Wetlands, salt marshes, coral reefs, seagrass beds and sea ice continue to decline
- Extensive fragmentation of forests and rivers
- Mangrove decline slowing (except in Asia)
- The condition of many terrestrial habitats is deteriorating (degrading)



Source: NSIDC



THE VALUE OF BIODIVERSITY

- Ecosystem Services is a concept used to define the value of an ecosystem/ biodiversity to human economics
- The Economics of Ecosystems and Biodiversity (TEEB) defines it as *the direct and indirect contributions of ecosystems to human well-being*
- Overexploitation is resulting in drastic declines in biodiversity and resultant ecosystem services



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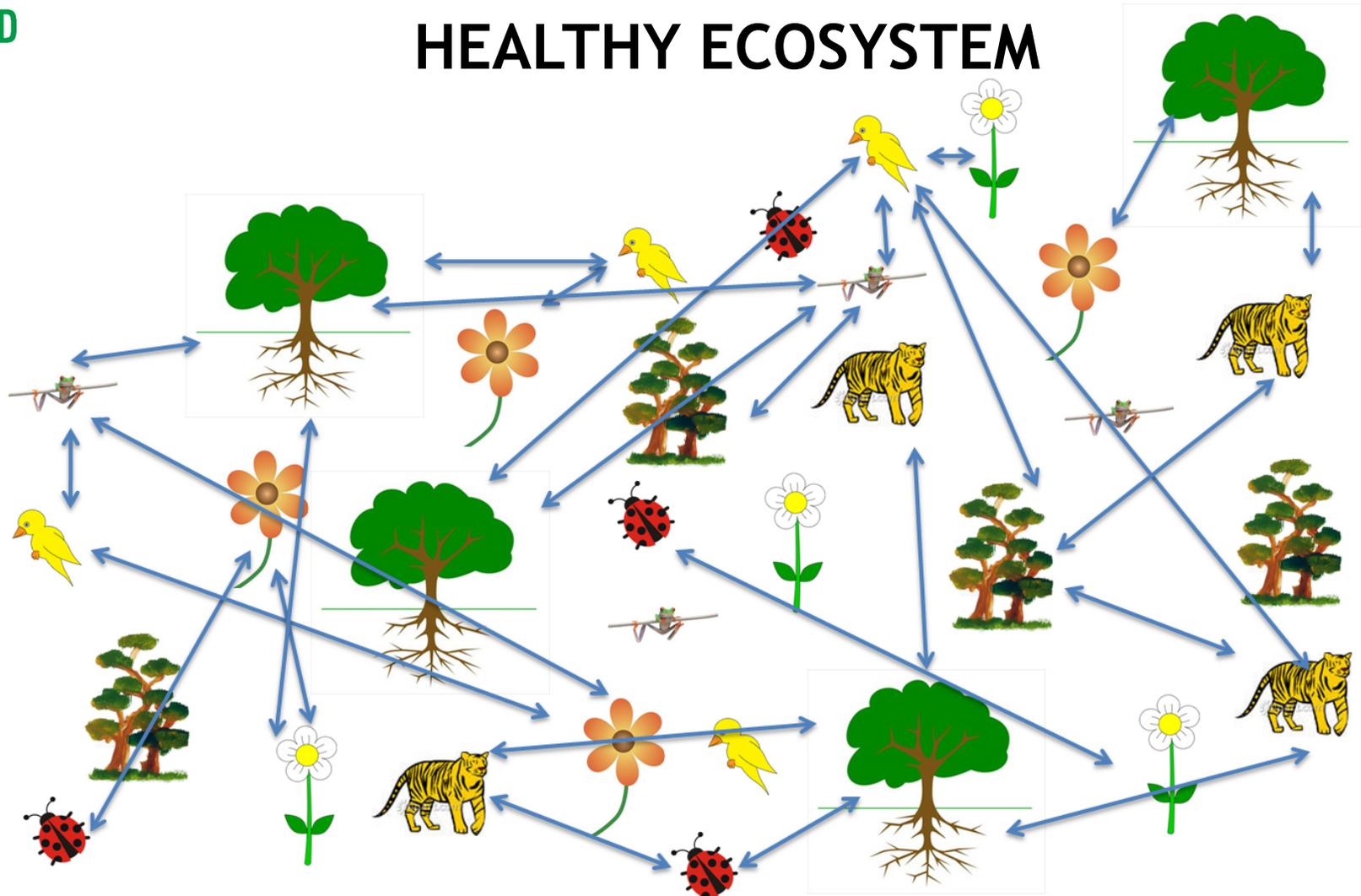
THE VALUE OF BIODIVERSITY

- Ecosystem services are present in all facets of business and life, but often ignored or undervalued

Category of Service	Type of Ecosystem Service	Business Sector Benefits
Provisioning	Food	Agrifood
	Fresh Water	Agrifood/industrial processes
	Medicinal Plants	Pharmaceutical/bioprospecting
Regulatory	Climate Regulation (carbon sequestration)	Carbon offsets
	Purification of air and water	Pollution control
	Flood and erosion control	Construction/Land Management
Ontogenetic	Psycho-social development	Medical Services
	Immune system development	Medical Services
Social/Cultural	Tourism and recreation	Tourism
	Cultural heritage	Tourism
	Inspiration for Bio-mimicry	Bioprospecting



HEALTHY ECOSYSTEM



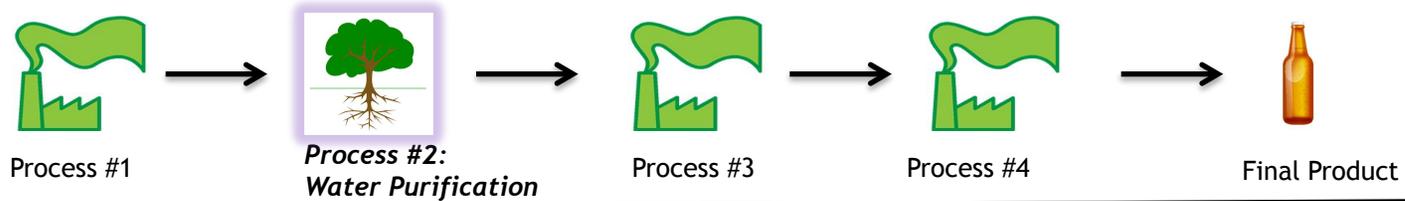
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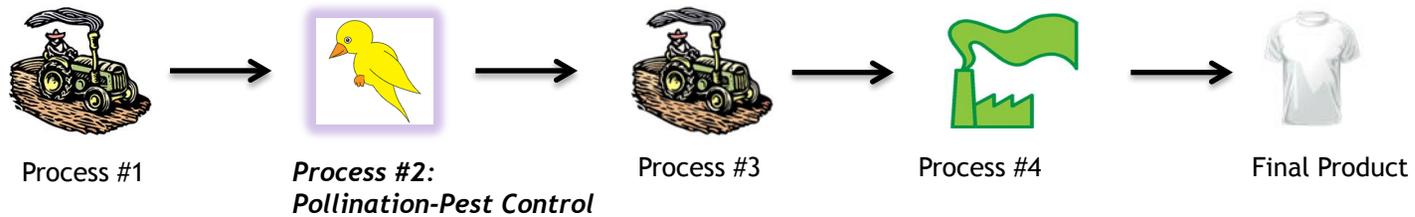


BUSINESSES/SUPPLY CHAINS

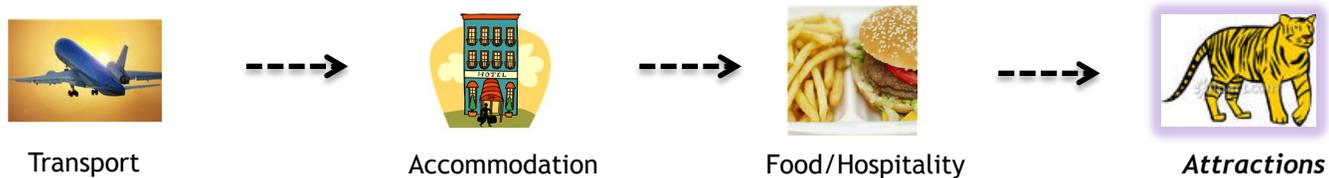
Beverage Company Supply Chain



Clothing Manufacturer Supply Chain



Tourism Company



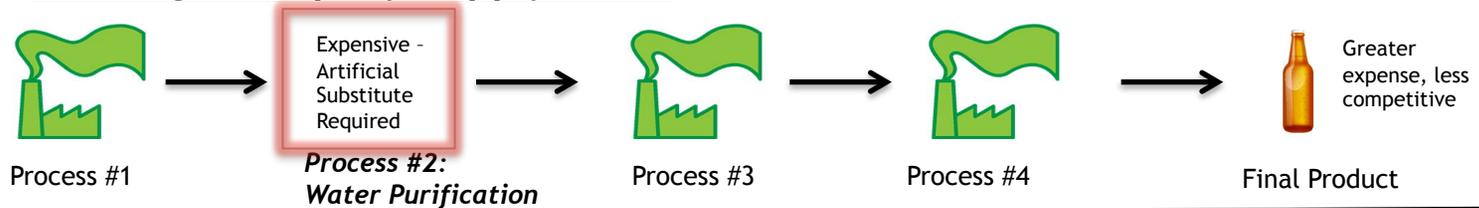
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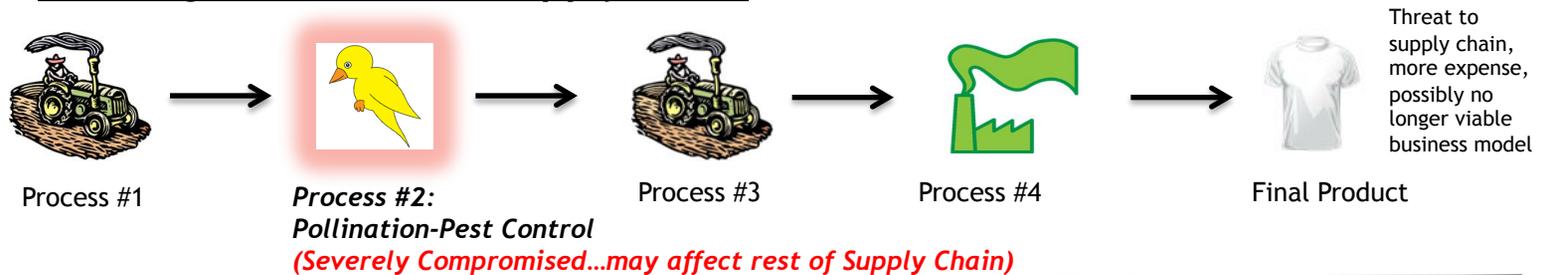


DISRUPTIONS TO BUSINESS PROCESSES

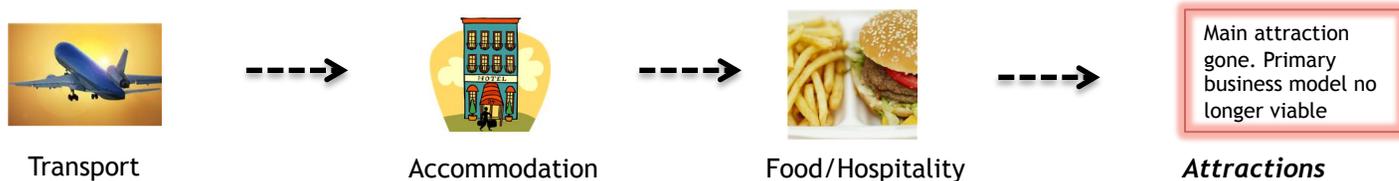
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VALUATION OF ECOSYSTEM SERVICES

- Although there have been efforts made to correctly value (“monetize”) ecological systems, this is difficult and can vary by ecosystem and region



VS



Flood/erosion control = \$
Forest products = \$
Carbon sequestration = \$
Recreation/Tourism = \$

Wood and Paper Products = \$



SOME EXAMPLES OF ECOSYSTEM SERVICES

Conserving forests avoids greenhouse gas emissions worth US\$3.7 trillion

- *Halving deforestation rates by 2030 would reduce global greenhouse gas emissions by 1.5 to 2.7 GT CO₂ per year, avoiding damages from climate change estimated at more than US\$ 3.7 trillion*

Global fisheries underperform by US\$50 billion annually

- *Over-exploitation of most commercially valuable fish stocks has reduced the income from global marine fisheries by US\$50 billion annually*

The importance of coral reef ecosystem services

- *Some 30 million people in coastal and island communities are reliant on reef-based resources as their primary means of food production, income and livelihood*

Green products and services represent a new market opportunity

- *Global sales of organic food and drink reached US \$46 billion in 2007*

Bee keeping generates US\$213 million annually in Switzerland

- *On average, Swiss bee colonies ensured a yearly agricultural production worth about US\$213 million by providing pollination*

Tree planting enhances urban life quality in Canberra, Australia

- *Canberra has planted 400,000 trees to regulate microclimate, and to reduce pollution and energy costs. These benefits are expected to amount to US\$20-67 million over the period 2008-2012*



THE CONVENTION AND BUSINESS

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MULTILATERAL ENVIRONMENTAL AGREEMENTS -HARD LAW-

- Convention on Biological Diversity and the Cartagena Protocol on Biosafety to the Convention on Biological Diversity
- Framework Convention on Climate Change and the Kyoto Protocol
- United Nations Convention to Combat Desertification



Convention on
Biological Diversity





EVOLVING ROLE OF PRIVATE CORPORATIONS IN MEAS

- Creating new property rights and thereby markets
- Increasing trans boundary nature of businesses
- National regulation unable to catch-up with new markets and issues
- While business follow regulation, business also drive regulation
- Expressed need for mobilizing private capital to solve environmental problems
- Business also drives innovation



THE CONVENTION ON BIOLOGICAL DIVERSITY



The CBD is one of the so-called “Rio” Conventions

- *Biodiversity (CBD)*
- *Climate Change (UNFCCC)*
- *Desertification (UNCCD)*

The Convention established three main goals:

- *The conservation of biological diversity*
- *The sustainable use of its components, and*
- *The fair and equitable sharing of the benefits from the use of genetic resources*



LEAD UP TO 2010 (BUSINESS)

- **COP-8** (Brazil, 2006) addressed need for business involvement in biodiversity conservation
- **COP-9** (Germany, 2008) invited Parties to improve actions and cooperation for the engagement of the business community through public/private partnerships
 - *In addition, a major international study initiated by the EC and UNEP designed to assess the impact of biodiversity on and by our economic systems (*The Economics of Ecosystems and Biodiversity (TEEB)*)*
- **G-8 Environment Ministers** (Japan, 2008) discussed ways to promote the conservation and sustainable use of global biodiversity
 - *They adopted the *Kobe Call for Action for Biodiversity* to promote international cooperation and engagement of the private sector*
- **The Third Business and the 2010 Biodiversity Challenge Conference** (Indonesia, 2009) issued *the Jakarta Charter* focusing on the sustainable use and conservation of biodiversity.



COP 10 BUSINESS DECISION

The Parties called upon the SCBD Executive Secretary to:

- Encourage the establishment of national and regional **business and biodiversity initiatives**
- Compile and disseminate** information on best available practices for mainstreaming ecosystem services
- Encourage the development and application of **tools** and mechanisms that can further facilitate the engagement of business in integrating biodiversity conservation into their practices
- Monitor implementation** of private sector progress in mainstreaming ecosystem services and assess the effectiveness of tools and mechanisms in use for this purpose
- Encourage businesses that support the **Convention's objectives** in communicating their biodiversity-relevant activities to their consumers, customers, and other stakeholders.

WHAT ARE THE PRACTICAL IMPLICATIONS FOR BUSINESS?

WHAT CAN YOU DO?

HOW CAN WE HELP?



THE BUSINESS CASE FOR BIODIVERSITY

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THE BUSINESS CASE

- Beyond the Corporate Social Responsibility (CSR) argument, there are a number of sound business reasons for companies to be concerned about Biological Diversity and overall sustainability
- These factors can be classified as risks and **OPPORTUNITIES**
- In many cases, the two are simply the flipside of the same issue

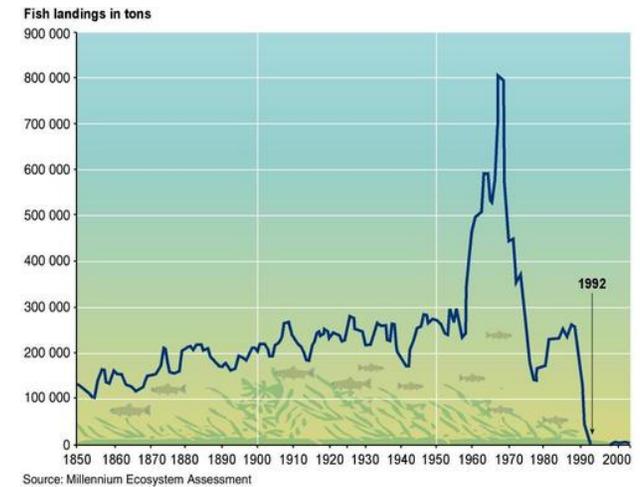


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RISKS

- Negative Corporate Images/Boycotts
- Government Legislation
- Poor Relations with Other Stakeholders
- Clean-up/Compensation Costs
- Higher Insurance Premiums
- Scarcity of Resources



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OPPORTUNITIES

- Market Leadership/Enhanced Reputation
- Good Relations with Regulators and Other Stakeholders
- Lower Insurance Premiums
- Access to New Eco-Conscious/Ethical Funds
- Long-Term Stability of Supply and Viability
- Enhanced Employee Loyalty
- Bio-prospecting/Bio-mimicry
- Embracing Changes in Ways of Doing Business
- Lower Overall Supply Management Costs



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BUSINESS CASE STUDY: COSMETICS (YVES ROCHER)

- When sourcing materials, Yves Rocher uses flexible and innovative approaches
- In La Gacilly, YR harvests organically grown plants and manufactures products from them
- In Madagascar, villagers harvest Saro leaves and distil them to produce an essential oil for YR. Yves Rocher pays for the still used to distil the essential oil and transferred test results that permit its commercialisation
- This provides an incentive for ecosystem conservation, and other benefits, allowing local producers to become economically and technically self-sufficient
- Over the years the YR brand has grown and now markets over 300 million products annually in 80 countries





BUSINESS CASE STUDY: MINING (HOLCIM)

- Including quarry rehabilitation as a part of operational planning is an economical and efficient way to reduce environmental impact and a good way to visibly demonstrate corporate responsibility to stakeholders
- The Holcim cement plant in Altkirch, France operates an 83-hectare quarry, where progressive rehabilitation is integrated into its quarry plan
- The Altkirch plant rehabilitates recently exploited parts of the quarry every year to construct natural habitats on site
- Nearly half of the exploited parts of the quarry have been rehabilitated to recreate natural habitat, and biodiversity has expanded on the site, while active extraction operations are still occurring





BUSINESS CASE STUDY: AGRI-FOOD (ASAHI)

- In 2010 the Asahi Group drafted its Environmental Vision 2020, with the goal of becoming environmentally sustainable, as well as issuing its Statement on Biodiversity
- An important element of the statement involves “using products and services to highlight the importance of the bounty nature provides...”
- Asahi introduced its new Organic Premium Beer, manufactured in a way that exerts little impact on biodiversity
- The initial test run was well received by consumers and was completely sold out
- Asahi is continuing sales of Organic Premium Beer and is moving forward with the development of further sustainable products



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BUSINESS CASE STUDY (CERTIFICATION): STORA ENSO WOOD SUPPLY

- **Stora Enso** (A global paper, packaging and wood products company) increased the share of certified wood in wood supply from 49% in 2005 to 67% in 2009. Target for 2010 is to further increase this share to 69%
- **Stora Enso's reasons to certify:**
 - *The demand of customer groups for certified products in combination with occasionally better sales prices;*
 - *The fulfillment of public procurement requirements (market access);*
 - *The conviction that sustainable forest management as a part of responsible business behavior in general is crucial for long term success*
- **Stora Enso's Challenges:**
 - *Lack of consumer awareness;*
 - *Limited willingness to pay higher prices for certified products;*
 - *Cost of forest management certification*



Source: *Business.2010*

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BUSINESS CASE STUDY (OFFSETS)

Offsets (Regulated): U.S. - Wetland Banking

- The US Federal Clean Water Act obliges developers to compensate for destruction of wetlands
- Developers can provide their own compensation or purchase credits, in the form of wetland acres, within the same watershed as their development
- 20-30% of the 450-plus approved wetland banks in the US have been developed by large corporations with surplus land who are looking for ways to diversity their income
- The US Market in wetland credits is worth about US\$1.1 - 1.8 billion annually

Offsets (Regulated): Australia - BushBroker

- In 2006, the Victorian Government introduced the BushBroker scheme, which requires that clearing of native vegetation be compensated by an appropriate offset
- Permit applicants can source these offsets through the BushBroker register
- Applicants can either generate offsets on their own property or purchase these offsets
- To date, over \$4 million worth of trades have been facilitated by the programme.

Offsets (Voluntary): Rio Tinto

- Rio Tinto's biodiversity strategy sets out the goal of Net Positive Impact on biodiversity
- This means that Rio Tinto's actions have positive effects on biodiversity that balance or outweigh the negative effects of mining and mineral processing
- They aim to achieve this by reducing impacts and implementing conservation measures such as biodiversity offsets



BUSINESS CASE STUDY (PAYMENT FOR ECOSYSTEM SERVICES)

Vittel, France:

- Nitrates and pesticides were entering Vittel's springs in northeastern France due to intensified agricultural practices and cleared native vegetation that had previously filtered the water
- The contamination threatened the company's right to use the "natural mineral water" label under French law
- The solution was an incentive package for farmers to improve their agricultural practices and consequently reduce water pollution
- Vittel provided subsidies and free technical assistance to farmers in exchange for farmers' agreement to enhance pasture management, reforest catchments, and reduce the use of agrochemicals

New York, Catskill Watershed:

- In New York City the quality of drinking water had fallen below standards required by the US Environmental Protection Agency
- Authorities opted to restore the polluted Catskill Watershed that had previously provided the city with water purification
- Sewage and pesticides were reduced, and water quality improved to levels that met government standards
- The cost of this investment was estimated at US\$1-1.5 billion
- This contrasts with the estimated US\$6-8 billion cost of constructing a water filtration plant plus \$300 million annual running costs





WHAT THE CBD IS DOING

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AICHI TARGETS AND NBSAP

- 20 specific targets arranged by 5 strategic goals:
 - **Strategic Goal A:** *Address underlying causes of biodiversity loss by mainstreaming biodiversity across government and society*
 - **Strategic Goal B:** *Reduce direct pressures on biodiversity and promote sustainable use*
 - **Strategic Goal C:** *To improve status of biodiversity by safeguarding ecosystems, species and genetic diversity*
 - **Strategic Goal D:** *Enhance benefits to all from biodiversity and ecosystem services*
 - **Strategic Goal E:** *Enhance implementation through participatory planning, knowledge management and capacity building*



ACCESS AND BENEFITS SHARING

- The Nagoya Protocol provides a transparent legal framework for the effective implementation of one of the three objectives of the CBD
 - *The fair and equitable sharing of benefits arising out of the utilization of genetic resources*

Access to genetic resources

IN EXCHANGE
FOR:

Fair and equitable share of the benefits derived from their utilization



ACCESS AND BENEFITS SHARING

- Access to genetic resources is subject to the **prior informed consent** (PIC) of the provider country
- Users and providers must reach an agreement on the sharing of benefits from research, development and commercialisation of products based on genetic resources
 - Benefits to be shared may be ***monetary*** or ***non-monetary***
 - ***royalties, technology transfer, training***
- Use of ***traditional knowledge associated with genetic resources*** is subject to prior informed consent and to the sharing of benefits with the communities concerned
- The Protocol provides ***legal clarity and certainty*** through:
 - ***Measures aimed at ensuring the sharing of benefits once genetic resources have left the provider country***
 - ***Clear and transparent procedures in provider countries for access to genetic resources and the establishment of Mutually Agreed Terms.***
 - ***An Access and Benefit-sharing Clearing-House Mechanism***



BUSINESS ENGAGEMENT: GLOBAL PLATFORM FOR BUSINESS AND BIODIVERSITY WEBSITE

- Platform for businesses to get information to assist in mainstreaming biodiversity and raise awareness.
 - *Case studies, tools/mechanisms/indicators, research, lists of events, etc*
- Platform where businesses can ask questions and exchange ideas
- Capacity to host webinars and “ask the expert” events
- Opportunity for National Business and Biodiversity Councils can connect with each other and the SCBD
- Phase 1 launched in early June (www.cbd.int/business)
- Phase 2 to be fully operational by December 2011



BUSINESS ENGAGEMENT: ENHANCED OUTREACH TO BUSINESS

- The Secretariat is contacting key business partners in a wide variety of sectors to encourage them to adopt provisions of the Convention and share their experiences
- Through the website, newsletters, workshops and other events, the Secretariat hopes to reach other businesses (especially SMEs) further down the supply chain
- Will engage leading companies globally to assist in this endeavor



BUSINESS ENGAGEMENT: NATIONAL WORKSHOPS

- Targeting key economies and major business centres
- Primary target audience is business community
- Structure will include:
 - Presentations (CBD, Government, Business, NGOs, etc)
 - Panel discussions
 - Sector based break-out sessions
 - Networking
 - Site visits



BUSINESS ENGAGEMENT: BUSINESS AND BIODIVERSITY COUNCILS



C B B C

Canadian Business &
Biodiversity Council

生物多様性民間参画
パートナーシップ



- Encourages business and government engagement on biodiversity
- Composed of companies, government officials, academia
- Provides tools and advice to businesses
- SCBD aiming to stimulate creation of councils globally
 - *Creation of network to share ideas and best practices, announce events, etc*
- Current councils in Canada, France, Germany and Japan
 - *Others under development*



TOWARDS COP 11

- The next COP will take place in Hyderabad in 2012
- The Secretariat is in the process of planning a number of business events around COP including:
 - *High level meetings between business leaders and government officials*
 - *A green business exhibition*
 - *Meeting of the National Business and Biodiversity Councils*
- COPs are very important in the life of the Convention, and businesses from around the world are strongly encouraged to participate
- As our planning continues, we will post updates on the Global Platform Website



THANK YOU

Secretariat of the Convention on Biological Diversity

413 Saint Jacques Street, Suite 800

Montreal, QC, H2Y 1N9, Canada

Tel: +1 514 288 2220

Fax: + 1 514 288 6588

Email: secretariat@cbd.int

www.cbd.int/business

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