

European initiative on business and biodiversity

Portuguese Presidency of
the EU Council and European Commission

High Level Conference on Business and Biodiversity

12 - 13 November 2007

Calouste Gulbenkian Foundation
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1. A European commitment for business and biodiversity

In 2000, in Lisbon, the EU Heads of State and Government agreed to make the EU “the most competitive and dynamic knowledge-driven economy by 2010.” In 2001, the EU further committed to “halting biodiversity decline by 2010.” In 2006, the European Commission launched a biodiversity communication, which included a commitment to engage the private sector in partnerships for biodiversity.

Then, in 2007, under the Portuguese Presidency, business leaders, biodiversity experts, NGOs and policy makers, returned to Lisbon to explore how European business can improve performance through biodiversity responsibility. The meeting of more than 400 leaders from business, governments, the European Union and NGOs signalled a major step in business commitment to biodiversity conservation.

This report provides an overview of the rich array of presentations and discussions which took place on 12-13 November 2007, at the High Level Conference on Business and Biodiversity in Lisbon, Portugal. The Conference was organised under the Portuguese Presidency of the EU Council in partnership with the European Commission and the IUCN Countdown 2010 Initiative.

Convergence between public and private sectors on the critical importance of biodiversity – the rich diversity of animals, plants and nature that supports us all – and what needs to be done now to stem a steadily worsening global crisis from its continuing loss, emerged at the Conference.

The Conference also contributed to an improved understanding of the competitive advantages that can be gained from conserving biodiversity and using biological resources sustainably. Importantly, the Conference provided substantive guidance to the European Commission’s new initiative on business and biodiversity.

In November, in Lisbon, a new European 2010 agenda for business and biodiversity was established. This was clearly articulated in the message of the Conference.

2. The message from Lisbon on business and biodiversity

Following extensive consultations and drafting sessions, the delegates of the Conference adopted a message for the European Union and

European business on business and biodiversity. Adopted by consensus on the second day of the Conference it states:

“We the Ministers and representatives from governments, business and civil society participating in the High level Conference on Business and Biodiversity organized by the Portuguese Presidency of the EU Council, held in Lisbon, Portugal from 12 to 13 November 2007:

“*Convinced* that as part of the common efforts to implement the objectives of the Convention on Biological Diversity and in particular CBD Decision VIII/17 on private sector engagement, there is a strong business case for biodiversity, including the competitive advantage gained from conserving biodiversity and using biological resources in a sustainable way and recognizing that competitive markets also have an enormous potential to mobilize private resources and stimulate innovation.

“*Recognize* the significant progress that has been made in recent years by a number of business sectors and leading companies and support the scaling up of such efforts across other business sectors in Europe and abroad.

“*Acknowledge* the primary need to promote an even greater awareness of the importance of biodiversity throughout the business sector as well as among consumers, to make knowledge, information and relevant expertise available to business and to assist companies in shaping their commitments to biodiversity.

“*Recognize* that there is an urgent need to promote biodiversity conservation in micro, small and medium sized enterprises, and in particular those with a strong link to biodiversity conservation as well as those based in the rural economy and to provide them with the information, relevant expertise and tools which are adapted to the operating conditions of these enterprises and recognizing also the valuable role that business associations can play in this process as well as the potential value of clusters of interest groups working within the context of specific, physical landscapes.

“*Encourage* the incorporation of biodiversity considerations into existing responsibility schemes and the implementation of such schemes in combination with other approaches (e.g. market mechanisms, regulatory frameworks). Improvements in the understanding of biodiversity and ecosystem services through research and practical experience should support the evolution of

business contribution to biodiversity so as to engage businesses in a process of continuous improvement.

“Welcome the progress made in biodiversity performance assessment and reporting by several leading business which complement the regulatory assessment schemes such as those established within the EU under the Habitats Directive, the Environmental Impact Assessment and the Strategic Environmental Assessment Directives.

“Encourage establishing and strengthening public/private partnerships between and among local, regional and national governments, NGOs, business and academia to fight biodiversity loss as well as the development of mechanisms by which these stakeholders and other relevant groups can identify each other with a view to developing practical, operational partnerships.

“Recommend the development and testing of market-based approaches for biodiversity, learning from the approaches and models which have been implemented in connection with climate change related instruments.

“Recognize the need to promote the principle of a level playing field at a global level in order to provide the correct incentives and signals to those companies that are taking active steps to conserve biodiversity and practice sustainable use and recognizing also that the EU could play a significant role in this context.

“Welcome within the context of the EU’s objective of halting biodiversity loss by 2010, the launching by the Portuguese Presidency of the EU Business and Biodiversity Initiative and the commitment from the EU Commission to establish a technical facility to support this initiative.

“Welcome and congratulate the government of Portugal for identifying business and biodiversity as a priority during the Portuguese Presidency of the EU and, in particular, for providing a new approach by engaging the business sector in the biodiversity agenda through a high level multi-stakeholder Conference on the subject.

“Welcome also the German efforts to advance business and biodiversity agenda in preparation of CBD COP-9 and the actions taken by Slovenia in its capacity as the next EU Presidency in continuing to support this agenda.

“Invite the Portuguese EU Presidency to transmit the Message from Lisbon on Business and Biodiversity to the EU Summit in December 2007 and to the ninth meeting of the Conference of the Parties to the Convention of Biological Diversity to be held in Bonn in May 2008, including its High-level Segment and the World Conservation Congress in Barcelona in October 2008.

“Express our gratitude to the government of Portugal for hosting this Conference with the support of the European Commission and IUCN’s Countdown 2010 initiative.”

A copy of the message can be downloaded at:

http://www.countdown2010.net/file_download/143

3. Overview of the plenary sessions

The Conference took place over two days in mid-November 2007 and consisted of a series of plenary sessions as well as four parallel workshops. The plenary sessions and their participants were as follows:

3.1. Day 1: Monday, 12 November

Opening plenary: European biodiversity commitments and business

- **Francisco Nunes Correia**, Minister for Environment, Spatial Planning and Regional Development, Portugal
- **Gunther Pauli**, President of ZERI and founder of Ecover, on “Private sector engagement: Biodiversity challenges and opportunities”
- **Peter Carl**, Director General for DG Environment, European Commission, on “Halting the loss of biodiversity: The role of business”
- **Jaime Gama**, President of the Portuguese Parliament

High-level Roundtable: The 2010 Business Challenge

- Chair: **Jonathan Hutton**, Director, UNEP World Conservation Monitoring Centre (WCMC)
- **Joao Vasco de Mello**, CEO, Brisa Auto-Estradas de Portugal, S.A.
- **João Paolo Capobianco**, Executive-Secretary of the Ministry of Environment of Brazil, on “Development and biodiversity”
- **Brigita Schmognerova**, Vice President, EBRD Energy and Biodiversity, on “Finance and biodiversity”

- **Martin Taylor**, Chairman of the Board, Syngenta International AG, on “Business and biodiversity”
- **Joan Ruddock**, UK Environment Minister, commenting on the roundtable from the floor

Introduction to the workshops: Setting the 2010 action agenda

- Chair: **Humberto Rosa**, Secretary of State for Environment, Portugal, chair
- Workshop A: Biodiversity-related responsibility schemes by **João Menezes**, President of ICNB, Portugal
- Workshop B : Business-related biodiversity assessments by **Nigel Winser**, Executive Director, Earthwatch Institute Europe
- Workshop C: Markets for biodiversity goods and services by **Alan Bernstein**, CEO, Sustainable Forest Management Ltd.
- Workshop D : Business and biodiversity partnerships by **Kirsi Sormunen**, Vice President and Head of Environmental Affairs, Nokia Corporation

Keynote Speech

- **Achim Steiner**, Executive Director, United Nations Environment Programme

3.2. Day 2: Tuesday, 13 November

Business Roundtable: Business perspectives on biodiversity challenges – What can European business do?

- Chair: **Guy Corcelle**, Deputy Head of Unit for Sustainable Development, Climate Change and Competitiveness, DG Enterprise and Industry, European Commission
- **Richard Sykes**, Executive Secretary, International Petroleum Industry Environmental Conservation Association (IPIECA)
- **Bernard Küng**, Area Manager Western Europe, Holcim
- **Jacques du Puy**, Executive Committee Member of Bayer CropScience, Head of Europe, Middle-East and Africa
- **José Honório**, CEO, Portucel Soprocel
- **Jean-Claude Steffens**, Senior Executive Vice President, SUEZ SA
- **António Mexia**, CEO of Energias de Portugal (EDP)
- **Kirsi Sormunen**, Vice President Environmental Affairs and CR, Nokia Corporation
- **Simon Brooks**, Vice President, European Investment Bank (EIB)

Plenary session: Towards an EU initiative on biodiversity and business

- Chair: **Julia Marton-Lefèvre**, Director General, the World Conservation Union (IUCN)
- Report on workshop A: Biodiversity-related responsibility schemes by **George Jaksch**, Senior Director, Chiquita International
- Report on workshop B: Business-related biodiversity assessments by **Nigel Winser**, CEO of Earthwatch Institute Europe
- Report on workshop C: Markets for biodiversity goods and services by **Andre van der Zande**, Secretary General, Ministry of Agriculture, Nature and Food Quality, The Netherlands
- Report on workshop D: Business and biodiversity partnerships by **Kirsi Sormunen**, Vice President and Head of Environmental Affairs, Nokia Corporation

Closing session: Next steps for business and biodiversity in Europe

- Chair: **Francisco Nunes Correia**, Minister for Environment, Spatial Planning and Regional Development, Portugal
- **Julia Marton-Lefèvre**, Director General, the World Conservation Union (IUCN) on “Summing up: A glance at the Conference outcomes”
- Janez Kaspelic, on behalf of **Janez Podobnik**, Minister of Environment and Spatial Planning, Slovenia on “A bridge to the Future: Preparing the upcoming EU Presidency”
- Jochen Flasbarth, on behalf of **Sigmar Gabriel**, Minister for the Environment, Nature Conservation and Nuclear Safety, Germany on “Biodiversity : We need a global approach”
- **Belmiro de Azevedo**, President Sonae SGPS SA on “Managing Expectations: A 2010 Roadmap for Business”
- Sir **Brian Unwin**, President, ECNC – European Center for Nature Conservation and President of the European Task Force on Banking, Business and Biodiversity on “Joining forces for an action agenda for Europe: True life experiences and approaches”
- **Ahmed Djoghlaif**, Executive Secretary, Convention on Biological Diversity on “The 2010 biodiversity target: A view towards CBD CoP9”

4. Summary of the plenary sessions

This section of the report summarises the key presentations and discussion which took place in the plenary sessions of the Conference.

4.1. European biodiversity commitments and business

Francisco Nunes Correia, Minister for Environment, Spatial Planning and Regional Development, Portugal, opened Conference by underscoring the unprecedented rate of biodiversity loss despite and the importance of ecosystem goods and services for business. Correia drew attention to unsustainable development patterns and to the critical role for business in preserving biodiversity. Noting the responsibility of governments and the EU in preparing biodiversity policies, he called for their implementation with the support and participation of civil society and the private sector. Noting the importance of voluntary agreements with businesses, he stated that: “The Portuguese Presidency is committed to involving business in biodiversity conservation.”

“If you give a man a fish, he will not be hungry for a day, if you teach him how to fish, he will... overfish,” said **Gunter Pauli, President of Zero Emissions Research Initiative** explaining provocatively how well intended decisions can have unforeseen consequences on the environment. Pauli presented examples of chemical compounds derived from animals and plants that could replace harmful technologies, concluding that “nature is an untapped source of solutions” for many problems. He drew attention to “Nature’s 100 Best,” a publication to be released in 2008, and noted that entrepreneurship was about changing business models and creating new rules whilst remaining competitive. He concluded that the EU needs new policy options so that businesses can make money whilst respecting the commons and restoring biodiversity.

Peter Carl, Director General for DG Environment, European Commission stated clearly that the EU is committed to the 2010 biodiversity target and to do as much as possible to halt the “otherwise unstoppable decline of biodiversity” within and beyond its boundaries. He drew attention to a plethora of initiatives and policies for biodiversity conservation and called for stronger partnerships with business. “The public perception of the economic importance of the loss of biodiversity has been distorted by partial arguments and false logic,” he said. Noting that business practices need to be altered, Carl highlighted the economic value of biodiversity. “Protecting biodiversity makes sound economic sense but is also essential to our wellbeing,” he stated. Carl further noted that climate change and biodiversity are two pressing issues that should not overshadow one another and called for businesses interested in working with the EU on its new business and biodiversity initiative to come forwards.

Recalling the commitments made in Rio in 1992, **Jaime Gama, President of Portuguese Parliament**, noted that biodiversity is still disappearing, which jeopardizes the environment’s ability to respond and adapt to

climate change. “This Conference provides the opportunity to identify common areas of interest, to work with business,” he said. Underscoring the ambition to avoid another mass extinction, Gama urged delegates “to make Europe the world champion in the preservation of biodiversity.”

4.2. High-Level Roundtable: The 2010 Business Challenge

Jonathan Hutton, Director, UNEP World Conservation Monitoring Centre (WCMC), chaired this roundtable which had discussions revolving around the themes of the four Conference workshops: biodiversity-related responsibility schemes; business-related biodiversity assessments; markets for biodiversity goods and services; and business and biodiversity partnerships.

Hutton provoked the audience, saying that “we don’t rely on corporate social responsibility (CSR) to deal with pollution, human health or labour; so it might not be a good idea to have CSR deal with biodiversity issues.” He further noted that European corporations are calling for global standards and regulations, as opposed to European ones, to “create a level playing field” internationally. This is an important development for markets within Europe and well as for markets with the rest of the world.

Panellist **Vasco de Mello, CEO, Brisa Auto-Estradas de Portugal, SA**, underscored the links between biodiversity conservation and economic development. He expanded on the World Business Council for Sustainable Development (WBCSD) network and the way it provides a platform for business leaders to engage on environmental issues. He discussed Brisa’s environmental policies and stressed that “we do not protect what we do not value.”

Drawing attention to what Minister Marina Silva refers to as “ethical responsibility”, **João Paolo Capobianco, Executive-Secretary of the Ministry of Environment of Brazil**, noted that if no action is taken, “the future will hold only memories of good intentions.” He outlined the many commitments made on the road to 2010 and, noting the principles of the Convention on Biological Diversity (CBD), called for the fair and equitable sharing of benefits arising from the use of genetic resources. He noted the value of in situ conservation and urged developing nations not to make the same mistakes as industrialized countries and jeopardize their natural assets.

Brigita Schmognerova, Vice-President, European Bank for Reconstruction and Development (EBRD), discussed the involvement of financial institutions in biodiversity issues, noting a lack of knowledge and understanding of EU directives or the CBD. She underscored the

importance of: raising awareness of the impacts of biodiversity loss and the associated reputational risk; considering biodiversity a business opportunity; and regional variations in markets directly dependent on biodiversity. She noted the need for a “carrot and stick” approach to get businesses interested in biodiversity.

“Low yields are a recipe for deforestation and the destruction of fragile habitats,” said **Martin Taylor, Chairman of the Board, Syngenta International AG**. In a world of rising meat consumption and ever-growing populations, he noted the company’s drive to use technology to increase agricultural yields, whilst underscoring European concerns in this regard, saying “it is time for Europe to wake up.” He stressed that Syngenta’s seed business depends directly on biodiversity and that CSR was therefore not needed.

UK Environment Minister, Joan Ruddock commented from the floor, calling for: the implementation of existing measures to safeguard biodiversity; innovation; and business participation. “The degradation of biodiversity is bad for business,” she said, noting that the UK is engaging with business partners on a biodiversity strategy. She noted the UK’s efforts to avoid illegal timber and to promote sustainable sources.

Other participants supported or opposed Syngenta’s approach to agricultural research, whilst others underscored the importance of an access and benefit (ABS) regime.

4.3. Keynote Speech

“Some believe that the current world focus on climate change is drawing attention away from biodiversity issues; I would like to challenge this myth,” said **Achim Steiner, UNEP Executive Director**. He noted that people in both hemispheres are becoming increasingly aware of climate change and its impacts on the environment. Drawing on the press coverage received by the recent fourth Global Environment Outlook report, he underscored that society is sensitized to its ecological footprint and concerned with the downwards trend of biodiversity.

Steiner highlighted that markets drive product innovation and that some “environmentally-friendly” markets, such as for organic produce, had taken off in the past five years, illustrating consumer’s will to choose. He further opposed the notion that man can always artificially produce what is found in nature. With a backdrop of increasing oil and grain prices, he wondered about the long-term viability of industries faced with resource shortages.

Drawing attention to the many instruments, policies, rules and regulations pertaining to biodiversity, he noted that the Countdown 2010 initiative had responded to a thirst for simplicity and that the European Initiative on Business and Biodiversity could place biodiversity centre stage. As four priority areas for future work, he defined:

- milestones that break down the bigger problem of biodiversity loss and enable people to contribute;
- the concept of “net biodiversity loss”;
- no-go areas; and
- access and benefit sharing.

He concluded that “not having perfect knowledge of biodiversity is not a reason not to act.”

4.4. Business Roundtable: Business perspectives on biodiversity challenges – What can European business do?

Guy Corcelle, Deputy Head of Unit for Sustainable Development, Climate Change and Competitiveness, DG Enterprise and Industry, European Commission, chaired the business roundtable on at the High Level Conference on Business and Biodiversity being held in Lisbon, Portugal. Panellists introduced their respective businesses, underscoring their commitment to biodiversity.

Noting three areas of future work as being: biofuels; regulation and decision making; and ecosystem services, **Richard Sykes, Executive Secretary, International Petroleum Industry Environmental Conservation Association (IPECA)**, said that “businesses like certainty and need clear signals on markets and prices.” He also drew attention to initiatives linking the business and conservation communities, such as Project Proteus with UNEP-WCMC and the Shell-IUCN Partnership. IPECA was created in 1974 following the establishment of UNEP and provides one of the industry’s principal channels of communication with the United Nations on biodiversity-related issues.

“Concrete is the second most consumed produce after water,” noted **Bernard Küng, Area Manager Western Europe, Holcim**, noting that raw materials and also energy are needed in production processes. He underscored the need to choose locations carefully, improving operations in existing sites and returning used sites to nature. Holcim is one of the world’s leading suppliers of cement and aggregates (crushed stone, sand and gravel) and has direct impacts on biodiversity in many countries.

Discussing current trends in cereal production and prices, **Jacques du Puy, Executive Committee Member of Bayer CropScience, Head of Europe, Middle-East and Africa**, noted that two kilos of grain are needed to produce one kilo of poultry meat. He noted that increasing crop production over the next decades to match demand could impact on biodiversity. He defined good farming practices and the use of knowledge and technology in integrated crop management, and called for more science and certification schemes. Bayer CropScience is one of the world's leading innovative crop science companies in the areas of crop protection, non-agricultural pest control, seeds and plant biotechnology.

The Portucel Soporcel Group occupies a leading position in the international pulp and paper market and as such is one of Portugal's strongest world brands. It is one of the five largest producers of uncoated wood-free papers in Europe. **José Honório, CEO, Portucel Soporcel** noted that the company had joined WBCSD and was looking at fine-tuning its management practices. "We use natural resources that we need to preserve," he noted. Honório called for the EU to make a level playing field, addressing trade issues beyond its border, through the likes of the World Trade Organization.

"Awareness, expertise, commitment all take time to establish," noted **Jean-Claude Steffens, Senior Executive Vice President, SUEZ SA**, underscoring the company's approach to biodiversity through time. He noted that there was no "one size fits all" solution to environmental issues and called for a policy formulation enforceable in a decentralized group and business-oriented indicators to measure and communicate actions taken. SUEZ designs sustainable and innovative solutions in electricity, natural gas, energy services, water and waste management.

Antonio Mexia, CEO of Energias de Portugal (EDP), described the company's investments in wind and hydro power. He drew attention to legal and reputational risk linked to public opinion. He underscored that: biodiversity should be integrated in business discussions; opportunity costs of different alternatives should be highlighted; the EU needs to consider environment and energy "horizontally." "Today we are talking about getting a better world and getting a better business," he concluded. EDP's principal activities are the generation, transmission, distribution and sale of electrical energy.

Environmental management in Nokia is based on life-cycle thinking; "we choose environmentally-friendly materials, optimized recyclability, voluntary take back programmes, and reduced packaging," said **Kirsi**

Sormunen, Vice President and Head of Environmental Affairs, Nokia Corporation. She discussed the value of environmental impact assessments and urged the EU to look into international environmental requirements. Nokia is the world's leading mobile phone supplier and a supplier of mobile and fixed telecom networks including related customer services. Nokia Corporation is a Finnish multinational, focused on the key growth areas of wired and wireless telecommunications.

“We need business management systems that will reward the good guys and penalise the others,” **Simon Brooks, Vice President, European Investment Bank (EIB)**, seeing biodiversity as only a commodity will not be enough to save it, he noted. Brooks noted the value of partnerships and emphasized that biodiversity is a key issue for their clients. EIB is the EU's financing institution and was established under the Treaty of Rome (1957) to provide financing for capital investment furthering European Union policy objectives, in particular regional development,

Discussions in the roundtable session revolved around: partnerships, creating new goods and products based on biodiversity, the need for environmental education and drawing knowledge in from different sources, ensuring biodiversity conservation generates revenue.

4.5. Towards an EU initiative on biodiversity and business

Julia Marton-Lefèvre, Director General, the World Conservation Union (IUCN) chaired the plenary “Towards an EU Initiative on Biodiversity and Business.” Representatives from the four workshop streams presented their results and introduced the Conference declaration.

Workshop A discussed biodiversity-related responsibility schemes. **George Jaksch, Senior Director, Chiquita International** explained that while many schemes exist, most don't take biodiversity into account. This is partly due to a lack of clarity in the concept of 'biodiversity.' Better measurement systems and education of the general public and businesses are thus needed. The workshop identified a strong role for consumers and governments as customers for biodiversity-friendly goods and services. To support responsibility schemes, Jaksch noted that the EU should harmonize sectoral policies and make biodiversity an integral part of any process, create incentives for companies to engage in biodiversity conservation, and help companies and institutions to share experiences.

Workshop B focused on business-related biodiversity assessments. **Nigel Winser, CEO of Earthwatch Institute Europe**, explained that one of the main challenges would be to extend good practices to other sectors and

adapt them to small and medium sized enterprises. In addition, companies could benefit from better engagement with consumers, governments and other stakeholders. To support biodiversity assessments, Winser said the EU should use best practices to create tools and standards, and educate consumers to create demand for better biodiversity indicators.

Workshop C looked at markets for biodiversity goods and services. **Andre van der Zande, Secretary General, Ministry of Agriculture, Nature and Food Quality, The Netherlands** outlined how the complexity of biodiversity influences the business reality. Shell and IUCN presented a publication titled “Building Biodiversity Business” (to be published in December 2007). The workshop analyzed how a biodiversity market would differ from the carbon market, and noted the EU should use its expertise in creating an enabling economic framework to help business become more biodiversity-friendly. Van der Zande added that the EU business and biodiversity facility could play a valuable role as a think tank, match-maker and funding agency.

Workshop D analyzed business and biodiversity partnerships. **Kirsi Sormunen, Vice President and Head of Environmental Affairs, Nokia Corporation** said that for companies like Nokia, “environmental sustainability is no longer optional, it is the license to operate.” Partnerships would be an excellent way to deliver this promise if they provide proper incentives, clear targets and an atmosphere of trust. The workshop called on the EU to continue its engagement on business and biodiversity beyond 2010 and help create networks to promote partnerships.

Marton-Lefèvre emphasized the need to make the case for biodiversity and to invest in education, communication and the sharing of solutions. While all workshops outlined difficulties, they also proposed solutions and ideas to move forward. Participants further discussed the role of the financial sector in promoting biodiversity and potential EU policy instruments in agriculture and regional policy. Many highlighted citizens as observers providing objectivity and knowledge to business biodiversity assessments. Several business associations were mentioned as a good framework for business-to-business partnerships on biodiversity.

Closing this session, **Patrick Murphy, DG Environment, European Commission** presented the message from Lisbon which was approved by acclamation by the Conference delegates.

4.6. Next steps for business and biodiversity in Europe

Francisco Nunes Correia, Minister for Environment, Spatial Planning and Regional Development, Portugal, chaired the closing roundtable on the next steps for business and biodiversity in Europe.

Julia Marton-Lefèvre, IUCN Director General, summed up the outcomes of the Conference, noting that delegates had taken stock of the seriousness of the issue at hand and realized it is time for action. She highlighted the Conference demonstrated willingness of the business and biodiversity sectors to work together.

“This Conference has outlined that biodiversity counts,” said **Janez Kaspelic, of the Ministry of Environment and Spatial Planning, Slovenia**, on behalf of the Minister, noting the critical role of international conventions and the ecosystem approach in preserving nature. Underscoring the importance of the EU agenda and the upcoming Slovenian Presidency, he presented national biodiversity initiatives involving business and suggested furthering forestry partnerships.

Jochen Flasbarth, of the **Ministry for the Environment, Nature Conservation and Nuclear Safety, Germany**, on behalf of the Minister, announced that Germany is currently preparing a package of some forty laws to address climate change. He noted progress towards the CBD 9th Conference of the Parties to be held in Bonn, Germany, in 2008, saying it would build on this Conference and other similar initiatives.

Providing an overview of changing business models since the last world war, **Belmiro de Azevedo, President Sonae SGPS SA**, said that biodiversity needed a business case. He noted that the road to 2010 and later depends on combing the regulatory power of governments with the financial power of businesses and the support of NGOs. He called for the development of standards to account for biodiversity in business decisions.

Reminding delegates of the objective of this Conference – to create a genuine partnership between business and biodiversity that delivers tangible results – **Sir Brian Unwin, President of the European Centre for Nature Conservation**, called for practical actions to follow the message from Lisbon and for the momentum created by the Conference not to be lost. “Acorns grow into large oak trees,” he noted and proposed as a slogan: “there is a business case for biodiversity and there is a biodiversity case for business.”

Ahmed Djoghlaif, Executive Secretary, Convention on Biological Diversity, commended the Intergovernmental Panel on Climate Change, Al Gore and all those involved in putting climate change centre stage globally

and noted that 2008 would be a landmark year for biodiversity. He offered the services of the CBD Secretariat, emphasizing the focus put on business and biodiversity and on the role played by cities and city administrations in conserving biodiversity.

Francisco Nunes Correia, Minister for Environment, Spatial Planning and Regional Development, Portugal, delivered the closing speech, acknowledging outcomes of the meeting and assuring they would be brought to the CBD COP9 and to the 4th IUCN World Conservation Congress. He thanked all meeting stakeholders and delegates, and closed the meeting.

5. Workshop A: Biodiversity-related responsibility schemes

This workshop looked at the current integration of biodiversity objectives into examples of corporate responsibility schemes, including challenges, opportunities and recommendations. For ease of analysis, schemes were divided between three sessions:

- those that assist companies in shaping a commitment,
- those that enable a company to implement that commitment
- those that provide guidance in how to communicate their performance at implementing their commitment

A number of common issues were raised across the three sessions, including:

- Challenges for small and medium enterprises (SMEs)
- Links to climate change
- Need for further research into developing biodiversity indicators

The key question addressed by the workshop was: What can the EU do to mainstream biodiversity into corporate responsibility schemes?

5.1. First session: Schemes that support companies in shaping their biodiversity commitments

Chair

- **Paolo Lombardi**, Director, WWF MedPo

Presentations

- **Séverin Fisher**, Enterprises pour l'Environnement
Is biodiversity addressed by existing corporate responsible schemes?

- **Javier Ojeda**, APROMAR, Asociación Empresarial de Productores de Cultivos Marinos
Aquaculture and the Environment: Integrating into Sustainable Development in Europe
- **Francisco Mendes Palma**, Banco Espírito Santo
Biodiversity Environment and Sustainability
- **Despina Symons**, European Bureau for Conservation and Development
Opportunities and Challenges for SMEs in Integrating Biodiversity Considerations in their Operations: an Overview of the Main Schemes Adopted

There are many and diverse corporate responsibility schemes. However, most worldwide schemes, such as the UN Global Compact or the OECD Guidelines for Multi-national Enterprises are essentially methodological guidelines that can be applied to biodiversity but do not specifically mention it. Some sector specific schemes, such as the CERES and the Equator principles or the ICMM (International Council for Mining and Minerals) charter are more specific and do address biodiversity.

The overall conclusion is that biodiversity is not yet sufficiently included in corporate sustainability schemes. The schemes do not provide a very helpful framework to include biodiversity in corporate responsibility and need to be further developed to overcome this limitation. One way to move forward could be to go more in depth into approaches such as the Millennium Assessment Initiative.

Recommendations towards the inclusion of biodiversity into existing responsibility schemes aim at delivering simple and better rules; at reducing bureaucracy, at developing incentives for investment in biodiversity preservation and at innovation. It is necessary to develop capacity building schemes and to raise awareness of companies to the benefits they can have by contributing to biodiversity preservation. In doing so, it should not be forgotten that there are already initiatives in place and lessons to be learned, which is especially relevant for SME.

In particular for SME, tailor-made schemes should be developed since the ones in place are mostly inaccessible to small business. Such schemes should encourage networking and clusters, using the expertise of professional associations. Sectoral and regional commitment schemes or guidelines work better than cross-sectoral ones, because they can be more specific and allow biodiversity to be more clearly a part of the scenario. And governments should create financial incentives for

example: developing subsidies to biodiversity protection projects or tax exemptions for proactive companies.

It is useful to link the biodiversity preservation issue with the climate change problem, since biodiversity preservation contributes to reduce climate change, and climate change is making good use of available market approaches. However more work is needed on how exactly to do so, especially as there is not an easy metric to account for biodiversity losses, in comparison to CO2 footprints for estimating the CO2 production.

Another open question for further discussion will be: How do we integrate biodiversity concerns in companies that do not produce consumer goods? For these companies the main issue is mitigation and reduction of impact, rather than creating a business out of a natural resource.

State of the art

In presenting a range of the most significant global “issues-wide” responsibility schemes were highlighted for their lack of their specific reference to biodiversity. These included the Global Compact, OECD guidelines and the ICC Charter. Some of the principles and methodologies of these schemes, however, can be applied to biodiversity.

Sector specific schemes are more likely to include biodiversity, such as the ICMM guidelines for the mining and minerals sector and the Code of Conduct for European aquaculture which reflects all aspects of sustainability, including health and safety and consumers, as well as biodiversity.

The level of biodiversity integration, however, varies. For example, while the CERES principles look directly at the protection and sustainable use of biodiversity, the Equator Principles for banking also include communities affected by biodiversity impacts. Also, not all sector-specific codes refer explicitly to biodiversity; for example, the Responsible Care code for the chemicals sector.

Local authorities also have a role in developing specific charters, such as that of the Île de France, which promote strategies for biodiversity as well as strong engagement with action plans.

The experience of Banco Espírito Santo – which has signed up to the Equator Principles – illustrates how a company’s biodiversity strategy

can evolve from philanthropic to risk avoidance and beyond minimum compliance to include the promotion of pro-biodiversity business models.

SME engagement is, however, limited to a select range of sectors – such as eco-tourism and organic agriculture – where the financial case for sustainably managing biodiversity has been demonstrated. In general, however, SMEs often lack awareness of the financial benefits of environmental management and lifecycle thinking. Common challenges mentioned include a lack of capacity as well as necessary short term outlook and difficulties for financing. Reporting is also a comparatively large administrative burden for SMEs.

Challenges and opportunities

Technology can also be used to support implementation across large companies and ensure homogeneous application. Banco Espírito Santo, for example, established software systems to implement the Equator Principles for sophisticated analysis of both direct and indirect biodiversity impacts.

Despite depending on healthy ecosystems for both product quality and health and safety, not all European aquaculture companies perform well. It depends basically on how they undertake aquaculture operations. Therefore for this sector a series of guidelines were developed and updated with new research, to assist companies to put in place their sustainability commitments.

ISEAL questioned the “chaos” of the large number of existing aquaculture schemes and the debate, particularly between southern and northern-based aquaculture industries, on future directions. Such a range of schemes allows debate across a number of forums, which often include the same experts and therefore ensures similarities, but also allows for appropriate guidelines to be developed. For example, European aquaculture does not refer to mangroves.

Confusion arises with a large number of certification schemes. Though a world-level certificate is probably impossible, certification schemes should be designed from a consumer’s point of view across global markets.

A number of speakers, supported by audience participants, highlighted the general lack of awareness of biodiversity and business linkages. This is true not only for SMEs but also big businesses, particularly where a direct link to biodiversity is not obvious. All managers within a company

should be made aware of how they depend on as well as impact on biodiversity.

For SMEs, measuring an individual company's impact is difficult and therefore a collective impact based on a particular site or sector may be more appropriate. A participant from the Ornamental Traders Association, for example, reminded the audience that SMEs are not starting at ground zero. Many SMEs are already applying best practice but without schemes. Schemes may only codify an approach rather than radically transform behaviour.

Furthermore, such SMEs may not want to “stick their head above the parapet” through fear of criticism. Focus should thus be placed on the positive potential of addressing biodiversity rather than on negative impacts. Finally, drivers for encouraging a critical mass of SMEs to integrate biodiversity may differ depending on the sector.

Governments have an important role to play as consumers, with opportunities including the promotion of biodiversity-responsible SMEs in public procurement. In Europe, governments can also act as businesses in managing forests and farms and therefore should be included in any relevant discussions on business and biodiversity. Legislation can also drive pro-biodiversity business such as promoting the establishing of wetlands following peat withdrawal.

Challenges also lie in addressing businesses that are not consumer-focused, such as the example given by a civil infrastructure company. In such a case, biodiversity impacts can be significant and tools such as ISO14001 certification are important. Potential exists in working with other businesses and governments, such as combining biodiversity action plans.

Several speakers and participants made a connection between addressing climate change and biodiversity. For example, the European Peat and Growing Media Association is working with the European Emissions Trading Systems based on the potential for biodiversity as a carbon sink – such financing is a powerful incentive.

Lessons can be learned from activities to fight climate change and create carbon markets. However, this approach of linking climate and biodiversity was cautioned as, biodiversity is different in that it is not so easily measured, therefore limiting potential for a biodiversity equivalent of the European Emissions Trading System. Further research is needed in this area, based on the ecosystem goods and services, such as

climate regulation and water regulation. The Millennium Ecosystem Assessment started such analysis.

Recommendations

For SMEs, simple, voluntary, cheap and easy schemes are required; whether simpler versions of existing sector-specific schemes or even bespoke schemes. These should be accompanied by schemes that focus on capacity building, perhaps through professional associations or clusters on a landscape or sectoral basis. It may be that a sectoral-based association is most likely to succeed in promoting biodiversity to SMEs as they can be more specific.

A need for clear, straightforward incentives for action also exists, particularly to reward those companies that make the first moves. One possibility is microfinance to support biodiversity-friendly projects. In this case, however, demand needs to be generated by entrepreneurial SMEs with innovative biodiversity business models.

Furthermore, financial incentives can also be used to reward those companies who actually put in place recognised environmental management systems such as ISO14001 or EMAS. For example, there could be a 40% tax exemption on the rent of public coastal seas for small-scale aquaculture producers in Spain. This is a concept which is easy for a small aquaculture producer to understand. Lessons from experiences outside of Europe could also be useful. In Costa Rica, for example, payments are also given for biodiversity activities.

5.2. Second session: Schemes that support companies in effectively implementing their biodiversity commitments

Chair

- **Agnieska Bolesta**, Vice Minister of Environment, Poland

Presentations

- **Gérard Bos**, Holcim Group Support Ltd.
- **Mathieu Tolian**, Veolia Environnement
- **Guido Sonnemann**, UNEP LCA Initiative
- **Erika Mink**, Tetra Pak

Gérard Bos, Holcim, shared how the cement industry has created a tool to evaluate and manage impact of a cement site. The Cement Sustainability Initiative, which brought together the knowledge of the top

80 world cement companies, was established under WBCSD and elaborated guidelines for finding new ways to implement sustainability in the sector. Though fostering stakeholder engagement, it produced a strong reliable guidance document. Bos proposed that the EU needs to reward early movers and should not penalize them for sharing information with the society and thus opening themselves up to more exposure and potentially more criticism.

Matthieu Tolian, Environmental Product Manager, Veolia, explained that his company works with internal and external experts who model ecosystem functioning indicators. GIS and biodiversity survey collection are used to help measuring sensitivity of the sites. The company has also produced a booklet on biodiversity which provides examples for site managers of good practices. Concerning necessary action from the EU, Tolian supported strong regulation for environment protection, including environmental liability, and also support for the definition of indicators and for the implementation of monetary valuation.

Guido Sonnemann, UNEP Sustainable Innovation and Life Cycle Approach, present the LCA initiative which is being executed in cooperation with WBCSD. LCA is used for strategic decision making in product development, but not directly for assessing biodiversity. Regarding future EU policy, it should address the integration of sustainable consumption with biodiversity policies, research project financing, and promote instruments like certification schemes and the Millennium Assessment to make biodiversity more visible.

Erika Mink, Environment Director Europe, Tetra Pak International, noted that company's supply chain has a direct impact on biodiversity via resource usage. It also has an indirect impact via its CO2 footprint. Tetra Pak is applying its own set of tools in this field, like traceability (including certification) and LCA to perform benchmark and ensure competitive products. CO2 footprint labelling is the most important challenge and opportunity for them because - although they have a good performance - no standard methods exist.

Key comment and suggestions which arose in this second session of the workshop included the following:

- There is a need to get more comprehensive views on what is important for biodiversity.
- Embark on some sort of process for certification. There are already some initiatives, by now still small and shy that can be doubtlessly extended.

- Integrate biodiversity in existing certification schemes.
- The challenge is to better integrate biodiversity into existing tools, such as environmental management systems.
- We need more research; Stakeholders, companies and researchers can work together to better understand the issues.

State of the art

Life cycle assessment (LCA) is one tool for implementing biodiversity commitments. Another tool is the Global Compact principles. However, whereas total GHG emissions are often included in LCA, biodiversity management is less so. The first reason – as noted by a Tetra Pak representative – is because this is not demanded by consumers or retailers. Secondly, LCA for products tends to be done on a global level where biodiversity is site specific and more difficult to incorporate.

Tetra Pak uses LCA as a benchmark where standards don't already exist for products, such as aluminium or plastics – versus forest sustainability principles. LCA must be used with other tools in the box, such as certification schemes and labels as well as EMS, risk assessments, traceability, reporting and principles.

Simple and easy-to-operationalize guidelines can help to mobilise employees, such as those developed by Veolia. A special publication helps their site managers to integrate biodiversity management as part of their environment management systems (EMS), with the key aim of identifying and reducing direct as well as secondary impacts on the environment, and identify occasions when an expert is required.

The Cement Sustainability Initiative was highlighted as an example where environmental and social impact assessment (ESIA) guidelines were developed. These were based on WWF and EU guidance documents on scoping and screening. They were adopted by the top cement companies, representing 80 companies with 60% of global production outside of China.

An ESIA is useful for evaluating and managing the impact for the lifecycle of a cement project – from identifying sites to closure and future use. The overall biodiversity objective is to mitigate as well as compensate, with biodiversity resources examined in the scoping phase – which could at this stage also lead to an alternative location of the project.

Challenges and opportunities

The LCA tool was conceived as a tool to prevent damage but could be used to promote opportunities, when linked to the MEA.

An umbrella approach, such as the Cement Sustainability Initiative, has buy-in guaranteed as the actors themselves developed the guidelines. The language used is then also applicable to the specific sector. With all actors in the group wanting to do their best, no compromises were made and the bar was raised high – with future revisions planned. However, it is important to ensure that the right people are on the team, including personal commitment from individuals.

Challenges exist with finding biodiversity information on the right level. For example, mapping information is generally done by oil and gas firms with large fields and is not appropriate for a site level. The key performance indicators are also not process orientated and it is difficult to gauge a net biodiversity impact.

The difficulty of quantifying biodiversity was brought up by several speakers and audience participants. Comparisons were made with the metric system for climate change – e.g. a tonnes of carbon – and a missing equivalent for biodiversity. Indicators have to be invented, incorporating both quantity and quality biodiversity survey data. External expertise, for example, is required to develop eco-systemic functioning indicators to better understand biodiversity evolution.

Incorporating the economic value of biodiversity into financial and accounting policies and systems will enable biodiversity to be more fully integrated into a business's core strategy, providing associated opportunities for waste water treatment to natural environment management. This was highlighted particularly in the case of Veolia.

Many participants brought up the learning potential from and possible connections between climate change and biodiversity, such as developing an equivalent to Emissions Trading System for biodiversity trades.

Recommendations

Both Holcim and Veolia referred to the EU Natura 2000 sites as a good foundation for hot spot indicators, which are stable from a risk management perspective.

The EU should consider how to reward early movers and not penalise others for opening their books to scrutiny and potential criticism, and

also how to help to ensure globally a level “eco-playing field” – biodiversity requirements should apply to ensure all companies have equal competition. Veolia suggested the need for stronger regulation for protection of the environment.

In order to develop indicators, the EU could promote technical dialogues which incorporate public and private R and D. These could be linked, for example, to the International Mechanism Of Scientific Expertise on Biodiversity (IMoSEB) process. The definition of such indicators should meet the needs of different stakeholders, including economic values to support policy making. Markets for ecosystems should also be explored further. Biodiversity research should be linked to developing and improving schemes.

Sustainable consumption/production is not very well integrated into biodiversity or climate change with principles. Special biodiversity annexes can also be included, such as for the European Biofuel Directive. The EU has an important role to extend discussion on what is biodiversity actually is and how can it be integrated.

5.3. Third session: Schemes that support companies in better communicating performance and commitment

Chair

- **George Jaksch**, Senior Director, Chiquita International

Presentations

- **Bernward Geier**, Rainforest Alliance
How sound certification programs can help to protect biodiversity- Challenges and opportunities in the sustainable tourism sector
- **Sasha Courville**, ISEAL Alliance
Challenges and Opportunities for Integrating Conservation in Certification Schemes
- **Christine Copley**, International Council on Mining and Metals
Global reporting and The good practice Guidance on Mining and Biodiversity
- **Antoine Mach**, Covalence
- **Guillaume Sainteny**, Ministère de l'Ecologie, du Développement et de l'Amenagement Durable

Participants in this session agreed that communicating biodiversity impacts is a complex and challenging task. Great differences exist in

communication requirements and practices between large and small companies, and also within different sectors.

Although the wide diversity in certification and labelling schemes increases competitiveness, it also may create problems, such as consumer confusion and hampering implementation by smaller players. Furthermore, many of the initiatives are small and do not have international recognition. In such cases communication is isolated, fragmented making it harder to ensure credibility.

To improve credibility there is a need for databases with systemic and systematically collected data that can be used to illustrate the effects of standards and certification systems on biodiversity. Nonetheless, it is still a major challenge to measure performance regarding biodiversity impacts, especially for companies that do not use land and thus have only indirect impacts.

Discussion is on-going on development and the use of sector or area specific indicators and schemes versus cross-sectoral more global indicators. Whereas companies more easily implement sector-specific indicators, there should be benchmarking across sectors and countries. A promising way forward is to develop a common set of core issues and indicators across sectors at a more global level, which are then broken down into specific indicators at a sectoral level. In doing so it should be clear that biodiversity is one of several core issues and a holistic approach is necessary.

A need for flexibility and for different levels of information communication depending on the objective seems to be consensual. Schemes should be set through credible multi-stakeholder processes, considering existing national procedures and not imposing a heavy burden to users. Accreditation is necessary for national and international endorsement recognition.

There seems to be an agreement that regulation should provide a clear and perhaps even mandatory obligation to report information. However, regulation should not define in detail what information should be communicated as this is sector specific, and much successful voluntary based work has been done. Business should be the central focus of regulation but governments should provide good examples, reporting information for state owned companies and implementing biodiversity concerns in public procurement.

The EU could play an important role helping to integrate as far as possible the existing schemes. It could also contribute to raising

awareness and to building capacity in particular with SMEs. The EU should ensure that governments provide good examples both for consumers and companies, and that benchmarking is promoted. The EU could also contribute to ensuring that broader supply chains are considered when communication schemes are developed and that level playing fields exist for business to operate on. Finally, contradictions between different policy areas, such as promoting biodiversity conservation and implementing the common agriculture policy, should be minimized.

State of the art

Schemes that help a company communicate its sustainability performance – from certification to reporting – have proliferated. Though this proliferation helps create competition and drive improvements, it also creates confusion for producers and consumers. Differences in the way biodiversity is defined and classified also mean that biodiversity is a big challenge for assessment as well as communication. A link to biodiversity is clear for some sectors, such as forestry or fisheries, and is therefore generally easier to communicate. For other sectors, however, biodiversity is more relevant when linked to other sustainability issues.

A “hierarchical” approach to biodiversity indicators is emerging, with broad, core criteria established for comparison across issues and sectors complimented with specific, detailed indicators for specific sectors. For example, after a long process of engagement with shareholders and stakeholders, the International Council for Mining and Minerals (ICMM) has developed a mining sector supplement to the Global Reporting Initiative (GRI) guidelines. They also included new protocols such as independent assurance. Such a tool has a practical application and also provides assistance with reporting. Further positive impacts of their approach include data collection to feed into national networks.

Whether certification schemes can actually benefit biodiversity was raised by ISEAL and Rainforest Alliance (RA). Consumers potentially have lots of interest in biodiversity, such as increasing tourism in biodiversity hot spot countries. ISEAL has evidence based on case-studies that demonstrates benefits that look at specific sites, particular fishery and forest. As major improvements occur during implementation process for certification, the full benefits of certification are difficult to capture unless a baseline is conducted at the beginning of the process. Internal and external audits as well as databases are also required.

Increasing numbers of rating agencies are providing independent evaluation and information for stakeholders on corporate responsibility issues, generally focusing on listed companies and driving improvements. Agencies may use over 100 indicators to determine a company's performance. Environment issues such as Emissions, waste and pollution are more likely to be included under environmental factors than biodiversity. Where biodiversity is included, it tends to be used in the context of stories about business leaders and/or company profiles.

Challenges/opportunities

One of the main challenges is how to avoid the potential of “green-washing” or false credibility claims. Biodiversity claims are easily made and there is a danger of “eco green-washing” and false claims. The tourism sector was highlighted, where numerous certification schemes also cause confusion for tourism agents as well as consumers. Local schemes also have no international recognition, and communication is therefore isolated and fragmented. Solutions include establishing an accreditation network to set out minimum baseline criteria for certificate schemes, and to assess and recognise individual schemes (such as established organic networks). However, such a process is difficult and takes time. For example, an initiative for a new tourism stewardship council was started in 1999.

A lack of a clear definition of biodiversity was cited in discussions as a reason for its difficult inclusion in schemes. It was suggested that people could be involved in defining indicators – whether it's the people's need for nature, or nature itself. To be better understood, biodiversity needs to be further “qualified.” Companies and consumers may not understand the business case for a focus on species or habitats. On the other had, the function of ecosystems and their services which are supported by biodiversity may be more relevant to them. However, much more research is needed in this area. For example, the peat industry highlighted the use of some birds as flagship indicators for the health status of restored wetlands.

Furthermore, indicators for company performance also need further development. It's perhaps clearer where a company is a landowner and therefore may have direct impacts related to land-use change. However, indirect impacts need to be quantified as well. Indicators tend to be sector and area specific. An academic representative suggested this could be taken further with indicators that can be designed on an individual company basis. However, some companies such as Tetra Pak would like to benchmark with other companies. Therefore, there is a preference for stable indicators and for tools such as LCA that link

specific biodiversity aspects throughout the life cycle of a product and can determine how much reduction in environmental impact has been achieved

Differences in mandatory or voluntary communication on biodiversity were reflected throughout the discussions. Certification tends to be voluntary whereas reporting can be voluntary but is increasingly demanded. For example, ICMM members must comply with an agreed sustainable development framework, which includes 10 sustainability principles, public reporting, independent assurance and sharing good practice, within which is a requirement to contribute to biodiversity conservation.

Furthermore, the French Ministry of Ecology outlined how a decree passed in 2002 required all 800 listed companies in France to include in their accounts how they impact on the environment. The implementation of the law has improved since 2005, especially for larger companies though some sectors such as media and finance, suggested that they had no influence on the environment. In general, the required biodiversity “green” elements were explained less than other “brown” elements. Several reasons were offered why: pollution and waste are perceived as more relevant for health and risk; more indicators exist for “brown” issues with more historical regulation. In the same way, clearer indicators are required for biodiversity. Debate is on-going about whether to extend the decree to all companies, including those not on the stock exchange, including state-owned companies who should be more accountable as they actually use state money.

The role of the consumer was brought up in the ensuing discussions, and the need to encourage their understanding and participation. For example, standards wouldn’t exist without consumers. Tourism was highlighted as an issue which can cause negative impacts but also had potential for benefits. For example, biodiversity tourism can provide education opportunities, such as highlighting how biodiversity is more than species.

Recommendations

The proliferation of communication schemes has increased confusion. The EU should actively help to protect consumers and biodiversity. “Less is more” – one common approach to schemes provides certainty. A lot can be learned from the experience of organic and fair trade sectors, for example, promoting certification accreditation.

The mining and metals sector is indicative of the wider business and biodiversity situation. At the large corporate level, sustainability and biodiversity communication is well established, whereas there is a challenge is to disseminate the guidelines with SMEs. The EU should help to engage such groups and provide practical tools and capacity for them to act on existing guidance.

RA as well as other speakers suggested that such initiatives should not be mandatory and should remain that of the civil society and business. Covalence said that biodiversity is too complex an issue to be mandatory and for the setting of targets, though some element of reporting could be mandatory.

The EU can make better use of reference tools stimulate and support research and dissemination. For example, the Millennium Ecosystem Assessment identified drivers for direct impact on biodiversity, rather than eminently talking about biodiversity, and as could be used as principles by companies. The EU could help communicate the MEA principles to promote broader learning.

The EU and governments could themselves make better use of certified products through procurement and their wider supply chain, third party use and access as part of the development of regional planning frameworks. SMEs are closer to the environment and local communities. Consumers International also believes governments should lead in sustainable procurement roles. The collective power of large MNCs could also be harnessed to collaborate within sectors and across sectors.

Additionally, the European Environment Agency (EEA) has recently developed a series of biodiversity indicators. It would be interesting to benchmark best practice between EU countries for environment indicators in general, such as tax, urban sprawl, soil directive.

Finally, the workshop participants suggested that the EU should address the contradictions between its policies on biodiversity and those on agriculture and regional funds. For example, the latter policies seem to give priority over biodiversity to over-fishing and highway development.

6. Workshop A: Biodiversity-related responsibility schemes

This workshop explored the challenges and opportunities of developing biodiversity targets, performance indicators and assessment methodologies for measuring the biodiversity impacts of business. It covered such topics as corporate biodiversity assessments, industry-wide biodiversity assessments, landscape-level biodiversity assessments

and accountability and reporting. The key question addressed by the workshop was: What can the EU do to strengthen methods and tools for biodiversity assessments?

6.1. First session: State of the art in the biodiversity assessment

Chair

- **Nigel Winser**, CEO, Earthwatch Institute Europe, Oxford, UK

Presentations

- **Nigel Winser**, CEO, Earthwatch Institute Europe, Oxford, UK
Staying the Course: Achievements, Gaps and Challenges of Biodiversity Assessment in Business
- **João Menezes**, President, ICNB, Portugal
Are we ready?: Public Policy and Markets for Biodiversity Assessments in Europe

Discussion

- **Ladislav Miko**, Director, Protecting the Natural Environment, EU Environment Commission, Belgium
- **João Menezes**, President, ICNB, Portugal
- **Sylvie Bénard**, President of Orée, France
- **Hendrikus (Henk) Feith Silvicaima**, Sociedade Silvícola Caima S. A. Portugal
- **João Silva Carvalho**, Secretário-general, ANPC – Associação Nacional de Proprietários e Produtores de Caça, Portugal

The focus of the first session of the workshop was on the state of the art in biodiversity assessment. Biodiversity assessment was presented as a set of integrative tools that enable business to put biodiversity management within its strategies and operations. For example, in a more conceptual framework, strategic level assessment is defined as an assessment carried out either internally by business or externally by other organizations with a view to assess the risks and opportunities associated with biodiversity conservation within individual businesses, business sectors or ecosystems.

The session reviewed positive achievements with respect to biodiversity assessment. These included the undertaken through corporate partnerships with the Earthwatch Institute (Europe). There were specific success stories from Syngenta, Shell and British American Tobacco. The Rio Tinto Biodiversity Strategy was also presented as a case of applying an analysis framework to define company strategies.

The session also noted that it is necessary to engage SMEs to internalize environmental costs and to report on biodiversity performance. Biodiversity assessment so far remains limited mostly to large, multinational companies. Finally, regarding the EU, the session proposed that it should develop a few simple indicators to enable SMEs to assess, manage and report on their environmental or biodiversity footprint. The EU should also encourage the different sectors to get involved in this.

In the context of the focus of this session on the state of the art in biodiversity assessment, **Nigel Winser, CEO, Earthwatch Institute Europe**, introduced two key questions. These questions which follow were highlighted throughout the workshop:

- What can the EU do to help the EU business community to improve its biodiversity assessment?
- What the EU business community can do to improve its biodiversity assessment commitments?

The presentation explored the achievements, gaps and challenges in biodiversity assessment. In particular, the following hypothesis was tested: Can biodiversity assessment be understood as more than simply monitoring?

Recognising that all sizes of business – small, medium and large – do have a direct or indirect impact on biodiversity and ecosystems, the background paper highlighted a wide range of biodiversity assessment tools that have already been developed. These were presented in the paper in a conceptual framework toolbox. For example, strategic level assessment was defined as an assessment carried out either internally by a business or externally by another organization focusing on risks and opportunities associated with biodiversity conservation across individual businesses or specific business sectors. The toolkit thus can help companies to see which tools are available to assess their biodiversity performance.

In this session, a number of success stories regarding the application of biodiversity assessment in business were also presented. Examples included Syngenta's involvement in integrated farming methods (wheat fields in UK), Shell's push to mandate biodiversity actions plans within the company, British American Tobacco's Biodiversity Partnership, and the biodiversity work Rio Tinto.

Regarding Rio Tinto, this company stands out with respect to its performance in Madagascar where it conducted independent assessment of ecological research centres and conservation zones. In

so doing, the company was also able to create income generating activities for local communities linked to the sustainable use of native biological resources.

Several gaps were also identified in this session. Conventional environmental impact assessment (EIA), for example, does not include biodiversity assessment. In this context, gaps can occur in the areas of internalizing environmental costs, reporting biodiversity performance and creating capacity for biodiversity assessment in developing countries.

The role of SMEs – though critical regarding the biodiversity performance of the private sector – is unable to undertake biodiversity assessments due to financial limitations. Regarding both smaller and other sectors, performance indicators need to be based in a larger knowledge of ecosystems. Two high level recommendations were made on agriculture and fisheries.

Following this line of thought, the workshop emphasized that the EU should develop a few simple indicators to enable SMEs to assess, report and manage their environmental footprint on a global and national scale. Further it was recommended that the EU should also encourage other sectors to get involved in this procedure.

In his presentation, **João Menezes, President, ICNB, Portugal**, explained that biodiversity does enjoy a high level of public recognition in the EU and it is only slowly receiving the necessary attention from the business community. Biodiversity metrics and assessment, however, are essential for a quantitative approach to biodiversity. They are still underdeveloped and there remains a critical need for the development of benchmarking and assessment tools as well as for a conducive policy framework.

Menezes made reference to the development of various biodiversity indicators such as the following:

- EU headline biodiversity indicators
- EEA 26 headline indicators
- 2010 EC Action Plan with its 4 broad policy areas and 10 main objectives

The source of the challenge, however, is less based on the lack of indicators and more on the serious difficulty in establishing a common language. All too often environmental frameworks and business frameworks are still perceived to be at opposite ends of the spectrum.

However, both do contribute essential elements of a civil society and this drives the need find a common language. A common understanding and recognition of the issues has to come before we can speak of verification or certification. Recognition, however, should be easier to implement as it a basic building block of establishing a platform for partnerships between business and the society.

As a possible solution, Menezes proposed the concept of public agents acting as facilitators. Facilitators can deliver action through three channels:

- Establishing the enabling framework
- Acting as proactive catalysts for engaging business and creating partnerships
- Supporting business in developing assessment and reporting frameworks

The development of a European platform is regarded as essential for introducing benchmarking, best practices and the development of sector-specific biodiversity auditing and monitoring as well as recording and oversight protocols. New partnerships between business, NGOs and the public sector to stop the loss of biodiversity are critical. Through the establishment of a common language to address the same problems, major gains for all involved partners can be expected.

Ladislav Miko, Director, Protecting the Natural Environment, EU Environment Commission, Belgium, noted that all EU policy frameworks must stress the aspects of evaluation of both ecosystem services and natural capital. In the context of the Potsdam Initiative, there is a growing recognition of the need to produce a report on the economic values of biodiversity and ecosystems along similar lines to the Stern Report on climate change.

Miko noted that the main objective of all of the workshops should be a dialogue aimed at mainly gathering the expectations and demands of business from the EU. The EU must represent a knowledge-based society, constantly using the dynamics of how much it is known about biodiversity in order to assist business in finding the next steps after assessing their impact.

For example, EIA is a powerful tool, since Article 6 of the Habitats Directive sets out the obligation to assess direct impacts on biodiversity. EIA depends, however, on the availability of experts, but do we have enough experts and enough access to experts? How can business

access the expertise they need in a short time? In conclusion, a critical factor is to provide functional space for nature. This challenge also needs to be addressed with business partners.

Sylvie Bénard, President of Orée, France explained that a main objective of Orée is to share good practices, exchange experiences, challenges and needs. To support this effort, a working group of companies and associations meets regularly to see how biodiversity can be integrated into corporate social responsibility (CSR).

One of the main difficulties appears to be the lack of awareness about biodiversity issues, amongst both the public and the stakeholders causing confusion and at times conflict between biodiversity and climate change issues. Partnerships with scientists are needed. Biodiversity is not only an environmental issue but also a social and economic matter and decision makers must be made aware of this. There is a need to promote the positive impacts of biodiversity rooted in the economy and inside enterprises.

Hendrikus Feith Silvicaima, Sociedade Silvícola Caima S. A., Portugal, asked why should a forest company bet on biodiversity? The answer is that the market asks for biodiversity assessment and for certification. His company, for example, follows the ISO and FSC standards. They conduct operational business assessments including environmental and social impact assessments and have adopted the PRO-FOREST guidelines to identify high conservation value forest areas. The recommendation from these assessments and guidelines has been made to put more focus on biodiversity quality and less on quantity.

Biodiversity assessment is a starting point, but it is not a goal in itself. There are, however, several positive impacts related to biodiversity assessment such as:

- More knowledge leading to better management
- Achieving technical transparency through an increase of external recognition
- Motivational incentives for company workers
- Extra value gained for forest products and producers

Communication is a key element in this context. The improvement of communication with stakeholders is essential.

Negative aspects regarding biodiversity assessment, on the other hand, include the issue of financial resources. Biodiversity assessment

consumes significant amounts of financial resources. A second challenge is that it relies on a high quality of expertise. Conflict situations between conservation and production goals also need to be resolved by finding consensus. Closely related to the latter, a set of biodiversity targets might prove difficult to define.

Related to the question of what the EU can do for companies like Silvicaima, recognition is important. Public recognition through an improvement of communication and the use of biodiversity assessment is of particular importance.

João Carvalho, Secretário-general, ANPC – Associação Nacional de Proprietários e Produtores de Caça, Portugal, presented an innovative a wildlife estates initiative. This initiative is not driven directly by markets, but rather by the landowners. The initial project idea was to create a network for remarkable estates for biodiversity. All assessment would result in certification and recognition of the conservation actions undertaken. For example, game management and sustainable hunting can promote biodiversity through habitat management. This project has been implemented with DG Environment involvement.

A simple but effective system was created, starting with several main indicators and later reducing them to 15 related to bio-geographical regions and scoring through monitoring. This score system allows a maximum of 250 points. A report is sent to every member: those that do not obtain a minimum of 180 points, will not get recommendation on improving their performance.

The objectives of the initiative are to promote good practices and extend ideas. A network of wildlife estates are to be created in the future using such a multifunctional approach. The recognition of this effort associated with a brand image will achieve also high market value.

Importantly, this initiative is also creating a large database through its monitoring and assessments. This will enable us to spot trends in biodiversity performance. This data will also be made accessible to the public. Finally, a handbook on good practices of game keeping will be produced for the managers of game properties.

As a recommendation, the EU can extend this initiative to other geographic areas and make good practice examples for various geographical regions.

6.2. Second session: Biodiversity benchmarking

Chair

- **Teresa Presas**, Managing Director, Confederation of European Paper Industry (CEPI), Brussels, Belgium

Presentations

- **James Griffith**, Director, World Business Council for Sustainable Development, Geneva, Switzerland
Ecosystems Services Assessment in the Private Sector
- **Annelisa Grigg**, Director of Corporate Affairs, Fauna and Flora International
Biodiversity Bench Marking: Learning from the Extractive and Financial Sectors
- **Seb Beloe**, Vice President of Research and Advocacy, SustainAbility
Biodiversity Risk and Opportunities Mapping in Business

The focus of this session was benchmarking. Aspects like ecological balance, reliance on the critical regulatory services are considered essential to biodiversity benchmarking. In this context, ecosystem services and sustainable development can be regarded as risks for a business. However, they can also be interpreted as opportunities.

Through its partnership, projects and tools, WBCSD proactively helps member companies assess, measure and value ecosystems; reduce impacts; explore business opportunities; mobilize and utilize ecosystem assets and advocate for ecosystem governance.

It needs to be asked, what information is available for business, in terms of ecosystem service assessment? Several specialist tools and resources were identified, such as environmental impact assessment (EIA), strategic environmental assessment (SEA) and business and the tools of the Business and Biodiversity Offset Programme (BBOP).

In conclusion, an ecosystems approach was identified as a pre-requisite for strategic development. Market mechanisms can help conserve biodiversity and next steps can include further innovation and development, field testing and validation of benchmarking approaches, its integration and harmonization, uptake, deployment, and scaling up. A need for communication is also critical and a key message is that the tools must be simple.

James Griffith, Director, World Business Council for Sustainable Development (WBCSD), explained that sustainable growth, social progress and ecological balance rely on best practices. Aspects like

ecological balance or compliance with the critical regulatory services are essential. Ecosystem and sustainable development seems to be business risks, but they also present business opportunities including:

- new technologies
- new products
- new markets
- new businesses
- new revenues

WBCSD helps member companies proactively through its partnership, projects and tools to:

- assess measure and value ecosystems
- reduce impacts
- explore business opportunities
- mobilize and utilize ecosystem assets
- advocate for ecosystem governance

In terms of ecosystem services, assessment specialist tools and resources are available for business. These include environmental impact assessment (EIA), strategic impact assessment (SEA) and the tools of the Business and Biodiversity Offset Programme (BBOP).

Examples of sector approaches and resources were presented. Sector approaches and resources were mentioned such as, ICMM/IUCN good practice guidance, and the Business and Biodiversity Resource Centre. Ecosystem services specific tools were mentioned, namely the WRI/WBCSD GHG Accounting Protocol, WBCSD Global Water Tool and WRI/WBCSD Sustainable Procurement of Wood and Paper base products.

Sectoral approaches and resources were also mentioned such as the good practice guidance for the mining sector produced by ICMM and IUCN and the Business and Biodiversity Resource Centre. Several ecosystem services tools were also highlighted such as the Green House Gas (GHG) Accounting Protocol produce by the World Resources Institute (WRI) and WBCSD, the Global Water Tool produced by WBCSD, and the Sustainable Procurement of Wood and Paper-Base Products Tool produced by WRI and WBCSD.

Within this portfolio of resources and tools, two gaps are apparent to business:

- Firstly the corporate-level focus on ecosystem services
- Secondly standardized approaches to ecosystem evaluation and costing

A special mention was also made to incorporate the development by WBCSD and WRI of an Ecosystems Services Review (ESR). The ESR partners include six pilot collaborating organizations. An emerging lesson from these ESR pilots is the need to focus on ecosystem services.

As concluding remarks, Griffiths mentioned that ecosystems are a pre-requisite for sustainable development and that market mechanisms can help. The next steps must include:

- further innovation and development
- field testing and validation
- harmonization and integration of approaches
- uptake and deployment
- scaling up

The key take-home message of his intervention was the necessity of the simplicity of the tools.

Annelisa Grigg, Director of Corporate Affairs, Fauna and Flora International, first addressed the need for biodiversity assessment because biodiversity is still framed in terms of business risk and there are increasing links between shareholder value and environmental issues. The biodiversity benchmark approach identifies commonly accepted good practice in consultation with business and NGOs. It fills a gap because the information needs of investors are not being met and few tools exist within the finance sector to enable rigorous evaluation.

Several tools were mentioned that were all applied within the extractive industry. Also there is another emerging assessment framework – the Natural Value Initiative (NVI) – which intends to develop a tool for evaluating financial risk. Companies and financial organizations tend to be optimistic regarding the use of these new tools.

Some challenges were identified including the following:

- too large number of schemes
- performance metrics
- the lack of a clear business case
- the separation of impact from benefits
- implementation costs

What can the EU do in this area? It can create an incentive framework based on priority issues and it can build capacities. Regarding the business sector, it can catalogue more effectively business cases, share best practices, bringing in the experience from climate change and innovate and experiment. According to Grigg, a key issue is that the tools are still to be applied on a voluntary basis.

Seb Beloe, Vice President, Research and Advocacy, SustainAbility, explained that risk and opportunity mapping is a tool for conservation partnerships. In this context, SustainAbility focuses on emerging issues and on the importance of markets for delivering sustainable development and the company has developed a basic mapping tool.

The scope of assessment should be decided at the outset and it should consider several levels such as:

- the impact on ecosystems services
- the degree of business impact, in terms of risks and opportunities both for current operations and future potentials
- the degree of influence or control that a company has over a particular issue

For the SustainAbility mapping tool, these three levels are scored – low, medium or high – and a final map is presented as a matrix. In this context, a “risks to opportunities” approach helps to position the company’s conservation commitment for long-term success.

Regarding recommendations, first there is the question of sufficient and accessible expertise. Second there is the issue of the quality of indicators relative to the quantity of indicators. Lastly, there is a particular challenge to engage management and finance in biodiversity assessment.

6.3. Third session: Governance and accountability

Chair

- **Teresa Fogelberg**, Senior Director, Business Engagement and Relationship Management, Global Reporting Initiative, Amsterdam, NL

Presentations

- **Jacqueline McGlade**, CEO, European Environmental Agency Denmark

- **Teresa Fogelberg**, Senior Director, Business Engagement and Relationship Management, Global Reporting Initiative, Amsterdam, NL
Reporting Biodiversity Performance: The Strengths and Challenges of GRI Reporting for Biodiversity Performance and Accountability
- **Steve Rochlin**, Director, AccountAbility, North America, Washington DC, USA
Assessing Corporate Governance for Biodiversity

The focus of this workshop was on governance and accountability. The topics to be discussed were proposed by the chair and included:

- assessment of governance and accountability
- responsibility schemes
- reporting
- SMEs
- present legislation

The first speaker, **Jacqueline McGlade**, CEO, **European Environmental Agency**, referred to three types of assessments:

- (inter)governmental
- scientific
- citizens/business/NGOs

The two former types are already in place and operating. The (inter)governmental reports are negotiated documents and they play an important role in making countries accountable. Scientific assessments are mostly independent and science-driven with little or no governmental intervention. Unfortunately, they often do not fulfil their tasks.

The third type is a rapid assessment relying on citizens and business. It is important for biodiversity accounting since it calculates the full restoration costs of meeting objectives for countries and companies. This represents a different way to work since it relies on citizens to legitimate the data. It also places importance on the understanding of the flows and documenting local changes. The development of a global citizens' observatory could be a key asset to the biodiversity assessment.

Teresa Fogelberg, Senior Director, Business Engagement and Relationship Management, Global Reporting Initiative then focused on reporting biodiversity performance using a voluntary reporting framework

known as the Global Reporting Initiative (GRI). GRI has a range of 70 indicators of which five are directly related to biodiversity. For biodiversity, the importance of GRI lies notably in how suppliers can be involved.

Finally, **Steve Rochlin, Director, AccountAbility**, talked about the corporate governance of biodiversity, expressing the importance of engaging citizens' voices towards partnership and collaborative processes. He mentioned that nowadays it is impossible to dissociate environment, biodiversity, social and inequality issues. He mentioned traps that should be avoided. Finally, he suggested that the EU can have a powerful convening role by:

- beginning to set the standards to collaborative processes
- setting policies that cut off free riders
- embracing collaborative approaches
- helping to configure the landscape for collaboration between companies and citizens and enlarging it to other partners

During the final discussion, the following recommendations were extracted from a set of central issues:

- the importance to understand the drivers that make SMEs consider getting involved in a BA process
- Governments should provide a favourable environment to change consumption behaviour
- Consumers should be a key piece of the whole process, since companies respond quite quickly to market pressures

6.4. Summary of conclusions and recommendations

The organisers and chairs of Workshop B on business-related biodiversity assessments came up with the following list of conclusions and recommendations from the richness of the presentations and discussions in the three sessions:

1. Biodiversity assessment in Europe is characterized by the development and existence of a range of assessment tools and indicators, paralleled by a repeatedly expressed need for the industry to have key performance indicators that can be applied with credibility and at reasonable costs. It is likely that development of assessment frameworks in the past was supply driven. **The need therefore is to enhance the streamlining and application of existing assessment**

indicators and tools, and better tailor future research and development to the requirements of markets, science and governance.

2. Moving from ‘islands of excellence’ of biodiversity conservation in the private sector to a system-wide systemic change is an eminent challenge and priority. Most of the past work has focused on state level indicators or on select business sectors such as the extractive industry. **This calls for a focused effort in biodiversity assessments, conservation and benchmarking at the critical leverage points.** These include finance sector and others such as agriculture, fisheries, renewable energy and major infrastructure having a large foot-print or dependence on nature.
3. Expertise for biodiversity assessment, management and reporting emerged as a major issue. While Europe prides itself in being a knowledge-based society where biodiversity has been most extensively studied and assessed, expanding the conservation effort by business seems constrained by lack of expertise. This might be indicative of disparity in the need and supply of expertise, the difficulties and costs associated with mobilizing available expertise, or a general trend in higher education increasingly tilted away from physical and natural sciences.
4. On one hand, there is a growing community of consultants indicating availability of needed environmental expertise; on the other hand, there is a call for more scientific research and advice regarding the drivers and barriers on the path to motivating business for enhanced conservation efforts. These rather divergent views perhaps highlight the uneven distribution of investments in research and capacity for biodiversity conservation across the different thematic and geographic areas. In any event, large European businesses have global reach, and the lack of expertise in the developing world where they operate might be a limiting factor. **The issue of biodiversity expertise needed for an expanded business effort in conservation, therefore needs a serious consideration.**
5. The expertise debate is more relevant to small and medium enterprise (SMEs). There is a consensus that the goal of biodiversity conservation can not be accomplished without the participation of SMEs that mostly lack both the

motivation and means to respond to an onerous call for biodiversity assessment, conservation and reporting. A start therefore can and should be made by: (a) making the existing biodiversity assessment work more relevant to SMEs, for example by adopting simple even if simplified biodiversity performance indicators and assessment tools, with a view to steadily raising the bar as SMEs are better able and prepared; and, (b) harnessing supply chain opportunities for SMEs to enhance their commitment and capacity for biodiversity conservation that calls for leadership in this area.

6. Risk management has been driving biodiversity performance assessment in business, and thus helping to integrate biodiversity in corporate policies and operations. However, the uptake has been admittedly low, albeit increasing. Mapping and harnessing of biodiversity business opportunities is likely to provide additional incentives for businesses to conserve biodiversity as is the bench marking of businesses, especially by investment houses.
7. The lack of uptake is partly attributable to the business case that needs to be made more vigorously and repeatedly. Most businesses still do not see or understand the business benefits of biodiversity assessment and conservation, highlighting the need and importance of greater investment in establishing the businesses case in different sectors, enhancing public awareness and consumer demand for biodiversity conservation, and strengthening public policy frameworks for encouraging and rewarding corporate social responsibility. The current voluntary initiatives by leading businesses can only go so far and may have to be internalized in public policy for them to have a wider impact.
8. Credible assessments of biodiversity conservation outcomes and related monitoring, based on key performance indicators are critical not only to credible partnerships for business and biodiversity but also to increasing stakeholders' confidence and the policy-science interface.
9. Biodiversity assessments are relatively easy at site level largely facilitated by an extensive body of work on 'state' indicators. They are more difficult at the corporate level. The challenge stems from a lack of key performance indicators that can effectively communicate performance, aggregated at the corporate level, at reasonable cost and efficiency.

Performance can only be assessed against a base line highlighting the importance of corporate level assessment of ecosystem risks and opportunities associated with a business, based on much needed standardized approaches to such assessments. The business community needs to commit support to the development of the requisite tools and approaches and to using them for mainstreaming biodiversity in their policies and operations.

10. Collaborative and quantitative assessment (accounting) of ecosystem services is a major emerging need for augmenting the business case for conservation. Tools such as Global Citizens Observatory, developed by the European Environment Agency, that allow stakeholders to directly input their observations into an assessment (map) would be very useful for the purpose. However, any assessment of performance overtime would only be relevant in the context of a well-established biodiversity baseline in a given landscape or seascape.
11. Corporate governance has been a subject of greater public and media attention recently but is seldom linked to biodiversity conservation despite the vulnerability of biodiversity to neglect due to its perception of common property. The emerging trends in collaborative governance that incorporates concepts of involving affectees of decisions, downward accountability, reciprocal accountability, and generating popular (policy) support for the decisions can better attract attention and support for biodiversity conservation. However, good governance in governments is a precondition for good governance in business.
12. Related is the role of consumers. Corporate behaviour is largely driven by public policy and consumer choices and, considering public policy is a factor of public needs and aspirations, consumers' education offers the greatest promise biodiversity conservation through credible assessment and reporting. Some people have called it 'Consumers Science at Play' signifying that consumers can not only shape markets and production patterns for biodiversity use and conservation, they can also usefully contribute to assessments of biodiversity baselines, performance and bench-marking .

13. The EU Business and Biodiversity Initiative can provide the much needed space and momentum to enable the participation and fulfilment of obligations of the private sector in conserving the world's biodiversity, together with other stakeholders. Creation of a corresponding technical facility is a welcome means to give practical meaning to this aspiration.
14. The scope of this initiative and facility may include:
 - (a) Enabling partnerships for biodiversity assessment and conservation, in particular facilitating the participation of conservation organizations who often feel encumbered or vulnerable to accusation of green-wash (risking credibility of the partnerships) for having to rely on funding from the business partner;
 - (b) Supporting an ecosystem based approach to assessment, facilitating contributions and awareness raising around the 'Stern-like report' for biodiversity already in hand, and using it as a vehicle to protect 'spaces for nature' and for promoting market based approaches to sustainable use of ecosystem service;
 - (c) Enable putting the different assessment and indicator frameworks in perspective, taking on board the messages of 'less than more and simpler indicators are needed', and that 'effective and credible assessment at reasonable cost' is the key', for giving greater currency to qualitative and quantitative improvements in biodiversity conservation by the private sector;
 - (d) Refraining from substitute funding of the routine partnership activities, target funding to research on partnerships experimentation and innovation, and to filling critical gaps in knowledge, expertise and tools essential for scaling up biodiversity assessment and conservation in business;
 - (e) Recognizing and rewarding business leadership in conservation as a means to stimulate greater uptake of biodiversity assessment and conservation across the different business sectors and scales;

- (f) Continuing to require, encourage and reward greater transparency in biodiversity assessment, management and reporting;
- (g) Strengthen EU's convening and standard-setting role, notably in the area of corporate governance, rewarding good performers and calling laggards to account; facilitating common language, dialogues and partnerships; building capacity in civil society to support biodiversity assessment, reporting and accountability on business; and, stimulating change among peers – other governments outside EU; and
- (h) Consumers education, apart from, and sometime to balance, aggressive marketing campaigns by business, with a view to positively influence consumption levels and patterns and to provide space for broader society's input to establishing biodiversity baseline, benchmarks and performance levels.

7. Workshop C: Markets for biodiversity goods and services

This workshop explored the challenges and opportunities of developing markets and business opportunities for biodiversity-friendly goods and services. It discussed such areas as eco-agriculture, sustainable forestry and non-timber forest products, fisheries and aquaculture, bio-carbon, watershed services, biodiversity offsets/banking, corporate biodiversity management services, ecotourism, and recreational hunting and fishing. The key question addressed by the workshop was: What can the EU do to encourage private investment in sustainable biodiversity businesses?

7.1. First session: Where are we now?

Chair

- **Alan Bernstein**, CEO, Sustainable Forestry Management, Ltd

Presentations

- **Joshua Bishop**, Senior Economics Advisor, IUCN
On Building Biodiversity Business
- **Izabela Flor**, Chief Executive, BirdLife International
On Supporting SMEs for Biodiversity Benefits

Roundtable

- **Barney Dickson**, Head of International Policy, Fauna and Flora International
- **Ludwig Gruber**, Managing Director, BIO-Hotels

- **Sachin Kapila**, Biodiversity Advisor, Shell International, Ltd.
- **Carsten Sjöholm**, Novozymes
- **Jim Turnbull**, Co-Founder, Fundatia ADEPT and Managing Director, Belmont Management Consultancy

The major challenge addressed in this session of the workshop was how to develop markets and business which inherently conserve biodiversity through using biological resources and ecosystems sustainably. A particular challenge is how to put in place regulations which protects biodiversity through business activities and in so doing foster truly sustainable economic development.

The presentations focused on biodiversity conservation as a business opportunity, instead of the more view of biodiversity as a business risk, burden or obligation. By fully integrating biodiversity into corporate decision-making and business plans, biodiversity may be conserved as a core business proposition.

In light of current trends of public opinion regarding environmental concerns, businesses which explicitly operate in ways which conserve biodiversity may enhance their position and the economic security in the marketplace. In this respect, several examples of successful biodiversity business projects were presented and discussed throughout the workshop.

Regarding the emerging markets for ecosystem services and goods, there is a need to look specifically at each product within a broader landscape level perspective. In this respect, through addressing the interests of different stakeholders within in a landscape, it becomes clear that there is no single business case for biodiversity conservation. Rather there are several businesses cases related to different ecosystem products and stakeholder interests.

However, there are still open questions related to biodiversity business. There are question related to the policy framework for conserving biodiversity through market processes. There are questions related to business advice and technical assistance to ensure that biodiversity conservation and sustainable use are linked to business drivers such as revenue generation and profit seeking. And there are questions related to financing biodiversity business. Can more financing be made available or are there other possible incentives which can be provided?

The first session of the workshop included two keynote presentations: “Building biodiversity business” by **Joshua Bishop** and “Supporting SMEs

for biodiversity benefits” by **Izabela Flor**. The two presentations presented complementary programmes of work on how to promote markets and enterprise for biodiversity goods and services. Although using rather different approaches both programmes delivered a similar message – biodiversity should be seen as an opportunity for business and business should be promoted as a tool for biodiversity conservation. The precise ways forward remains uncertain, but the lessons learned from these two programmes are promising and provide a basis for future efforts to promote biodiversity business.

The first presentation by Bishop was based on a collaborative effort between IUCN and Shell on biodiversity and business. This effort has produced a study on building biodiversity business. It is based on an extensive literature review as well as a long list of interviews with key biodiversity business professionals. According to the IUCN/Shell study the business case for biodiversity can be illustrated by the presentation of a number of existing examples, such as the following:

- The nature-based recreation market is estimated as US\$ 100 billion annually and is still growing. This market is aimed at new consumer-groups such as young well-informed people that have disposable income and are keen on enjoying themselves responsibly.
- Eco-labelling and certification schemes have created new markets with significant growth in two major sectors: organic agriculture and forestry. Though, the certification schemes do not focus specifically on biodiversity, they indicate an interest on the part of both producers and consumer to treat nature responsibly.
- Watershed protection has been applied by water supply companies to reduce costs of water provision. By paying for ‘ecosystem services’ – such as a famous example from New York City and also examples from Nestlé and Danone in Europe – the costs of supplying consumers is lowered through biodiversity protection.
- The growth of the global market for carbon credits has also increased sharply and provides insights for biodiversity. Though application of a similar scheme for biodiversity conservation is still to be developed, there is some hope that it could be developed in the not too distant future.

- One possibility is to develop a market for biodiversity offsets from loss of habitat due to development. Early examples of a biodiversity offset approach can be found in several countries including the USA with its wetland banking, Australia, Brazil, Mexico, South Africa, Switzerland and elsewhere in Europe. This approach, however, requires more work on standards and procedures. For instance, there is a need to define both what are no-go areas for development.

In sum, the lessons learned from the IUCN/Shell study indicate that the challenges consist in linking biodiversity conservation regulatory regimes created by governments to business and financing practices. There is also a need to create business models that incorporate the learning from the examples analyzed in the study. In this sense IUCN/Shell proposes the constitution of a think tank that addresses policy issues and practical tools for biodiversity business.

Flor then presented an EU-funded project that focuses on mechanisms to support biodiversity-benefiting SME activities in Natura 2000 sites. Natura 2000 is a key EU-wide conservation instrument. The project partners include BirdLife Poland as well as NGOs in Poland and Hungary.

The costs of managing Natura 2000 sites are estimated to be roughly €6.1 billion and the sources of funding are mainly national governments, various EU mechanism and NGOs. These sources of funding are, however, insufficient.

On the other hand, key stakeholders within or near Natura 2000 sites are SMEs which use biodiversity as their primary resource. These SMEs are diverse and include major business sectors such as:

- Forestry
- Hunting and fishing
- Tourism
- Farming

The relationship between SMEs and Natura 2000 sites has not been harmonious, as the protected sites have often been seen as an obstacle to business. The private sector has generally not yet perceived the sites as business opportunity. Investment in Natura 2000 sites is required to follow a specific procedure and that is not obviously conducive to enterprise development. To approach Nature 2000 sites as an

opportunity there is a need for awareness raising and knowledge transfer regarding biodiversity, business and finance.

Within the scope of this project, an innovative approach was developed in Poland. Here the project has created a platform for SMEs to meet the Natura 2000 requirements and it has provided biodiversity expertise in a language business people can easily understand. This includes a methodology to assess and identify SMEs that are pro-biodiversity and tools for knowledge transfer aimed at promotion of an economically sustainable development. The results of such an approach include:

- Establishment of biodiversity technical assistance units
- Handbook for developing pro-biodiversity investments
- Research on financial markets, which result in negotiations to create a financial package for pro-biodiversity SMEs
- Establishment of national expertise networks

The sheer number of existing SMEs across Europe makes them a particularly interesting client for business-oriented strategies to protect biodiversity.

After the two presentations, a brief session of questions and answers was held. This was then followed by an interactive roundtable discussion session with the participation of Barney Dickson, Ludwig Gruber, Sachin Kapila, Carsten Sjöholm and Jim Turnbull. The roundtable discussion made clear that there is a possibility of adopting business approaches to biodiversity conservation, but that much work still needs to be done to articulate the various business cases for biodiversity.

7.2. Second session: What are the priority challenges and opportunities?

Chair

- **John Hontelez**, Secretary General, European Environment Bureau

Presentations

- **Alan Bernstein**, CEO, Sustainable Forestry Management, Ltd
Making Capitalism Work for Conservation
- **Jan Fehse**, Senior Consultant, EcoSecurities
On Lessons from the Carbon Market

Roundtable

- **Alan Bernstein** CEO, Sustainable Forestry Management, Ltd

- **Peter Carter**, Environmental Coordinator, Environment and Advisory Division, European Investment Banc
- **Annik Dollacker**, International Affairs / Sustainability, Bayer CropScience
- **Jan Fehse**, Senior Consultant, EcoSecurities
- **Miguel Ribeirinho**, CEO, Novadelta

This session of the workshop reviewed the development of the carbon market and analysed lessons from it which can be learned for biodiversity. One of the key points highlighted was the need to have clear biodiversity commitments from governments. Such commitments have to be quantitative and their implementation process properly integrated and efficient.

A solely volunteer scheme, although providing guidance, is definitely not enough. There is the need to make biodiversity and its conservation an every day concern of the business sector, paralleled by citizens' preferences to 'go green.' This requires governments to set up viable frameworks for the effective success of both business and biodiversity conservation.

The workshop included two keynote presentations: "The new commodities" by **Alan Bernstein** and "Lessons from the carbon market" by **Jan Fehse**. These presentations focused on the lessons learned from the carbon market and intended to make clear that biodiversity conservation could, in part, be based on a similar market development.

Forestry restoration and conservation was presented as one of the major opportunities in the carbon market. Forestry holds a position under the Kyoto Protocol which is likely to strengthen in post-Kyoto schemes. For example, changes of reforestation and deforestation practices undertaken within the forestry sector can be managed to comply with the Kyoto protocol. This, of course, will have direct impact on biodiversity conservation with respect to forested landscapes and timber and non-timber species.

The synergies between existing carbon markets and potential biodiversity markets were also highlighted by the second keynote presentation. The carbon market shows that there is clearly a need for the public sector to establish the markets and to encourage participation by the private sector. Equally the public and private sectors from the developed world and the developing world have to join in. The core issue is that all of them will have to be involved in the definition of market policies and practices.

Hence, we can learn from carbon market schemes and see how their structures might be applied to conserving biodiversity. One of the major contributions to the development of the carbon market was the introduction of the overriding issue of climate change and the need to reduce greenhouse gas emissions in all levels of decision making – from consumers to producers and from citizens to governments. Importantly, this included the financial sector. The turning point for raising awareness and decision making on carbon was when the market gained a certain size – specifically, in 2005, when the EU started its carbon trading scheme.

The size of the market really matters if we are to have a material impact on the loss of biodiversity. To achieve a sizable market and a significant impact there is a need for a quantitative commitment from governments. The EU proposal to make biodiversity business voluntary unfortunately will not create a market of sufficient size.

The commitments of governments are also equally important for clarifying rules and providing guidance. The private sector role in the carbon market has proved to be a facilitator of technological transfer and capacity building. The same can be expected for the biodiversity market. Another advantage for using a carbon-like market scheme is that certain pricing strategies such as taxing poor biodiversity performance directly are more difficult to implement due to lack of willingness of consumers to accept them.

But, is a carbon-like market the right approach for biodiversity? This question remains open. Or perhaps we should we use the existing carbon markets to conserve biodiversity? Will this by itself lead to real biodiversity gains or are we limiting ourselves?

Regarding a market for biodiversity, there are still many ambiguities and open questions left:

- Which types of investments are required?
- Does biodiversity require subsidies?
- Will a carbon-market scheme work?
- How will biodiversity performance be monitored?
- Who pays in the end?
- What do we want to achieve in terms of biodiversity?

After the two presentations a brief session of questions and answers was held. This was followed by a roundtable panel session with the two

speakers plus Peter Carter, Annik Dollacker and Miguel Ribeirinho. One thread of the roundtable discussions focused on the sustainability of organic farming versus conventional farming and the relative contributions of each to biodiversity conservation. Once again the need for indicators to measure sustainability was addressed. Another discussion looked at the experience of Delta Café and their social responsibility policy as a way to promote biodiversity. Overall the roundtable agreed that biodiversity-benefiting markets could and should be developed.

7.3. Third session: Moving to action: What should the EU do?

Chair

- **André van der Zande**, Secretary General, Ministry of Agriculture, Nature and Food Quality, Netherlands

Presentation

- **Kerry ten Kate**, Director, Business and Biodiversity Offsets Program (BBOP), Forest Trends
Legal Constraints to Building Biodiversity Business

Roundtable

- **Alfredo Cunhal Sendim**, Chief Executive, Freixo do Meio
- **Zbig Karpowicz**, Coordination BTAU Project, RSPB
- **Kerry ten Kate**, Director, Business and Biodiversity Offsets Program (BBOP), Forest Trends
- **Adam de Sola Pool**, CEO, Environmental Investment Partners

The final session of the workshop highlighted the need for a new intervention framework for the business sector which would address the complexity of biodiversity as a market proposition.

Public views, business cleverness, scientific knowledge and other stakeholder experiences have to be dully integrated into this new framework and synergies need to be explored. Innovation, standard setting and incentives are part of the rules of the games for the development of biodiversity markets and businesses.

Development of a biodiversity market is a complex issue and requires the integration of different policies at different levels. Specifically, the costs of implementing various biodiversity market schemes have to be addressed and appropriate funding sources or strategies have to be identified.

Two main points were highlighted to avoid market failure: diversified approaches to technical management and appropriate financial support. A landscape-level approach was also identified as the most appropriate spatial management unit for most cases of intervention. Finally, two sensitive points were also noted: the high transaction costs for maintaining certain biological resources and the serious challenge of putting a value to certain biodiversity goods and services.

The session opened with a rich presentation from **Kerry ten Kate** on the possibility of developing a market for biodiversity offsets and the challenges which the EU will need to address to establish this market. She noted that in spite of all the regulations in favour of conservation, biodiversity losses continue to increase, showing the need for new approaches and renewed markets. Hence, the Business and Biodiversity Offset Programme – known as BBOP – has undertaken seven pilot projects to provide guidance on developing a new approach. BBOP also is producing a toolkit for offsets, principles for implementation principles and strategies to influence government policies in the EU and elsewhere.

Ten Kate emphasised the importance of defining the ‘rules of the game’ in order to support the development biodiversity markets. These rules should in the end create new markets, define rights and standards, promote the links and cooperation between companies and create incentives for the implementation of biodiversity conservation schemes. Also communication and training as well as providing capital and financial products are important matters that will support the emerging market for biodiversity offsets.

The presenter was joined in the roundtable by Alfredo Cunhal Sendim, Zbig Karpowicz, and Adam de Sola Pool. Their discussions included the following set of comments and suggestions:

- Everyone should move beyond “business as usual” and create new frameworks for innovative biodiversity markets. These frameworks have to integrate policies and public views in order to promote ways of intervention for the business sector.
- New biodiversity markets should only be developed if they will indeed support biodiversity conservation.
- Biodiversity offsets should also consider the role of ecosystem or biodiversity services. Who are the beneficiaries of the offsets and the associated services? They may not be the same groups.

- Legal mechanisms, like Natura 2000, are necessary to conserve biodiversity, but they do not answer how biodiversity is be conserved outside Natura 2000 sites.
- Offsets within Natura 2000 probably should be a measure of last resort but perhaps could be promoted as a general working solution that can be applied both inside and outside Natura 2000 sites.
- Innovative markets based on biodiversity conservation within Natura 2000 sites are possible and could finance some of the costs of conservation.
- The EU should look at the Lisbon Strategy and adapt it to the creation of diversified approaches to technical management and financial support for biodiversity business.
- The costs of developing biodiversity markets need to be made clear and should be done before even thinking about the value of biodiversity services and goods.
- ‘Cleverness of business solutions’ should stand as a part of the response to market failures as it allows the sharing of successful business cases and good and bad practices, and promotes financial incentives for the business sector.

8. Workshop D: Business and biodiversity partnerships

Over the last decade a diverse and interesting portfolio of business and biodiversity partnerships have developed mostly between companies and NGOs. This workshop explored the challenges and the opportunities of scaling up such partnerships across Europe. The key question it addressed was: What can the EU do to promote biodiversity partnerships with European businesses?

8.1. First session: State of the art in business and biodiversity partnerships in Europe

Chair

- **Kirsi Sormunen**, Vice President and Head of Environmental Affairs, Nokia Corporation

Presentations

- **António Serrano Rodríguez**, Secretary General, Spanish Ministry of Environment
Where are we now on Business and Biodiversity Partnership?
Introduction of Document on the State of the Art
- **David Richards**, Principal Advisor, Environment, Rio Tinto Limited
The Rio Tinto Experience: Process, Benefits and Problems
- **Paul Temple**, Vice President, National Farmers Union
UK Arable Industry Win-Win Experience on Business and Biodiversity

The three speakers focused on experiences with business and biodiversity partnerships from different perspectives.

In Spain, for example, a local government network was established which has increased biodiversity in the country. Various types of partnerships involving private companies, civil society, public local authorities and other stakeholders have covered expertise, training, risk management, resources and focused on results and the improvement of financial performance.

Another example came from the multinational mining company, Rio Tinto, which has been deeply involved in multiple biodiversity partnerships. Partnerships were established with organizations in the UK, Australia and the US amongst others. For Rio Tinto partnership is different from sponsorship, since professionally managed partnerships have defined objectives and formal agreements, yearly work programmes, sustainability and communication plans. Even its employees are enabled to take part in group wide events linked to environmental issues. There are projects ongoing in Madagascar, Guinea, South Africa, Australia and Brazil. The role of partnerships in the company has evolved from corporate strategic inputs to policy formulation to involvement in the delivery of conservation outcomes on the ground.

From the UK, came the example of a project in which farmers managed the challenges of self-regulation of pesticides. This project is a voluntary initiative and was founded in 2001 by the industry. Broad participation has been a key factor of success. The SAFFIE Programme shows six ways to enhance biodiversity without any change in farming practices. Through the implementation of simple measures such as wild flowers in field margins, there has been an increase of beneficial insects by up to 80%. There are still other similar projects in UK. Today almost 50% of agricultural land in the UK is included in one of these schemes.

The examples demonstrated the importance of proper incentives for successful business and biodiversity partnerships. We need to link the partnerships' objectives to the business targets. We also need to recognise the value of voluntary initiatives.

Antonio Serrano, Secretary of State, Spanish Ministry of Environment, explained that in Spain, a local government network was established within the programme of '+ Biodiversity 2010.' It has not only conserved but also increased biodiversity in Spain. Various types of partnerships involving private companies, civil society, public local authorities and other stakeholders contributed to that. These partnerships have covered expertise, training, risk management, resources and have focused on results and the improvement of financial performance. The programme involves a yearly amount of one million Euros and is supported by the Spanish Federation of Municipalities and Provinces.

David Richards, Chief Adviser Environment, Rio Tinto, noted that his company has been deeply involved in biodiversity partnerships. The partnerships are established at a global level, and then implemented at a local level. Partnerships were established with organizations in the UK, Australia and the US amongst others. Furthermore, business units establish their own partnerships at a local level.

For the company, partnership is different from sponsorship. Partnerships are professionally managed, have defined objectives and formal agreements, yearly work programmes, sustainability and communication plans. Rio Tinto enables its employees to take part in group-wide events linked to environmental issues. In 2004 they established the function "NGO Partnership Manager", who focuses on making the partnerships work. There are projects ongoing in Madagascar, Guinea, South Africa, Australia and Brazil.

However, there are new challenges. One of the main challenges is to avoid the "institutionalizing" of partnerships. To establish a partnership, both parties need to have awareness and capacity in the broader organization. The scope, coverage and expertise must be defined with clarity to identify gaps and needs. Partnerships should also keep up the energy level to maintain the flow of innovation and creativity.

Paul Temple, Vice President NFU, National Farmers Union, explained that UK farmers have been managing the challenges of self-regulation on pesticides. It is a voluntary initiative and was founded in 2001 by the industry. Best practices are publicised and broad participation has been a key factor of success. These regulatory activities implied costs – roughly £45-47 million. The major activities target the spray operators.

There are 19,000 such operators in the UK; and in spite of initial difficulties with accepting some of the measures, they have increasingly accepted these activities.

A crop protection management plan was implemented as well as the compliance with best practices. This has improved awareness and reduced the quantity of pesticides in water and soil. Furthermore, risk assessment tools and decision trees were developed. Biodiversity is being measured, and agronomists are being trained. This is an example that voluntary measures work, since the programme has had widespread adoption, support from industry, NGOs and the Government, as well as measurable benefits.

The SAFFIE Programme shows six ways to enhance biodiversity without any change in farming practices. For example, through the implementation of simple measures such as reintroducing wild flowers in field margins, it has increased beneficial insects by up to 80%. Another commitment is known as *Environmental Stewardships*. They allow for two different schemes. The 5-year agreement implies meeting point targets and various options including 2 metre buffer strips. The higher level, 10-year agreement includes capital work, such as ponds and the obligation to deliver maximum benefits. Rural development programmes fund these schemes. Today, almost 50% of agricultural land in the UK is included in one of these schemes.

8.2. Second session: Partnerships at work: Challenges and opportunities

Chair

- **Nat Page**, ADEPT Foundation

Presentations

- **Aldo Consentino**, Director General, Ministry of Environment, Territories and the Sea, Italy
Partnerships from the Government Perspective
- **Michel Picard**, VP Environment Quarries, Aggregates and Concrete, Lafarge
How Partnership Work in Practice: Challenges and Opportunities
- **Denis Mertens**, President, UEPG
UEPG Partnership with IUCN for Countdown 2010

Good case studies on biodiversity were presented by UEPG on behalf of the non-energy extractive industries. Other presenters also shared their

experience on establishing partnerships. A key observation was that in order to cope with the biodiversity goals, it is important to create partnerships at all levels, between companies, local communities, governments, academia and NGOs.

In various countries there are good examples of partnerships. These have to adapt to the circumstances at local level, but must also serve the interest of the companies and the environment. Establishing a professional relationship between companies and NGOs, however, is a complex process. It implies mutual trust and respect of each other's points of view, as well as ability to commit to joint targets. It is clear from the examples, that communication between all actors is essential.

The parties have to be honest in order to achieve the common goal. Global companies should look for partnerships at both the global and local levels which embrace the concept of the three pillars of sustainability: social, economic and environmental aspects. Notably the human dimensions of biodiversity are an important part of the concept of sustainability. It is important to respect not only biodiversity, but also the traditions of the local communities. It is important to understand how the objectives of biodiversity translate into every day life.

Often it can be vital to have corporate funding in the initial phase of a project. Institutional money, on the other hand, is useful but is often inflexible and comes very late. Successful partnerships can support companies to make embracing biodiversity a competitive advantage. Companies see the added value of an engagement in preserving biodiversity. It helps to improve reputation as today's customers are more and more conscious about environmental issues and the challenges of sustainability.

Companies can obtain a competitive advantage by differentiation – that is by incorporating biodiversity management into their businesses. The challenges they face, however, are to create the needed expertise, assign scarce resources and institutionalize biodiversity management.

Excessive regulation from the European Union may threaten traditional business, such as traditional farms, because they cannot comply with the rules. It is also important that The European Commission and member states recognize the vital role of small-scale enterprises and farming communities in maintaining biodiversity and that they support them by integrated planning. It is also unrealistic to expect these small businesses to meet the standards of large-scale enterprises.

Regulation should aim to eliminate the problem of “free-riders” – companies which compete in the same markets as leaders without meeting even minimum standards for biodiversity issue management – while allowing leading companies to continue to pursue leadership positions where they see competitive advantage.

In order for partnerships to deliver real conservation value, the EC should also make sure that framework conditions are in place to support the products and services on which business can rely to develop their biodiversity programmes.

Nat Page, ADEPT Foundation, opened the session by observing that today we have to find key elements for partnerships and attract partners – governments, businesses, and NGOs. An example is ADEPT’s partnership in Romania, a project developed with the Romanian government, which generates benefits for both sides.

It is essential to create incentives for partnerships between businesses and NGOs on biodiversity issues. Biodiversity is more than only saving species. It is about conserving a complex mosaic of habitats. The ADEPT Foundation has set up a project to monitor the effects of biodiversity change. It is working with farmers, students and the Romanian branch of the multinational telephone company, Orange. Without Orange’s funding, the NGO could not have achieved its goals. The company’s funding is effective because it is flexible and on time, while funding from governments is usually late and inflexible.

Page also noted that biodiversity conservation is an important element in Europe. Unfortunately excessive regulation from the EU and member states, as for instance on food hygiene, can wipe out traditional farms overnight.

Aldo Consentino, Director General, Ministry of Environment, Territories and the Sea, Italy, said that governments have difficulties in communicating with private industry. Today one speaks about biodiversity and business. However, he believes that biodiversity should be seen as business.

A large part of Italy consists of protected areas, but the human presence is so strong that it is impossible to talk of biodiversity protection without seeing the country as a whole. Biodiversity in Italy is perceived in a broader sense, implying tradition and culture that characterize the territory. Protection means not only caring for habitats but also saving traditional knowledge and the characteristics of human settlement as integral part of the landscapes.

A major problem is the abandonment of the countryside due to human migration to urban areas. Hence, the Ministry of the Environment promoted strategies, including the notion of 'slow food.' They have done a study on traditional agricultural food products and came to the conclusion that it is possible to maintain biodiversity linkages. Supportive action of authorities must provide rules and support start-ups to generate mechanisms for biodiversity management. The most interesting experiment in collaboration with the Italian Ministry of Environment used air companies as carriers. This was very effective, leading to secondary effects and augmenting the prestige of these companies.

In this example, one problem was how to draw the attention of passengers to problems other than Kyoto, and focus on issues in local communities. The air company gave 20 cents of each e-ticket to ecological campaigns, which was even more favourable for the company. This was the follow up of the three-year collaboration with the Ministry. Start-up is crucial but it is also important to convince companies to join the campaign. Every passenger was involved in the campaigns which led to a new forest 3 years after the project with the Ministry. The government did not impose obligations but only established rules for nature and environment. Rather it created a new awareness of biodiversity at a national level by simply respecting rules and preserving tradition, culture and environment.

Michel Picard, Vice President for Environment, Lafarge, opened his remarks by explaining that Lafarge is a French-based, world leader in construction material. The EU represents 40% of its total market sales today. Lafarge operates 900 quarries with a lifetime between 5 to 100 years each. The company follows an environmental policy and has had a partnership experience with WWF since 2000.

Biodiversity is one of areas of the partnership with WWF. The company also has other local partnerships – for example, in France, the UK and Spain. At each stage of its product life-cycle, partnerships are possible. These may include site selection and development, extraction, and follow up. At each stage, dialogue is a must and partnership a real added value.

Picard discussed how they convince business units within the company to engage. He noted that this is a real issue in many organizations. There's no miracle recipe and there are many obstacles. Communication is vital as well as maintaining motivation and awareness. Communicating and involving the public is especially powerful.

Furthermore there is a need for meaningful indicators. A resource dedicated to manage the partnership is also a real plus.

Success factors include the following:

- Shared visions that are not necessarily common visions
- Shared values
- Acknowledgement of barriers
- Agreements that disagreement persists and is of no harm
- Communication at all levels and at all times
- Honour achievements
- Praise activities

Ideas for application on a larger European scale include the following:

- Catalogue of best practices
- Solutions for everyday business transactions
- Commercial offer of biodiversity-friendly goods and services
- Incentives for students to take up wildlife biology

Examples of solutions for everyday business transactions are:

- Green roofs (wild grass)
- Composting
- Conserving old trees
- Nature trails
- Storm water pounds

The drivers and benefits for companies are not only the license to operate, but also employee pride and communicating a good message.

Denis Mertens, UEPG President, noted that quarries have side aspects related to sustainability. The European Union is committed to reduce biodiversity loss by 2010 and one way is through partnerships at a local level, including quarries. UEPG gives awards to projects to promote best practices in the industry. On the 28,000 sites worldwide, construction means working with nature and having lots of opportunities. At the end of April 2007, UEPG created a Biodiversity Task Force. Biodiversity is important at each stage of production and on each quarrying site, because there are always a great variety of habitats.

Local communities are not forgotten, too. What is UEPG doing? They have established partnerships in several countries such as Austria,

Belgium, France, Germany and Israel. In Israel, quarrying partnerships allowed the discovery on a site of eight unknown species of invertebrates and new bacteria were found. For the company this meant protecting part of the quarry, which also meant a cost impact. A study undertaken in Ireland proved that after extraction, the number of species had multiplied by a factor of 4 to 8, in comparison to the situation prior to exploitation. Quarrying is too often seen as destroying. Local partnerships are needed for each quarry, and we are looking for these partnerships.

8.3. Third session: Business and biodiversity partnerships

Chair

- **António Serrano Rodríguez**, Secretary General, Spanish Ministry of Environment

Panel discussion

- **Ian Swingland**, CSO, SFM LTD
- **Risto Laukkanenthe**, President, Poyry's Infrastructure and Environment Business Group
- **Simone Quatrini**, Policy and Investment Analysis, Global Mechanism of the UNCCD
- **Frank Petter**, Business and Biodiversity 2010 – Promising Experiences in the Noord-Brabant Region
- **Carlos Abreu**, SECIL – Companhia Geral de Cal e Cimento

The EU has a significant role in creating the framework for economic sustainability. It should create legal and fiscal environment for the protection of biodiversity. Transparency, information sharing, and due diligence that considers biodiversity aspects are also essential factors to promote biodiversity in business. A key question is: what are the drivers to encourage companies to engage themselves in biodiversity issues?

Both regulation and market forces play a role. EU and national governments have already set instruments, but we must not underestimate the role of companies. The EU should develop norms and standards on clear guidance for companies. Local authorities have a role in promoting biodiversity. Finally, it is important to attribute an economic value to natural resources.

A main concern of the participants of the workshop is that EU legislation might hinder a market approach. As an example, it was presented the EU policy on food hygiene topics, which can destroy traditional sustainable farming.

Ian Swingland, CSO, SFM LTD, opened the discussion stating that the EU plays a significant role in creating the framework for economic sustainability. The EU should create a legal and fiscal environment for the protection of biodiversity, because not all forms of engagement can be reflected in profits for the companies. Soon there will be an MBA course at the University of Oxford on biodiversity conversation. The EU can set the environment so that such trends can develop.

Risto Laukkanenthe, President, Poyry's Infrastructure and Environment Business Group, noted that in relation to biodiversity framework processes, the following aspects should be considered:

- Universities should include biodiversity issues in their curricula.
- Transparency allows stakeholders to learn from each other.
- There needs to be the creation of a widespread understanding of biodiversity values.
- NGOs and industry should exchange information from their databases.
- Due diligence should incorporate biodiversity aspects.
- International organizations should give more support to biodiversity

Simone Quatrini, Policy and Investment Analysis, Global Mechanism of the UNCCD, observed that it was good to have this Conference and that it is encouraging to see that industry is engaged. It means that processes are ongoing. A key question is, however, is still what are the drivers to encourage companies to engage themselves in biodiversity issues? Both regulation and market forces play a role. The EU and member states already have a set of instruments, but we must not underestimate the role of companies.

It is important to see biodiversity as a complex system that affects environment, society and the economy as a whole. Financing and the rewarding of best practices can teach organizations to integrate these issues in their core business. The EU should develop norms and standards on clear guidance for companies.

Frank Petter, Business and Biodiversity 2010 – Promising Experiences in the Noord-Brabant Region, focused his remarks on a successful case of an initiative at a local or regional level which aimed at stopping the loss of biodiversity. The region is highly stressed by urbanization and agriculture. Inspiring results led mayors to convince neighbouring mayors to participate. Several stakeholders coming from different parts

of society have been involved including industry, civil society, tourism, and farmers.

A major driving force was the establishment of a biodiversity action plan, which proposed practical activities for all stakeholders. Biodiversity-aware entrepreneurs started to include biodiversity in their business processes. The same occurred in the tourism sector. Dissemination and communication activities included organizing an international conference and several seminars. Cross border activity was also actively pursued. The region offers to be a pilot on biodiversity and would like to share its on-going experiences.

Carlos Abreu, Secil, proposed that with respect to biodiversity there are three types of companies:

- those who make money from biodiversity
- those who put money into biodiversity inputs
- the majority of companies who don't really care about putting value to biodiversity

The problem is that the value of biodiversity is unknown. Were it measurable, it would be much easier to have companies join initiatives or engage in partnerships.

The way forward – Recommendations

The EU has a significant role in creating the framework for economic sustainability. It should create the legal and fiscal environment for the protection of biodiversity. Transparency, information sharing, and due diligence that considers biodiversity aspects are also essential factors to promote biodiversity in business. A key question is: what are the drivers to encourage companies to engage themselves in biodiversity issues?

Both regulation and market forces play a role. The EU and member states already have set instruments, but the role of companies should not be underestimated. The EU should develop norms and standards on clear guidance for companies. Local authorities have a role in promoting biodiversity.

A clear EU regulatory framework is required which supports biodiversity conservation and is not obstructive. A clear package of legal and fiscal incentives should be established to promote biodiversity conservation. A main concern of the participants of the workshop is that EU legislation might hinder a market approach. As an example, it was suggested that

the EU policy on food hygiene topics could destroy traditional sustainable farming.

The main objective of this session was to outline five key recommendations to support biodiversity conservation in Europe. In the end, the participants agreed on the following main recommendations for the EU:

- Look beyond 2010. Though the 2010 target was an important instrument to build awareness, different commitments should be made in terms of internalizing biodiversity in the business models of companies and not only for reasons of social responsibility.
- Encourage subsequent EU presidencies (Slovenia and France) to continue this business and biodiversity initiative well beyond 2010.
- The EU should reassess its position of not allowing carbon credits from forestry exploitations in the European Trading Scheme.
- Communicate the messages of partnerships and the importance of biodiversity in business activities to the member states which in many cases hold permitting and regulatory responsibility.
- Design and implement a communication and awareness programme amongst all stakeholders and constituencies.
- Establish peer groups and networks to help governments at the local level. Promote partnerships through secondments between companies and other organizations.
- Valuation of ecosystem services is a priority for the business community to help in making a case for biodiversity conservation.
- Partnerships should also be made with academia and not just with NGOS and governments.
- Since biodiversity is a global issue the EU should promote solutions at the global scales, take a holistic approach considering all dimensions of the problem, and continue to promote commitments and management of natural resources and ecosystems in a sustainable way beyond 2010.
- Secure financing to stimulate replication of best practices, innovation and creativity, making biodiversity a core business and promote private-public partnerships. NGOs recommended

establishing a fund with a 1% contribution of profit from businesses to strengthen capacity for biodiversity conservation.

- The technical assistance unit of the European Commission should draw up a shortlist of outcome indicators that companies could use to measure success regarding their efforts in biodiversity conservation.
- Help and support should be made available to conserve traditional small-scale farming communities that are an important store of biodiversity in Europe.
- Partnerships with the agriculture sector outside NATURA 2000 sites should be promoted. The importance of partnerships that will promote conservation of marine biodiversity was also stressed.
- In order to protect high nature value areas it was suggested that meetings are convened to network on best practices and on how to use the AgriEnv Fund (second Pillar).
- Marine biodiversity must not be forgotten.
- Furthermore, the EU has the moral obligation to protect Wilderness. Natura 2000 should be better valued and protected.

Subsequently, the workshop organisers and chairs condensed this long list into ten main recommendations for the EU:

1. Look beyond 2010: Though it was an important instrument to build awareness. Different commitments should be made in terms of internalizing biodiversity in the business models of companies and not only for reasons of social responsibility.
2. The EU should reassess the position of not counting with credits from forestry exploitations in the European Trading Scheme.
3. Global is local: it is important to give incentives to local communities and local stakeholders like NGOs.
4. Set a signal to the market: Give focus to the most important environmental issues.

5. Protected areas need to obtain protected value.
6. Invite future presidencies to keep up these issues.
7. Communication is a key objective.
8. Marine biodiversity must not be forgotten.
9. The EU should put forward indicators for biodiversity to clearly access politics and practices at government, civil and private levels.
10. EU has the moral obligation to protect Wilderness. Natura 2000 should be better valued and protected.

9. Key background documents

A number of key background documents were used for the Conference. These are available in PDF format at:

<http://earthmind.net/eibb/documents.htm>

The main background discussion paper for the Conference was prepared by the European Commission:

- Business and biodiversity - Building partnerships (EC, 2007)

For **Workshop A: Biodiversity-related responsibility schemes**, the background discussion paper was:

- Incorporating biodiversity into corporate responsibility schemes (IUCN, 2007)

Additional reading for Workshop A included:

- Business and biodiversity: The handbook for corporate action (WBCSD, 2002)
- CBD decision VIII/17 - Private-sector engagement (CBD, 2006)
- Mainstreaming biodiversity into business (FFI, 2004)
- The union for ethical biotrade - Draft proposal (UEBT, 2007)
- CSR frame of reference (mvoplatfom, 2007)

- The state of responsible business: Global corporate response to environmental, social and governance (ESG) challenges (EIRIS, 2007)

For **Workshop B: Business-related biodiversity assessments**, the background discussion paper was:

- Business and biodiversity assessment: A perspective (Earthwatch Institute and IUCN, 2007)
- Additional reading for Workshop B included:
 - Measuring biodiversity for conservation (Royal Society, 2003)
 - A review of biodiversity conservation performance measures (Earthwatch Institute, 2006)
 - Performance standard 6: Biodiversity conservation and sustainable natural resource management (IFC, 2006)
 - Protecting shareholder and natural value (Insight Investment, 2006)

For **Workshop C: Markets for biodiversity goods and services**, the background discussion paper was:

- Building markets and business for biodiversity (Shell and IUCN, 2007)

Additional reading for Workshop C included:

- Building biodiversity business (Shell, 2007) [*Advanced draft for Lisbon*]
- Markets for ecosystem services – New challenges and opportunities for business and the environment (WBCSD and IUCN, 2007)
- Sustainable investments for conservation (PWC, 2007)
- The Kijani investment project proposal (IUCN, 2003)

For **Workshop D: Business and biodiversity partnerships**, the background discussion paper was:

- Business and biodiversity partnerships: State of the art (IUCN, 2007)

Additional reading for Workshop D included:

- Business and biodiversity partnerships: Making it happen! (IUCN, 2004)
- Partnerships for biodiversity (WBCSD, 2004)
- Getting real: The challenges of sustaining biodiversity partnerships (IBLF, 2002)
- Operational guidelines for private sector engagement (IUCN, 2006)
- Partnerships: Building alliances to address biodiversity issues (IFC, 2006)

10. The Conference organizing committee

The Conference organising committee included a range of experts from the public, private and NGO sectors. It included the following individuals:

- **Shulamit Alony**
Business and Biodiversity Officer
IUCN: Countdown 2010 Secretariat
- **Nicolas Bertrand**
Programme Officer: Focal point for business
Secretariat of the Convention on Biological Diversity
- **James Griffiths**
Managing Director: Ecosystems Focus Area
World Business Council for Sustainable Development
- **Jean-Paul Jeanrenaud**
Head of Business and Industry
WWF International
- **João Menezes**
President
Institute for Nature Conservation and Biodiversity
- **Patrick Murphy**
Head: Nature Protection and Biodiversity Unit, DG Environment
European Commission
- **Francis Vorhies**
Director
Earthmind
- **Sebastian Winkler**

Head: Countdown 2010 Secretariat
IUCN