

Business and Biodiversity

A Situation Analysis for Enhancing IUCN Interaction with the Private Sector

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Table of Contents

1. Introduction
2. The external context
 - 2.1. Why or why not?
 - 2.2. With whom?
 - 2.3. What and how?
 - 2.4. With what effects?
3. IUCN experience and perspectives
 - 3.1. IUCN policy and strategy
 - 3.2. IUCN experience: Secretariat and Commissions
4. Preliminary findings and next steps

Annexes:

1. 3I-C work plan for the private sector strategy project
2. Interview guides
3. Excerpt from the 2003 External Review
4. Guidelines for IUCN Engagement with the Private Sector (1999)
5. Business in the 2001-04 IUCN Programme (list of results)
6. Highlights of NGO business programmes
7. Background reports (list of titles)

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1. Introduction

IUCN has a long history of engagement with the private sector, and equally long history of debating why and how to engage. This report reviews external trends and perspectives among IUCN member organizations, the business community and others, as well as recent experience of interaction with business by the IUCN Secretariat and Commissions.

1.1. Objectives

The aim of this situation analysis is to inform on-going efforts to develop a Strategy and Action Plan for IUCN's future engagement with the private sector. The report forms part of the Secretariat response to Council Decision C/58/41 which "requested the Director General to develop and implement a transparent, measured and thoughtful strategy for engagement with the private sector and other sectors that was guided by standards and criteria that were developed in consultation with the Council and others as appropriate".

1.2. Definitions

It is conventional to use the term "private sector" to refer to organizations which have, as their primary activity, some form of commercial enterprise.¹ This definition includes:

- Commercial enterprise of any size registered in any country, whether privately held, "publicly quoted", wholly or majority owned by the state or by local communities;
- Unregistered ("informal") enterprise, covering family farms and most small-scale industry in the developing world, as well as many illegal commercial activities (e.g. wildlife poaching, illicit trade in endangered species, narcotic production).

This definition *excludes* private consumers but does not exclude all non-governmental organizations (NGOs). In particular, it does *not* exclude NGOs which seek to achieve their mission mainly or largely through commercial enterprise, even if this is carried out on a not-for-profit basis. In general, this report uses the terms "business", "enterprise", "company" and "firm" in preference to "private sector".

Non-governmental organization (NGO) is another term with many possible definitions. Many NGOs are in fact hard to distinguish from businesses. In this report, NGOs are understood as independent organizations whose primary mission is to serve the public interest. Another distinction is that financial surpluses generated from NGO operations are reinvested in achieving the mission, rather than distributed as bonuses or profits. While IUCN is not an NGO it nevertheless can learn from the experience of NGOs which have engaged with business, and which face similar challenges and questions.

Another term in need of clarification is what is meant by "engaging" with business. There are many different ways that conservation organisations interact with business, ranging from direct confrontation and criticism, through indirect lobbying, to dialogue, collaboration and joint ventures. All of these different approaches are considered in this report, although the emphasis is on cooperative forms of engagement, for reasons highlighted in the report itself.

¹ On a broader view, the private sector may be understood to include every organization that is not part of government, as well as every individual in their private capacity. This would embrace all NGOs, as well as trade unions and most community-based organizations.

1.3. Structure of the report

The report is in five parts, including this Introduction.

Part 2 surveys the external context, based on a review of relevant literature and interviews with external informants. It describes key challenges and opportunities to enlist business enterprise in nature conservation, and the strategies adopted by IUCN members as well as private companies and others.

Part 3 focuses on IUCN policy and experience with respect to the business sector, including guidance provided by IUCN statutes, regulations, resolutions, Council Decisions and external evaluations, as well as the varied efforts of the Secretariat and Commissions to interact with commercial enterprise.

Part 4 presents some preliminary findings and sets out the next steps required to complete the Situation Analysis and to develop a credible and feasible Strategy and Action Plan which can guide IUCN's future work in this area.

Several Annexes contain the work plan for this project, a list of the questions used to conduct interviews with IUCN members, Secretariat staff and Commission members, extracts from the 2003 External Review, a copy of the 1999 *Guidelines for IUCN Engagement with the Private Sector*, a review of business-related results in the 2001-04 Programme, and a list of additional background documents available on request.

2. The external context

Since IUCN last reviewed its relations with the private sector (in 1997-98), the nature and extent of interactions between business and conservation organizations have evolved considerably. Thus we see:

- Growing recognition in global policy frameworks of the role of business in nature conservation;²
- Introduction of national legislation on corporate governance, corporate social responsibility (CSR) and green procurement in several countries;³
- Development of new investment standards, incentives and facilities (e.g. "green" or "ethical" funds) to stimulate flows of capital to socially responsible activities;⁴
- Increased reporting by private corporations on their performance with respect to sustainable development;⁵
- Increased attention and growing direct involvement of many NGOs in shaping business and markets to foster social and environmental benefits;⁶

² For example, the Convention on Biological Diversity, Decisions VI/15 (Incentive measures) and VI/16 (Additional financial resources).

³ Notably the Sarbanes-Oxley Act (USA, 2002). See also the Hampel (1998) and Turnbull (1999) reports in the UK, and the Viénot (1999) and Bouton (2002) reports in France. KPMG (2002) provides a comprehensive overview for Europe. See also the French "New Economic Regulations" law (2001) and European Commission (2001).

⁴ The Dow Jones Sustainability Indices were launched in 1999, whilst 2001 saw the launch of the FTSE4 Good Index series and the Arese Sustainable Performances Indices (ASPI) family. In 2002, the Johannesburg Stock Exchange announced its intention to launch an index of ethical stocks. See also the Myners (2001) report for the UK and a survey of socially responsible investment (SRI) for the French Senate (2002). In some cases, SRI has been encouraged by national legislation, e.g. The Pension Disclosure Regulation (UK, 2000).

⁵ For instance, the Global Reporting Initiative – launched in 1997 – published its first Guidelines in 2000 (a second version was subsequently published in 2002). See also the WBCSD Sustainable Development Reporting Portal (launched in 2003).

- Increased awareness among companies of the importance of biodiversity to the sustainability of their business and thus growing corporate interest to address biodiversity issues;⁷ and
- Increased engagement of businesses in “progressive” platforms for dialogue and debate, sometimes leading to new voluntary commitments.⁸

As partnerships between businesses and environmental organizations have grown, so too has research on the relative merits of working through partnership to achieve conservation.⁹ All of this has occurred in a wider context of long-term changes in the role of markets and business, including increasing liberalization of international trade and investment flows, privatization of public enterprise, and/or increasing participation of private firms in markets which government previously dominated (e.g. water supply and distribution, forest and protected area management, provision of ecosystem services).

The remainder of this section presents an overview of the drivers of and obstacles to engagement, from both NGO and business perspectives. It identifies the main parties to engagement, on both sides, and describes the different forms of engagement that occur. It concludes with an assessment of the impacts of engagement, focusing on behavioural and structural impacts on the organizations involved. This section is based on a review of relevant literature and interviews with key informants, including IUCN members as well as non-member NGOs and companies, but excluding the IUCN Secretariat and Commissions. The experience of the latter is discussed below in section 3.

2.1. Why or why not to engage?

IUCN is not alone in exploring the opportunities and risks of engaging with business. Governments around the world have experimented with public-private partnerships and the introduction of market-based incentives in their efforts to improve the delivery of social services (e.g. education, health, utilities). Both development and environmental NGOs are increasingly focusing on the role of business in a rapidly changing world. The range of approaches is very wide; thus we see collaborative initiatives such as the Global Compact, with its *Growing Sustainable Business in the Least Developed Countries Initiative*, as well as more confrontational approaches, such as the mobilisation of anti-globalization demonstrators at recent WTO and G8 meetings.

Deciding whether or not to engage – either through confrontation or collaboration – is a fundamental question for both business and NGOs. However, the drivers and aims of engagement are somewhat different in each case. This section first examines what motivates environmental NGOs to engage with business (or not to engage) and then what motivates businesses to engage with NGOs. It also identifies some of the constraints to engagement.

⁶ This trend is well documented in Beloe, Seb; Elkington, John; Hester, Katie Fry; Newell; Sue. 2003. *The 21st Century NGO: In the Market for Change*. SustainAbility, UNEP and The Global Compact. Available at: <http://www.sustainability.com/programs/pressure-front/ngo-report.asp>.

⁷ See: IUCN Business & Biodiversity day www.biodiversityeconomics.org/business/020831-000.htm; Shell's Biodiversity Policy: www.shell.com/biodiversity; and Insight Investment's Biodiversity work: www.insightinvestment.com/Corporate/responsibility/project/biodiversity.asp.

⁸ For instance, the Global Compact, launched in 2000.

⁹ See, in particular, the work of The Prince of Wales International Business Leaders Forum (IBLF) in the UK – for instance, Tennyson (2002) and Davies and Nelson (2003).

2.1.1 Why NGOs engage with business

Why engage with business? At one level the answer is obvious, given the enormous impact of private enterprise on the use of natural resources and environmental quality. The fundamental reason for conservation organisations to engage is the growing impact of business – both positive and negative – on things that NGOs care about, such as environmental quality and social justice.

It is widely agreed that the transition to sustainable development will require major changes in current patterns of production and consumption. It follows that groups dedicated to advancing sustainable development will seek to influence the behaviour of producers and consumers. This influence may be exerted directly, through confrontation, collaboration or active investment in business enterprise, or indirectly, by seeking to influence consumer preferences or the legal and financial framework within which business operates.

While there are good reasons to engage with business, not all NGOs do so. Nor do they all adopt the same approach. Some conservation groups hardly interact with business at all, relying on government, volunteers and charitable donations to support work entirely within the public domain. Others engage with business mainly as adversaries.

Recently, however, many NGOs have adopted a more direct and cooperative approach to business, for various reasons. One factor may be frustration on the part of experienced NGOs that confrontational strategies were not achieving the desired scale or extent of change, combined with increasing awareness of the transformative power of markets. Other drivers include:

- Recognition that not all businesses are beyond redemption, combined with positive outreach by some companies;
- A political climate favouring market-oriented solutions to social and environmental problems;
- Realisation that business can be a powerful force for good in society; and
- Increasing sophistication of NGOs as major market players in their own right.

NGO aims of engagement

For NGOs, there are two major motivations to engage with business: to change their behaviour or to mobilize new resources, both technical and financial. Changes in business behaviour have the greatest leverage and environmental NGOs have therefore sought to persuade companies to:

- Adopt strong environmental policies and high standards;
- Modify their business operations to reduce environmental impacts; and
- Invest directly in conservation-oriented enterprise.

Another aim of engaging cooperatively with business, noted by some IUCN members interviewed for this report, is learning about how business operates. Efficiency, a focus on results, innovation and flexibility were particularly mentioned. Many NGOs (e.g. IIED, CI) include private sector representatives on their governing bodies in an attempt to secure access to business skills.

2.1.2 Why businesses engage with NGOs

One of the main drivers of change in business behaviour is the growing expectation from consumers, investors, governments and NGOs that business should improve their social and environmental performance. This has resulted in new definitions and standards of corporate social responsibility (CSR) and increasing pressure on companies to exceed the standards

set by government regulations, i.e. to go beyond compliance.¹⁰ Many companies realize that they cannot satisfy these expectations on their own, and therefore seek partnerships with NGOs.¹¹

The flip side of higher expectations is declining public trust in business. For example, a global public opinion survey released by the World Economic Forum in late 2002, based on a poll of 34,000 people across 46 countries, revealed that 48% of respondents expressed “little or no trust” in global companies, and 52% expressed the same concerns about large national companies. Another study reveals that a majority of people trust NGOs more than governments, corporations or the media, with corporations ranked last.¹² Recent corporate scandals relating to inappropriate accounting practices (Enron, WorldCom), executive pay (NYSE, GlaxoWellcome, Vivendi Universal) and other issues have reinforced this perception. While it is difficult to measure the impact of trust on company performance, some argue that a “lack of trust leads to weaker business partnerships, higher risks and interest rates, and lower profit margins”.¹³ Thus companies may engage with NGOs in order to re-build a relation of trust with civil society.

Business aims of engagement

While some businesses see positive engagement with NGOs as a means of improving business performance, this perception is not widespread. Many businesses – particularly small and medium enterprise – have relatively little interaction with NGOs. Others are conservative and reactive in their approach, focusing mainly on how to respond to negative publicity, consumer boycotts or new regulations resulting from NGO activity.

Nevertheless, “while the pursuit of profit has certainly caused much biodiversity loss and ecosystem degradation, there is in fact a growing commitment in the private sector to make its operations environmentally sustainable”.¹⁴ The reasons for this commitment include a desire to improve relations with employees, investors and the general public, as well as the perception that better environmental management may help to reduce costs or increase sales. Some investors also see opportunities to develop new business ventures in cooperation with NGOs. More generally, the business case for participating in CSR and similar initiatives is typically articulated in terms of the following benefits:

- maintaining the informal “license to operate” with the public,
- increased likelihood of formal permitting or regulatory approval;
- securing the supply chain and reducing business risk;
- reduced input costs and improved innovation;
- attracting or retaining customers and investors; and
- improving employee morale and productivity.¹⁵

¹⁰ Beynon, Eric. 2003. “Post-WSSD Business Survey”, *Topline Findings and Analysis: World Summit on Sustainable Development*, Sustainable Growth Research Company, 16/05/05, p. 5.

¹¹ See the IUCN/WSSD Business and Biodiversity Day, available at:

<http://www.biodiversityeconomics.org/business/020831-000.htm>

¹² Beloe *et al.* (2003), p. 37. See also Sustainability/UNEP (1999), p. 5 in: Cumming, Jane Fiona (2002), “Putting Stakeholder Engagement Theory into Quality Practice: A practitioner’s perspective”, *Accountability Quarterly*, December 2002, article 13, p.1.

¹³ World Economic Forum Annual Meeting. 2003. “The Davos Agenda: Building Trust”, in Davies, Robert; Nelson, Jane (2003), *The Buck Stops Where? Managing the Boundaries of Business Engagement in Global Development Challenges*, International Business Leaders Forum, available at: <http://www.iblf.org/csr/csrwebassist.nsf/content/b1r2.html>, p. 1-2.

¹⁴ IUCN. 2003. *External Review*, p. 58. This report makes several pertinent observations about IUCN and its relations with business; the relevant text is included here as Annex 3.

¹⁵ Earthwatch Europe; IUCN; WBCSD. 2002. *Business and Biodiversity: A Handbook for Corporate Action*, IUCN: Gland. See also Zadek, Simon; Sabapathy John; Dossing, Helle; Swift, Tracy. 2003. *Responsible Competitiveness: Corporate Responsibility Clusters in Action*, available at: <http://www.copenhagencentre.org/TCCWEB/tccweb.nsf/eu2002conf/03-Themes-0?OpenDocument>.

From a business perspective, developing and publicizing *formal* partnerships with respected NGOs can be particularly attractive. Such partnerships offer a range of advantages over *ad hoc* or informal dialogues, including greater understanding on the part of investors and other stakeholders, better defined goals, rights and responsibilities, and stronger mechanisms for communication and conflict resolution.¹⁶ Other advantages claimed for NGO-business partnerships include:

- greater efficiency – by pooling resources or sharing information;
- improved effectiveness – by leveraging more resources and a wider range of skills than can be mobilized by acting alone; and
- increased equity – by facilitating broader participation.¹⁷

2.1.1. Constraints and challenges for positive engagement

Cooperation is not easy. Both NGOs and business wonder if their partners are credible. Many NGOs question whether business is honestly seeking to improve their performance, or involved in a cynical attempt to “greenwash” their image. Business likewise may ask whether the NGOs they work with are committed to dialogue, capable of delivering on commitments, or likely to attack at the least disagreement.

Lack of trust in business was identified above as a major driver of CSR and of the interest of many companies to establish and publicise partnerships with credible NGOs. And yet lack of trust also constitutes a significant barrier to constructive collaboration, especially where NGOs or the public suspect that business is engaged in a superficial public relations exercise with no real commitment to changing behaviour. Some NGOs also fear losing their freedom to play the role of “watchdog” and to criticize companies, possibly leading to a loss of public trust. From a business perspective, aggressive campaigning by some NGOs has likewise reduced levels of trust and confidence.

Mistrust is often attributed to perceived conflicts of interest but it can also arise from simple unfamiliarity. Some NGO members of IUCN, for instance, are sceptical of engaging with business on the grounds that “business is interested in short term profits” whereas conservation NGOs are more interested in “long term profits for nature”. At the same time, a number of IUCN members stated that they were not prepared to engage with business, due to limited capacity and previous experience. With respect to biodiversity partnerships, in particular, a recent publication by the International Business Leaders Forum (for an IUCN/Earthwatch Europe/FFI project) identified the additional challenge of raising awareness about biodiversity and why it matters to business. Lack of understanding limits engagement, and yet without engagement it is hard to develop understanding.

Mistrust, perceived conflicts of interest and unfamiliarity can lead to lack of interest. Both companies and NGOs are comfortable working in their traditional environments. Working together implies accepting the possibility of compromise and change – a difficult road to follow especially if the costs and benefits of change are unclear.

Added to this is the thorny issue of funding. Many NGOs lack resources to engage with business. These same groups are often reluctant to accept money *from* business, on the grounds that it may damage their reputation for independence or that the conditions attached to payments may divert the organization from its mission. Businesses likewise face financial

¹⁶ For details and examples see: Beloe *et al.* (2003), p. 31; www.statoil.com, www.dupont.com, www.choose-positive-energy.org, www.environmentaldefense.org/alliance.

¹⁷ International Business Leaders Forum. 2002. *Measures for success: Assessing the impact of partnerships*, available at: <http://www.pwblf.org/csr/csrwebassist.nsf/content/f1d2a3b4c5c6.html>; building on Nelson *et al.* 2001. *Partnership Alchemy*.

constraints and are often unwilling to contribute funds without an assurance of results, which NGOs may not be able to guarantee, particularly in the case of open-ended dialogue. The issue of funding is discussed further below (section 2.3.3).

2.2. With whom?

An important question for both NGOs and business is: who should they target? This applies to both confrontational and collaborative strategies of engagement. In general, large, well-known, multinational NGOs appear to focus on large, highly visible, multinational companies (and vice versa).

Small NGOs may likewise target big companies, sometimes with spectacular results. Another common tactic is for several small-to-medium NGOs to join forces in a coalition, usually in order to criticize or restrain business. Cooperative relations between NGOs and business, on the other hand, tend to be characterized by one-on-one agreements, suggesting that it may be easier for NGOs to agree on problems than on solutions.

2.2.1. Priority industries from a conservation perspectives

Priority sectors from a conservation perspective include those which rely heavily on biodiversity as an input to production, such as eco-tourism, as well as industries that have major adverse impacts on biodiversity, such as mining, oil and gas production or the construction of large dams. Some IUCN members with well-established business programmes have focused on the extractive industries: e.g. Earthwatch Europe and BirdLife with the mining company Rio Tinto; WWF with the mining company Lafarge. Other NGOs focus on agro-industry, e.g. the British American Tobacco company's biodiversity partnership.

Some industries depend significantly on biodiversity for their productivity but are at the same time the proximate causes of biodiversity loss – such as hunting and the wildlife trade, fishing, farming and forestry. Still other sectors have large *indirect* impacts on biodiversity by making remote, undeveloped areas more accessible, notably transport and road construction but also the automotive and energy supply industries.

Financial markets, including commercial and investment banking as well as the insurance industry, also have a large indirect impact on biodiversity, due to their role in providing capital and managing risk on behalf of other economic sectors. The impact of the financial industry on biodiversity can be either positive or negative, depending on the nature of the sectors financed and the extent to which environmental criteria are considered in the allocation of capital and risk management decisions. Thus UNEPFI, for example, has developed a platform for discussion of sustainability issues in the banking, finance and insurance industries.¹⁸

Recent debate about the merits of engaging with business, both within IUCN and among other conservation organisations, has focused on a relatively narrow segment of the business world, mainly medium-to-large firms involved in mining and energy, engineering and infrastructure, agribusiness, tourism, finance and banking. The actual experience of conservation organisations has involved engaging with a far wider range of commercial enterprise, from industry leaders to small-and-medium enterprise.

A relatively new area of collaboration between environmental NGOs and companies focuses on the development of new technologies. With growing pressure on natural resources and

¹⁸ UNEP has been working on a range of issues related to industry and the environment for the last twenty years. Much of this work has focused on pollution control and reduction.

the environment, there is an increasing need to find new ways to monitor and manage resource scarcity and to control pollution. For example, the courier company Federal Express (FedEx) and the Alliance for Environmental Innovation (part of Environmental Defense) have developed a partnership to reduce the environmental impact of the FedEx vehicle fleet. New hybrid (dual fuel) electric vehicles – scheduled for introduction in 2004 – are being introduced with the intention of replacing the company’s entire fleet of 30,000 vehicles, leading to significant reductions in emissions.

2.2.2. Responding to demand from business

While conservation NGOs may seek to work with particular business sectors, they must also respond to unsolicited requests from companies. The latter may come from firms with no obvious link to natural resource use but characterized by deep pockets, large tax liabilities, a high public profile and (sometimes) a desire to “do the right thing”. Thus some companies and prominent individuals in the software and consumer products, film and music industries have initiated partnerships with environmental NGOs.

One such unlikely alliance is a partnership between The Body Shop International (a cosmetic producer and retailer) and Greenpeace International, entitled ‘Choose Positive Energy’. The partnership seeks to promote renewable energy sources – an issue quite remote from The Body Shop’s line of business – and has had some success, perhaps due to the strong brands of both organizations.

Other “proactive” industries seeking collaboration with conservation NGOs include companies trying to make money from environmental protection or environmentally-friendly production (e.g. environmental technology, eco-tourism, organic farming). Such companies often hope to gain a marketing advantage for their products and services, by being seen to work with well-respected NGOs. Others seek technical advice from NGOs to support their operations. Responding to such unsolicited advances can be distracting for NGOs but may yield significant benefits over time.

2.3. What and How?

This section addresses the forms and patterns of engagement between NGOs and business. It describes the emergence of more collaborative relations in recent years, the different levels of engagement (from local to global), alternative funding models and the emerging “rules of engagement” that have been developed through experience. The focus throughout is on engagement between conservation NGOs and business. Some examples of interaction between IUCN members and business are provided in Annex 6.

2.3.1. From confrontation to collaboration

Historically, environmental NGOs sought to influence corporate behaviour through a combination of appeals to the public and advocacy for controlling legislation. An early example was the campaign in the USA to ban the use of chemical pesticides, which was given a powerful voice by Rachel Carson in her book *Silent Spring*. This led the Administration of President Kennedy to initiate “an investigation to determine the dangers that these chemicals represent to humans and the environment as well as to consider if it was necessary to enact new legislation regulating the use of chemical pesticides”.¹⁹ The result was a total ban on the use of DDT in the USA, in spite of efforts by the chemical industry to refute the claims against it.

¹⁹ See: http://www.spea.indiana.edu/bakerr/v600/rachel_carson_and_silent_spring.htm.

Both NGOs and businesses have developed more sophisticated strategies since then, and employ a range of different approaches to achieve their goals. NGO responses to perceived conflicts of interest range from direct confrontation, including sabotage of equipment, obstruction of operations, disruption of company meetings, etc, to indirect negative publicity on company behaviour, using the media, boycotts, petitions or letter-writing campaigns, to the promotion of voluntary standards and reporting, usually with a focus on industry leaders, to lobbying government to impose mandatory regulations. Companies' responses range from taking legal (or illegal) action against NGOs, to establishing new NGOs to conduct contrary research and media campaigns, to engaging in dialogue with willing NGOs in an effort to find common ground. The latter approach may have the added advantage of dividing the NGO community and diluting its impact on public opinion.

Some NGOs attempt to use both cooperative and confrontational tactics at the same time. For example, Greenpeace engages with business through participation in the Global Compact but also reserves the right to use confrontation. Some argue, however, that NGOs with a reputation for using both co-operative and confrontational tactics with the business sector are likely to be undesirable partners.²⁰ The latter perspective is supported by the results of a post-WSSD survey of 180 business delegates involved in WSSD, which indicates that more business people are willing to work with WWF (55 respondents) or IUCN (36), while few are willing to work with Greenpeace (7) or Friends of the Earth (6).²¹ While the reasons for this preference are not clear, the reputation of Greenpeace and FOE for negative campaigning may be a factor. In general, companies tend to prefer NGO partners that have a good reputation and a "market-based" approach to environmental issues.²² Interestingly, Greenpeace considers that it is "a company's best ally" in the sense that it helps "bring companies to ports before the storm. Companies need Greenpeace in order to win".²³

The consultancy SustainAbility has developed a four-part typology to describe the different approaches of NGOs to business. Their typology distinguishes NGOs that seek to create and maintain a clear distance between themselves and target companies, from NGOs which seek to collaborate (polarizer or integrator). Another distinction is drawn between NGOs that discriminate between companies in terms of their behaviour and those which do not (discriminator, non-discriminator). These dimensions create four distinct types of NGOs with different forms of engagement, dubbed by SustainAbility "Sharks, Sea lions, Orcas and Dolphins" (Table 1).

Table 1. A marine metaphor for how NGOs view business

	Polariser Aims to achieve change by disrupting the status quo through confrontation	Integrator Aims to achieve change through constructive partnerships
Non-discriminator	SHARK Ignores relative performance and attacks most targets	SEA LION Ignores relative performance and works with anyone
Discriminator	ORCA Scrutinises relative performance and attacks selected targets	DOLPHIN Scrutinises relative performance and selects appropriate targets

Source: Heap (2000); Beloe *et al.* (2003), p. 14

²⁰ Harmann and Stafford. 1997a. "Elements of Market-based philosophy: Environmentalism is best pursued in concert with economics", cited in Heap, Simon. (2000), *NGOs Engaging with Business – A World of Difference and a Difference to the World*, INTRAC: Oxford, p. 19.

²¹ Beynon (2003).

²² Hartman and Stafford, *op cit*, p. 61.

²³ Beloe *et al.*, *op. cit.*

According to the authors, *shark-like* NGOs see no place for large companies in a sustainable future and have decided to refrain from developing collaborative relations with business. These NGOs focus their energies on playing a watchdog role, seeing companies as the problem, not part of the solution.

Sea Lion NGOs are conservative and uncontroversial and often attractive to private companies seeking comfortable partners. Such NGOs must take care that the corporate donations they receive do not link them to an agenda that conflicts with their mission. They are also susceptible to attack by sharks. A characteristic of a Sea Lion NGO is that it would not think of “biting the hand that feeds it”. There are many NGOs content to adopt this role, even though Sea lions have been coming under attack from more aggressive sharks.

Orca NGOs are more selective than sharks in choosing corporate targets but just as uncompromising in their engagements. Greenpeace is identified as a typical Orca NGO, along with others like Global Exchange, The Corner House, People for the Ethical Treatment of Animals (PETA) and the Sierra Club.

Finally, *Dolphin* NGOs actively seek positive engagement with business but will not work with any company that approaches them. Rather, they select partners on the basis of ethical criteria and the relevance of the company’s words and deeds to the cause of the NGO. The authors identify a strong trend of migration into the Dolphin category, as more NGOs recognize the need to address businesses and market frameworks in order to achieve their goals, and increasingly seek to discriminate between companies. The authors predict that this trend will continue in the coming years.

2.3.2. Engagement at what level?

Many NGO-business partnerships have narrowly defined outcomes and focus at the *project or company* level. They seek to influence businesses planning, investment and operations and to improve their social, environmental and economic performance. Likewise many NGO advocacy campaigns focus on particular business investments or operations, e.g. the Mineral Policy Institute and the Ok Tedi mine, Greenpeace and the Brent Spar oil platform.

Some multi-stakeholder initiatives and NGO campaigns have a more ambitious agenda, seeking to shape *business policy and markets* at national and global levels. An example of the latter is the stakeholder panel on biotechnology convened by DuPont, which was set up to help the company articulate positions on important issues, and to guide as well as challenge the company’s actions in the development, testing and communication of new products based on biotechnology. The *World Commission on Dams*, the *Energy and Biodiversity Initiative* and the *Mining Minerals and Sustainable Development* project are other recent examples of multi-stakeholder networks for research and consensus building, which address the sustainability of entire sectors or industries at a global level.

At an even broader level, the United Nations Global Compact brings together private companies with UN agencies, labour unions and civil society organizations, based on a shared commitment to nine principles covering human rights, employment and the environment.²⁴ In fact, the Global Compact embraces both local and global action; innovative projects are promoted and showcased on the worldwide web as examples of best practice, while the Global Compact also offers a forum for policy dialogues on, for instance, the environmental standards adopted by multinational companies.

Some multi-stakeholder partnerships can best be described as networks, which may have different functions, e.g. agenda-setting, negotiation, coordination or implementation. Such

²⁴ See: <http://www.unglobalcompact.org/Portal/Default.asp>.

networks can also be differentiated in terms of their specific objectives, enabling policy frameworks, number of participants and extent of stakeholder representation, transparency, financing and mechanisms used to overcome asymmetries in the power of participants.²⁵ Examples of different types of partnership networks include the World Commission on Dams (which sought to negotiate global norms and standards), the Roll-Back Malaria Initiative (which seeks to coordinate joint action) and the Clean Development Mechanism (designed to facilitate implementation of the UNFCCC).

2.3.3. Alternative funding models

A question asked by many NGOs considering cooperation with business is whether to seek or accept funds from business, and under what conditions.²⁶ A range of different financial models can be distinguished:

- Sponsorship – support for NGO activities or events with minimal strings attached, often no more than acknowledgement in annual reports and other publications;
- Independent funding – NGOs cover the costs of their engagement from unrelated sources, while companies cover their own costs only;
- Fee-for-service – NGOs provide advice and other services to companies, usually with conditions such as confidentiality clauses; and
- Joint ventures – NGOs and companies undertake shared investments, with shared risk and shared returns.

Interviews with IUCN members at the Mesoamerican Members Forum, in July 2003, indicate that sponsorship is often the first and, for some NGOs, the only financial exchange they have with business. More generally, there is a widespread belief in the NGO community that the primary aim of engaging with business is to secure new sources of funding. Linked to this is a fear, equally widespread, that the independence of NGOs may be compromised if they accept funds from business, undermining their credibility with the public and their traditional supporters.

Evidence of vast windfalls of money corrupting previously worthy NGOs is hard to find. Nevertheless, serious accusations have been levelled at certain NGOs which accept corporate support for their activities. For example, IIED was attacked by several other NGOs for its involvement in the Mining, Minerals and Sustainable Development (MMSD) project, which was largely funded by member companies of the World Business Council for Sustainable Development (WBCSD).

Only the largest and most well-endowed NGOs can afford to finance their interactions with business using funds obtained from other sources. However, even this strategy raises the question of whether scarce *unrestricted* resources are best used to cover the costs of engaging with business. Alternatively, NGOs may try to create “fire walls” to insulate corporate funding from decisions about how the money is spent. For example, in the case of MMSD, an independent advisory panel composed of individuals with no financial stake in the project or its outcome was created to assess results. Other options include the creation of trust funds or foundations to separate money used for charitable purposes from corporate operations. Such arrangements, however, are rarely sufficient to convince cynics or critics of NGO engagement with business.

²⁵ Witte, Jan Martin; Benner, Thorsten; Streck, Charlotte. 2003. “Progress or Peril? Partnerships and Networks” in *Global Environmental Governance: The Post-Johannesburg Agenda*, Global Public Policy Institute, Washington and Berlin, p. 66. See also: Reinicke, Wolfgang H. and Deng, Francis. 2000. *Critical Choices*, Washington.

²⁶ NGOs seem to worry less about accepting money from public agencies or private foundations, despite the fact that such funding often comes with conditions that compromise NGO autonomy.

2.3.4. Rules of engagement

As NGOs and business have gained experience of cooperating with each other, some have attempted to draw lessons on the requirements of successful partnerships. A recent publication by the International Business Leaders Forum (for an IUCN/Earthwatch Europe/FFI project) argues that successful, long-term partnerships between business and NGOs depend on four factors:

1. Fully engaging the partner organisations (not just a handful of individuals);
2. Properly assessing the benefits of partnership from each partner's perspective;
3. Creating a genuine "learning" partnership (including being candid with each other, sharing lessons and being prepared to learn from mistakes); and
4. Having strategic impact – small successes are not enough.

The table below provides another view of the preconditions for successful partnerships, illustrated with specific examples.

Table 2. Preconditions for successful partnerships between NGOs and business

	Insights	Examples
Balance of power	Each partner needs to benefit directly from the partnership, and understand how the other party benefits. Money is often a critical factor in this regard and it is for this reason that many NGOs refuse to accept money for partnerships beyond what is needed to cover costs.	Environmental groups and energy companies in Alberta, Canada both benefit from early agreement on ways to reduce environmental impacts associated with new project developments. In particular, companies get a more effective and quicker (and less expensive) "hearing process" with the regulatory authorities, and NGOs get the opportunity to provide input into the planning process.
Agree the rules of engagement	Roles, rules and risks of partnerships need to be crystal clear to all partners. Agreeing the scope, expectations, codes of conduct, objectives, decision-making, evaluation and conflict resolution processes is a critical stage at the beginning of the partnership.	US-based Alliance for Environmental Innovation has a standard "partnership agreement" setting out the objectives of the partnership, as well as what is expected from each partner. The Recycling Council of British Columbia agreed to give partner companies three days advance warning of any advocacy work they were planning against partners.
Mandates	Individuals participating in partnerships need to be senior enough to take decisions on behalf of their organizations, and must have the mandate of their own organizations and partners to "step out of the comfort zone".	Linda Coady (formerly of Weyerhaeuser), when negotiating with environmental NGOs, was given the mandate to speak on behalf of the timber industry as a whole when discussing how to reconcile pressures for access to old growth forests in British Columbia in Canada.
Trust	Trust is a key ingredient ensuring that the partnership can rise above the inevitable snags and complications that these relationships experience. Trust can be built up institutionally between organizations with common values, but more often requires personal chemistry between the individuals involved.	Greenpeace International and The Body Shop International have built up a history of positive collaboration through a range of partnerships. In addition, the two organizations share similar values in promoting positive social and environmental change. These values provided a solid foundation for a recent partnership promoting renewable energy. When miscommunications threatened the campaign, the strong sense of trust between the two organizations ensured that the partnership remained on track.

Source: Beloe *et al.* (2003), p. 32.

Yet another analysis, by the Business Partners for Development, focuses on how NGO-business partnerships develop over time (Table 3). They stress the importance of identifying activities that will produce added value for all partners.

Table 3. The partnering process at an operational level

Phases	Skill Sets	Key Tasks
Partnership exploration	<ul style="list-style-type: none"> • Internal assessment • Consultation 	<ul style="list-style-type: none"> • Secure an internal “champion” to drive the process of partnerships through all the phases • Conduct an internal assessment of the needs, interests, costs, risks and benefits of partnerships • Consult with possible partners to identify the theme of the partnership and gauge the expectations and roles of potential partners
Partnership building	<ul style="list-style-type: none"> • Consensus building • Facilitation • Action programme 	<ul style="list-style-type: none"> • Build consensus amongst partners to develop mutual respect and agree on specific commitments, roles, and responsibilities guided by the mediation of a partner or third party • Strengthen the capacity of partners to implement their commitments and roles
Partnership maintenance	<ul style="list-style-type: none"> • Management tools 	<ul style="list-style-type: none"> • Measure the impact • Pursue ongoing communication amongst partners • Evaluate the terms of the partnership in response to internal and external constraints or opportunities • Assess whether each partner’s objectives are being achieved
Partnership completion	<ul style="list-style-type: none"> • Management tools 	<ul style="list-style-type: none"> • Determine when a work plan is completed and decide on exit strategy from the partnership • Assess whether each partner’s objectives have been achieved • Evaluate the partnership and the sustainability of its results

Source: BPD (2002). “1998-2001 / Tri-Sector Partnership Results and Recommendations” in *Putting Partnering to work*, available at <http://www.bpdweb.org/products.htm>, p. 18 ff.

2.4. With what effects?

Perhaps the most important question for any NGO considering whether to engage with business (or vice versa) is how to assess the effectiveness of doing so. Unfortunately, this is also one of the most difficult questions to answer.

Two categories of effects are of interest: impacts on the organizations involved and impacts on external conditions. With respect to the latter, we are particularly interested in whether different models of engagement are more or less effective as a means for environmental NGOs to achieve their mission. In practice, it is easier to discern the impacts of different models of engagement on the behaviour and structure of participants than on conservation outcomes.

2.4.1. Impacts on organizations

Both NGOs and businesses are affected by their interactions. Businesses often focus on whether their efforts to satisfy the demands of corporate social responsibility (CSR), sustainability and other pressures from NGOs pay off in terms of profit, competitiveness or some other indicator of corporate performance. Both they and their advisors in academia have spent considerable effort to assess the “business case” for CSR.

As noted above, the business case is typically expressed in terms of maintaining the public “license to operate”, securing the supply chain, reducing risk, fostering innovation, improving relationships with stakeholders, attracting or retaining customers and investors, and improving employee morale and productivity.²⁷ Measuring change in such indicators is not straight-forward and studies to-date have not been able to confirm conclusively that companies will “do well by doing good”.²⁸

Nevertheless, many major businesses have invested significantly and claim to be committed to adopting CSR and other related reforms. One of the consequences of this investment is that many mainstream companies now employ large numbers of social and environmental specialists, not only in public relations departments but in some cases throughout a company’s operations. While few corporate social and environmental specialists have risen high in corporate hierarchies, it may only be a matter of time. Meanwhile a growing number of new businesses have emerged, which seek to put social and/or environmental performance at the core of their business strategy – or “green-green” business.²⁹ These include, for example, eco-tourism operators, producers and traders of organic foods, sustainable forestry enterprise, wetland restoration entrepreneurs, carbon traders, etc.

The changing business context has placed additional pressure on NGOs to demonstrate that they, too, are fulfilling their corporate social responsibilities.³⁰ SustainAbility (1996), for instance, states that “environmentalism is not enough”. Demand for increased NGO accountability is growing for several reasons:

- Several organizations now aggressively monitor NGO activities, creating risks for those that maintain double standards. Likewise, recent negative media coverage has also damaged the reputation of some major environmental NGOs.
- The gap between “business” and “non-profit” is sometimes narrow – a number of NGOs operate almost like commercial consultancies, while others have registered commercial arms.
- Leading NGOs have established environmental management systems (such as ISO 14001 series) and adopted international standards of reporting such as the Global Reporting Initiative (of which IUCN is a charter member).
- As stated above, public trust represents one of the main assets of the NGO community. Transparency is a key means of securing and retaining that trust.

Just as businesses that adopt CSR standards have seen changes in their staffing and operations, those NGOs which actively seek cooperation with business are likely to undergo major internal change in the process. Some NGOs have set up separate business units (e.g. the Center for Environmental Leadership in Business established by Conservation International in cooperation with the Ford Motor Company and other corporations). Other NGOs have kept their business links in-house (e.g. WWF International) and recruited new staff to manage them. As in the case of businesses hiring social and environmental specialists, many NGOs have recruited staff with experience and training in business and finance to implement their strategies for engaging with the private sector. This in turn has accelerated the convergence of attitudes and approaches in the NGO and business communities.

²⁷ Earthwatch Europe, IUCN, WBCSD (2002).

²⁸ Porter, Michael E. and van der Linde, Claas. 1995. “Green and Competitive: Ending the Stalemate”, *Harvard Business Review*, September-October, pp. 120-134.

²⁹ Issak, R. 2002. “The making of the ecopreneur” *Greener Management International*, 38: 81-91.

³⁰ See Zadek (2001), SustainAbility, UNGC & UNEP (2003), *The Economist* (2003). The Global Reporting Initiative's business plan for 2003-2005 foresees that 15 civil society organizations will become Guideline users by 2005 (GRI 2003). In addition, several websites have begun reporting on NGO activities, e.g. <http://www.publicinterestwatch.org> and <http://www.ngowatch.org>.

2.4.2. Impacts on environmental and social outcomes

One of the most difficult questions concerning CSR and NGO-business partnerships is whether they have made an appreciable contribution to improving environmental conditions and reducing poverty, and likewise whether they are more or less effective than public criticism and confrontation of companies or conventional lobbying (e.g. asking government to impose regulations).

This question is probably impossible to answer, not least because any improvement is likely to be the result of several different factors. Significant change in business practice is likely to be achieved through a combination of criticism from some quarters (or even just the fear of criticism), cooperation with others, as well as an enabling framework of laws and policy.

There is no doubt, however, that a few environmental NGOs have secured significant new financing for conservation through their partnerships with business, or with charitable foundations set up by businesses and successful entrepreneurs. The pledge of up to US\$261 million over 10 years to Conservation International, by the Gordon and Betty Moore Foundation, is one of the largest and most well-known in recent years. Countless other examples can be found, including significant in-kind contributions of equipment and services from companies to support conservation work. These contributions have enabled some NGOs to expand their activities, even if part of the gains is re-invested in further fund-raising.

More fundamentally, many recognise the value of different types of engagement. WWF notes, for instance: “different NGOs have different skills. The good cop, bad cop routine works really well. Where we agree on the overall objective, WWF will often go in the back door to work with companies behind the scenes, while other groups create the pressure by banging on the front door”.³¹

3. IUCN experience and perspectives

As well as learning from the experience of others, IUCN has much to learn from its own experience of working with business. There is likewise important guidance and insight to be found in the voluminous record of policy and planning documents concerning IUCN's relations with business. The latter, in particular, reveal that IUCN has a strong mandate to work with business and formal guidelines for doing so, based on resolutions and Council decisions dating back to at least 1952. And yet this experience, mandate and guidelines are not well-known to most IUCN staff, based on the evidence of interviews held in late 2003. While most staff accept the need to engage with business, many continue to request further guidance on how to do so.

3.1. IUCN policy and strategy

This section focuses on private sector issues as they have emerged in the context of IUCN's governing bodies, namely the World Conservation Congress (formerly the General Assembly) and the Council. It aims to provide a picture of the options and expectations for engaging with business, as formally expressed by these two bodies.

This analysis is based on a background report (see Annex 7a), which in turn presents a review of Statutes and Regulations, member Resolutions and Recommendations, and Council Decisions. This section, as well as the background report, further considers the findings of recent External Reviews and previous strategic analyses of private sector engagement issues.

³¹ Jules Peck (WWF-UK) quoted in Beloe *et al.* (2003).

3.1.1. The mandate to work with business

Throughout IUCN's history, the private sector has been formally recognised as highly relevant to achieving the Union's conservation objectives. A significant number of business-related resolutions are eloquent testament to this.³²

Whilst some resolutions highlight the private sector's negative environmental impacts (typified by resolutions pertaining to the extractive industries), others recognise the value of positive, substantive engagement with companies. Resolutions have called for a broad spectrum of policy measures, ranging from traditional regulatory approaches (no go areas, moratoria, overt banning) to the use of market-based instruments (such as certification, voluntary codes of conduct, innovative financial mechanisms). The importance of “market forces” for conservation is recognised as early as 1952.

The resolutions repeatedly encourage the Secretariat to develop a programmatic capacity in private sector issues. Whilst a large number of resolutions focus on general private sector issues (repeatedly endorsing a partnership approach), others have identified key priority sectors, as follows:

- **Agriculture** is the focus of 18 resolutions dating from 1952 to 2000. These have focused, for the most part, on encouraging “responsible” practices, notably in the areas of pesticides and fertilizer use, and on promoting organic agriculture. They call on the Secretariat to focus on drafting guidelines, convene workshops and partner with the private sector.
- A large body of resolutions on **fisheries and marine** (26 in total, starting in 1963) issues concentrate on best practice principles of a general nature, whilst specific requests to the Secretariat relate to the preparation of publications and lobbying governments.
- **Forestry** resolutions (16 in total, beginning in 1969) focus to a large extent on the use of market instruments, notably certification tools.
- 20 resolutions on **dams** (the earliest dating from 1950) have focused largely on the use of impact assessment, whilst specific follow-up activities are called for after WCD.
- 25 resolutions on **extractive industries** (the first in 1956) have encouraged best practice by industry, with some later resolutions spelling out specific tasks to be undertaken by the Secretariat, stressing its role as a facilitator and convenor.
- The value of partnerships is explicitly recognised early on in resolutions concerning the **tourism** industry, with 8 resolutions dating from 1966.
- Finally, **transport** resolutions (9 between 1978 and 1996) mainly call for Secretariat activities at the European level.

In addition to a mass of member resolutions approved by Congress, the mandate to work with the private sector is also reflected in the Quadrennial Programme (2001-2004), approved in Amman. This includes, for example, the following statements:

- “Private companies (for example, in the tourism, fisheries, forestry and water sectors) will increasingly be seen as useful and committed partners in ecosystem conservation” (p. 19);
- “This result area expands IUCN's programme into new linkages with the private sector with respect to biodiversity finance and biodiversity business” (p. 37);
- “IUCN will ... facilitate private sector investment in biodiversity through investment funds and advocacy” (p. 40);

³² Over 180 resolutions can be characterized as addressing private sector issues (Annex 7a).

- “The Donor Relations and Business Development Unit will ... support programme managers in the ... promotion of regional and global fund-raising proposals with donors and the private sector” (p. 63).³³

The Business Plan (September 2000), approved by Council, likewise provides strong support for working with business. In the section entitled “income generation”, paragraph 6.2.1.5 reads as follows:

“To achieve the fundraising targets, IUCN recognises it needs to pursue opportunities for raising funds from the private sector by:

- Building partnerships with major business leaders and multinational corporations;
- Increasing and diversifying income from private philanthropists; and
- Exploring new funding mechanisms such as investment funds or licensing.

IUCN will seek to establish corporate partnerships, geared to mutually beneficial programme sponsorship and joint marketing innovation, recognising that many products and services need to be more environmentally friendly. Partnerships will be based on specific conservation issues, commonality of environment-related interests, and have a fundraising component. These initiatives will generate new revenues for the IUCN Programme and raise awareness of conservation issues. In addition, IUCN will work more extensively with trusts and foundations, and individual benefactors, to fund vital the Programme’s Key Result Areas and build the endowment fund” (pp. 25-26).

Finally and most recently, the Council noted in its 58th meeting (June 2003) that “the global situation required IUCN’s increased engagement with the private sector and that such engagements would be an important component of the proposed Programme framework”.³⁴

3.1.2. Business as members of IUCN

The question of corporate membership has long been a controversial issue for IUCN. A Secretariat discussion paper prepared over ten years ago observed that:

“Earth has one Union that is striving for conservation and in its wisdom that Union has so far excluded from the global dialogue a sector that has caused much of the problem and surely holds the key to the reversal of present trends”.³⁵

Currently, for-profit private sector entities cannot join the Union. Interestingly, this owes more to provisions laid down in the IUCN Regulations (established by Council and thus relatively flexible) than in the Statutes themselves (which must be approved by a vote of members). Thus whereas the Statutes simply note that admission is open to “national and international non-governmental organizations”, the Regulations specify that admission is limited to “not-for-profit” entities.³⁶

In the early 1990s, the Secretariat gave this issue particular attention and developed a detailed proposal for corporate membership. The proposal articulated a seven point argument for corporate membership, established a tentative fee structure and suggested a

³³ A more complete list of component results involving some form of engagement with business is provided in Annex 5.

³⁴ Draft minutes, p. 38.

³⁵ IUCN. 1990. *Discussion paper on corporate membership*.

³⁶ Statutes as revised on 22 October 1996, Part III – Members, paragraph 7. Regulations Part III – Members, paragraph 5. The distinction between “for profit” and “not for profit” can be subtle; in a memo dated 20 August 1990, Jeff McNeely observed that “IUCN’s NGO members are in the private sector, and some are incorporated; some (...) function as businesses”.

screening and evaluation process for potential applicants. Significantly, it was envisaged that private sector members were to receive no voting entitlement, although this issue was debated.³⁷ The IUCN General Assembly ultimately rejected the proposal for corporate membership, prompting the Director General at the time to suggest instead “a dialogue with the business sector [as] the best way of ensuring that industrial development took account of environmental sensitivities and was sustainable”.³⁸

While a number of IUCN members have direct ties with the private sector, other applications have been unsuccessful. For example, Keidanren Nature Conservation Fund (Nippon Keidanren is the Japanese Business Federation), the cosmetics company Yves Rocher's *Direction de la nature et de l'environnement*, and the International Fur Trade Federation have all been accepted as members. On the other hand, the application from the *Centre patronal de l'environnement du Québec* was declined by Council Decision C/46/44.

Most recently, the 2003 External Review also asked “should companies be able to become Members? Should they be eligible for some kind of associate membership?”³⁹ The authors conclude – with no explicit reasons given nor any reference to previous analysis – that they “do not believe that Membership is a workable way for the Union to engage with the business community. Partnerships are the strategy to pursue”.⁴⁰

3.1.3. Business and IUCN Commissions

The Regulations state that a Commission shall consist of “individual members and, where appropriate, organizational associates chosen because of their competence to develop and advance the institutional knowledge and experience and objectives of IUCN within the mandate of the Commission”.⁴¹

None of the commissions appear to have private companies currently registered as “organizational associates”. On the other hand, experts from the business world can and do join commissions on an individual basis. While the commissions have given thought to engaging with business, those members interviewed for this analysis acknowledge that much more could be done in this regard.

Various suggestions have been made to increase the participation of business in the Commissions. As early as 1990, the Secretariat proposed that “consideration be given to whether a formal ‘Business Commission’ might be established”.⁴² The 1999 External Review likewise recommended “the establishment of a new IUCN Commission on Business and Environment [which] ... would be constituted on the same statutory principles as all the other Commissions of the Union”. Significantly, the Review Team suggested that such a change “would allow corporate specialists to participate in the governance and work of the Union. This Commission would provide the Union with the best advice and a broad network of contacts into the power centres of the world economy”.

³⁷ John Burke, in a memo dated 26 July 1990, considered that “withholding of voting rights with the General Assembly will be a stumbling block to attracting corporate members, particularly if the corporate sector becomes a major contributor to project funding”.

³⁸ See minutes of the 31st meeting of Council (8-10 April 1991), agenda item 4.7. The same Director General later wrote that “IUCN was not founded as a club, but as an agent for achievement, and its goals will not be achieved unless it builds links with the corporate sector and strengthens its environmental sensitivity” (Holdgate, 1999).

³⁹ IUCN (2003), p. 58.

⁴⁰ *Ibid*, p. 59.

⁴¹ Statutes as revised on 22 October 1996, Part VII – The Commissions, paragraph 71.

⁴² Burke (1990).

The Review added that “the interface between IUCN and the corporate sector has long been on the agenda of the governing bodies and Secretariat of the Union. Over the years, IUCN's attitude to this sector has evolved: from using it as a source of additional funding towards considering the potential for partnership and association”. It further reads:

“We regard the interface between the Union and the business sector as a strategic issue. It is essential that the relationship be developed on terms that are accepted to both sides and that conform to the traditions and constitution of IUCN. *In our view, the most suitable, sustainable and constitutional format for the relationship is a Commission*” (emphasis added).

While the Secretariat agreed on the need for mechanisms to promote discourse and collaboration between IUCN and the private sector, it was felt at the time (perhaps due to financial constraints) that a new commission would be an inappropriate means of achieving this. Various alternative proposals were put forward, including a Business Advisory Committee to the Director General, a strategy for the Private Sector in follow up to the Private Sector Task Force, and an effort to identify issues in the 2001-2004 Programme that could be pursued in collaboration with the Private Sector. These suggestions are discussed below (section 3.1.5).

3.1.4. Fundraising from business

The IUCN Statutes state that the Director General may “within policy guidelines laid down by Council, accept from individual or corporate supporters, funds or other forms of support for the work of IUCN”.⁴³ While no definitive policy guidelines are currently in place, provisional guidelines were produced in the early 1990s.⁴⁴

The question of corporate fundraising was addressed by Council very early on. Decision 472 of 11 July 1955, on “Financial aid from private bodies”, reads as follows: “the President having once more raised the possibility of obtaining financial help through industry, it was decided to approach such firms only for the purpose of obtaining a grant for clearly-defined research or other specific projects. Interference with the Union's policy, which might happen if its general working programme was based on funds coming from private companies, would thus be out of the question”. One year later the matter came up again during discussions by Council of how to “seek fresh sources of money”.⁴⁵

Subsequently, in 1974, guidelines for funding of IUCN activities by commercial interests were submitted for approval by the Executive Board.⁴⁶ These guidelines state that “it shall also be an express condition of acceptance of assistance that the donor shall acquire no interest in the work which is being assisted” and that “under no circumstances will IUCN endorse any product, process or commercial organization. However, this prohibition of

⁴³ Statutes as revised on 22 October 1996, Part VIII – Finance, paragraph 86 (b). Other relevant guidance is found in Part XI – Finance, paragraph 87: “*the income of IUCN shall be derived from the membership dues, contracts, grants, donations, investments and from any other sources approved by the Council*” and Part XIV – External Relations, paragraph 97: “*the Director General, with the consent of the Council, may establish appropriate working relations between IUCN and governments and organizations whether national or international, governmental or non-governmental*”.

⁴⁴ The 33rd meeting of Council (May 1992) agreed that the Secretariat should work with provisional guidelines developed by the Business Committee “over the next 12 months and that the matter should be reviewed again”. However, the Director of Development also stated at the time that the paper was “not intended as a formal policy defining relationships between Corporate bodies and IUCN”.

⁴⁵ See minutes of Council, June 1956. Decision 535 c) of June 1956 further states that “the Secretary-General would endeavor to approach the directors of large private societies, both of an industrial and financial nature”.

⁴⁶ Annex to Agenda Paper EB.74/10, prepared pursuant to Executive Board Decision EB.73/18.

endorsement shall not apply to books, films, and other information media falling within IUCN's sphere and meeting IUCN's standards".

These decisions and guidelines focus on charitable giving by companies; they indicate a clear concern to ensure the independence of IUCN from corporate influence. On the other hand, IUCN policy is less consistent concerning the authority of the Director General to raise funds from business. Thus Resolution 11.18 of 1972 states that agreements with the private sector (regarding the use of threatened species) are "subject to review by the General Assembly", while the 1992 provisional guidelines state only that "no corporate donation Approval process will be accepted without the agreement of the Director General". More recently, the 1999 *Guidelines for IUCN Engagement with the Private Sector* make no mention of procedures for approving corporate funding (Annex 4).

3.1.5. Previous strategic analyses of private sector engagement

The Secretariat has made repeated attempts to strengthen its private sector engagement, most recently through the work of and follow-up to the 1997-98 Private Sector Task Force.

The Private Sector Task Force

This task force was established by Council to "assess IUCN's current relations with private sector, to evaluate the effectiveness of these activities and to prepare a policy framework aimed at a more systematic approach to IUCN's activities relating to the private sector".⁴⁷ The Private Sector Task Force (PSTF) held three meetings between 1997 and 1998, convening IUCN members, Commission members, Council members, Secretariat staff and representatives of the private sector.

The proposal for the PSTF argued that as "IUCN expands its role in international action for sustainable development, it will inevitably interact to an ever greater extent with the corporate world. This is positive, in that it offers a means for IUCN to extend its influence to some of the most important centres of decision making on natural resource use". The proposal likewise maintains that "the corporate world is one of the most dynamic forces in society and, while corporate activities have often been insensitive or even damaging to the environment, it should be acknowledged that a strong corporate sector is generally a precondition for a stable society and that a stable society stands the best chance of ensuring progress towards sustainable development". On this basis, it is asserted that "it is in the interest of the environmental movement to seek partnership with corporations rather than invariably to oppose them".⁴⁸

With respect to IUCN's own experience, the proposal describes IUCN's collaboration with the private sector as "ad-hoc and opportunistic", noting that "whilst the dialogue and activities with business are steadily increasing, it lacks strategic and programmatic planning". The document also points out that "relations with the private sector to date have been ... constrained by lack of public profile of the Union, past opposition from a portion of its membership and by investment of limited resources in pursuing private sector co-operation". The Terms of Reference of the PSTF (approved by Council Decision C/47/35) were thus to:

1. Advise and propose elements of an IUCN policy framework including objectives and guidelines for a more systematic approach to IUCN's activities relating to the private sector and to developing mutually beneficial relationships;
2. Make recommendations for engaging the private sector in developing solutions to issues relevant to IUCN's mission, as appropriate; and
3. Provide advice on the elements of a Plan of Action as an implementing tool of the policy framework.

⁴⁷ Council Decision C/46/39.

⁴⁸ IUCN. 1997. *Application to request funds from the Innovation Fund*.

Outputs of the PSTF

The Task Force produced several background documents, including a “partial review” of IUCN members working with the private sector (highlighting the different mechanisms – from advocacy campaigns to “mutual benefit partnerships” – used to help move the private sector towards sustainable development), as well as a survey of IUCN initiatives with the private sector which highlights business issues addressed at the programmatic level and lists a number of fundraising initiatives.

The PSTF identified the comparative advantage or strengths of IUCN in working with the private sector and proposed “ground rules” for such work, ranging from consistency with the IUCN mission, to commitment to partners when “the going gets rough”. The Task Force further suggested that IUCN should develop a rating scheme (high, medium, low) for taking decisions on which initiatives to pursue. It identified substantial gaps in the “environmental sustainability path” and a subsequent role for IUCN, namely:

- *Issue resolution* – developing a common language and mechanisms for dialogue to find new solutions among the private sector, NGOs and government;
- *Valuing nature in business terms* – establishing a clearer understanding and tools for valuing the services of natural resources used by private enterprise;
- *Myth assessment* – creating independent fora to assess the ecological, social and economic costs and benefits of major current environmental solutions; and
- *Deal making* – joint development and investment in ecological solutions to business problems and new business opportunities.

At a general level, the PSTF report identified three priority issues (biodiversity, marine resources and water), and three priority approaches (perfecting markets, reviewing current major environmental approaches, global assessments). The PSTF also produced three recommendations:

1. “Guidelines for IUCN Engagement with the Private Sector” which identify goals, establishes principles of cooperation, criteria for selection of activities and criteria for selection of partners.
2. A proposal that IUCN should focus its efforts on “Business and Biodiversity”, as a major theme for its relations with the private sector; and
3. The establishment of an IUCN Business Advisory Committee (BAC).

The guidelines (reproduced in Annex 4) cover principles of cooperation, criteria for selection of activities and criteria for selection of partners. While they provide a useful basis for assessing potential partnerships with business, the guidelines are silent on some other issues, such as corporate fund raising, intellectual property rights, use of the IUCN logo, or mechanisms for conflict resolution.

The proposed Business Advisory Committee was intended to:

- Advise IUCN on its policies and programmes as they relate to business;
- Help integrate private sector perspectives into the programming of the Union;
- Champion “Business and Biodiversity” linkages including efforts to encourage companies to establish Corporate Biodiversity Plans;
- Facilitate dialogue and co-operation between the private sector and the conservation community; and
- Assess progress and lessons learned.

It was hoped that the Committee would “help foster in IUCN the development of strategic, long-term programmes of co-operation in selected sectors”.

Another key finding of the PSTF was “the importance of IUCN adequately resourcing the programme, to show its commitment to the initiative and to ensure its successful implementation. These should include an identifiable organizational base within IUCN, a full time coordinator, adequate seed funding to develop initiatives and identify broader sources of funding for the initiative and commitment of time and effort by selected Secretariat staff working in priority areas”.

Follow up to the PSTF

By all accounts, the outcome of the PSTF fell short of the expectations of Council. The Policy Committee of Council (26 April 1999), for instance, noted a “fairly timid approach to private sector involvement in the recommendations... The committee also noted that the report did not contain part of terms of reference of committee, i.e. strategy and action plan”. Council’s subsequent requests to complete this work (i.e. to deliver a strategy and action plan) were apparently not followed up.

Whilst, to some extent, the Secretariat was already engaged in the proposed “Business and Biodiversity” theme, the momentum created by the Montreal Congress (1996) and the Task Force was quick to disappear. The aforementioned Guidelines, for instance, have not been widely disseminated and are almost never referred to.

The proposal to establish a Business Advisory Committee suffered a similar fate – despite a formal letter to the World Business Council for Sustainable Development (WBCSD) suggesting that it “provide advice on the establishment of a Business Advisory Board” and an official launch during the Union’s 50th anniversary celebrations in Fontainebleau. The stated aim of the committee was to:

“promote greater understanding between business sectors and the IUCN Constituency; help the IUCN constituencies worldwide to better understand business approaches to sustainable use of natural resources; help business leaders understand the business risks and opportunities posed by global and local environmental issues; identify opportunities for substantive collaboration on the conservation of biodiversity between private enterprise and the conservation movement”.

The proposal was seemingly left dormant until the launch at the 2000 Amman Congress of “Friends of IUCN”, although the first major meeting of the “Friends” (scheduled to take place at WSSD) never took place. Similarly, the first meeting of a proposed “CEO Forum” – also launched at Amman and due to convene at the 2001 World Economic Forum (WEF) – never occurred. This may have something to do with changes in the senior management of IUCN during the same period, including the abrupt departure of the Director General.

In 2001, the IUCN Management Group (now the Executive Management Group) requested that the Business and Development Outreach Group (now the Corporate Strategies, Partnerships and Communications Group) prepare a paper on corporate relations. Examining progress made since the Task Force, the BDO report notes that:

“Very little has been achieved since. No staff or other budget resources have been provided. The issues were referred to the Fundraising Group in 2000, and although a number of papers were written and discussions took place about strategies and the best way forward, no progress was made. No steps to map out a coherent approach were approved, and no responsibilities were assigned. Concepts were presented, but never examined”.

Also in 2001, an internal Interim Corporate Relations Task Force was established to “act as the focus and clearing house for IUCN’s corporate relations globally, provide guidance and

oversight in IUCN's work with the Corporate Sector, make recommendations regarding the strategic development of IUCN's work with the corporate sector, and develop an overall Corporate Relations Strategy/Action Plan". Although no longer operational, this Task Force was convened several times, notably regarding the Shell secondment.

In 2003, the latest External Review noted again that "IUCN still has no clear strategy on how to structure its interactions with the private sector across the Union and across the world".⁴⁹

3.2. IUCN experience: Secretariat and Commissions

Notwithstanding the absence of an official private sector strategy or a formal business advisory committee, the IUCN Secretariat and, to a lesser extent, the commissions have forged ahead in their interactions with business. The IUCN Business Unit, in particular, has focused almost exclusively on this issue since its creation in 2001. Some other component programmes, such as the Chief Scientist, Species, Forest Conservation and the Asia Region, have likewise actively sought to engage with business. This includes working with companies to influence their behaviour, seeking grants for conservation activities, or a combination of both. This section reviews those experiences, and presents highlights from interviews with Secretariat staff and Commission members regarding whether and how IUCN should engage with business.

3.2.1. Why or why not

Based on meetings and interviews conducted over the past few months, there appears to be an overwhelming consensus among Secretariat staff and commission members of the need to engage with business. This is not a recent phenomenon. In 1990, senior managers of IUCN argued that "the Union will be increasingly marginalised as other, more forward thinking bodies, find ways of working with this sector".⁵⁰ Thirteen years later, the 2003 External Review likewise concluded that "while IUCN asks itself what to do about the business sector, other organizations ... have moved ahead more convincingly in their links with the corporate world. It is imperative that, at the next WCC, IUCN finally approve a clear strategy that is integrated with its 2005-2008 Programme".⁵¹

What Secretariat staff and Commission members say – Why engage?

- "We can no longer ignore the private sector. If we want to achieve the mission of IUCN we have to find ways of working with the private sector"
- "Industry consists of the most important actors for conservation change. We must engage with them"
- "Industry is key to the solutions – it can be a good ally"
- "Do it or become irrelevant"
- "NGO members are happy we took on the role [in the CEO Africa Working Group on forests] because it provided a way for them to be involved in the dialogue. It is a service to the membership"

Secretariat staff and commission members see business as a dominant group in society that is actively managing natural resources in ways that either inhibit or enable conservation. Both staff and commission members seek a better understanding of how business works, in order to influence companies to become agents of conservation and sustainable use rather than obstacles. A minority of component programmes seek to engage with the private sector as a means of securing funding or other support for their activities.

⁴⁹ IUCN (2003), p. 58.

⁵⁰ IUCN (1990).

⁵¹ IUCN (2003), p. 58.

Other reasons given for why IUCN should engage with business, and why it would be a desirable partner from a business perspective, include IUCN's:

- pragmatism and willingness to work with all stakeholders to resolve issues and achieve results;
- potential to strengthen and support its members in their growing interactions with business;
- ability to link what happens on the ground to what is discussed in global policy frameworks, and its presence at every level in between;
- broad vision of sustainable development and its ability to link different environmental issues such as forests and water, mangroves and agriculture.

3.2.2. With whom

Both the Secretariat and Commissions have been approached by individual entrepreneurs, established companies, business organizations and organizations working on business issues to provide input, advice and guidance related to biodiversity, the environment, corporate social responsibility, corporate governance and a range of other issues. Additionally there are many business sectors with which component programmes seek to engage either because of their impacts on conservation issues (e.g. managing watersheds and wetlands) or because of the technical skills they can bring (e.g. database development for species information). Potential priority sectors are identified below.

Business sectors identified in the interviews as important to IUCN

- **Forestry** – move towards more sustainable practices through market-based mechanisms such as certification.
- **Agriculture** – integrate biodiversity and food production in more sustainable ways.
- **Engineering/architecture/planning** – address the impacts of human settlements and the built environment in the context of vulnerability to natural disasters and global change.
- **Insurance/financial sector** – create incentives for the private sector to address biodiversity issues substantively.
- **Tourism** – encourage the tourism industry to be a force for good for biodiversity and to minimize impacts.
- **Shipping** – address the spread of invasive alien species and the risk to biodiversity from shipping disasters (e.g. oil spills).
- **Fisheries** – work with the industry to minimize impacts on marine biodiversity.
- **Oil and gas** – work with the industry to minimize impacts and move towards 'net benefit' concepts. Also mobilize them to encourage best practice in ancillary industries (e.g. shipping), and to address protected areas issues (e.g. "no go" commitments).
- **Mining** – work to minimize impacts and set industry standards on biodiversity generally and protected areas specifically.
- **Water providers** – work with them to integrate ecosystem management concepts.
- **Water users** (e.g. food and beverage companies) – raise awareness of the importance of healthy ecosystems, mobilize them to encourage better standards in polluting industries, and encourage them to promote more sustainable practices in production processes and among their suppliers.

Setting and delivering on priorities is not easy, as in all of IUCN's work. Component programmes which aim to match demand from business with their priorities sometimes struggle with the task (e.g. Protected Areas and the ICMM dialogue). Constraints on Secretariat capacity and funding make it difficult to "keep up" with relatively well-resourced business partners, leading to a perception that business is driving the agenda. At the other end of the scale, some component programmes which have sought to establish contacts with businesses that they consider instrumental for delivering their objectives have found it hard to get the private sector interested in their work.

Interviews with Secretariat staff and Commission members identified a number of factors to consider when selecting business partners:

- The sensitivity of IUCN members, e.g. opposition from some indigenous groups to engaging with the mining industry; concern by members involved in organic farming to engaging with producers of genetically-modified organisms;
- The extent to which companies adhere to standards and participate in processes of corporate social responsibility. Some argue further that IUCN should refuse to work with companies that do not meet certain standards, or those involved in “objectionable” commerce, e.g. the tobacco industry, but there is no consensus;
- Clear linkages between the companies or industries with which IUCN works and natural resources. Such linkages may be in terms of impacts on resources (e.g. the extractive industry), reliance on resources (e.g. water bottling companies) or a combination of the two (e.g. forestry, tourism, agriculture).

Finally, the interviews reveal mixed feelings about whether IUCN should engage with industry associations or individual companies. Some argue that the best way to raise standards is to work with individual companies, which can become allies in pushing for higher standards across an entire industry. On this view, working with industry groups often results in “lowest common denominator” outcomes rather than spreading best practice. Others indicate a preference for working with industry groups, on the grounds that the risk (or perception) of being “bought” by industry is reduced in a collective partnership.

3.2.3. What and how

IUCN’s experience of working with business is more wide-ranging than most Secretariat staff or commission members realize. People interviewed for this analysis are, of course, aware of the IUCN Business Unit but few know much about its work. Secretariat staff and commission members know about interactions with business in their own programme/commission, but may be unaware of what others are doing. This section provides a partial “snap shot” of recent experience of engaging with business (or attempts to do so) in several component programmes, based on interviews with Secretariat staff and Commission members.

Business Unit

The Business Unit (originally the *Business and Biodiversity Initiative*) was established in late 2001 to spearhead IUCN’s engagement with business. This was the first global unit to focus overtly and almost entirely on business.⁵² Building on the business portfolio of the former Economics Unit, the Business Unit has focused on two key areas: corporate biodiversity action and biodiversity business investments.

The former involves working with established corporations to integrate biodiversity and sustainability in their business planning and operations. This includes participation in global business fora, creating new platforms for dialogue between business and conservationists, and technical support to individual companies where appropriate. Recent events hosted by the Business Unit include part of the 16th session of the Global Biodiversity Forum and the IUCN Business Day at WSSD. The latter involved over 45 speakers representing the IUCN Secretariat, IUCN members, UN agencies and the corporate sector. Recent publications

⁵² Ten years earlier, a concept for a business programme was developed but never implemented (see Burke, John. 1990. *IUCN CorpLink: A Programme for the Corporate Sector*). The proposed “Corplink” programme was to have: (i) a networking function, linking people in government, the environmental movement and the corporate sector; (ii) a research and reporting service; and (iii) a consultancy arm undertaking environmental assessment, investment review, product sourcing and certification, and local community impact studies.

include: *Business and Biodiversity: The Handbook for Corporate Action*, co-written with IUCN member Earthwatch Europe and WBCSD. A Japanese version – launched in late 2003 – brought together IUCN members Biodiversity Network Japan and the Keidanren Nature Conservation Fund. Another major output, produced in collaboration with FFI, Earthwatch Europe and the International Business Leaders Forum, *Getting Real* explores the challenges of sustaining biodiversity partnerships. As a follow up publication, the Business Unit is currently drafting (also with FFI) a business and biodiversity “best practice guide”.

The other main focus of Business Unit activities is providing support business ventures based on biodiversity conservation. This includes efforts to develop new financial facilities and technical services, drawing on the IUCN network of expertise, in partnership with relevant financial institutions and organizations. The Business Unit is currently working with the International Finance Corporation (IFC), the private arm of the World Bank Group, to develop a number of GEF-financed projects that would assist small and medium size “biodiversity businesses” – i.e. for-profit commercial businesses that inherently integrate, in their business models, the three objectives of the CBD. The geographic focus of these projects is Africa and central and eastern Europe. The European Conservation Farming Initiative, for instance, is under development with the Avalon Foundation (which joined IUCN in 2003). The Agricultural Development and Environmental Protection in Transylvania project (ADEPT) aims to conserve and sustainably use the biodiversity resources of the Transylvania region of Romania by creating an IUCN Category 5 protected landscape and an integrated management plan for the 500 square kilometre area. The plan will include forest management, stimulation of organic agriculture, promotion of agricultural processing for the organic products and other elements important for the creation of sustainable livelihoods in the region, e.g. eco-tourism.

Most recently, the Business Unit is leading the review of IUCN experience and development of a strategy and action plan for engaging with the private sector (of which this report is one result). The unit has been moved into the Global Programme and received a significantly increased core allocation, in the proposed 2004 budget, in order to facilitate integration with and support to other component programmes.

Corporate Strategies, Partnerships and Communications Group

CSG is engaged in a number of dialogues with the private sector. Many of these focus around joint activities which IUCN and the company or industry group could carry out together - such as the C2B project with Living Pictures, which is producing toys with information on endangered species from SSC. Other activities focus on fundraising or sponsorship from the private sector - such as the proposal that Thai Airlines become the official airline for IUCN in Asia. Many of the dialogues have faced difficulties due to funding constraints and differences of opinion on a common way forward.

Chief Scientist

The Chief Scientist has had many interactions with business over several years. Recent experience includes working with companies, NGOs and others involved in the *Energy and Biodiversity Initiative* to reduce the adverse impacts of energy production and use on nature, and participating in global dialogue with business and other stakeholders on how to improve environmental performance in the agriculture sector.

Forest Conservation

Recent interactions with the private sector include engaging in the CEO Africa Working Group, which was established by the World Bank and includes the CEOs of major timber companies and construction organisations, and working with Unilever on sustainable management practices for smallholder agro-forestry systems. The latter focuses on

developing an export market and management system for a non-timber-forest-product in Africa (*Albizia* nuts).

Marine

The Marine Programme has worked with three industries – shipping, fisheries and oil and gas. Interaction with the shipping industry has focused on establishing legal tools (through intergovernmental agreements) to address the environmental impacts of shipping. Industry groups are active participants in these global discussions. IUCN has worked with IMO and ITOPI on the establishment, strengthening, and implementation of the legal tools.

IUCN has also worked with the fishing industry, mainly in the context of technical assistance to the GEF “large marine ecosystem strategy”. Organisations associated with IUCN, notably TRAFFIC, have also helped to set fishing quotas and address adverse impacts. Capacity in the Secretariat to deal with the fishing industry is mixed, but the membership is active in this area (especially WWF, BirdLife and Greenpeace). There is a potential for IUCN to mobilise the fishing industry to promote better environmental practices in polluting industries, which affect the viability of fisheries.

IUCN has not focused on oil spills associated with the oil and gas industry, mainly due to a lack of expertise. IUCN has, however, sought to leverage the oil and gas industry’s environmental commitments to improve practices in other sectors, particularly shipping, where the industry has been a force for improved shipping standards and practices.

Policy, Biodiversity and International Agreements

The programme does not currently engage with business directly. In general, the private sector is weakly represented in many of the core conventions and policy processes that IUCN is engaged in, such as the CBD. However, there are opportunities for IUCN to help shape the role of business within global environmental governance. Additional opportunities may arise as IUCN becomes more involved in global policy processes that affect business more directly, e.g. trade and investment agreements.

Protected Areas

The programme has spearheaded IUCN’s engagement with extractive industries, in particular through dialogue on biodiversity and protected area issues with the International Council on Mining and Metals (a follow-up to the MMSD project). One recent achievement of this initiative is the public commitment by ICMM members, as well as Shell, to consider all World Heritage sites around the world as permanent “no go” areas for mineral and energy extraction.

Species

Recent engagement with business has centred on the Species Information Service. The programme has successfully secured funding and other support from companies such as Oracle, HP, Shell, and EDF, as well as company-linked foundations such as Moore and Oppenheimer. The programme strategy is to focus on two types of companies: those interested in learning lessons from IUCN’s experience of developing a big IT platform to manage a knowledge network, and those interested in obtaining information about species, habitats and ecosystems. SSC uses a business model for its project proposals, which it finds works better with private sector partners. Another SSC business initiative is the C2B project with Living Picture SA, which focuses on telling the story of the extinction crisis to the younger generation.

Wetlands and Water

The programme has made several forays into the business world. Most recently, the programme has worked with the Swiss government to engage Swiss companies such as Nestle in the conservation agenda. The Wetlands programme has also had some interaction

with Swiss Re (around water management and climate change), Thames Water (exploring potential for field-level collaboration), Suez (exchanging information and perspectives, and exploring the potential for cooperation in a specific catchment), and Coca Cola (in the context of WANI, supported by a small grant to establish connections between the organisations). The programme has been involved in the World Economic Forum (through the Water and Mountain Initiative) and the World Water Forum CEO panel (which focuses on the role of the private sector, based on a series of case studies). Despite these many contacts, programme staff find it hard to develop specific actions with the private sector. Much time and effort must be invested to establish relationships and a common understanding before any action takes place.

World Conservation Forum

The draft programme for the World Conservation Forum, to be held in Bangkok in 2004, includes significant emphasis on the role of business in nature conservation. On current plans, this would include presentations, debate and discussions from leading practitioners on how companies can manage biodiversity in their operations, how to develop new business enterprise based on conservation and sustainable use of biodiversity, and how to bring business skills into conservation work.

Commission on Ecosystem Management

Some members of CEM have attempted to develop activities linked to the private sector, but there has been little concrete action to-date. Suggested activities include work on company certification, promoting private reserves for wildlife conservation in Africa, and working with companies holding large tracts of land to manage them for biodiversity. While the commission includes members from the private sector, CEM as a whole has found it difficult to develop a work programme involving or linking with the private sector.

Commission on Education and Communication

CEC has had little interaction with business. The Chair of the Education Committee for Sustainable Development prepared an *Assessment of Education for Sustainable Development Needs in the Corporate Sector*, but this has not been followed-up.

Commission on Environmental, Economic and Social Policy

CEESP's programme of activities is divided into five main themes each of which has a different relation to the private sector. The Environment and Security theme has engaged with business through workshops and publications which have involved and been funded by the private sector. The Collaborative Management theme, by its nature of engaging the whole range of stakeholders in natural resource management processes, involves the private sector. Engagement is relevant to both the Sustainable Livelihoods theme and the theme on Indigenous and Local Communities and Equity and Protected Areas (TILCEPA). Interest includes the impact of the private sector on local, tribal and indigenous communities and ways in which the latter can be engaged in dialogue and equitable arrangements with the private sector while maintaining their traditional rights to land and other natural resources. And finally the Global Environment Trade and Investment theme works on policy issues affecting and related to the private sector, including capitalist trade, financial and technological systems, as well as following and interacting with the WTO. Some CEESP members and leadership have also voiced strong concerns about IUCN's recent interactions with the private sector – notably the “partnership” (subsequently “dialogue”) with ICMM. Opinions are mixed, however, with some members of CEESP expressing support for closer engagement with the private sector. In general, CEESP is interested in the elaboration of guidelines for engagement with the private sector that would influence their impact and behaviour with respect to conservation and local communities, as well as the issues of ethics and equity.

The examples given above are not comprehensive but they are indicative of the diverse and uneven IUCN experience of working with business in recent years. This experience includes a range of different types of interactions with business, notably:

- Joint conservation and management activities, for example, field demonstration projects, NTFP market development.
- Synthesizing and sharing lessons on NGO-business partnerships, in the form of “handbooks” and other materials.
- Developing case studies, guidelines and training material for improved corporate environmental management, focusing on industry-wide dissemination.
- Providing consulting services and technical advice to individual companies on specific environmental issues, e.g. biodiversity impact assessment of pipelines.
- Seeking grants and other forms of sponsorship from companies or industry groups for IUCN activities, e.g. the Species Information Service.
- Convening meetings/platforms for debate and discussion around key issues, e.g. the WSSD Business Day.
- Collaborating with one industry to influence another or to influence intergovernmental processes, e.g. working with oil companies to improve safety standards in shipping.

Interestingly, IUCN does not appear to have much experience, if any, of explicit criticism or confrontation of individual companies. Nor does IUCN appear to distinguish between companies or sectors when deciding with whom to engage, although there are concerns in some quarters and a general feeling that IUCN *should* be more discriminating.

A general finding from the interviews is a widespread sense among Secretariat staff and Commission members that, while IUCN *must* engage with business, it is presently ill-equipped to do so. The main gaps are previous experience of working with business and understanding of business perspectives, but others also point to weaknesses in IUCN’s internal management practices, which may be exposed by greater engagement with business (see below).

What Secretariat staff and Commission members say – IUCN capacity to deliver

- *“We don’t know what companies are looking for. We aren’t able to speak the same language. We don’t know what’s interesting to them”*
- *“IUCN lacks the expertise and knowledge”*
- *“Engagement with the private sector is making the gaps [in membership vision, ethics, management culture, programme process and structure] visible, but it is not the cause of the issues or the gaps....can it be part of the solution?”*
- *“We need to educate staff on the risks and opportunities”*
- *“We need to have a broad understanding of how [a business sector we wish to engage with] works, of what they are doing. It is up to us to find the hooks”*
- *“We need to build our credibility”*
- *“We are often arrogant in our approach to business”*
- *“We will need a sharing, learning environment to achieve the change we need to engage with the private sector”*

These findings are confirmed by a SWOT analysis conducted during the Senior Management Team Meeting in July 2003. This meeting identified some of the strengths and weaknesses of IUCN with respect to engaging with business, as well as the external opportunities and threats (or risks) that it will need to address. The main strengths identified were IUCN’s technical expertise in environmental management and its good reputation/credibility, as well as its broad membership, strong networks and access to policy-makers. The main weaknesses were identified as a lack of experience and capacity to engage with business, the apparent lack of consensus among the membership regarding the

appropriate forms of engagement, insufficient resources and the absence of a clear strategy for engagement. In terms of external conditions, IUCN managers focused on reasons to engage with business rather than specific opportunities, including the opportunity to strengthen interaction with the membership and to broaden the funding base for conservation, as well as the increased willingness of businesses to engage. Finally, in terms of external threats, participants focused almost exclusively on the potential risk to IUCN's reputation from greater interaction with business.

Funding from the private sector

There is a widespread and long-standing assumption that by developing its relations with business IUCN could generate significant new income. For example, at its 31st meeting (in 1991), Council concluded that "IUCN had a tremendous asset in the information it held and companies ... might wish to offer compensation in return for advice". The 2003 External Review takes a more sanguine view of corporate funding opportunities, noting a "misapprehension ... that the private sector constitutes a vast untapped pool of resources that IUCN could be exploiting. This is untrue. Companies will contribute to IUCN's mission if it is in their shareholders' interests, but should not be perceived as philanthropic grant making agencies".⁵³

IUCN has received funds from business on several occasions, including sponsorship (grants), as well as funding for joint activities and the purchase of consulting services. Decisions about whether to accept funding from business, and under what conditions, have been made on a pragmatic basis, given the lack of guidance described in section 3.1.4.

The amounts that IUCN has received from business are not significant. Core funding for work on business has also been extremely limited. To-date, IUCN has obtained almost all of the funding for its work with business from project budgets supported by "traditional" donors (e.g. aid agencies, foundations and especially the GEF).

IUCN confronts a dilemma with regard to funding its engagement with business. Firstly, business is unlikely to provide significant funds without imposing significant conditions. Even if these conditions are acceptable to the senior managers of IUCN, they may find it difficult to persuade some staff, members or the media that IUCN's independence has been preserved. Secondly, IUCN may find it increasingly difficult to convince its traditional donors in the development assistance community to cover the costs of engaging with business, particularly for work with large multinational companies and other activities that are not clearly focused on poverty reduction in the developing world. Thirdly, a chronic shortage of core funds means that IUCN is unlikely to be able to support the full costs of its business engagement activities from internal, unrestricted sources.

The solution to this dilemma is not clear. The consequences, however, are increasingly apparent. IUCN has made several, highly visible commitments to dialogue and collaboration with business (e.g. at WSSD and WPC, with WBCSD, IFC, ICMM, EBI, Shell, etc.). There is a serious risk of losing face if IUCN does not meet the expectations that have been raised. Indeed, some damage is already being done, as noted by the 2003 External Review, which reports that "the WBCSD told us that it is frustrated in its efforts to build such partnerships because IUCN has no resources to invest in them, whereas organisations like WWF do".⁵⁴

3.2.4. Impacts

The impacts of IUCN's work with business on the delivery of its mission are not easy to discern. Despite a long-standing mandate and repeated internal discussions, substantive

⁵³ IUCN (2003), p. 58

⁵⁴ IUCN (2003), p. 59

interaction with business dates from the past 2-3 years at most. What engagement has taken place over that period has been largely exploratory, or has focused on the preparation of case study material and general guidelines rather than implementation on the ground. It is thus probably too early to evaluate IUCN's experience in terms of impacts on conservation outcomes.⁵⁵

Another approach is to assess the extent to which links with business are reflected in the Global Programme (2001-04). A review of the component programme results suggests that the intention to engage with business is widespread, with numerous relevant results in both thematic and regional programmes as well as some Commissions (Annex 5). At least 10 results refer explicitly to the "private sector", "private", "corporate" or "business" actors. What is less clear is the extent to which these intentions have been realized, given the more modest interaction with business revealed by interviews with Secretariat staff and commission members.

Unsurprisingly, nearly all staff and commission members interviewed highlight the need to assess the effectiveness of engagement with business (e.g. "*we need to get better at measuring the conservation outcomes of engagement*"). Most also mentioned the need to define clear milestones for measuring progress towards explicit goals, which could apply to the companies or industry groups involved, but also to IUCN. Suggested criteria, indicators and themes for assessing effectiveness included:

- Strong monitoring and evaluation processes;
- Meaningful stakeholder participation;
- Measurable conservation benefit;
- Avoiding loss of livelihood;
- Long-term sustainability; and
- Transparency in decision-making.

Of course, these could apply equally to IUCN's entire programme, not just interactions with the private sector.

While substantial conservation benefits from IUCN's limited engagement with business may be too much to expect at this stage, some impacts on IUCN itself can be identified. To begin with, and in spite of some setbacks, people's experience so far has left them calling for *more* and *more proactive* rather than less engagement with business. There also appears to be a consensus today in favour of cooperative rather than confrontational approaches, which may not have been the case only a few years ago. At the same time, there is a healthy scepticism about the motivations of business and a sense that IUCN must push and hold its partners in the corporate world to the highest standards of social and environmental responsibility.

In terms of how IUCN organizes itself, there is a clearer understanding today that work with business cannot be kept at "arm's length" but must be fully integrated into the Global Programme. There is also growing awareness that working effectively with business requires skills that are not well-represented among IUCN employees or commission members, including the ability to identify and "sell" the business case for nature conservation.

Finally, there is an emerging understanding that corporate social responsibility applies to non-profits as much as it does to business organizations. This is seen as a challenge for IUCN but also an opportunity. IUCN could begin to demonstrate its commitment to CSR by, for example, complying with the requirements of the Global Reporting Initiative and establishing an environmental management system. This would not only give IUCN a better

⁵⁵ One notable exception is the recent pledge by several mining companies and one major oil firm to stay out of World Heritage sites, following months of dialogue with IUCN and others.

understanding of the challenges that companies face but could also lead to more sustainable and ethical practices within IUCN itself.

4. Preliminary findings and next steps

This section presents a summary of the preceding discussion, an assessment of gaps in the analysis, and an outline of the next steps required to prepare a detailed strategy and action plan for engaging with business.

4.1.1. Preliminary findings and recommendations

A rapidly globalizing world is putting increasing pressure on conservation groups to find new ways of engaging with business and markets. IUCN has likewise developed more links with business in recent years, but remains hampered by a lack of consensus among the membership about *how* to engage, combined with a legacy of limited investment on the part of the Secretariat.

The external context

There are many different ways to engage the private sector. Each has value and collectively they can encourage improvements in corporate environmental performance and increased investment in biodiversity conservation.

While criticism and confrontation of business remains the preferred strategy of certain NGOs (including some IUCN members), many more NGOs are exploring cooperative modes of engagement. This trend has been encouraged by progressive moves on the part of some companies, together with a growing recognition by many NGOs that trade and commerce can be positive forces for change as well as the cause of environmental damage. Cooperation by environmental NGOs with business includes working with (or even helping to establish) small and medium size enterprise, as well as engagement with large multinational companies and business associations across a range of industrial sectors.

Lack of public trust in business appears to be an important driver for companies to seek collaboration with NGOs but also constitutes a barrier to cooperation. The development of new benchmarks and processes of corporate social (and environmental) responsibility, such as participation in the Global Reporting Initiative or a commitment to certified supplies of raw materials, can help NGOs to identify firms which are serious about improving performance.

While financial relationships between NGOs and business remain controversial, there is increasing understanding of the requirements for establishing successful partnerships, including clear rules of engagement, strong commitment from senior managers and mechanisms for equitable participation and conflict resolution. Both business and NGOs have changed as a result of their interactions, suggesting a process of convergence in perspectives. However, guidance is still needed on how to sustain partnerships and even more work is required to determine the real conservation benefits of working with business.

IUCN experience and perspectives

IUCN has a long-standing mandate to work with business in a range of different industries. The argument has been made repeatedly and forcefully that IUCN must engage with business proactively in order to fulfil its Mission. Nevertheless, until recently, engagement with business has been hampered by a lack of consensus among the membership and limited investment by the Secretariat.

IUCN has considered its relations with the private sector on many occasions in the past, resulting in numerous proposals for corporate membership, business commissions,

programmes and initiatives, advisory groups, guidelines and strategies. For various reasons, IUCN found it difficult to move forward on most of these proposals.

More recently, IUCN has interacted much more actively with business. This includes the work of the Business Unit but also the initiative of many other component programmes. Interviews with staff and others suggest that IUCN needs to take care in *how* it engages with business, respecting the valid concerns of its more cautious members. This implies being vigilant and demanding with respect to corporate partners. Moreover, special efforts will be required to ensure that the voices of marginal and vulnerable people are heard in discussions of corporate policy and action.

At the same time, IUCN needs to remain relevant and useful to those members which are already actively engaged with business in a cooperative mode. Moreover, as a leading conservation “implementer” in its own right, with projects on the ground and an active policy programme, IUCN cannot afford to ignore opportunities to enlist businesses, through cooperative partnerships, in support of conservation goals.

Business includes more than trans-national corporations. In addition to helping large companies reduce their environmental footprint, IUCN can also strengthen efforts to promote “pro-poor” conservation and sustainable uses of natural resources by addressing the opportunities and challenges facing small and medium-sized enterprise.

Different levels of engagement – i.e. project, company or policy level – demand different strategies of engagement. IUCN can potentially intervene at all levels, through its membership, commissions and decentralized Secretariat. IUCN’s hybrid membership and governance structure is likewise an important asset, which means that the organization is relatively immune from “capture” by business interests.

Interviews with members as well as the literature indicate that capacity building is a crucial concern of NGOs considering whether and how to engage. As a network organization, IUCN is well-placed to promote global learning about engagement with business for the benefit of its members and other partners.

Other suggestions of a potential niche for the Secretariat, based on interviews with IUCN members, include:

- Drafting sustainability standards and policies with companies and industries;
- Developing guidelines and other resources for NGO-business partnerships;
- Highlighting best practice in corporate environmental management;
- Linking NGOs with relevant companies and business associations; and
- Supporting members in the developing world, who may be more vulnerable or less familiar with how to engage effectively.
- Providing a neutral platform for discussion, to support the business and biodiversity agenda.

Managing the tension between engagement and caution will not be easy. But IUCN has good experiences to draw upon, not least in managing the similar tensions between the demands of its NGO members for stronger environmental regulation and the concerns of state members to balance conservation with other social and economic objectives.

Whilst many IUCN component programmes and NGO members have successfully engaged in constructive dialogue with the private sector, an influential segment of the IUCN constituency remains uneasy about such relationships. This applies particularly to extractive industries such as oil, gas, mining and timber. In order to participate in dialogues with

companies involved in such activities, IUCN must be able to demonstrate independence from corporate influence.

What is less clear is how members (and others) who are fundamentally opposed to constructive dialogue with some or all of the private sector will respond as IUCN moves forward in its corporate relations. Some have recently tried to derail IUCN's engagement with the mining and energy industries. Whilst it is important to give space for those concerns to be heard, IUCN also needs to respond to the broader mandate given by its members. As in the case of the animal rights debate, there may be some groups, including current members, for whom IUCN's engagement with business is intolerable. How IUCN deals with such dissenting voices will be a major test of its decision-making mechanisms.

It seems likely that IUCN will continue to require a dedicated unit to coordinate its engagement with business on biodiversity management and sustainable development issues, and to strengthen capacity for doing so in component programmes and the membership at large. The key issues that the unit should address are also increasingly apparent, based on the experience of the Business Unit, related activities of the Secretariat, the literature review and interviews with external informants.

Work to-date has focused on helping major corporations to integrate biodiversity and sustainability in their business planning and operations, and supporting the development of new business ventures based on biodiversity conservation. An important gap in IUCN's current activities is a mechanism to strengthen understanding of business within IUCN and among conservationists generally, bringing the best of business management and marketing skills to the policy and practice of nature conservation.

On-going and future engagement with business will involve several (perhaps ultimately all) component programmes. It may be appropriate to consider separate reporting on interactions with business as part of IUCN's annual reporting requirements, with the results compiled and analysed by the Business Unit or its successor (in close cooperation with the Monitoring and Evaluation Unit).

Secretariat staff interviewed for this analysis expressed a need for substantive guidance and assistance on how to engage with the private sector. The interviews also reveal that IUCN does not represent itself well to the private sector and would benefit from a senior representative on the issue to establish and maintain good relations. This is a new skill area which is not currently well-represented in the Secretariat.

An early proposal for an IUCN business programme highlighted five critical factors for success: internal IUCN consensus, leadership profile and unique proposition, a focused approach, a realistic programme, and an investment in launch and establishment.⁵⁶ These apply equally today and should form the basis of our work in this area.

4.1.2. Questions/gaps to fill in the situation analysis

While every effort was made to collect and analyse the information needed to complete this report, and to guide the development of a new strategy and action plan for engaging with business, inevitably some gaps remain. Additional activities and information which would complete this situation analysis include:

- A formal evaluation of the Business Unit, through an assessment of publications and interviews with donors, partners and others;
- More detailed assessment of the extent to which business issues are reflected in the 2001-04 programme (at the level of project outputs);

⁵⁶ Burke (1990).

- The results of interviews with corporate leaders being carried out by The Canopy, focusing on their interactions with environmental NGOs;
- A review of the extent to which business is reflected in the draft Intersessional Programme for 2005-08 (which is still being prepared); and
- More details on what IUCN members are doing with business, with an emphasis on the strategies, guidelines and funding models they use.

4.1.3. process for developing the strategy and action plan

The work plan for this project envisages four main outputs:

1. A Situation Analysis which confirms the mandate and relevant policies of IUCN, reviews experience internally and externally, and identifies priorities and options for more effective interaction with the private sector;
2. An up-to-date Strategy and Action Plan which resonates with IUCN's core values and mission, responds to Members' requests and expectations, adheres to and strengthens the IUCN Global Programme;
3. Clear and practical Operational Guidelines to support the Secretariat and Commissions in their efforts to engage with business, including fundraising and communications; and
4. A Programmatic proposal for future work in this area, including viable funding arrangements.

This report is the first draft of the Situation Analysis. The next steps are to seek feedback on the report from Council and others. This will be followed by a workshop in December 2003 to begin drafting a Strategy and Action Plan (SAP). The draft SAP will be circulated in January 2004, followed by a meeting in early February to discuss and refine it. The SAP will be revised as necessary and circulated.

The final stage of the project will be to develop operational guidelines for engagement with business, as well as a proposal for future work in this area. These outputs are expected to be finalized in March/April 2004, at which point the project will conclude.

Annexes

1. 3I-C work plan for the private sector strategy project
2. Interview guides
3. Excerpt from the 2003 External Review
4. Guidelines for IUCN Engagement with the Private Sector (1999)
5. Business in the 2001-04 IUCN Programme (list of results)
6. Highlights of NGO business programmes
7. background papers (list of titles)

Annex 1. 3I-C work plan for the private sector strategy project

3I-C Private Sector Engagement Project

DRAFT work plan (revised)
30 September 2003

1. Overview

IUCN has long recognised the value of substantive engagement with business and industry. The Council and Secretariat have repeatedly attempted to develop supportive policies for engaging with the private sector, as well as organizational arrangements to support such work (such as the recently created Business Unit). Despite these efforts, IUCN's recent experience with business has been somewhat incoherent, opportunistic and plagued by controversy. There have been many positive achievements but also repeated set-backs that reflect a lack of consensus and understanding of how to engage with the private sector, weak coordination of interactions with business, and limited capacity within the Secretariat to undertake such work.

The 3IC project seeks to address these challenges by supporting the development of a Strategy and Action Plan that will guide and reinforce IUCN's efforts to engage with the private sector over the coming years. The project team includes Secretariat staff from the Global Programme (the Business Unit and the Senior Advisor for Economics and Environment), as well as contributions from the Corporate Strategies, Partnerships and Communications Group, one Commission (CEM) and two regional components (ORMA and the USA Multilateral Office). Overall guidance is provided by a project Steering Committee, supplemented by a wider circle of internal and external reviewers. The project is expected to conclude in April 2004.

2. Objective

The objective of this project is ***to identify appropriate strategies and activities for IUCN's engagement with the private sector.***

3. Outputs

The 3I-C project aims to deliver:

- A detailed **Situation Analysis** which confirms the mandate and relevant policies of IUCN, reviews experience internally and externally, and identifies priorities and options for more effective interaction with the private sector;
- An up-to-date **Strategy and Action Plan** which resonates with IUCN's core values and mission, responds to Members' requests and expectations, adheres to and strengthens the IUCN Global Programme;
- Clear and practical **Operational Guidelines** to support the Secretariat and Commissions in their efforts to engage with business, including fundraising and communications; and
- A **Programmatic proposal** for future work in this area, including viable funding arrangements.

4. Work Plan and budget outline

	<i>Outputs and activities</i>	<i>Who</i>	<i>When</i>
←Ongoing networking and information gathering from planned events → 6. Capture insights for all each project activity	1. Situation analysis		
	1.1 review IUCN policy	NB	Oct
	1.2 review published and 'grey' literature on public-private / NGO-corporate partnerships (TNC and SMEs)	AM	Oct
	1.3 conduct informed surveys, including Secretariat staff, Commission members, IUCN members, partners and businesses	JW/AA	Oct
	1.4 prepare and submit report; draft provisional outline of strategy	JB/NB	1 Nov
	1.5 present to Council for discussion	JB/NB	Dec
	2. Strategy and action plan		
	2.1 draft strategy and action plan	team	Dec
	2.2 hold workshop to present draft strategy and action plan	Senior staff	Jan
	2.3 revise and submit proposed strategy and action plan to IUCN Council	3IC team	Feb

5. Project governance

The Steering Committee shall include “core” and “ex-officio” (advisory) members:

Core: Miguel Araujo
Bill Jackson (Chair)
Scott Hajost
Enrique Lahmann
Jeff McNeely
Gonzalo Oviedo
Mohammad Rafiq
Néstor Windevoxhel, CEM
Joshua Bishop (Project Manager)

Ex-officio: Martha Chouchenas-Rojas
John Scanlon

A quorum shall consist of at least four “core” members, including the Chair and the Project Manager.

External reviewers: Richard Sandbrook, Frank Vorhies (EWE), George Greene, Halina Ward (IIED), Robert Barrington (Isis Asset Management), and others to be identified

Project Team: Josh Bishop, Nick Bertrand, John Waugh, Anja Meinecke, Andrea Athanas, Néstor Windevoxhel

Annex 2. Interview questions

Interview guide – Members, Staff and Councillors

Overview: IUCN is reviewing the nature of its interactions with the private sector and would like to hear more about how members interact with business, what issues to consider and how/whether to move forward in this area. The purpose of this interview is to get an idea of what members are doing, how they are doing it, and what they see as IUCN's role. Collecting information from members on experiences – both positive and negative – and create a knowledge base for developing our approach. Key Questions:

1. How do you interact with the private sector (if none, go to 5). If you do have interactions, can you give us an example – how do you go about it? (types of interaction can include fundraising, advocacy, dialogue, advice, partnership, etc)
2. How do you choose which businesses/industries to work with?
3. Do you have standard practices/agreements for working with business?
4. What are the results of your interactions (successful or unsuccessful)?
5. What should be the role of IUCN? What do you expect from IUCN?
6. Question if member is not interacting with business: Why haven't you been engaged with the private sector? Have you taken the decision consciously (if so, why?) or hasn't there been the opportunity?

Additional questions for Secretariat Staff

1. What would you like to see in terms of operational guidelines?
2. Do you have views on a function and structure for a business unit?
3. What are the key opportunities for working with business in your area?
4. Is there anyone else we should talk to?

Interview guide – Businesses

Overview: We will likely have limited time to talk with businesses, and thus we will need to focus on the key questions:

1. What kind of interactions does your business have with NGOs? (projects, consultation, dialogue, technical advice, funding)
2. Of the interactions mentioned above, which are most common in your company?
3. Which do you value the most/which do you get the most value out of?
4. How do you choose which NGOs to work with? And who chooses?
5. Do you have standard practices for contacting/building interactions with NGOs? Any rules of engagement?
6. Have you had interactions with IUCN? What type? With which part of IUCN?
7. What are IUCN's strengths and weaknesses in working with business?
8. What would you /do you expect from IUCN?

Additional questions

9. Do you measure (evaluate/monitor) your interactions with NGOs?
10. Do you form agreements with NGOs you interact with? If so, what do they contain? If not, why not?
11. Generally, what expectations do the NGOs you interact with have of you?
12. What are the advantages to the NGOs you work with?
13. What are the risks to the NGOs you interact with?

Annex 3. Excerpt from the External Review (final report, October 2003)

(From section 7.4 Institutional positioning, pp. 58-59)

“As we explained in section 2.3.3, IUCN’s institutional positioning in the global arena of environmental and conservation agencies is satisfactory. Its comparative advantages and consequent niche are well recognised and were consistently explained to us by many interviewees in the broader institutional environment. However, there are a number of challenges to the Union’s institutional positioning.

One of these challenges is internal. Is IUCN’s **Membership** adequately inclusive of the constituencies that are committed to the Union’s vision? Especially in the South, there are socially and economically orientated organisations – focusing on those two pillars of sustainable development – that recognise the importance of the environmental pillar, particularly as they tackle poverty and livelihood security. At present, an organisation without a “substantial record of activity in the conservation of nature and natural resources” (Statutes, Article 7(c)) cannot become a Member of IUCN. Although the Membership Unit at Headquarters does not consider this clause to be an impediment, ORMA told the ER of its disappointment in being unable to proceed with the membership applications of some Meso American organisations that were committed to IUCN’s mission and wanted to contribute to its work.

We recommend that Article 7(c) of the Statutes be revised to allow Membership to organisations with a substantial record of activity in one or more fields of work that contribute to IUCN’s mission.

A second challenge is one of the longest-running dilemmas for the Union. It links, as we shall show, to the third challenge. It concerns how IUCN positions itself relative to the **business community**. IUCN still has no clear strategy on how to structure its interactions with the private sector across the Union and across the world. Should companies be able to become Members? Should they be eligible for some kind of associate membership? How can the private sector contribute to IUCN’s Programme? Should the Union accept funds from companies? In fact, IUCN’s ongoing uncertainty about the private sector is partly rooted in two misapprehensions. The first is that the private sector is so generally destructive of the environment, and so typically hostile to conservation, that closer association between it and IUCN should not be contemplated. While the pursuit of profit has certainly caused much biodiversity loss and ecosystem degradation, there is in fact a growing commitment in the private sector to make its operations environmentally sustainable. The second misapprehension is that the private sector constitutes a vast untapped pool of resources that IUCN could be exploiting. This is untrue. Companies will contribute to IUCN’s mission if it is in their shareholders’ interests, but should not be perceived as philanthropic grant making agencies.

While IUCN asks itself what to do about the business sector, other organisations, such as WWF and the International Institute for Environment and Development (IIED) have moved ahead more convincingly in their links with the corporate world. It is imperative that, at the next WCC, IUCN finally approve a clear strategy that is integrated with its 2005-2008 Programme. We do not believe that Membership is a workable way for the Union to engage with the business community. Partnerships are the strategy to pursue. To this end,

we recommend that:

Council give an unambiguous response no later than December 2003 to the Secretariat’s proposals on the Union’s relations with the private sector;

these proposals include specification of future terms of reference for a Business and Biodiversity Unit within the Secretariat, focusing on partnerships with the private sector for execution of elements of the Programme;

the Secretariat budget for 2004 include an allocation for the operation of the Business and Biodiversity Unit, drawing if necessary on core funds;

the current Private Sector Engagement Project interact intensively with the preparation of the next intersessional Programme over the rest of 2003, so that the new Programme specifies how the private sector can contribute to its execution.

IUCN's third institutional positioning challenge, then, is making **partnerships** work for the Union. We see partnerships as a key mechanism underpinning IUCN's distinction between what it can do best itself and what efforts towards its vision are best done by others. As we have just explained, partnerships are also the way that IUCN can interlock with parts of its constituency that are not formal components of the Union. Such partnerships should be close, long-term, sustainable alliances with organisations that can fulfil any of these functions. For example:

- partnerships are the best way for IUCN to structure its interaction with the private sector. Foundations for such arrangements have already been laid, but IUCN needs to ensure that these are partnerships rather than grants. The WBCSD told us that it is frustrated in its efforts to build such partnerships because IUCN has no resources to invest in them, whereas organisations like WWF do;
- partnerships are the way in which IUCN should access knowledge from networks and organisations that are more competent in fields outside the Union's own thematic heartland. The existing informal partnership with the International Centre for Trade and Sustainable Development is an example;
- operational partnerships are the way for IUCN to pursue its mission in thematic fields where its Secretariat, Commissions and Members lack full capacity: for example, in fields such as climate change, trade and aspects of water conservation and management. This applies to all stages of the IUCN strategy: knowledge generation and management; empowerment; and (international) environmental governance.

We recommend that, in its next Intersessional Programme, IUCN give more focused attention to developing partnerships as working links beyond the constituent parts of the Union itself: in particular, with the private sector and with agencies and networks in thematic areas where it does not have full capacity.

At present it is common for the Secretariat to speak of its partnerships with Members in execution of the Programme. These are not the partnerships we recommend here. Since Members are an integral part of the Union with at least as great a responsibility for its Programme (section 3.6.2), it should hardly be necessary to refer to their sharing the Programme with the Secretariat as 'partnership'."

Annex 4. Guidelines for IUCN Engagement with the Private Sector (1999)

Introduction

This paper is a response to the 1996 World Conservation Congress Resolution 1.81 which set the scope for IUCN to pursue relations with the private sector, and encouraged IUCN to be creative in exploring opportunities to achieve its mission more successfully through working with the private sector. It sets out a policy to guide the development of IUCN's relations with the private sector.

The Private Sector is understood to include profit-oriented enterprise at all levels, inter alia international and national corporations, small- and medium-scale enterprise, and business associations. The policy is intended to reflect IUCN interests and those of the private sector it is to engage. The policy will evolve as IUCN develops experience in building its relations with the private sector.

To help advise IUCN on implementation of this resolution, the IUCN Council established a Private Sector Task Force. This Task Force, in which private sector representatives and the components of the Union (Council, Commissions, Members, Secretariat) are represented, has drafted this policy. It has also provided advice to the Director General of IUCN on the opportunities for IUCN to interact constructively with the private sector, building on past and ongoing IUCN co-operation with the private sector, and on follow up actions to implement the policy.

Background

Government, civil society (communities, NGOs) and the private sector are often described as the three pillars of economy and society. IUCN has, since its early stages, been firmly anchored in the first two; however, whereas there have been many positive links with individual corporations and business associations, IUCN has never approached its private sector relations in a structured and strategic way. With rapid global change, the increasing importance of market mechanisms and the major role played by private investment in national development and international trade, the mission of IUCN cannot be fully achieved without working closely and productively with corporations and other private sector organisations. Further, dialogue and action between IUCN and the private sector also requires relating effectively to the appropriate government agencies, and increasingly those responsible for planning, trade and economic policy.

In this context, the potential role for IUCN in relation to the private sector covers a wide spectrum, ranging from informal or ad hoc relationships (IUCN as a convenor, technical advisor, provider of critical and factual comment), through increasing levels of engagement with IUCN as a partner to selected private sector entities (IUCN as a policy advisor, standard setter, joint researcher). The nature of the relationships between IUCN and the private sector will be diverse, depending on the requirements of each circumstance for influence, encouragement or technical support.

Goal: to engage the private sector's entrepreneurship, resources and influence for the conservation of biological diversity and the equitable and ecologically sustainable use of natural resources.

Objectives:

- to promote a greater understanding within the IUCN constituency and the private sector of the opportunities to advance the Union's mission through co-operation
- to generate a greater understanding of the potential of market-based measures to meet conservation and natural resource management objectives of common interest to the private sector and IUCN
- to engage in productive dialogue among civil society, private sector and government on how to achieve environmental and economic efficiency

- to encourage and assist companies to develop business strategies to conserve biological diversity and natural resources in a manner that is equitable and ecologically sustainable
- to raise IUCN's profile and capacities as a supportive partner to the private sector in meeting its wider responsibilities to society.

Principles of Cooperation

IUCN will work according to the principles set out below. Activities undertaken with the private sector should:

- relate clearly to the IUCN mission and serve to advance it
- be structured and carried out with full transparency
- maintain IUCN's integrity and enhance its credibility
- add value to the work of IUCN members, Commissions and secretariat.

From a private sector perspective, IUCN collaborative activities should:

- focus on issues of interest to one or more private sector partner
- facilitate good relations between private sector organizations and the governmental and non-governmental parts of the IUCN constituency
- create an umbrella which involves IUCN members in particular thematic areas of interest to the private sector
- be prepared to continue supportive relationships even in difficult circumstances
- be forthright in recognising the value of and positive results achieved from cooperation with the private sector where such cooperation has been successful.

Criteria for Selection of Activities

- IUCN activities undertaken in co-operation with the private sector should:
- be clearly related to the IUCN programme
- provide clear value-added to the parties involved
- address root causes and sources of problems, where action can be most effective
- lead to clear, practical outputs, oriented to solutions
- offer the chance of early successes to build mutual confidence and demonstrate benefits
- set reasonable expectations, boundaries and responsibilities of participants, through agreed rules of engagement
- encourage experimentation and contribute to learning and building of capacities
- offer opportunities for participation by members of the IUCN constituency

- be able to attract resources necessary to carry out and ensure adequate continuity
- have interested private sector and IUCN partners willing to commit time and effort.

Criteria for Selection of Partners

In developing collaboration, IUCN will favour private sector organisations which:

- practice transparency
- are committed to quality in their operations
- are publicly committed to conservation
- have policies, procedures and practices in place to ensure the achievement of environmental goals and have a track record in implementing these.

Annex 5. Business in the 2001-04 IUCN Programme (list of results)

Component Programme	Business-related Component Results 2001-2004
Programmes	
Chief Scientist	<ul style="list-style-type: none"> Emerging issues that affect biodiversity identified, such as biotechnology (including biosafety and the impacts of genetically modified organisms) and their relevance to the IUCN programme reviewed Guidelines and tools prepared on the integration of biodiversity concerns into sectoral planning (i.e., fisheries, tourism, agriculture, forestry, health, military). The development and implementation of corporate biodiversity strategies by selected private sector institutions supported
Communications	<ul style="list-style-type: none"> Development and outreach of communications marketing tools for corporate strategies/fundraising
Conservation Finance and Donor Relations	<ul style="list-style-type: none"> Business Plan : support provided to the development of the business plan which includes elements of a fundraising strategy New Funding Mechanisms developed and implemented New funding mechanisms such as investment funds and/or licensing explored Opportunities for raising funds from the private sector and foundations increased and diversified
Corporate Strategies, Partnerships & Communications	<ul style="list-style-type: none"> Contribute to the development of a business case & business plan for IUCN Provide leadership in the implementation of the private sector strategy Represent IUCN and the Director General in a diverse range of inter-governmental processes as well as civil society and private sector events and initiatives
Economics	No results (programme not staffed between 2001-02)
Forests	<ul style="list-style-type: none"> Assessment of power relations in, and equity of, forest use and management Networks of governments, NGOs, development agencies and the private sector further developed to improve governance relating to forest fires, trade in forest products and restoration of forests
Gender	No relevant results identified
Law	<ul style="list-style-type: none"> Develop tools and advice to empower decision-makers including producers, consumers, local communities, and conservation managers to understand, use and address positive incentive measures and legal provisions for the conservation of biodiversity and sustainable use of natural resources
Marine	No relevant results identified
Policy	No relevant results identified

Component Programme	Private Sector Related Component Results 2001-2004
Programmes continued	
Protected Areas	<ul style="list-style-type: none"> • Best Practice Guidelines on Tourism and PA for East Asia prepared and distributed • Enhanced capacity of WCPA Tourism Task Force to support IUCN input on global agendas related to tourism and biodiversity conservation (CBD, WHC, UNFF) • Global partnerships with the tourism and private sectors developed to support effective conservation and management of PA • IUCN/WTO/UNEP Best Practice Guidelines on Sustainable Tourism in PA prepared and widely distributed • National laws/regulations on mining in and around WH sites revised/improved in a number of countries • Programme of co-operation on mining and PA between IUCN and key mining institutions developed and implemented • Project on MPAS management to enhance sustainable fisheries through local communities participation in Samoa effectively implemented. • Technical support provided by WCPA Marine Theme to implement pilot projects in Tanzania and Vietnam on MPAs management and sustainable fisheries • Technical support provided to IUCN Vietnam implement National Strategy for Ecotourism in Vietnam. • Technical workshop on mining and conservation of World Heritage sites effectively implemented • WCPA Policy Statement on Mining and PA widely distributed and promoted to guide laws/policy reforms on mining and protected areas
Social Policy	No relevant results identified
Species	<ul style="list-style-type: none"> • Starting in 2001: Timely, relevant, high-quality information provided to at least two international fisheries agreements • Wild crop relatives status assessment produced and published
Sustainable Use	<ul style="list-style-type: none"> • Lessons learned from IUCN analyses about agriculture, human livelihoods, and sustainable use incorporated into sector-based policy advice and delivered to key fora
Water and Wetlands	<ul style="list-style-type: none"> • IUCN effectiveness to influence water resources management decisions is enlarged through further developing the Water & Nature Initiative • Policies on water, dams, catchment management, ecosystem restoration, deltas, wetland invasives, gender etc. are produced and adoption promoted to the development community, the private sector, international conservation organisations, national resource management

Component Programme	Private Sector Related Component Results 2001-2004
Regional Programmes and representational offices	
Asia	<ul style="list-style-type: none"> • Approaches and tools demonstrated for securing incentives for conservation of selected ecosystems (forests, wetlands, agro-ecosystems, marine, mountains and rangelands) through the equitable use of natural resource products, including environmentally-friendly tourism • Awareness about equitable and sustainable use of natural resources enhanced among key actors • Capacity of stakeholders enhanced to promote and apply equitable and sustainable use principles and practices, and their linkages with poverty alleviation and development • Capacity of selected stakeholders to better manage and restore ecosystems (including forests, coastal and marine resources, wildlife conservation & PA management) across Asia • Collaborative management agreements developed and supported in forests, mountains, rangelands and wetlands, including two in Protected Area Landscapes • Key sector policies and laws that affect equitable and sustainable use of natural resource, including access and benefit sharing and tenure and access rights, analysed in at least two countries and findings recommendations shared • Methods and tools for economic valuation of natural resources, and the development of financially viable models of business based on equitable and sustainable use principles, are adapted, developed, tested and promoted • Policy development for sustainable nature tourism is facilitated in at least one country • Reform of key sector policies and laws that affect ecosystem rehabilitation and restoration are advocated in at least four countries • Reform of key sector policies and laws that affect equitable and sustainable use of natural resource advocated in at least two countries
Canada	No relevant results identified
BRAC	<ul style="list-style-type: none"> • Des mécanismes d'articulation entre différents programmes et acteurs dans la gestion des écosystèmes forestiers de l'Afrique centrale sont facilités et appuyés dans le cadre du Processus de Brazzaville • Les bonnes pratiques dans la gestion des concessions forestières sont promues • Les bonnes pratiques de gestion des subventions des micro-projets de conservation et développement sont identifiées et promues • Les capacités des parties prenantes au Processus de Brazzaville sont renforcées par l'organisation de modules de formation sur la gestion des écosystèmes forestiers

Component Programme	Private Sector Related Component Results 2001-2004
Regional Programmes and representational offices continued	
EARO	<ul style="list-style-type: none"> • A regional network of EIA practitioners established and nurtured to maximise their potential to contribute effectively into the EIA process in the region • Actions needed to ensure sustainable management of inshore fisheries (and thus conservation and sustainable use of marine biodiversity) identified by generating information on the biology, socio-economics and management (situation analysis carried out) • Assessments supported of the ecological functions, biodiversity and values of representative wetlands in Eastern Africa for use by decision-makers and managers • Better identification, use and integration of economic instruments for biodiversity conservation into macroeconomic, sectoral and development policies and strategies in 3 countries and 3 wetland, forest or marine-impacting sectors • Capacity built for the integration of biodiversity into EIA processes and for increasing the effectiveness of biodiversity assessments in development • Economics of pastoral production systems and their contribution to local and national economies assessed in at least two countries. • Enhanced cross-sectoral and trans-boundary biodiversity conservation and improved integration of economics and biodiversity into biodiversity-impacting sectors of the economy through the communication of lessons learned and experiences gained in the use • Enhanced development and more effective application of economics tools for biodiversity into environment and natural resource planning through the specification of valuation, incentives and financing plans at ecosystem level • Environmental costs and benefits of large dams carried out in river systems and EAs evaluating possible benefits of downstream flooding on floodplains encouraged in river systems in Eastern Africa • Fisheries and marine resource policies influenced to reflect conservation and sustainable use of marine biodiversity • Government, private sector and NGO planners and policy-makers at regional and central levels and in both biodiversity and "economic" sectors aware of, and able to use, economic tools through training courses and applied exercises in the use of economic tools • Guidelines and best practice developed for alternatives to, and substitutes for the over-use of natural resources in at least 4 biomes • Human uses of, and threats to, wetland biodiversity and other wetland resources in EA assessed and the results relayed to wetland users and managers • Integration of forest conservation concerns into economic and development decisions promoted, at regional and national levels, in at least 3 countries • Marine biodiversity conservation enhanced by facilitating the development and use of economic tools and financing mechanisms for marine resource management in at least two countries • Mechanisms identified for reducing threats to marine biodiversity by generating and analysing information on 'supplemental' (alternative) livelihoods (fishery and non-fishery) • Resource tenure system, customary rules and regulations and local management systems assessed and shared in at least two countries. • Support provided in information and capacity building for development of EIA policies, legislation and compliance in Ethiopia, Sudan and Tanzania for enhancing biodiversity management

Component Programme	Private Sector Related Component Results 2001-2004
Regional Programmes and representational offices continued	
Europe	<ul style="list-style-type: none"> • Best Practice Guidelines for forest management, agriculture and fisheries in relation to biodiversity conservation developed in Central and Eastern Europe, Russia and CIS • Best Practice Guidelines on management of forests developed with reference to private ownership in Accession countries • Develop best practice guidelines for ecotourism in Europe • Network facilitated for identification of indicators for biodiversity assessment in agriculture, forestry and fisheries • Policy guidelines for integration of biodiversity in agricultural trade and forestry for appropriate policy events (e.g. CBD, EC/CAP, WTO) developed • Policy recommendations developed for the EU Accession process with reference to forest privatisation issues in the Accession countries • Tools, methods and indicators for the identification of the impact of agricultural and forestry activities on biodiversity developed • Use of best practice guidelines for agriculture and forestry in regard to abandonment of land and its impact on biodiversity promoted
Med.	<ul style="list-style-type: none"> • Driving forces in land-use change are identified and linkages to key actors developed • Experience in integrating conservation and local economies is developed and shared • Linkages are built with key Mediterranean actors on fisheries and arid lands conservation and management • Linkages between agriculture and biodiversity are explored
ORMA	To be completed ...
South America	To be completed ...
Southern Africa	<ul style="list-style-type: none"> • Cross-sectoral national and regional cooperation in biodiversity conservation and sustainable use facilitated in the region • Development and implementation of policies and strategies for resource tenure supported • Development and implementation of forest policies and strategies supported (other related policies) • Sustainable management regimes for wildlife (large mammals, fisheries, marine turtles) reviewed and improved
WESCANA	<ul style="list-style-type: none"> • Best practice guidelines for nature-based tourism developed and tested in two protected areas in each sub-region • Generation of income and wealth for local communities participating in pilot projects initiated • Technical assistance provided in the EIA of water resources

Component Programme	Private Sector Related Component Results 2001-2004
Regional Programmes and representational offices continued	
West Africa	<ul style="list-style-type: none"> • Au Ghana, le dialogue entre les institutions gouvernementales et les ONG sur la gestion des écosystèmes naturels est promu • Au Sénégal et en Mauritanie, des programmes de conservation des ressources halieutiques sont développés en ciblant le renforcement des acteurs • L'élaboration et l'application de réglementations forestières adaptées aux niveaux régional, national et local, sont encouragées • L'impact d'une bonne gestion des Aires Protégées sur le bien-être des communautés riveraines et sur l'économie nationale est mis en évidence • Les capacités des acteurs en matière de diversification des activités de valorisation (écotourisme, Produits Forestiers Non Ligneux, etc.) et des bénéfices tirés de la GDRN sont renforcées grâce à des stratégies et outils adaptés (ateliers de formation, expérimentation assistée, voyages d'étude, etc.) • Les initiatives et approches réussies en matière de lutte contre la dégradation des ressources dans les zones arides et semi-arides sont capitalisées et diffusées à grande échelle • Les lignes directrices permettant de réduire les effets pervers des prospections et de l'exploitation minière et pétrolière en milieu aride et semi-aride, sur la biodiversité, sont prises en compte au Burkina, Mali, Niger et d'autres pays de la région • Les lignes directrices sur les prospections et l'exploitation minière et pétrolière en milieu aride et semi-aride sont définies et présentées à la Conférence des Parties de la Convention de lutte contre la désertification • Un programme régional pour l'utilisation durable des écosystèmes pastoraux et sur le renforcement de la société civile pastorale est mis en place dans cinq pays de la région
USA	<ul style="list-style-type: none"> • IUCN developed constructive relationship with International Finance Corporation
Commissions	
CEL	No relevant results identified
CEESP	<ul style="list-style-type: none"> • Analysis of the dynamic issues at the intersection of international trade and the Union's mandate with focus on topics that remain insufficiently addressed
CEC	No relevant results identified
CEM	<ul style="list-style-type: none"> • Empower people in arid and semi-arid countries to negotiate equitable agreements for mining or petroleum exploration and extraction that conserve biodiversity • Government and private stakeholders informed of the status of the biodiversity in arid and semi-arid ecosystems

Annex 6. Highlights of NGO business programmes

Conservation International (CI)

The primary objective of CI's Center for Environmental Leadership in Business is to provide a platform for discussion and collaboration between businesses and the environmental community. The Center – which convened the Energy and Biodiversity Initiative -- promotes “business practices that reduce industry’s ecological footprint, contribute to conservation, and create value for the companies that adopt them”. In addition to company biodiversity impacts, the Center also focuses on climate change and water conservation issues.

Earthwatch Institute

Earthwatch Europe and Earthwatch Australia have active business and biodiversity work programmes. The programmes’ activities include seminars and workshops, dialogue with individual companies and employee involvement through placement on field research projects. Through these employee involvement programmes, companies are able to raise awareness and communicate internally about biodiversity.

The organisation has a Corporate Environmental Responsibility Group (CERG) based at Earthwatch Europe. Membership covers a wide range of industrial sectors, and over half of the members are FTSE100 companies.

The European Centre for Nature Conservation (ECNC)

An important priority of ECNC is mainstreaming biodiversity in programmes of activities of operators and stakeholders in economic and land use sectors, in particular the banking sector and the agricultural sector. Projects in these fields are developed and implemented in the framework of ECNC's Programme on

Ecology and Economy and the Service Area on support to international policies and institutions. On behalf of European governments, UNEP and the Council of Europe, ECNC facilitates the implementation of the European Biodiversity Resourcing Initiative. It has the secretariat of the ad hoc European Task Force on Banking, Business and Biodiversity. ECNC works closely together with financial institutions, such as EIB, EBRD and Rabobank Nederland.

Fauna & Flora International (FFI)

FFI launched its Global Business Partnership to promote greater understanding of the relationship between biodiversity and business. It aims at helping a number of responsible companies to develop and implement their own biodiversity policy and strategy. Originally founded by BP and Rio Tinto, the partnership convenes market leaders which have a potentially significant impact on biodiversity conservation. A key output of the partnership will be the emergence of alternative models of sustainable economic development and corporate leadership.

International Federation of Organic Agriculture Movements (IFOAM)

IFOAM is a worldwide umbrella organisation that represents the movement of organic agriculture. It is committed to “a holistic approach in the development of organic farming systems, including maintenance of a sustainable environment and respect for the needs of humanity”. As well as co-ordinating the network of the organic movement around the world, exchanging knowledge and expertise on organic agriculture, IFOAM sets and revises its ‘Basic Standards of Organic Agriculture and Food Processing’. The equivalency of certification programmes around the world is verified by the International Organic Accreditation Services, which runs the IFOAM Accreditation Programme.

International Institute for Environment and Development (IIED)

IIED has been involved in a number of corporate sector projects. These focus, notably, on partnerships in natural resource management with local communities, on developing instruments for sustainable forestry, on highlighting the creation of markets for environmental services for poverty reduction, and on encouraging sustainable agriculture and rural livelihoods, of which the Mining, Minerals and Sustainable Development project is one example.

The Nature Conservancy (TNC)

TNC aims to work closely with businesses to match business objectives with environmental results. In addition to corporate philanthropy, companies can become ‘Conservation Action Partners’ by minimising their use of environmental resources, or ‘Brand Identity Partners’ by aligning their products or corporate image with the Conservancy, in an effort to raise awareness of environmental issues and improve company reputation. In addition, TNC’s International Leadership Council provides a forum for senior executives.

Wetlands International

Business initiatives include involvement in the Global Peatland Initiative (GPI), a worldwide partnership of environmental NGOs, science agencies and the corporate sector to promote the sustainable use and conservation of peatlands. GPI focuses on integrated development planning of peat-based agriculture, forestry and industry.

World Resources Institute (WRI)

WRI’s business programme promotes corporate responsibility and accountability. It focuses on climate change, sustainable use – especially in the context of forestry, fisheries, and agriculture – and increasing access to information.

World Wide Fund For Nature (WWF)

WWF International’s Corporate Programme aims to forge partnerships that allow companies to demonstrate their corporate environmental responsibility through the use of the WWF logo, in exchange for support of WWF’s conservation work.

Annex 7. Background reports prepared for the 3I-C project

Copies of the following background reports are available on request.

1. *IUCN and Business: A governance perspective*, Report prepared by the IUCN Business Unit, November 2003.
2. *Overview of membership experiences with private sector engagement IUCN-Mesoamerica: Summary Report*, Anja Meinecke, August 2003
3. *Literature review: In the context of the 3-iC Private Sector Engagement Project*, Anja Meinecke, October 2003.