

# Business and Biodiversity Programme

2005 Annual Report



# 2005 Annual Report BBP

In 2005, BBP focussed on expanding IUCN's networks and outreach with a view to encouraging the private sector and the environmental community to collaborate to achieve conservation objectives. At the same time, BBP endeavoured to improve IUCN's capacity to engage effectively with the private sector. This report highlights some of the work undertaken to further these goals. For more information please visit <http://www.iucn.org/business>.

## 1. Influencing policy

### 1.1 Guidelines for engagement & follow-up of the Bangkok resolutions

#### Guideline Modules

1. Background & summary of the Strategy
2. Approval & decision making processes
3. Setting objectives
4. Prioritizing engagement
5. Managing risk
6. Planning & making an approach
7. Building, formalizing, managing & sustaining relationships
8. Using the logo & name
9. Soliciting resources
10. IUCN's corporate social responsibility

Drawing on its diverse experience, in 2004 IUCN developed *A Strategy for Enhancing IUCN's Interaction with the Private Sector*. This document provides an overall framework for collaborating with business. It includes a statement of vision, goals and principles. Two resolutions adopted at the Third World Conservation Congress (Bangkok, November 2004) provided further advice on engaging with the private sector, and asked the Secretariat to develop guidelines for implementing the *Strategy*. As a first step towards fulfilling this, BBP commissioned a survey of guidelines used by IUCN members and partner organizations. The results are on the BBP website. Building on this, and additional background material, BBP drafted Guidelines for submission to the IUCN Council in May 2006. Once approved, these will be among the first Guidelines made available in the public domain. The division also began documenting IUCN's experiences with the private sector over the past five years.

**for more information, visit:**  
**[www.iucn.org/business](http://www.iucn.org/business)**

### 1.2 Global Reporting Initiative and ISO 2600



BBP collaborated with the Secretariat of the Global Reporting Initiative (GRI) in its work on sustainable reporting. In early 2005, IUCN co-chaired the Steering Committee for the Mining and Metals Supplement launched by GRI and the International Council on Mining and Metals (ICMM). In addition, IUCN served on the GRI Technical Advisory Committee (TAC) that advises GRI and its Board of Directors. BBP also participated in the NGO consultation process on the ISO 2600 standard on corporate social responsibility.

### 1.3 EBRD energy policy

Together with the IUCN Environmental Law Centre, BBP provided substantive input to the review and further development of the Energy Policy of the European Bank for Reconstruction and Development (EBRD).



### 1.4 Review of IFC policies

In collaboration with the IUCN US office, the IUCN Environmental Law Centre and several members, BBP participated in the consultation process organized by the International Finance Corporation (IFC) to review of its environmental and social safeguard policies. Two position papers were produced as part of this.

### 1.5 Review of business sustainability reports

BBP reviewed the sustainability reports produced by Shell, Bayer CropScience, BP, Phillips and Rio Tinto. It also provided advice to DeBeers on its sustainability policy. As part of IUCN's growing effort to address its own corporate social responsibilities, BBP encourages the use of the GRI guidelines in the organisation's annual reporting.



## 2. Guidance and good practice

### 2.1 Oil development and whale protection in Sakhalin

Sakhalin Island, off the east coast of Russia, contains substantial deposits of oil and gas. The Sakhalin II Phase 2 Project is increasing production from these deposits. This poses a threat to the Western Gray Whale (WGW) whose summer feeding grounds are located close by. In February 2005, at the request of the Sakhalin Energy Investment Company Ltd. (Sakhalin Energy), an Independent Scientific Review Panel convened by IUCN, produced a report assessing these risks. The company took on board the recommendations of the panel in its decisions and planning surrounding the project (e.g. by rerouting an offshore pipeline). The report also provided other stakeholders (NGOs, lenders and the gov-



© Dave Weller



© Dave Weller

ernment) with additional information on which to base their decisions and actions. Since its publication, IUCN has convened subsequent meetings with scientists, lenders, Sakhalin Energy and NGOs to discuss follow-up to the report, and is in the process of convening a longer term advisory body (the Western Gray Whale Advisory Panel – WGWAP). It will assist the oil and gas company to minimize and mitigate the impacts of its operations on the WGW. Pending establishment of the WGWAP, an Interim Independent Scientist Group (IISG), has been envisaged to evaluate the company's analyses of its 2005 operations and mitigation measures, and provide comments and recommendations for the 2006 season.

### 2.2 Mining & Biodiversity Dialogue – a milestone reached

IUCN and the International Council on Mining and Metals (ICMM) have been engaged in an ongoing Dialogue on mining and biodiversity since 2002. The Dialogue aims to improve the performance of the mining industry in the area of biodiversity and to create a mutual awareness and understanding between the conservation community and the mining industry about the issues at stake. The Dialogue is supported by the IUCN Working Group on Extractive Industries and Biodiversity (WGEIB).

#### 2.2.1 Mining and biodiversity good practice guidance

As part of its commitment to the Dialogue with IUCN, ICMM has prepared a draft good practice guidance (GPG) for mining and biodiversity. The document, to be published in 2006, sets out what is currently understood to constitute good practice in biodiversity conservation and management. It is intended for technical and environmental managers at mines as a guide to improving performance.



#### 2.2.3 Mining & indigenous peoples issues roundtable

In November 2005, IUCN and ICMM convened a Roundtable on Mining and Indigenous Peoples Issues. It addressed free prior informed consent, land rights, capacity building, development, institutions and roles, and legal frameworks. Intended as a platform for building understanding between parties, the Roundtable suggested areas and opportunities for future activity. Nearly 30 participants from around the world—indigenous peoples' groups, governments, international organizations, mining companies and associations, and IUCN members—participated in the event.

#### 2.2.2 Influencing priority setting

BBP participated in a priority setting process for a Post-Mining Alliance to be established under an initiative of the Eden Project. It will support this initiative on a long-term basis as a means of addressing mining legacies and post-mining rehabilitation.

We thank those who contributed to making 2005 a fruitful year for the Dialogue – particularly those from the membership who participated in the Advisory Groups for the Good Practice Guidance (Assheton Carter, Richard Cellarius, Kristal Maze & Michael Rae) & the Roundtable (Aroha Mead & Alberto Saldamando).

## 3. Cooperation with external organizations

### 3.1 Support for the CBD secretariat

In partnership with the Brazilian Business Council for Sustainable Development, Insight Investments, the UK Government, and the Government of Brazil, IUCN co-organized two meetings with the Secretariat for the Convention on Biological Diversity (CBD). These meetings looked into ways of strengthening business commitment and involvement in the implementation of the Convention.



In addition, BBP continues to provide advice to the CBD on engaging with the business community. Progress was reviewed by the Ad Hoc Open-ended Working Group on the Review of Implementation of the Convention. A formal decision “on engagement with the private sector” was tabled for further discussion at the 8<sup>th</sup> Meeting of the Conference of the Parties (COP) in March 2006.

### 3.2 IUCN and WBCSD working together



IUCN and the World Business Council for Sustainable Development (WBCSD) intensified cooperation to strengthen global efforts to protect the earth and its vitality for human wellbeing and development. A Memorandum of Understanding between IUCN and WBCSD was signed in April 2005. Key elements of the work planned include:

- (1) a joint publication, with Earthwatch and the World Resources Institute (WRI) on “Ecosystems and Business – Facts, trends and tools”, outlining the importance of ecosystems for business operations, and presenting good examples of business responses to ecosystem degradation (to be published in October 2006); and
- (2) bringing together common approaches on biodiversity indicators.

#### Ongoing dialogues and collaboration



**RIO  
TINTO**



**ICMM**  
International Council  
on Mining & Metals



### 3.4 Potential business collaborations explored in 2005

- Potential for Biodiversity Offsets – **Rio Tinto**
- Oil and Gas exploration in Mauritania and elsewhere in Africa and the Middle East – **Woodside**
- Sustainable agriculture and certification – **Rain Forest Alliance, Kraft Foods and Chiquita**
- The potential of biodiversity offsets as a conservation tool – the **Business and Biodiversity Offsets Programme (an alliance of Forest Trends, Insight Investment, Conservation International (CI), IUCN, a. o.)**
- Business and biodiversity in Southeast Asia, and extractive industries – the **Cambridge Centre for Conservation Policy (CCCP)**
- Establishing a private sector network in support of IUCN work – **Eden Project**
- Follow-up of the conservation-related findings of the Millennium Ecosystem in the Agriculture Sector – **WBCSD and Syngenta Foundation**
- Collaboration for follow-up of the Speaking a Common Language Project – **Shell, BP, ICMM a. o.**
- Supporting the sustainability and conservation aspects of developing a long-term business vision — **Bayer CropScience**
- Exploring options and mechanisms for conserving nature threatened by impending developments in sensitive environments such as the Arctic – **Shell**
- Enhancing private sector contributions to conservation – **Shell and others**
- Conservation by the tourism industry – the **International Business Leaders Forum, London**
- Biodiversity conservation in utility businesses – **Energie De France (EDF)**
- Landscape Level Planning Initiative – **World Heritage Centre, CCCP, Shell, and ICMM**
- Post Mining Alliance – **Eden Project**
- Oil development off the Mauritanian coast – **Woodside**

## 4. Cooperation with IUCN constituencies

### 4.1 Involving IUCN members

In carrying out its work, BBP sought to involve and draw on the participation of IUCN member organizations. Some key examples of this collaboration are listed below:

- Guidelines for IUCN engagement with the private sector (participation of several IUCN members)
- Sustainable agriculture and certification (SalvaNatura)
- Development of a Global Business and Biodiversity Alliance (The Nature Conservancy (TNC) and Conservation International (CI))
- Conference on private sector engagement for conservation in Argentina (proposed by Asociación Civil Los Algarrobos)
- Participation in the Advisory Group for Good Practice Guidance of ICMM (Sierra Club, CI, WWF Australia)
- Private Sector Engagement in China (NABU and GTZ)
- The work of the Independent Scientific Review Panel for Western Gray Whales in Sakhalin (Russian government and several NGO members)
- Publication of a report on ecosystems as a follow-up to the Millennium Ecosystems Assessment (Earthwatch Europe)
- Mainstream biodiversity conservation with ENI-oil and gas development company (Fauna and Flora International (FFI))

### 4.2 Cooperation with IUCN Commissions



BBP is cooperating with the Species Survival Commission (SSC) Cetacean Specialist Group in the conservation of Western Gray Whales in Sakhalin.

BBP is in continual dialogue with the Working Group on the Social and Environmental Accountability of the Private Sector (SEAPRISE) of the Commission on Environmental, Economic and Social Policy (CEESP) on extractive industries, private sector funding, and private sector guidelines.



BBP is working with the World Commission on Protected Areas (WCPA) on the *Speaking a Common Language* Project and on a tourism initiative.

### Landscape Level Planning Initiative — an example of IUCN's programme work with the private sector

The Ecosystem Management Programme, with the support of BBP, is driving IUCN's participation in a UNESCO-led Landscape Level Planning Initiative. Several companies and business associations are also part of this initiative. The idea is to anticipate potential overlap or conflict between conservation and development and to promote the wider application of effective land use planning in keeping with the principles of sustainable development. The initiative aims to do this through advocacy, research and the development of models, examples and tools.





## 5. Working with IUCN regional and country offices

### 5.1 South and East Asia

BBP assisted the IUCN Asia Region to develop a Regional Strategy for engagement with business. This has now been extended to specific country strategies for Bangladesh, Pakistan, Sri Lanka and Thailand. Scoping visits were undertaken to regional and country offices between March and May 2005. Meetings were held with businesses and business associations in all these countries to raise awareness of the business community of IUCN's global strategy for engagement, and to gauge what activities would most readily deliver results for businesses in the region. Draft strategies were presented at the Asia Regional Directors' Meeting (Thailand, June 2005) and accepted by the regional and country offices. Implementation is now underway. Following on from discussions at the Global Compact Summit in China (November 2005), BBP will be working with IUCN members GTZ and NABU to establish a business programme in the China office. In addition, ABN AMRO seconded an expert to the Sri Lanka country office.



### 5.4 Southern Africa

Dialogue continued with the IUCN Regional Office for Southern Africa (ROSA) throughout the year with a view to seeking more institutionalized collaboration. During the year, colleagues from ROSA represented IUCN at the various GRI initiatives. IUCN South Africa sought to replicate the IUCN-ICMM Mining and Biodiversity Dialogue at the local level.

IUCN Mozambique launched the Corporate Social Responsibility Initiative (RESA) in June 2005. The initiative is a partnership-based mechanism to promote private sector engagement in the social and natural environmental affairs of Mozambique. With the support of the BBP, a dialogue was organized to improve understanding of principles for corporate environmental and social responsibility and to encourage local private sector interests to adopt such principles.

### 5.2 Regional Office for Europe, US office, CIS office, Canada office

The Sakhalin Western Gray Whale Project provided BBP with an opportunity to engage with several IUCN regional offices notably the Regional Office for Europe (ROfE), the US office, the CIS office, and the Canada office. Input ranged from logistical support to networking and government liaison.

### 5.3 Meso and South America

BBP and the Regional Office for South America (SUR) signed a two-year MOU supporting IUCN's full-time presence in Brazil. Collaboration included providing joint resources for a professional staff position in Brazil, in part to help implement the IUCN private sector strategy in South America. The position was advertised in late 2005 and is expected to become operational in Spring 2006.

### 5.5 West/Central Asia and North Africa

BBP visited the West/Central Asia and North Africa Regional Office (WESCANA) to introduce the global strategy to regional office staff and IUCN members including the Minister of the Environment of Jordan. There is great enthusiasm in WESCANA for closer involvement with businesses in the region, particularly in Jordan, through a Fair Trade Initiative (see [www.iucn.org/wescana/news/fair\\_trade.html](http://www.iucn.org/wescana/news/fair_trade.html)). WESCANA is also exploring models for sustainable financing operations.

#### Islamic banking conference

The Waqf Fund, which aims to provide resources for conservation by using and harnessing culture and local knowledge, was presented to the 3<sup>rd</sup> International Islamic Banking and Finance Conference, organized in Kuala Lumpur, Malaysia by Dr. Odeh Al-Jayyousi, Director of the IUCN Regional Office for West/Central Asia and North Africa. A philanthropic fund, Waqf aims to support the poor by developing activities such as libraries, education and microfinance in addition to conservation projects.

## 6. Communications

In addition to using its website and newsletter, BBP continued to actively communicate with IUCN members and other parts of the constituency on important issues such as the development of Private Sector Guidelines and the Bangkok Follow-up.



**Revamped Biodiversity Economics Library:**  
<http://www.biodiversityeconomics.org/library/>



### 6.1 Biodiversity offsets – an emerging discussion

Can biodiversity offsets help reconcile conservation and development priorities? This question was discussed at a side event on *The Role of Biodiversity Offsets in Conservation* held at the 11<sup>th</sup> Meeting of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) of the Convention on Biological Diversity. The response from some 30 government delegates, NGO representatives and scientists attending was a guarded “yes, but”.

“Biodiversity offsets” consist of actions intended to compensate for the harm caused to biodiversity by development projects. The concept is increasingly under discussion on the international agenda, as a means of securing conservation outcomes in the face of growing development pressures, including the urgent need to achieve the Millennium Development Goals.



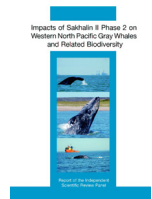
**Business and Biodiversity website**  
<http://www.iucn.org/business/>

### 6.2 International fora, (co-)organized by IUCN

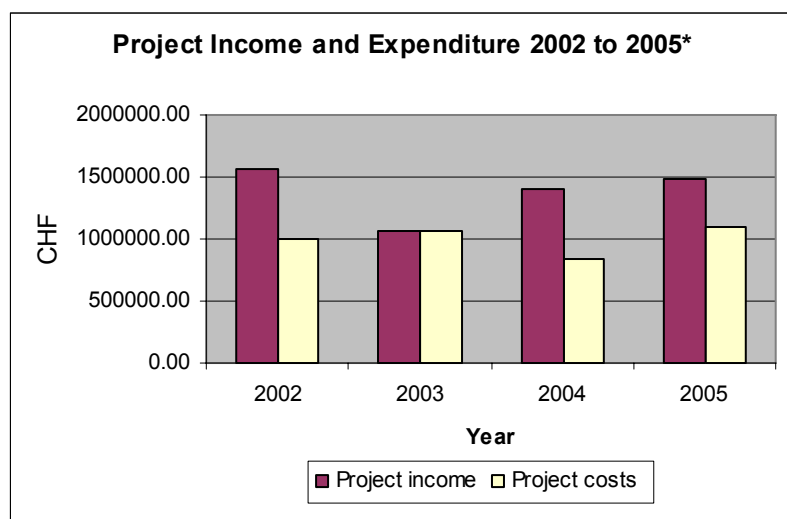
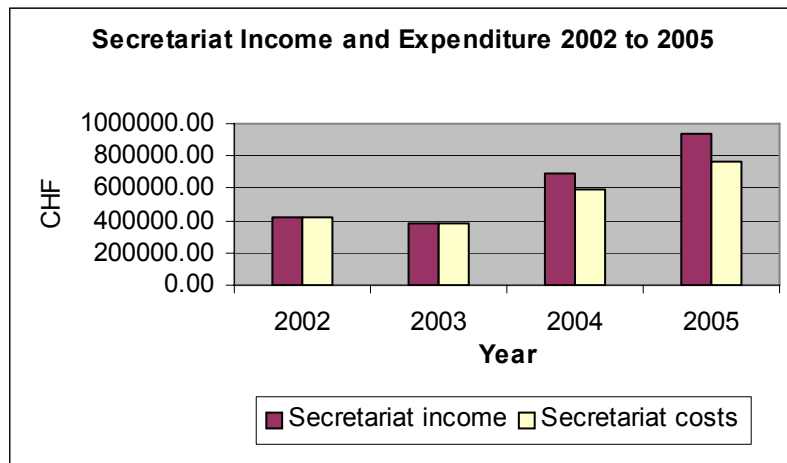


### 6.3 Publications and reports

- Impacts of Sakhalin II Phase 2 on Western Gray Whales and Related Biodiversity
- Report of the SEIC-Lenders Workshop, Gland
- A Survey of Guidelines for Non-Profit/Private Sector Interaction
- Rediscovering the Reality: Nature Underwrites Profits and Prosperity
- Integrating Mining and Biodiversity Conservation: Case studies from around the world (co-publication with ICMM)
- Biodiversity and Energy: Partners in sustainable development'



## 7. Income and expenditure



\* The difference between project income and expenditure is carried over to the next year.

## 8. Staffing

IUCN and Shell have agreed to extend the current secondment from Shell to IUCN for a third year to April 2007. Deric Quaile from Shell continues in his post as Business and Biodiversity Advisor.

In preparation for COP8, BBP is seconding staff member Nick Bertrand to the CBD Secretariat in Montreal for 6 months starting February 2006.

## 9. Environmental behaviour

BBP is recording and offsetting its carbon emissions from air travel. In 2005, the programme paid CHF 1,090.32 to offset its 49.56 tons of CO<sub>2</sub> emissions. The money is being allocated to a climate change fund. BBP also encouraged its printers to switch to FSC certified paper. It has provided input on the sustainability of design features of the new IUCN HQ building.

## 10. Future challenges

The Business and Biodiversity Programme looks back on 2005 as a year of considerable growth and accomplishment. It consolidated its work of the past six years in extractive industries and the financial sector, and explored several new collaborations in the agricultural and tourism sectors with companies such as Bayer CropScience, Chiquita, Syngenta, Kraft Foods, TUI and the International Business Leaders Forum. Across the sectors the challenge remains to take the business and biodiversity message beyond the leading multi-national corporations, and particularly to small and medium enterprises, to those in the industry willing to address biodiversity conservation issues, and to identify performance indicators against which they may credibly report. Responding to these challenges warrants a deeper engagement with the private sector in the years ahead.

**We look forward to 2006 as another rewarding year and to continuing collaboration with our partners within and outside IUCN whose contribution and support remains invaluable.**

© June 2006, International Union for Conservation of Nature and Natural Resources

Publication Director: Mohammad Rafiq  
Editing & Layout: Pamela Donaubauer

Photo on front page: © IUCN/Jim Thorsell

The World Conservation Union (IUCN)  
Business and Biodiversity Programme  
Rue Mauverney 28  
1196 Gland  
Switzerland

Tel: +41 (0) 22 999 0104  
Fax: +41 (0) 22 999 0020  
Email: [business@iucn.org](mailto:business@iucn.org)  
[www.iucn.org/business](http://www.iucn.org/business)

**World Headquarters**