

Transforming business risks into conservation opportunities

Business and Biodiversity Programme

Annual Report 2006



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IUCN Business and Biodiversity Programme

Mission of IUCN's Business and Biodiversity Programme

A sustainable global economy in which the private sector and the conservation community are committed and effective partners in achieving a just world that values and conserves nature.

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Business and Biodiversity Programme: a bridge between IUCN and the business world



Globally the private sector is growing in size and influence. This is paralleled by calls from across society for business to contain its environmental footprint and to mainstream sustainability principles. The conservation community is increasingly engaging business and IUCN is a leading organization in this effort. The private sector demand for IUCN support is growing.

Within IUCN, the debate about engaging the private sector is maturing. More people see business engagement as a conservation imperative. The IUCN Business and Biodiversity Programme (BBP) is acquiring experience, skills and capacity to work more effectively with the private sector and to enhance IUCN's reputation as a credible conservation organisation and a partner of choice. In the process, BBP is emerging as a promising IUCN programme.


2006 has been another rewarding year for BBP. Efforts were focused on strengthening IUCN capacity, building mutual understanding between business and conservation communities, and enabling select business organisations to resolve real life issues through policies, tools and scientific advice. We look forward to an even more fulfilling 2007, continuing to serve as a bridge between IUCN and the business world.

Mohammad Rafiq
Head of the Business and Biodiversity Programme

Assessing our Performance

BBP supports and contributes to IUCN's commitment for results-focused reporting; indeed this requirement is included in the IUCN Private Sector Engagement Guidelines. It is in this spirit that this 2006 report highlights progress against the planned annual results. The table on page 10 summarises the program performance against the planned results for 2006. However, to better contextualize the reporting, performance against the relevant results is also indicated in the beginning of each section using a simple performance scale:

Performance	Indicator
Results exceeded	↗
Results fully met	→
Results not fully achieved	↘

 This symbol indicates when a relevant publication is available.

Engagement with the large-footprint industry remained a key element of BBP's work in 2006. The convening role of IUCN and its credible scientific advice are becoming some of the major product lines

with a strong value proposition both for business and conservation. More progress than expected was made in the areas of tourism and agriculture due to the arrival of a dedicated staff member, though work in the biodiversity finance sector suffered due mainly to a staff member being seconded to the CBD Secretariat in March. Given the importance of this sector, BBP envisages resuming this work in the future. Through the CBD Secretariat secondment, BBP continues to have strong policy links.



Large-footprint industries managing biodiversity

Large-footprint industries – mining, oil and gas, construction, automobile and energy – tend to have large impacts on biodiversity through their operations and processes and therefore represent the main target for approaches for IUCN to help companies to transform their biodiversity risk into conservation opportunities.

Objective: large-footprint industry companies adopt and follow good practice for managing biodiversity

Select Shell projects protect biodiversity →
Mining good practice guidance operationalized →
Dialogue with other biodiversity-impacting businesses →

Sakhalin Energy Investment Company engagement with the Western Gray Whales Advisory Panel

BBP's work with Sakhalin Energy Investment Company culminated in a request to IUCN by the company to set up a long term Western Gray Whales Advisory Panel (WGWAP). BBP worked with the IUCN Global Marine Programme (GMP) to set up the Panel, eventually transferring the project to GMP as a part of our strategy to mainstream business engagement in IUCN. The first Panel meeting, facilitated by GMP, was held in November 2006.



The constitution of the WGWAP represents a significant outcome for biodiversity conservation in the oil and gas sector, and particularly in Russia. It also strengthens IUCN knowledge and capacity for engaging the private sector in general and oil and gas sector in particular. For more details, please see www.iucn.org/themes/marine/sakhalin/.

Developing new relationships

In 2006, BBP continued to explore new opportunities for enhancing the implementation of IUCN Private Sector Strategy. Notable among them have been:

Holcim Group: This relationship aims to develop robust ecosystem conservation standards for the

Holcim Group, contributing to sector-wide improvements in the cement and related sectors. Several objectives are under discussion, including the establishment of a conservation baseline and a comprehensive biodiversity policy for Holcim Group, as well as the exploration of joint initiatives that support sustainable livelihoods. An agreement should be signed in 2007.

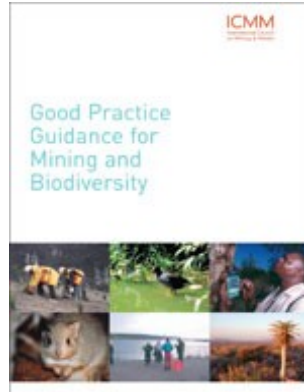


Rio Tinto: The discussion initiated in 2006 explores the possibility of a longer term relationship, focusing on (a) realising the leadership position taken by Rio Tinto on net positive benefit to biodiversity in all its operations, and (b) bridging the gap between corporate biodiversity conservation policy and practice.

Promotion of Good Practice Guidance for Mining and Biodiversity

The *Good Practice Guidance for Mining and Biodiversity* that IUCN helped the International Council for Mining and Minerals (ICMM) to develop was launched in 2006. The guide provides an informative, accessible and practical reference source on biodiversity that can be used by mining companies throughout the lifecycle of their operations, from initial exploration to mine closure. A Spanish translation is being developed, and Russian and Mandarin translations under consideration.

Four workshops to raise awareness about the tool and promote its uptake were organized in: Madagascar (by ICMM in collaboration with some IUCN members); Ottawa and Perth (by the respective national mining associations); and Guatemala (by the IUCN Regional Office for Meso-America). The IUCN-ICMM dialogue process is being replicated at the country level. Initial feedback indicates member companies are endeavouring to implement the guidance. Likewise the consideration of saving certain landscapes and seascapes from intrusive developments is expanding, exemplified by the draft policy statement currently before the Canadian Mining association.



 [Good Practice Guidance for Mining and Biodiversity](#)

Lifting the game: Working together with Shell

Since 2000 Shell and IUCN have collaborated to strengthen the links between biodiversity and business. These include efforts to promote nature conservation in Shell's operations and to bring business skills to IUCN.



In 2006, Shell and IUCN explored the prospects of lifting the relationship to a higher level with a focus on jointly influencing positive change for nature conservation across the energy sector. This would also include the development of a Biodiversity Business Facility to harness the market's potential for conservation. BBP continued to participate in and support the dialogue on biodiversity offsets, and worked on developing a potential pilot project with Shell Qatar. The agreement for the next phase of Shell-IUCN collaboration is likely to be signed in 2007.

A Major Energy Initiative Launched

In 2006, IUCN launched a major Energy, Ecosystems and Livelihoods Initiative, coordinated by BBP. The goal is to support and accelerate the transition to energy systems that are ecologically sustainable, socially equitable, and economically efficient while making full use of the best available technologies and governance arrangements. As a cross-cutting Initiative, the energy work mobilizes the expertise and experience in IUCN's networks.



Considerable progress was made during the year in establishing a network of interested professionals in IUCN, and identifying and enlisting potential partners. The fundraising efforts provided useful leads to be followed in the period ahead. Sustainable bioenergy production forms a critical part of the Initiative.

Biodiversity-dependent and green enterprise

Biodiversity-dependent industries (such as agriculture, fisheries, forestry and aquaculture) can potentially have negative impacts on biodiversity. Green enterprises, including organic agriculture and ecotourism, can help to manage these impacts and promote biodiversity.

Objective: Biodiversity-dependent industries and green enterprises better understand ecosystem values and seek to conserve them

Collaboration with biodiversity-dependent businesses
Collaboration with tourism businesses



Endorsement of sustainable tourism recommendations in marine environment

Tourism tends to be a double-edged sword: tropical marine ecosystems are one of the most important drivers for visiting a destination and provide great economic benefits to the neighbouring communities and can generate political and financial support for conservation; yet tourism can also cause degradation of the host environment.



BBP contributed to the tourism theme of the International Tropical Marine Ecosystem Symposium (ITEMS) in Cancun in October 2006, co-producing four workshops on how to minimize tourism footprint and make tourism a net positive contributor to biodiversity conservation and economic development. The final recommendations from the workshops were captured in an ITEMS Action Statement endorsed by Coral Reef Initiative.

Libya explores Sustainable Tourism

In collaboration with the IUCN Mediterranean Programme, BBP helped organize a sustainable tourism workshop in Al-Bayda, Libya, from 28-29 November 2006 in the backdrop of impending major infrastructural developments. Tourism management in coastal and marine protected areas was the main focus of the workshop. The workshop directly contributed to the sustainable tourism policy being developed by the Libyan government by generating specific recommendations addressing inter-agency and inter-sectoral cooperation, institutional capacity building, planning and implementation processes, and public awareness needs.

Growing an agricultural component

In agriculture, the programme collaborated with the Eden Project, Syngenta Foundation and WBCSD on scoping out a coherent debate on the issues impeding the promise of agriculture in meeting the rising expectations of society for food security, poverty alleviation and energy. BBP also worked with Chiquita on a case study about its Nogal Nature and Community project, as an example of private enterprises and conservation organizations supporting biodiversity conservation and livelihoods.



Private sector-related conservation policies

Putting markets to the service of biodiversity conservation requires an environment of clear and stable public policy, thereby providing for fair competition and stimulating innovation and creativity.

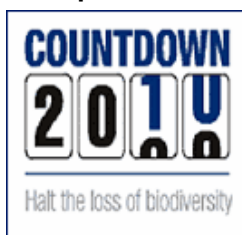
Objective: Conservation policies that relate to the private sector are improved

Enhanced CBD engagement with the private sector
Increased policy influence on WBCSD member companies
Increased influence on private sector organizations and associations



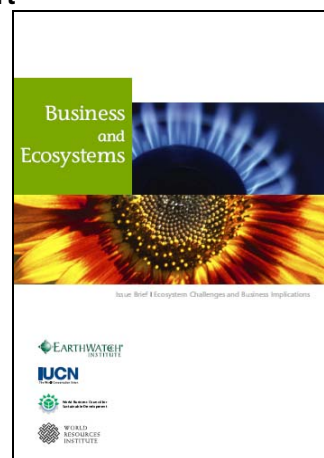
Private Sector included in CBD implementation

BBP collaborated with the Brazilian chapter of the World Business Council for Sustainable Development, UK Government, and the Convention on Biological Diversity (CBD) Secretariat on the 2010 challenge, building on previous joint efforts in 2005. This led to the CBD Decision (COP 8/17) in Curitiba in March 2006 that, for the first time, calls for private sector involvement in the implementation of the CBD.



Ecosystems work with WBCSD receives recognition and support

The collaboration with WBCSD continued in 2006. This featured work on the 2010 Challenge and a joint publication with the World Resources Institute and Earthwatch Institute, on the business case for conservation.



Another significant outcome has been the lifting of the WBCSD ecosystems initiative to a better recognised and resourced Ecosystems Focus Area.

 [Ecosystem challenges and business implications](#)

Biodiversity finance

Given the vast amounts of capital that financial services, banks and insurance companies control, the leveraging potential for projects that conserve rather than impact on biodiversity is enormous.

Objective: IUCN dialogue partners in financial industry have, and use, the required capacity for integrating biodiversity conservation in their lending and investment decisions.

Strengthen conservation policies in two finance organisations



The IFC Biodiversity Finance guidelines were completed and made publicly available.



[A Guide to Biodiversity for the Private Sector](#)

IUCN capacity for private sector engagement

Enhanced Union capacity for engagement with the private sector is essential for IUCN's Secretariat, Commissions and Members to achieve conservation outcomes.

Objective: IUCN's capacity for engagement with the private sector is enhanced

- Increased IUCN regional and thematic programme capacity to work with the private sector
- Expanded engagement between IUCN programmes, governments and private sector
- Learning from IUCN engagement with the private sector documented and widely shared
- Increased capacity of IUCN Commissions
- Greater collaboration among IUCN members and the private sector
- Support IUCN with internal corporate responsibility efforts



Increased capacity for business in the Regions

In 2006, BBP conducted numerous information and training sessions in different offices of IUCN and with membership. Follow-up support was provided to the Asia Regional Office and its component country programmes in developing the regional and country BBP strategies. These efforts have begun to bear fruit; most country offices now have BBP focal points and some countries have dedicated staff. Significant funding progress was made towards resourcing the position of a Regional BBP Coordinator and engaging businesses in different countries.



Missions were also undertaken to IUCN offices in Southern Africa, WESCAN and Mesoamerica to assist with the development of regional

strategies for IUCN engagement with the private sector. Other component programmes also highlight the need for adequate "business skills" in their organizations, which BBP aims to provide through business partnership agreements.

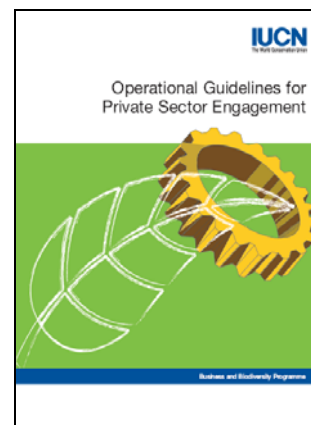
Business guidance for Allanblackia production

BBP provided business orientation support to the Forest Programme in their engagement with Unilever, the Swiss State Secretariat for Economic Affairs, the Forest Research Institute of Ghana and TechnoServe, regarding Best Practice Guidelines for Allanblackia oil supply chain management from native forests and cultivated resources in Ghana. The project will have potential positive impacts on local community livelihoods and will contribute to the sustainable production of edible Allanblackia oil across its natural range, from Liberia to Tanzania. The support mission prepared in 2006 is to be undertaken in 2007.

Private sector review and guidelines launched

The independent review of IUCN's experiences with the private sector, organised by BBP, contributed significantly to IUCN's knowledge base and capacity and indicated that IUCN is engaging with the private sector more extensively than perceived. It also identified agriculture and tourism as potential business areas for IUCN to engage. This will inform both the BBP work plan for 2007-2008 and preparations for the next inter-sessional period.

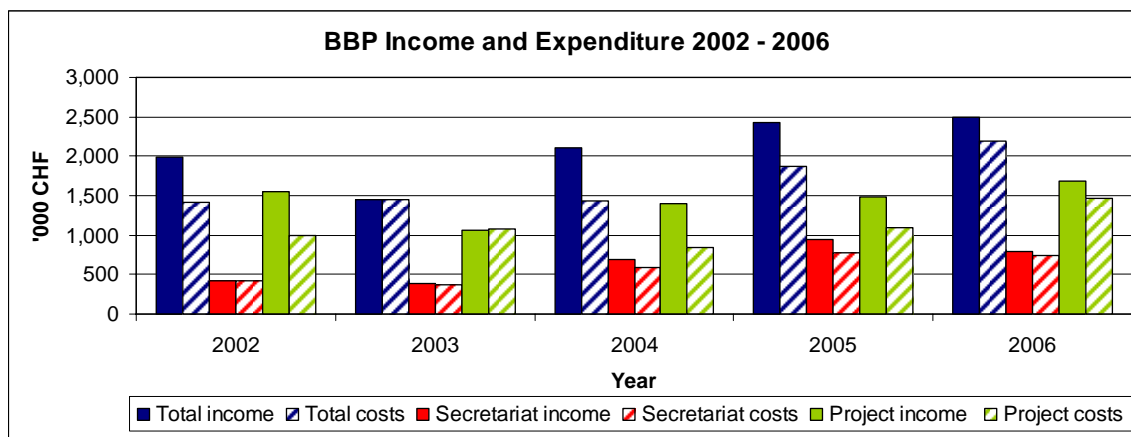
BBP also produced Operational Guidelines for Private Sector Engagement, providing IUCN a much-needed tool and capacity for engaging business in delivering conservation effectively. The translation of the guidelines into French and Spanish, in part financed by the French Framework Agreement, further contributed to IUCN's knowledge base.



[Operational Guidelines for Private Sector Engagement](#)

Programme management

BBP programme is adequately resourced and effectively managed



Funding

2006 was the third successive year that BBP has had a net budget surplus, as can be seen in the above graph. The funding base of the programme grew stronger and more diverse as we had envisaged, reflected in increased project income. We continued to invest in the further development of the programme portfolio.

We also invested in building the BBP team, which encompasses the programme staff as well as our counterparts in component programmes. These investments, we believe, will pay dividends to IUCN in the years ahead. We gratefully acknowledge the governments, businesses and IUCN member organizations that supported our work in 2006.

Staffing

In 2006, BBP capacity was depleted, albeit temporarily, by two of its staff members leaving on secondment and extended leave. However, through temporary hires, we were able to sustain the programme momentum, with the exception of the finance sector. We were also able to explore opportunities in two new areas: agriculture and tourism.



Environmental footprint

The BBP team endeavours to “walk the talk” and take the train instead of flying where possible for meetings. We partake in IUCN’s scheme for offsetting carbon emissions through business flights. In 2005, the first year of the scheme, BBP paid CHF1,090.32 to offset 49.46 tons of carbon dioxide. In 2006, this amount was reduced to 502CHF to offset 22.82 tons through 187,985 kilometres worth of flights. This drop of more than half was due primarily to the reduction in size of the BBP team.

Contact us

For up-to-date contact information for BBP focal points in IUCN regional offices, please refer to the [BBP website](#). The BBP team is based at IUCN HQ in Switzerland. You can contact us at:

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Summary table: performance against planned results for 2006

↗ Results exceeded

→ Results fully met

↘ Results not fully achieved

BBP Objectives	Planned Results for 2006	Performance
Large-footprint industry companies adopt and follow good practice for managing biodiversity (KRA 4.6)	Shell projects in Sakhalin and Italy seek to protect biodiversity	→
	ICMM good practice guidance tested and operationalized in select areas	→
	Possibilities explored for dialogue with other biodiversity-impacting businesses	↗
IUCN dialogue partners in financial industry have, and use, the required capacity for integrating biodiversity conservation in their lending and investment decisions (KRA 4.6)	Increase the capacity of two finance organizations to strengthen and implement their conservation policies	↘
Biodiversity-dependent industries and green enterprise better understand ecosystem values and seek to conserve them (KRA 1.1)	Collaboration with biodiversity-dependent businesses is explored	↗
	Collaboration with tourism businesses is developed	↗
Conservation policies that relate to the private sector are improved (KRA 5.4)	Enhanced CBD interest and capacity to engage PS for conservation	↗
	Increased policy influence on WBCSD member companies	↗
	IUCN is represented on and influences private sector organizations, business associations and related multilateral organizations	→
IUCN's capacity for engagement with the private sector is enhanced (KRA 6.5)	IUCN Regional and Country Offices and Global Thematic Programmes have increased capacity/experience to work with the private sector	↗
	An expanded engagement between IUCN programmes, governments and private sector	↗
	Learning from IUCN engagement with the private sector documented and widely shared	↗
	Increased capacity of IUCN Commissions	→
	Increased understanding and greater collaboration among IUCN members, other conservation organizations and private sector (KRA 3.1)	→
	Assist IUCN with industry best practice on CSR and support the internal CSR efforts	→
	BBP programme is adequately resourced and effectively managed	↗

The Key Result Areas (KRAs) highlighted in the objectives refer to IUCN's Global Programme objectives. See www.iucn.org/programme/ for further information.

Moving forward

The BBP strategy for 2007 is one of consolidation. We will enhance our work in the large-footprint industry, bringing IUCN greater recognition and opportunities. However, taking the ongoing agriculture dialogue with WBCSD, Syngenta Foundation and Eden to fruition will remain a priority. We will also move forward with the numerous tourism concepts and contacts initiated in 2006. The Energy, Ecosystems and Livelihoods Initiative will develop as a major pillar of BBP work.

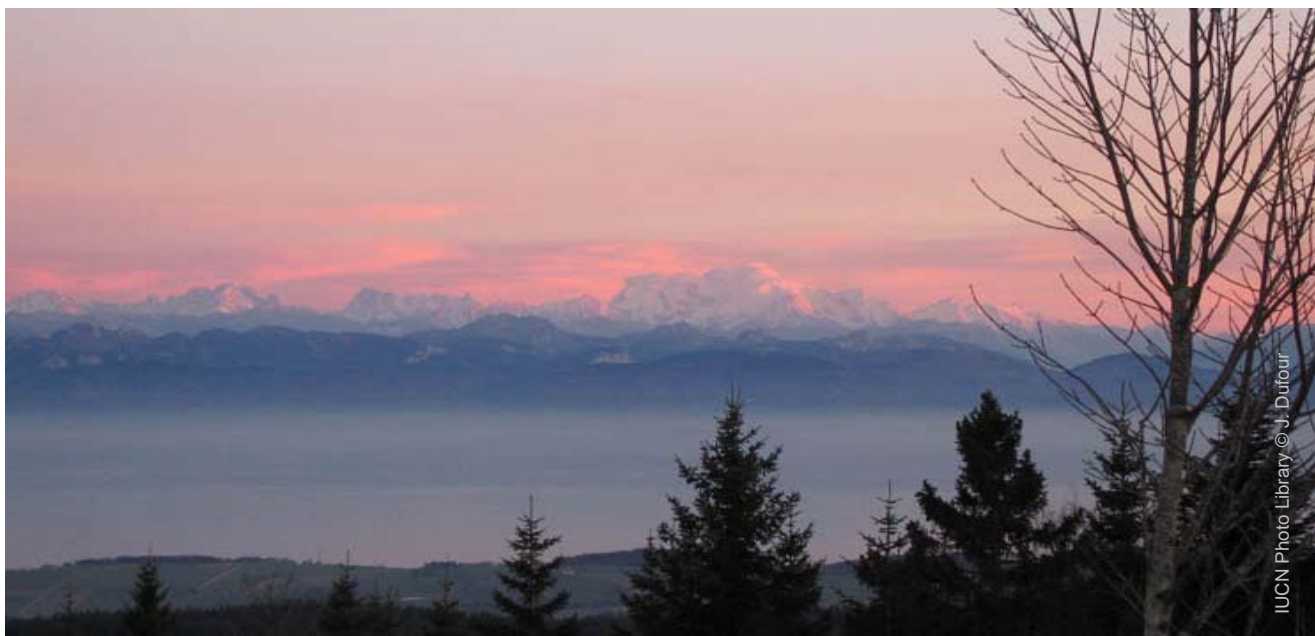
We will endeavour to enhance both the new and established relationships with Holcim and Shell respectively. Our ongoing dialogue with Rio Tinto will continue to explore the prospects of substantive collaboration over the next few years. We will also continue our work with Accountability on partnerships' governance and accountability.

Communications remains an area requiring greater attention in 2007. We also resolve to further strengthen involvement of IUCN members and Commissions in our work and to reengage with the "Walk the Sustainability Talk" debate currently

underway in the IUCN Secretariat. With another staff member on extended leave in 2007, we plan to recruit two more staff members for part of the year in order to deliver on our planned commitments.

IUCN will hold its 4th World Conservation Congress in Barcelona, Spain in October 2008. We will use 2007 to prepare ideas, contacts and research for the Congress, with 2008 in part devoted to organizing the events at the Congress. Planning for the next Quadrennium (2009-2012) will feature prominently in both years.

The IUCN Private Sector Strategy and the Intersessional Plan (2005-2008) provide strategic direction and priorities for BBP work. However, considering their general direction, much of the BBP engagement has meant testing different approaches in select sectors, harnessing opportunities and gathering experience. We envisage continuing on this path in 2007 through a risks and opportunities mapping exercise with Sustainability, laying the foundation for a robust and strategic IUCN private sector programme for the future.





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