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Brussels in Brief

Business & Biodiversity

The relationship between business and biodiversity is twofold. Firstly, many businesses benefit from biodiversity and related ecosystem services, such as from the provision of biodiversity resources (e.g. timber or genetic materials for pharmaceuticals), supply and purification of water, and existence of nature-related tourism. Furthermore, a number of these biodiversity related benefits, including fresh water, are to a large extent effectively free of charge to the business sector.

Secondly, numerous businesses, notably extractive and agriculture- and fisheries-based industries, can have significant harmful impacts on biodiversity. These effects include, for example, the overexploitation of resources and the destruction of natural habitats. In addition to direct impacts, the business sector also threatens biodiversity and ecosystems indirectly, e.g. through climate change.

The loss of biodiversity and related ecosystem services in turn affects the business sector. A number of businesses are already experiencing the negative impacts of the decline in biodiversity resources (e.g. fish stocks) and water supply. Furthermore, the resource scarcity is also increasingly affecting business operators along the different supply chains. In addition, the business sector is also vulnerable to extreme natural events caused or intensified by changes in ecosystem functioning, such as floods and outbreaks of pests and diseases.

On the positive side, it is also recognised that the growing pressure on biodiversity and related services is giving rise to new business opportunities, such as markets for ecosystem services, organic farming and provisioning of environmentally friendly technologies.

This issue of Brussels in Brief outlines the EU legal and policy framework for issues related to business and biodiversity. It summarises the main Community framework for regulating the negative effects of the business sector on biodiversity. It also provides examples of existing opportunities for engaging business operators in activities supporting conservation and sustainable use of biodiversity. Finally, the newsletter discusses some main challenges for the future.

Brief overview of the international framework

Business and biodiversity in the context of Convention on Biological Diversity

The Convention on Biological Diversity (CBD) provides an international framework for involving business in activities related to sustainable use and conservation of biodiversity. Forming partnerships with business is supported, for example, by the Articles 10 and 16 of the Convention. These articles emphasise the cooperation between the national governmental authorities and private sector in developing methods and technologies for sustainable use and conservation of biological diversity, including facilitating access to these technologies for developing countries. In addition, the issue has also been addressed in the Convention's Strategic Plan (i.e. the Strategic Plan's Goal 4).

In 2006, the eighth CBD Conference of the Parties (COP8) adopted the first decision focusing exclusively on business (Decision VIII/17). The decision recognises the current lack of private sector involvement in protection and sustainable use of biodiversity. It also stresses that encouraging business and industry to adopt and promote good practice on biodiversity conservation could make a significant contribution towards implementing the CBD objectives, including significantly reducing the loss of biodiversity by 2010.

Consequently, the decision urges the Convention Parties to improve their engagement with the business community when developing and implementing national biodiversity strategies and action plans. It also encourages active participation of business in Convention processes and invites businesses and other relevant organisations to develop and promote the business case for biodiversity. In addition, two stakeholder meetings have been organised in the context of CBD with a view to examine ways to strengthen business engagement in the implementation of the Convention¹.

The progress in efforts to improve the involvement of different business sectors in biodiversity conservation will be reviewed at the next COP meeting (COP9) taking place in Germany in May 2008. The COP9 will also consider further ways and means to promote business engagement in the implementation of CBD goals, with a particular emphasis on the Convention's role in facilitating such engagement.

International initiatives on business and biodiversity

The Millennium Ecosystem Assessment (MA), published in 2005, played an important role in increasing the knowledge and awareness of the international community, including policy and decision-makers and the private sector, on the impacts of biodiversity loss and the loss of related ecosystem service on business and industry.

The MA findings stated that if current trends in biodiversity loss continue several ecosystem services that business and industries depend on, such as water supply and provisioning of biodiversity resources, will cease to be available or become more costly to obtain. Once internalised by primary industries, the resulting additional costs will also be passed downstream to secondary and tertiary industries. This leads to changes in the operating environment of all businesses.

However, the MA also recognised that pressures on ecosystems and their services could give rise to new business opportunities, such as markets for carbon reduction credits, organic farming and provisioning of environmentally friendly technologies.

The MA also outlined a number of policy options for enhancing ecosystem services and addressing drivers behind the observed negative trends. These options included, for example, eliminating subsidies that promote unsustainable use of biodiversity and related services and increasing the use of economic instruments in the management of ecosystem services. The identified alternatives were also envisaged to become part of the future policy environment for businesses.

In addition to MA, a number of business and biodiversity related initiatives have been launched by several international stakeholders during the last decade. For example, the IUCN business and biodiversity programme was established in 2003 with an aim of helping businesses to meet their environmental obligations and enabling them to positively contribute to biodiversity conservation. In addition, the Countdown 2010 initiative actively supports the involvement of business in biodiversity conservation.

The World Business Council on Sustainable Development (WBCSD) has also recognised the importance of biodiversity and related ecosystem services to the business sector. In 2005, the WBCSD established the Sustaining Ecosystems Initiative that aimed at catalysing the business sector response to the opportunities and challenges outlined in the MA. In 2007, the WBCSD work on ecosystems became a permanent focal area on the Council's agenda.

¹ For further information see outcomes of the CBD stakeholder meetings on business and biodiversity:
<http://www.cbd.int/doc/meetings/biodiv/b2010-01/official/b2010-01-03-en.pdf> and
<http://www.cbd.int/doc/meetings/biodiv/b2010-02/official/b2010-02-03-en.pdf>

WWF has also been active in supporting the engagement of different business sectors, such as forestry, in activities aimed at protecting biodiversity and ecosystems. For example, the organisation is promoting the development and uptake of payments for ecosystem services (PES) for biodiversity conservation. A number of ecosystem services, such as provisioning and purification of water, are largely perceived as free of charge. The aim of PES is that those who benefit from services would pay those who provide these services. For example, according to the PES idea, businesses and industries would pay for their water usage by financially supporting the sustainable management of watersheds and their ecosystem services. Consequently, the establishment of PES schemes also provides new business opportunities for ecosystem service providers.

CBD initiative on business and biodiversity:

<http://www.cbd.int/business/default.shtml>

MA report "Opportunities and Challenges for Business and Industry":

<http://www.millenniumassessment.org/documents/document.353.aspx.pdf>

IUCN Business and Biodiversity Programme and the Countdown 2010 initiative:

<http://www.iucn.org/themes/business/index.htm> and

<http://www.countdown2010.net/>

WBCSD work on ecosystems:

[http://www.wbcd.org/templates/TemplateWBCSD5/layout.asp?](http://www.wbcd.org/templates/TemplateWBCSD5/layout.asp?type=p&MenuId=NzE&doOpen=1&ClickMenu=LeftMenu)

[type=p&MenuId=NzE&doOpen=1&ClickMenu=LeftMenu](http://www.wbcd.org/templates/TemplateWBCSD5/layout.asp?type=p&MenuId=NzE&doOpen=1&ClickMenu=LeftMenu)

WWF work on payments for ecosystem services (PES):

http://www.panda.org/about_wwf/what_we_do/policy/macro_economics/our_solutions/pes/index.cfm

Box 1. Biodiversity Action Plan's measures that support partnerships with the business sector

TARGET (B3.1): Key stakeholder groups actively engaged in conservation of biodiversity from 2006 in each MS

- ACTION (B3.1.2): Develop farming and biodiversity, forestry and biodiversity partnerships, building on existing consultative processes under the Common Agricultural Policy and forest policy [2006 onwards]
- ACTION (B3.1.6): Develop business and biodiversity partnership [2006 onwards]
- ACTION (B3.1.7): Develop partnership between financing sector and biodiversity [2006 onwards]

Source: EU biodiversity Action Plan (SEC(2006)621, a technical annex to COM(2006)216)

Business & biodiversity within EU biodiversity policy

Business and biodiversity can be considered as a relatively new focal area within EU biodiversity policy. Consequently, the development of Community framework for business and biodiversity, including development of supporting policy/legislative instruments and initiatives, is still taking place.

The Commission Communication "Halting the loss of Biodiversity by 2010 and beyond" (COM(2006)216) was published in 2006. The Communication also introduces a biodiversity Action Plan that identifies a number of key objectives and actions that are considered necessary to halt biodiversity decline. One of the key actions is the building of more effective partnerships for biodiversity, including partnerships with business, both at EU and the Member States level (Action B3.1.6, see Box 1).

The EU biodiversity Action Plan also supports the development of partnerships between the financial sector and biodiversity (Action B3.1.7). This action, originally formulated as a separate task in the Action Plan, is now viewed as an integral part of the EU action on business and biodiversity.

Business and biodiversity, including the integration of biodiversity criteria into business decision-making and corporate governance, is one of the current priorities on the EU presidency agenda (including German, Portuguese and Slovenian presidencies during January 2007 – June 2008). In particular, the Portuguese Presidency and the European Commission has been developing an initiative to strengthen the links between business and biodiversity protection (i.e. the EU B&B initiative). The Commission has organised consultations to obtain the views of relevant stakeholders, including Member States, businesses and NGOs, about the principles, objectives and possible content of the planned EU action on business and biodiversity.

In this context, the Portuguese Presidency and the Commission held a High Level Conference on Business & Biodiversity in Lisbon on 12-13 November 2007. The conference, organised in cooperation with IUCN and Countdown 2010, aim at increasing the understanding of the competitive advantages for businesses gained from conserving and using biodiversity sustainably. Importantly, the conference provided guidance for the future development of EU B&B initiative and paved way for the establishment of the European 2010 agenda on this topic.

At the Member States level, a number of countries have included forming partnerships with business as a part of their national biodiversity strategies. For example, the 2002 Biodiversity Strategy for England has a specific element that

aims at engaging the business sector in the management of biodiversity as an integral part of its operations and processes². Enforcing business and biodiversity partnerships has also been included in the Finnish national biodiversity strategy for 2006-2016³.

A number of Member states, including France, Germany, Portugal, the UK and the Netherlands, have also already initiated actions in promoting partnerships between business and biodiversity. For instance, in the UK an internet based resource centre providing information for businesses on biodiversity related issues has been established⁴. In the Netherlands an IUCN founded initiative called “Leaders for Nature” provides a platform for initiatives that bring together individual business leaders and representatives of the environmental community⁵.

High Level Conference on Business & Biodiversity:

<http://www.countdown2010.net/business>

More information about the possible EU actions on business and biodiversity: http://www.countdown2010.net/file_download/137

Business & biodiversity in the context of other EU policy sectors

Agriculture, fisheries and rural development

The relationship between the agriculture and fisheries sectors and biodiversity has traditionally focused on preventing or mitigating the negative effects of these sectors on species and ecosystems. Consequently, there are a number of Community level instruments that aim at regulating the impacts of agricultural and fisheries activities on environment and biodiversity. These instruments include, for example, the compliance with environmental protection requirements, e.g. the birds and habitats Directives⁶, as a condition for direct payments under Common Agricultural Policy (CAP) (i.e. cross-compliance⁷). Similarly, Common Fisheries Policy (CFP) also has a number of provisions for preventing the negative effects of fisheries on marine ecosystems⁸.

This regulatory framework plays also an important role in defining the operating environment for several agriculture and fisheries related businesses (in this context, see also Box

Box 2. Examples of EU polices and instruments regulating the impacts of businesses and industry on biodiversity

Environmental Impact Assessment Directive (97/11/EC) requires an environmental impact assessment (EIA) to be carried out on certain public and private projects, such as oil refineries or chemical facilities, before they can be approved. The Directive stipulates that the assessments shall identify and assess the direct and indirect effects of a project on a number of factors including, for example, fauna & flora, water, climate and landscape.

The Environmental Liability Directive (Directive 2004/35/EC) aims to prevent and repair damage to the environment caused by businesses. The Directive also covers any direct or indirect damage to species and habitats protected by the habitats and birds Directives.

The Directive on the management of waste from extractive industries was adopted in 2006 (Directive 2006/21/EC). The aim of this Directive is to provide for measures, procedures and guidance to prevent or reduce the adverse effects of the management of waste from the extractive industries on the environment (e.g. fauna, flora and landscapes) and human health.

The Water Framework Directive (Directive 2000/60/EC) establishes the Community framework for water protection and management, including protection of the ecological status of aquatic ecosystems. The Directive also covers the impacts of industries and agriculture on water bodies.

EU strategy on the sustainable use of natural resources (COM(2005)670) creates a framework for action aiming to reduce the burden on the environment from the production and consumption of natural resources, including biodiversity, while securing the economic growth and employment. The Strategy does not, however, provide for any specific measures to this end.

2 above). For example, the CFP sets a general framework for regulating the fishing operators in the EU. It also includes a number of provisions aiming at ensuring the environmental sustainability of aquaculture activities. Additionally, a regulation is also in place to protect the aquatic environment from the risks associated with the use of non-native species in aquaculture (Regulation (EC) No 708/2007).

² Business and biodiversity work stream in the context of the England Biodiversity Action Plan:

http://www.ukbap-reporting.org.uk/plans/ebs_plan.asp?radio_button=radiobutton&X=%7BE2F485A0-E206-44E8-828F-7FFC2186DA26%7D

³ <http://www.ymparisto.fi/download.asp?contentid=60763&lan=fi>

⁴ Business and Biodiversity Resource Centre:

<http://www.businessandbiodiversity.org/>

⁵ Leaders for Nature: <http://www.leadersfornature.nl/>

⁶ Directives 79/409/EEC and 92/43/EEC, respectively

⁷ Council Regulation No 1782/2003 and Commission Regulation No 796/2004

⁸ Council Regulation (EC) No 2371/2002

Box 3. The EU Eco-Management and Audit Scheme (EMAS) and the EU Eco-label

EU Eco-Management and Audit Scheme (EMAS)

EMAS is a management tool for companies and other organisations (e.g. the Commission) to evaluate and improve their environmental performance and demonstrate the sustainability of their investment strategies and day-to-day operations.

To receive EMAS registration an organisation must comply with the following steps:

1. conduct an **environmental review** considering all environmental aspects of the organisation's activities, products and services. This review also includes aspects related to biodiversity;
2. establish an effective **environmental management system** that sets out organisation's environmental responsibilities and objectives, including means, operational procedures and monitoring systems for their delivery;
3. carry out an environmental audit designed to assess the environmental performance of the organisation;
4. provide a statement of organisation's environmental performance against the defined environmental objectives, e.g. the future steps for improving organisation's environmental performance.

EU Eco-label

The EU Eco-label is given to products and services with reduced environmental impacts. The European Union Eco-labelling Board (EUEB), in cooperation with the Commission, is responsible of developing the ecological criteria for the labelled products. The criteria are established for individual product/service groups and they are defined on the basis of life cycle considerations (LCC). This means that awarding the eco-label is to be founded on the complete life-cycle of a product, including raw material extraction, production, distribution and product disposal. In the case of services, the acquisition of goods for service performance, the service performance and the waste management are the key environmental aspects to be investigated.

The EU Eco-management and Audit Scheme (EMAS): http://ec.europa.eu/environment/emas/index_en.htm

The EU Eco-label: http://ec.europa.eu/environment/eco-label/index_en.htm

TAs regards business and biodiversity partnerships, organic farming is one of the most common ways for the agricultural sector to engage with environmental protection voluntarily. It has been estimated that in 2005 around 6 million hectares in EU-25 were either farmed organically or were being converted to organic production. Both the area covered by organic farming and the number of organic operators is constantly growing. For example, during the period 2004-2005 there was a 6 per cent increase in the number of organic operators⁹.

The first EU Regulation for organic production was laid down in 1991 (Regulation No 2092/91/EEC). The Regulation was replaced in July 2007 by a new Council Regulation on organic production and labelling of organic products (Regulation (EC) No 834/2007). According to the 2007 Regulation, one of the goals of organic farming is to contribute to a high level of biological diversity in agricultural ecosystems. In addition, preservation of soil and aquatic biodiversity forms a basis for all organic farming activities.

The development of EU agriculture and fisheries sectors is supported by the Community through two specific funds, namely the European Agricultural Fund for Rural Development (EAFRD) (Regulation (EC) No 1698/2005) and the European Fisheries Fund (EFF) (Regulation (EC) No 1198/2006). Both of these funds also provide opportunities for further engaging the agriculture and fisheries businesses in biodiversity conservation. For example, both EAFRD and EFF offer financial assistance for sectors' stakeholders to voluntarily improve the environmental standards of their operation (e.g. through agri/aqua-environmental measures).

EU policy framework for enterprises and industries

The Lisbon Strategy for growth and jobs forms the current basis for the development of enterprise and industrial policies in the EU (COM(2005)330). Thus, improving the employment and competitiveness of Community's businesses, while keeping in line with the requirements for sustainable development, is one of the primary aims of the EU policy framework for enterprises and industries.

As with agriculture and fisheries, there are a number of EU policies and legislative instruments in place aiming to avert or minimise the negative effects of businesses and industry, e.g. the extractive industries, on the environment. Some of these instruments also include specific provisions for the protection of biodiversity (See Box 2).

⁹ <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/807&format=HTML&aged=0&language=EN&guiLanguage=en>

It is also considered that the integration of environmental aspects into the functioning of EU enterprises and industries cannot be based on legislation alone, but it should also be supported by a number of voluntary approaches (Council Conclusions in May 2001 and June 2002). These approaches include, for example, the Eco-Management and Audit Scheme (EMAS) and the EU Eco-label, both aimed at enhancing businesses' visibility and environmental image (Regulations (EC) No 761/2001 and (EC) No 1980/2000, see also Box 3). The EMAS and Eco-label systems also take into consideration aspects related to biodiversity.

In addition, the EU also supports the integration of environmental aspects into business operations through a number of Community funds (e.g. Structural Funds, see below) and financing by various financial institutions such as the European Investment Bank (EIB).

As regards specific business sectors, the renewed EU Tourism Policy (COM(2006)134) recognises that sustainable tourism plays an increasingly important role in the preservation and enhancement of the natural heritage and preservation of biodiversity in the EU. However, it is also acknowledged that biodiversity and the functioning of ecosystems may be threatened by the uncontrolled development of tourism. To address these issues and to promote tourism sustainability in the EU the Commission and the tourism stakeholders are currently working on the elaboration of a European Agenda 21 for Tourism. The Commission aims to present a proposal for this agenda by 2007.

In addition, a number of Community guidelines and studies already exist that address the role of natural heritage and biodiversity in supporting the sustainable development of tourism industry in the EU. For example, a study published in 2002 explores the possibilities for tourism based on natural and cultural heritage in non-traditional tourist destinations in Europe. The Community guidelines for sustainable and high quality tourism also take into consideration issues related to environmental protection and management, including biodiversity¹⁰.

As for the forest-based industries, the 2006 EU Forest Action Plan (COM(2006)302) encourages the use of wood and other forest products from sustainably managed forests (Action 17 of the Forest Action Plan). It is foreseen that more detailed actions to support this goal are to be included in the upcoming Commission Communication concerning the competitiveness of the forest-based industries. The Communication is a follow-up to the similar Communication released in 1999 (COM(1999)457).

In addition, the EU Action Plan for Forest Law Enforcement Governance and Trade (FLEGT) encourage sustainable management of forests in the regions and countries importing timber to the EU (Regulation (EC) No 2173/2005). The Action Plan also includes ideas for action in for the private sector. In this context, a number of EU private sector timber trade federations (e.g. in Finland, France, Netherlands, Spain and the UK) have already made commitments through FLEGT Codes of Conduct to eliminate illegally harvested timber from their supply chains. Several major banks, including ABN-AMRO and HSBC, have also put in place policies to ensure clients are not associated with illegal logging activities.

The EU tourism policy:

http://ec.europa.eu/enterprise/services/tourism/index_en.htm

The EU Action Plan for Forest Law Enforcement Governance and Trade (FLEGT):

http://ec.europa.eu/enterprise/forest_based/forestry_en.html

Business & biodiversity in the context of regional development

The goal of the EU Regional Policy is to strengthen economic, social and territorial cohesion in the EU. This involves promoting the competitiveness of regional economies, in particular in areas lagging behind in socio-economic development. As with enterprise and industry policies, the Lisbon Strategy (COM(2005)330) goals are also reflected in policies supporting regional development in the EU.

The Structural Funds (i.e. the European Regional Development Fund (ERDF) and the European Social Fund (ESF)) and the Cohesion Fund are the main instruments supporting the EU Regional Policy¹¹. In addition, the Instrument for Pre-Accession (IPA) has been established to help the EU candidate countries to develop their competitiveness and economies, particularly through the development of transport networks and environmental infrastructure (Regulation (EC) No 1085/2006).

The Structural and Cohesion funds provide several opportunities for encouraging the engagement of businesses in biodiversity conservation. For example, the ERDF supports investments connected with the promotion of biodiversity and nature protection in the Member States (e.g. investments related to the Natura 2000 network). Sustainable tourism and enhancement of natural heritage are also listed as focal areas for support. The funds also provide financial support for diversification of regional economies, e.g. vocational training. This could be used to increase the involvement of business operators in biodiversity friendly activities.

¹⁰http://ec.europa.eu/enterprise/services/tourism/studies_heritage.htm

¹¹Regulations (EC) No 1080/2006, (EC) No 1081/2006 and (EC) No 1084/2006

Future developments & challenges

The EU is currently in a process of further defining and developing its agenda on business and biodiversity. In general, it is considered that the EU leadership in business and biodiversity could create an important driver for action both at the Community and Member State level. Possible areas where EU measures and initiatives could best add value to the process are discussed below.

Potential focal areas under EU biodiversity policy

The establishment of the Natura 2000 network is increasingly focusing on the management of the designated areas. It has been acknowledged that the management of Natura sites provides a good opportunity for involving business, especially Small and Medium Enterprises (SMEs), in biodiversity conservation. Cooperation with the business sector can also play an important role in securing adequate funding for the management of the network. For example, cooperation with local tourism operators can be beneficial both for area's economic development and the management of Natura 2000 areas. There are also possibilities for developing labelling and marketing of products originating Natura 2000 areas. Furthermore, the cooperation between businesses and Natura 2000 management activities can be supported by the EU funds (see section on funding below).

Supporting the creation of markets for biodiversity and ecosystem services could also form a future focal area for Community level action. A number of individual initiatives already exist, however a systematic EU approach and comprehensive framework for action would be needed to mainstream these practises into the functioning of the business sector. This focal area could form an integral part of the envisaged EU Business and Biodiversity Initiative.

In particular, the EU could take a leading role in providing support and guidance for the establishment of PES schemes at national, regional or local levels. The EU agri-environment programmes already provide an example for offering financial compensation for biodiversity conservation. However, more schemes could be developed to address a wider variety of ecosystem services. For example, PES schemes could be more broadly used to address ecosystems' role in maintaining businesses water supply.

The general goal of actions on business and biodiversity is to support halting the loss of biodiversity. Consequently, appropriate monitoring systems and indicators should be established to measure the biodiversity benefits of business

and biodiversity initiatives. The EU could play an important role in providing a common framework and guidance for monitoring the outcomes of business and biodiversity partnerships. In this context, the biodiversity indicators developed by the European Environment Agency (EEA) SEBI2010 project should provide a useful basis for action¹².

Possibilities for future action within the broader EU policy framework for enterprises and industries

The EU has a regulatory framework in place for preventing and mitigating the negative impacts of different business sectors, e.g. agriculture, fisheries and extractive industries, on biodiversity. However, work is yet to be done to ensure an effective implementation of this framework in practise.

For example, according to the impact assessment of the 2006 Commission Communication on Biodiversity (COM(2006)216), the number of complaints on the infringement of the EIA Directive indicate inadequacies in its implementation. Similarly, there are still serious shortfalls in implementing the CFP provisions at national level. The problems include, for example, poor reporting of catch quantities and the continuation of unauthorised fishing. Therefore, continued efforts at the EU and Member State level are needed to successfully control negative effects of various business activities on biodiversity and ecosystems.

In addition, the existing regulating instruments often fail to address biodiversity issues in a comprehensive manner. For example, the aspects related to maintenance of ecosystem functioning and services seem to fall outside the scope of several relevant Directives (see Box 2). Consequently, broadening the biodiversity related considerations in the context of existing instruments, e.g. EIA and Environmental Liability Directives, could be considered. This could be achieved, for example, by developing specific biodiversity related guidance for the implementation of these Directives.

A number of possibilities exist for enhancing the active voluntary participation of businesses and industries in biodiversity conservation. For example, the future development of the EU EMAS and Eco-label schemes could specifically focus on making the biodiversity and ecosystem related aspects as one of their key considerations. The development of other voluntary instruments at the EU level could also be considered. These instruments could, for example, be used to encourage businesses, e.g. extractive industries, to proactively compensate any outstanding unavoidable negative effects of their operations on biodiversity and ecosystem services.

¹²EEA SEBI2010 indicators: <http://www.eea.europa.eu/highlights/new-toolkit-for-biodiversity-conservation-sebi-2010-set-of-indicators-launched>

In this context, the previous experiences in developing and implementing voluntary instruments should be taken into consideration (e.g. voluntary instruments for regulating CFC emissions).

There is also a potential for a greater use of market based instruments, such as payments for environmental services, in the context of several EU business and industrial sectors (see also the focal areas under biodiversity policy above). These instruments could target the use of biodiversity resources directly. Additionally, instruments generally supporting the sustainable use of natural resources could also be designed to benefit biodiversity conservation. For example, encouraging sustainable use of water through resource pricing could in many areas, e.g. wetlands, support the conservation of natural ecosystems.

Specific Community level actions on a number of business sectors could also provide significant support for biodiversity conservation. For example, mainstreaming biodiversity and ecosystem services into the EU Tourism Policy and upcoming EU Agenda for Tourism would support the creation partnerships between tourism businesses and biodiversity. As the challenges for businesses operating along the fish products supply chain grow the development of environmentally sustainable fishing and aquaculture activities, e.g. partnerships between the fishing industries and biodiversity conservation, should be further supported within the fisheries policy.

Similarly, specific actions on biodiversity friendly business development within the agriculture and forestry sectors should be promoted. In this context, it is hoped that the upcoming Communication on the competitiveness of the forest-based industries will provide strong support for such initiatives.

Increased attention should be also given to integrate biodiversity related considerations into the EU biotechnology sector. In the current EU Strategy for life sciences and biotechnology the impacts on biotechnology on biodiversity and the potential benefits of biodiversity conservation for the sector are not addressed in a comprehensive manner (COM(2002)27). In addition, partnerships between business and biodiversity are mainly promoted in the context of EU and third countries.

Providing funding for action

Financial support is needed to ensure that business and biodiversity actions are successfully implemented and carried out. The EU has an important role in providing resources for these actions.

The EU has already provided some financial support for activities related to business and biodiversity. For example, the EU financial instrument for environment (LIFE) and the 6th Framework Programme for Research and Development (FP6) have supported initiatives and research on the topic. It is foreseen that these instruments (i.e. LIFE+ and FP7 for the 2007-2013 funding period¹³) are to provide valuable support for business and biodiversity initiatives also in the future.

According to the Commission, the EU funding instruments for rural and regional development (e.g. EAFRD, EFF, ERDF, ESF and the Cohesion Fund) should increasingly contribute to conservation and sustainable management of biodiversity. Consequently, these instruments also provide a number of opportunities for supporting the establishment of partnerships between business and biodiversity.

However, the programming of EU funds gives the Member States a lot of freedom to develop policies and measures that suit their national and regional priorities. As a result, the actual level of support to biodiversity and business initiatives depends on the decisions made at the Member States level. It is therefore important that the both the Commission and Member States make an effort to ensure that business and biodiversity related activities are included in the national co-funding priorities.

The EU also plays an important role in supporting the cooperation between business and biodiversity at the global scale. Consequently, support to business and biodiversity initiatives should form one of the focal areas of the Community funding instrument for development cooperation (DCI) (Regulation (EC) No 1905/2006).

Concluding remarks

It is evident that supporting the conservation and sustainable use of biodiversity and maintenance of ecosystem services are vital for the functioning of the business sector. Furthermore, protection of biodiversity and related services is also likely to give rise to new business opportunities. Consequently, a number of win-win situations can be generated supporting the active involvement of businesses in biodiversity conservation.

The EU can play an important role in catalysing and supporting wide-ranging actions on business and biodiversity, both at the EU and global level. However, mutual support from and cooperation between different EU policy sectors, including biodiversity policy, enterprise and industrial policies and policies for regional and rural development, is vital for ensuring a successful and concerted action.

¹³Regulation (EC) No 614/2007 (LIFE+) and Decision No 1982/2006/EC (FP7)