
IUCN – The World Conservation Union

**IUCN and the private sector:
experience and lessons learned**

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Preface

This brief review of IUCN's experience and lessons learned in interactions with the private sector has been prepared in response to a resolution of the third World Conservation Congress, held at Bangkok in 2004.

The hard work of circulating the questionnaire to staff of the IUCN Secretariat, following up on responses and filling in a number of questionnaires through telephone interviews, was handled by Ted James, formerly of the Asia Regional Office, with the support of Elise Jueni of the Business and Biodiversity Programme at headquarters.

I join the Business and Biodiversity Programme in thanking all those who made time to complete the questionnaire and hold further discussions about the issue during telephone interviews.

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Abbreviations

BBP	Business and Biodiversity Programme
CBD	Convention on Biological Diversity
CBNRM	community-based natural resource management
COP	Conference of the Parties
CSR	corporate social responsibility
FLEG	forest law enforcement and governance
GPG	good practice guidance
ICMM	International Council on Mining and Metals
IFC	International Finance Corporation
KRA	key result area
M&E	monitoring and evaluation
nd	not dated
NGO	non governmental organisation
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WCC	World Conservation Congress
WESCANA	West and Central Asia and North Africa

Summary

At its third World Conservation Congress in 2004, IUCN reaffirmed its resolve to engage the private sector in pursuit of its mission. It also invited the Director General “to review and make publicly available IUCN’s past experience with the private sector and lessons learned”. This report is intended to serve that purpose. It is based on a review of progress reports and other documents, as well as a questionnaire that was circulated to Secretariat staff and followed up with a number of interviews.

IUCN has been grappling with the issue of how to deal with the private sector for over 50 years. Its efforts have become more focused and directed during the previous and current quadrennia, on which this review focuses. In the Secretariat, a Business and Biodiversity Initiative was established in 2001. It evolved into a Business Unit, which became the Business and Biodiversity Programme (BBP) in late 2003, following criticism by an IUCN External Review of the Union’s continuing lack of clarity about how to engage with business. A workshop on business linkages at the Global Biodiversity Forum of 2002 was followed by active profiling of private sector issues and roles at the World Summit on Sustainable Development in the same year. Further milestones were the preparation of a detailed situation analysis on business and biodiversity in 2003 and the approval by Council in 2004 of a strategy for enhancing IUCN’s interaction with the private sector.

After years of ambivalence towards the private sector and of uncertain progress by an under-resourced Secretariat in developing clear and constructive collaboration with business, a more determined and focused programme of action is now emerging. This was reinforced by the mandate for such engagement that the Union agreed at the 2004 Congress. It was clearly stated in the current 2005-2008 Programme’s commitment to “build capacity to engage with the private sector in ways that will encourage investors and companies to see themselves as responsible actors for sustainable development...” Most recently, the BBP has published draft operational guidelines for private sector engagement, which will be submitted to Council in final form in May 2006. They will take effect later in the year.

Although the profile of private sector interactions is rising in the IUCN Programme, this kind of work still occupies only a fraction of the time of Secretariat staff who responded to this survey’s questionnaire. Most of the Union’s direct, specific contacts with the private sector are of relatively short duration, with large national and multinational companies and industry representative bodies. Few are with small or medium sized enterprises. The Union is working in numerous environmental sectors with many categories of industry. Natural resource extraction, agricultural businesses and the financial sector are the commonest partners, with extractive industries forming a significant part of the portfolio. Many observers feel that it is time to broaden the focus beyond the extractive industries, although links with these types of companies have included some of IUCN’s highest profile and most influential interactions with business – such as those to mitigate the impacts of oil and gas extraction in Sakhalin on the Western Grey Whale. There has been long term and beneficial interaction with the International Council on Mining and Metals. Shell has been one of IUCN’s strongest and most consistent private sector partners, and has been one of the stakeholders in the Energy and Biodiversity Initiative, along with a number of oil and gas companies and NGOs.

Asia and southern Africa have been two prominent areas of IUCN collaboration with the private sector. In the former, a recent initiative by the global BBP and the Asia Regional Office has planted a number of business programmes at regional and country levels. The latter region has been an exception to most IUCN practice with its emphasis on links to small and medium sized enterprises and its recognition that some IUCN Members have long and successful experience of work with the private sector, from which the Secretariat has much to learn.

Many of the specific private sector projects in which IUCN is currently engaged are only loosely linked to the Programme, with the responsible staff often not responding to this survey’s question about which Key Result Area they contribute to. Monitoring and evaluation arrangements range from vague to adequate, and there is substantial scope for improvement in this regard, possibly borrowing from the private sector’s own experience with performance assessment methods.

The review stresses the importance of collaboration across the Union in developing the potential contribution of the private sector to IUCN's Programme and mission. The Secretariat, Members and Commissions can all learn from each other in this regard. The emerging strategy of the global BBP in developing private sector contacts that it later devolves to regional and country offices is broadly endorsed by respondents to this survey.

Although the contribution of private sector engagements to effective conservation and organisational outcomes for IUCN is still described as modest, there are signs that it is increasing. Overall, the Secretariat reports many positive experiences from these engagements. However, it must give such engagements time, and work on them consistently, if it wants them to succeed. IUCN staff need to adjust their attitudes and skill sets in order to work constructively with business, and to ensure that proposed interactions match private sector motives for engagement.

There are two broad kinds of strategy that IUCN can deploy in engaging with the private sector. The first is to adopt a largely reactive mode of providing technical, advisory and facilitation services to business when (as happens increasingly often) business realises it needs help in dealing with its environmental performance and associated social issues. The second, more proactive strategy is to build partnerships with the private sector as a way of enhancing execution of IUCN's Programme and, more broadly, strengthening the impact of business in achieving the Union's vision. While many people think that IUCN should emphasise the second kind of strategy, it is also clear that the two approaches are not mutually exclusive.

It is now widely (but not universally) understood in IUCN that the private sector should not be approached simply as a source of funding. This does not mean that private sector resources cannot contribute to implementation of the IUCN Programme. Particularly if the more proactive strategy outlined above is adopted, it should be natural for joint activities by the Union and business partners to rely substantially on corporate resources for their execution. Meanwhile, new thinking is needed about resourcing alternatives for the future. Programmatic partnerships with business, on appropriate principles and safeguarded by due diligence, may be one key to IUCN's future financial viability.

Many challenges remain. One of the commonest concerns in the Secretariat is the lack of time and resources to tackle the private sector convincingly. Another is to build the strong, consistent IUCN profile and approach towards business that have often been lacking in the past. IUCN also needs to be better organised and to enhance internal management communications to avoid confusion about which part of the organisation is doing what with regard to the private sector. At the same time, the Union has to come closer to business standards of operational efficiency and prompt action.

Strategic priorities emerging from this review include continuing emphasis on IUCN's convening and facilitation roles, linking the private sector with civil society and governments in action for sustainable development; collaboration with industry representative bodies as a means to reach their membership, while recognising that some of these bodies are more proactive than others; and making a greater effort to work with small and medium sized enterprises. There are many suggestions about sectoral priorities, although agriculture and tourism are common candidates. Another approach would be to prioritise geographic regions like the Arctic and the Persian Gulf in engagements with business. These strategic options are all united by the growing understanding in the Union about the vital role that interaction with the private sector must play in pursuit of its mission, and the widely expressed view that more capacity and resources are needed for this purpose.

1. Introduction

1.1. Resolutions of the 2004 World Conservation Congress

At the third World Conservation Congress, held in Bangkok in 2004, IUCN debated an issue that has recurred throughout its existence: how best to engage with the private sector. At the end of this debate, Congress passed two resolutions (see Annex 2). It noted that “IUCN will not make optimal progress towards achieving its Mission unless and until it improves its interactions with key actors in the private sector”. It called on the Secretariat to develop a work plan for pilot initiatives with the private sector, urged the Council to explore and adopt principles, guidelines and mechanisms for engaging with the private sector, and invited the Director General to submit a detailed proposal for IUCN – private sector relations to the fourth World Conservation Congress.

1.2. Purpose of this review

The first of the two Bangkok resolutions quoted above also invited the Director General “to review and make publicly available IUCN’s past experience with the private sector and lessons learned”. This report is intended to serve that purpose. It is not meant to provide an inventory or catalogue of all recent or current work with the private sector. Rather, it aims to offer an overview of experience in a way that highlights the key issues and lessons that arise. The review’s terms of reference require it to focus on IUCN’s experience. IUCN could also learn valuable lessons from a study of the private sector’s experience in engaging with conservation issues and organisations.

1.3. Methods used

This brief review has followed the steps set out for it in the terms of reference (Annex 1). An analytical matrix was drawn up and discussed with staff of the Business and Biodiversity Programme (BBP) at the headquarters of the Secretariat. During these discussions, it was agreed that the purpose of the review was to offer a largely factual summary of recent experience during the previous quadrennium (2001-2004) and the current quadrennium so far. More profound evaluative analysis of the relevance, efficiency and effectiveness of the Union’s performance with regard to engaging the private sector may be undertaken later, but is not included in this exercise. For present purposes, the simple analytical matrix shown at Annex 3 was considered sufficient.

On the basis of the analytical matrix, a two part questionnaire was drawn up for circulation to IUCN managers in Headquarters and the regions. Part A of this questionnaire (Annex 4) was intended to generate an overview of these managers’ experience with and assessment of IUCN’s engagement with the private sector. Recognising that the Secretariat has a spectrum of private sector contacts ranging from incidental communications to formal joint projects, the questionnaire emphasised that it was concerned only with direct interactions “in which a company or other private sector entity was the primary stakeholder with IUCN through a formally structured agreement for a project or other specific engagement” (that is, an agreement covered by a formal agreement or Memorandum of Understanding). On the same basis, part B of the questionnaire (Annex 5) invited the same group of respondents to give some basic details and a brief assessment of one such substantive and specific activity. They were asked to fill in several Part B questionnaires if they had been engaged in more than one such activity. Part A and Part B both concluded with questions about the broad lessons that respondents feel they have learned about IUCN’s work with the private sector.

Twenty-eight Secretariat staff completed the Part A questionnaire. Of these, 14 work at headquarters or, though based elsewhere, are responsible for global Programme work. Five work in regional offices of the Secretariat, and seven in country offices. BBP filled out one set of questionnaires, and telephone interviews were carried out with four of its staff.

Seventeen of the 28 staff went on to complete between one and six Part B questionnaires, providing a total of 26 case studies of specific direct engagements with the private sector. Of the 26 activities that respondents described, 20 are ongoing, and five are complete. One questionnaire did not state clearly whether the activity was still in progress. These 26 case studies may not represent all of the Secretariat's direct collaborations with business, but it is hoped that they give an adequate overview of the types of activity currently being undertaken.

It has been assumed that those IUCN programmes that did not respond to the questionnaire did not have significant private sector engagements to report at this point. The BBP should check that no such significant engagements have been missed. If it does learn of any such significant engagements that were not reported during the present exercise, it should collect the relevant information and revise this report to incorporate it.

In addition to the data provided by the questionnaires, this review presents a summary of the experience described in various IUCN reports, including annual progress reports. Amplification of information and ideas was also sought from some key respondents in follow-up telephone interviews.

The draft table of contents for this report was submitted in advance to the BBP for approval. A draft report was then submitted. This final version has been prepared on the basis of comments provided by the Secretariat on the draft.

2. Background

2.1. Overview

An IUCN resolution of 1952 called for co-operation with the private sector, and since then over 200 further resolutions have focused on private sector issues (Voorhies, nd: 1-2). The first World Conservation Congress in 1996 called on the Council and Director General to develop a strategy for private sector engagement. Over the years that followed, the Secretariat took steps to develop this strategy, along with guidelines and an action plan. The objectives of the "Guidelines for IUCN engagement with the private sector" that were produced by a Task Force on IUCN – Private Sector Relationships in 1999 focused on the need "to raise IUCN's profile and capacities as a supportive partner to the private sector in meeting its wider responsibilities to society" (IUCN, 2003a: 2). Activity in the late 1990s with regard to the private sector was inconclusive, however. The Task Force achieved less than had been hoped for, and its Guidelines were little used. Its proposal for a Business Advisory Committee was not implemented. The intended strategy and action plan were not delivered (IUCN, 2003b: 22). The second World Conservation Congress at Amman in 2000 again addressed engagement with the private sector and proposed the establishment of corporate 'Friends of IUCN' and a 'CEO Forum'. But little came of these initiatives.

In late 2001 the Director General established a pilot Business and Biodiversity Initiative "to explore opportunities for engagement, particularly with respect to corporate biodiversity action and biodiversity business investments" (Voorhies, nd: 2). The Initiative, which built on the business portfolio of the former Economics Unit in the Secretariat, evolved into a Business Unit "intended to spearhead IUCN's engagement with business" (IUCN, 2003b: 25). One of the Unit's early outputs (with the Earthwatch Institute) was a revised 2002 edition of the 1997 publication, *Business and Biodiversity, a Guide for the Private Sector*, originally published in association with the World Business Council for Sustainable Development.

In April 2002, IUCN organised a workshop of the Global Biodiversity Forum on Biodiversity Plans for Business, linked to the sixth Conference of the Parties to the Convention on Biological Diversity. At the World Summit on Sustainable Development later that year, IUCN hosted a Business Day that brought representatives of the Union and the corporate sector together in over 45 parallel events with some 80 speakers from business, UN agencies, IUCN Members and the IUCN Secretariat. The Business Unit subsequently gained momentum in the publication of guidelines for best practice by business and in supporting business ventures based on the conservation of biodiversity. The following year saw the launch of a 3IC funded Private Sector Engagement Project intended "to develop IUCN's strategy and action plan for private sector engagement" (IUCN, 2003a: 2). One output of this project was a "Situation Analysis for Enhancing IUCN Interaction with the Private Sector" (section 2.3 below), which is recommended as a source

of additional background information. Another was the “Strategy for Enhancing IUCN’s Interaction with the Private Sector” that was approved by Council in 2004.

Late in 2003, the Business Unit was transformed into the Business and Biodiversity Programme, for which a full time head was appointed in 2004. 2002-03 was a difficult period, during which staff, funding and impact were limited. A number of joint activities with the International Finance Corporation (IFC) were terminated prematurely in 2004. One of these activities, the Kijani Initiative, aimed to develop and invest in biodiversity businesses in Africa. It identified a number of commercial project proposals for small and medium scale enterprises, and developed biodiversity tools intended to enhance the biodiversity aspects of such investments. However, the model ultimately proved unworkable for both IFC and IUCN. The former is more accustomed to working with large scale enterprises, which involves lower transaction costs and higher rates of return. The latter is not really equipped to run the sort of investment fund that Kijani was meant to be. For these and various external reasons of timing and staffing, the promise of the IUCN-IFC relationship remains to be fulfilled.

There has been stronger progress over the last two years. 2004 and 2005 were years of rapid growth for the BBP, whose budget in 2005 was nearly two and a half times that of 2003. The 2004 WCC significantly raised the profile of the BBP, with more than 40 private sector related events attracting some 200 representatives from more than 70 businesses and a generally positive message from the private sector about engaging with the Union. At the associated World Conservation Forum, IUCN hosted a Global Synthesis Workshop on “Markets, Business and the Environment: Strengthening Corporate Social Responsibility, Law and Policy”.

Further detail of recent engagements with the private sector will be given below. The most recent strategic milestone for the Union’s relations with business has been the publication of draft “Operational Guidelines for Private Sector Engagement” by IUCN early in 2006. These will be finalised shortly.

After years of ambivalence towards the private sector and of uncertain progress by an under-resourced Secretariat in developing clear and constructive collaboration with business, a more determined and focused programme of action is now emerging. This was reinforced by the mandate for such engagement that the Union agreed at the 2004 World Conservation Congress. It was clearly stated in the current 2005-2008 Programme’s commitment to “build capacity to engage with the private sector in ways that will encourage investors and companies to see themselves as responsible actors for sustainable development... IUCN seeks to engage with the private sector in conservation efforts that are transparent, consistent, and based on clear principles and priorities, while at the same time ensuring the independence of the conservation organisations involved” (IUCN, 2004a: 24, 35).

The remainder of this chapter summarises some of the key statements on IUCN’s engagement with the private sector that have emerged in recent years. These statements provide the context for the outlines of recent experience and lessons that are presented in chapters 3 and 4.

2.2. Comments of IUCN External Reviews

The 1999 External Review of IUCN noted that “the interface between IUCN and the corporate sector has long been on the agenda of the governing bodies and Secretariat of the Union”, recognised “the historical difficulties and uncertainties surrounding the idea of closer relations with the corporate sector” but urged that “the interface between the Union and the business sector [is] a critical strategic issue”. Its main recommendation was the establishment of a Commission on Business and Environment. This

would create an appropriate platform for interaction between the Union and the business sector. It would recognise the importance and status of this sector, and it 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.

IUCN, 1999: 32.

This recommendation was not adopted. Four years later, the 2003 External Review described the issue of how IUCN positions itself relative to the business community as “one of the longest-running dilemmas for the Union”. It pointed out that “IUCN still has no clear strategy on how to structure its interactions with the private sector across the Union and across the world.” It noted widespread misunderstandings of the corporate world in IUCN, with some considering it the root of all environmental evil and a wholly unsuitable partner, while others perceived a vast untapped pool of funding waiting to be exploited. It urged a prompt response by the Council to the Secretariat’s proposals on the Union’s relations with the private sector, specification of clear terms of reference for a Business and Biodiversity Unit in the Secretariat, and argued that “it is imperative that, at the next WCC, IUCN finally approve a clear strategy that is integrated with its 2005-2008 Programme” (IUCN, 2003c: 58-59).

2.3. Situation analysis, 2003

The situation analysis was produced by a group of IUCN staff under the supervision of a Steering Committee of senior managers in the Secretariat. It was intended to support the preparation of IUCN’s strategy and action plan for engagement with the private sector, and offers a useful definition of that sector as “organisations which have, as their primary activity, some form of commercial enterprise” (IUCN, 2003b: 1). The report reviews the context for IUCN’s relations with business, and then presents the Union’s policy and experience in this area. It concludes that

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...

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...

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...

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. These apply equally today and should form the basis of our work in this area.

IUCN, 2003b: 32-34.

The situation analysis ends with recommendations about further work to fill gaps it could not address itself, such as a formal evaluation of the Business Unit, work to mainstream business issues in the 2005-2008 Programme, and more investigation of Members’ activities with the private sector. Not all of these recommendations have been adopted, but implementation of several of them is under way – for example the analysis of Members’ activities.

2.4. Strategy for enhancing IUCN’s interaction with the private sector, 2004

Approval of this strategy by the IUCN Council in 2004 was a milestone in the Union’s progress towards more constructive and effective relations with the private sector. It sets out the following **vision statement**:

A sustainable global economy in which businesses are committed and effective partners in achieving a just world that values and conserves nature.

IUCN, 2004b: 3.

On the basis of an analysis of the context, IUCN's experience and potential niche for private sector engagements, the strategy identifies three **goals**:

1. *A conservation community that is well informed about market mechanisms and understands their potential and limitations to achieve biodiversity conservation.*
2. *A more accountable private sector which contributes to sustainable development including conservation and social equity.*
3. *Effective dialogue and collaboration between IUCN and the private sector which helps to achieve conservation through, and alongside, sustainable development.*

Ibid.: 8.

It goes on to specify nine **principles of engagement** with the private sector. All such interactions should be:

1. **Relevant** to the IUCN vision and mission.
2. **Consistent** with the official policy of IUCN.
3. **Responsive** to the aspirations of the membership.
4. **Empowering** of IUCN to implement the Global Programme and of IUCN members to conserve nature.
5. **Effective** and results-based with concrete outcomes that can be measured.
6. **Efficient** in the use of IUCN resources as compared to alternative actions.
7. **Transparent** in the sense of ensuring public access to information, while respecting individual privacy and institutional confidentiality, as appropriate.
8. **Participatory** in the sense of creating opportunities for involvement by affected stakeholders, especially vulnerable groups, while respecting legitimate decision-making mechanisms.
9. **Enhancing** the credibility and autonomy of IUCN.

Ibid.: 9.

Finally, the strategy proposed three broad criteria that can be used to screen potential interactions with the private sector:

1. *The expected contribution to conservation and social equity;*
2. *The capacity and added value of IUCN; and,*
3. *The risk to IUCN's credibility.*

Ibid.: 10.

During development of the strategy, greater clarity has emerged about the business sectors on which IUCN should focus, due to "the scale of their negative impacts on the environment and social equity". These are biodiversity dependent industries, such as farming and forestry; large footprint industries, such as mining and construction; biodiversity finance, including commercial banks and financial services; and 'green enterprise' in such fields as renewable energy and nature based tourism (IUCN, 2006: 7).

2.5. Operational guidelines for private sector engagement, 2006

Development of these guidelines (IUCN, 2006) is a further key element of IUCN's better structured approach to the private sector. As noted above, they are currently in draft, and are being finalised at the time of writing. Preparation of the guidelines was supported by a review of guidelines for interactions between not-for-profit organisations and the private sector that are used by various IUCN Members and private sector partners (Heap, 2005).

The guidelines set out approval and decision-making processes that should be adopted by the Secretariat and Commissions as they consider any specific engagement with a private sector entity. There is a clear list of who has authority for which decisions in this regard. The guidelines also specify criteria that help decide when and why to undertake such engagements, and which companies to engage with. They outline due diligence procedures for the management of risk, and identify the steps that should be followed in drawing up and delivering a proposal for collaboration with the private sector that will be attractive and feasible for both parties. Further modules offer guidance on how to build and formalise relations with businesses and set out the rules for the use of IUCN's logo and name in such collaborations. Guidelines are also provided on how to solicit, structure and manage funding support from the private sector. Finally, there is advice on how IUCN should give effect to its own corporate social (and environmental) responsibility through its own supply chain linkages to businesses around the world.

The guidelines are to be linked to a number of tools on the BBP web site, including a database of private sector related projects that should provide essential input to future IUCN reviews of its work in this field.

Against the background of the gradual progress that IUCN has made during the previous and current quadrennia in strengthening and structuring its links with the private sector, chapter 3 summarises the actual interactions that have taken place over this period. Most of the material in this chapter is drawn from responses to Parts A and B of the questionnaire that was circulated in the Secretariat (section 1.3).

3. Recent experience

3.1. Intensity of engagement with the private sector

Although the importance of private sector interactions in the Secretariat's work has been growing steadily, it is still a comparatively minor element in most staff's portfolio, as can be seen from the tables below. Most respondents had worked on only one to three distinct engagements, projects or partnerships since the start of the previous quadrennium in 2001, and the commonest number of activities on which they are working now is one. With its focus on links to small and medium sized enterprises, however, the South Africa country programme reported a total of 12 distinct engagements since 2001. At present, the Russia and Sri Lanka programmes and two Headquarters respondents can all report eight current engagements each. (The questionnaire's definition of the types of activities about which it sought data can be seen in Annex 4. It emphasised repeatedly that it sought information about focused, specific projects or other well defined interactions with business, rather than occasional, indirect or unfocused contacts.)

Table 1. Number of distinct engagements/projects/partnerships with the private sector since 2001

Number of engagements/projects/partnerships	No. of respondents
0	3
1	4
2	4
3	5
5	2
6	1
7	2
8	1
10	1
11	2
12	1

Source: questionnaire to Secretariat, Part A.
Number of responses: 26.

Table 2. Number of distinct engagements/projects/partnerships with the private sector now

Number of engagements/projects/partnerships	No. of respondents
0	4
1	11
2	2
3	3
4	2
5	1
8	4

Source: questionnaire to Secretariat, Part A.
Number of responses: 25.

For almost all respondents to this survey, private sector engagements are only a fraction of the work portfolio. Only four of the 24 staff (outside the BBP itself) said that they spent more than a quarter of their time on this kind of activity.

Table 3. Time spent on interactions with the private sector

Percentage of working time	No. of respondents
0 - 25%	22
26 - 50%	3
51 - 75%	-
76 - 100%	1

Source: questionnaire to Secretariat, Part A.
Number of responses: 24.

3.2. Types of engagement with the private sector

3.2.1. Types of business and business sector with which IUCN has co-operated

Describing 67 separate specific engagements with the private sector since 2001, respondents to this survey showed that over half of these interactions have been with either multinational companies or bodies representative groups or sectors of companies, such as the WBCSD. Only 10% of the engagements were with small or medium scale companies.

Table 4. Types of private sector entity with which IUCN has interacted directly since 2001

Type of private sector entity	% of interactions
Multinational company	27
Industry representative body	25
Private sector charitable foundation	18
National company	16
Small or medium scale company	10
Other	3

Source: questionnaire to Secretariat, Part A.
Number of responses: 24.
Number of interactions to which responses referred: 67.

Turning to the classification of business sectors that the BBP decided to use for the survey, Table 5 shows that most interactions were with multiple companies in several sectors. Answering question 5 in Parts A and B of the questionnaire (Annexes 4 and 5), respondents often ticked several boxes in more than one of the major sector groupings. Sometimes they were reporting on several projects in which they had been involved. Sometimes, each project had had interactions with more than one business sector. Overall, the large footprint industries were the most common contacts in these projects, but biodiversity dependent industries were strongly represented too. When the population of private sector engagements is broken into detailed categories (Table 6), Mining of minerals and the extraction of hydrocarbons appears at the top of the list of contacts, followed by food, beverages and tobacco and then agricultural markets, marketing and

agribusinesses (in the 'biodiversity-dependent industries' category, as distinct from the 'developing green enterprise' category).

Table 5. Broad business sectors with which IUCN has interacted directly since 2001

Broad business sector	% of all respondents (Questionnaire Part A)	% of all case studies (Questionnaire Part B)
Large footprint industries	78	65
Biodiversity dependent industries	74	35
Developing green enterprise	59	27
Biodiversity finance	48	19
Other industry categories	56	23

Source: questionnaire to Secretariat, Parts A and B.

Number of responses: Part A: 27; Part B: 26.

Number of broad business sector contacts to which Part A responses referred: 85.

Number of broad business sector contacts to which Part B responses referred: 44.

Table 6. Specific business sectors with which IUCN has interacted directly since 2001

Specific business sector	% of respondents (Questionnaire Part A)	% of all case studies (Questionnaire Part B)
Mining, extraction and refining of hydrocarbon fuels	44	39
Food, beverages, cosmetics, tobacco	41	15
Agricultural markets and marketing: co-operatives; agribusiness [biodiversity-dependent industries]	37	19
Banks (including commercial banks, international finance institutions)	37	15
Tourism	37	15
Forest products: lumber and paper [biodiversity-dependent industries]	33	19
General (e.g. multi-sectoral industry associations)	33	15
Fisheries, aquaculture	30	12
Mining, extraction and refining: other non-renewable resources (e.g. metals)	26	15
Chemicals; rubber; drugs; biotechnology	22	-
Agricultural markets and marketing: co-operatives; agribusiness [developing green enterprise]	19	4
Information and internet services; computer software	19	8
Other	19	-
Other financial institutions and services (e.g. export credit agencies)	15	-
Cement	15	4
Electric utilities	15	-
Forest products: lumber and paper [developing green enterprise]	11	8
Automobile manufacturing	11	4
Gas utilities; pipelines; water utilities	11	-
Utilities, general	7	-
Insurance companies	7	4
Entertainment, media (performing arts, visual arts, broadcasting, publishing etc.)	7	-
Personal, professional and business services	7	-
Consumer non durables: clothing, textiles, shoes, leather	7	-
Construction	4	4
Retail and wholesale trade; warehousing; e-commerce	4	-
Transportation, general	4	-
Investment banking; venture capital; brokerage	4	4

Source: questionnaire to Secretariat, Parts A and B.

Number of responses: Part A: 27; Part B: 26.

Number of specific business sector contacts to which Part A responses referred: 142.

Number of specific business sector contacts to which Part B responses referred: 50.

The BBP's view at the end of 2005 was that

the program has continued to work mainly with the extractive industry, and that it must broaden its portfolio for IUCN to address the conservation issues in the broader corporate world. Consequently, BBP contemplates to further strengthen its work in the finance sector and to build on the partnerships that it explored in 2005 in the agriculture and tourism sectors. Across the sectors, the challenge remains to take the CSR, sustainability reporting and conservation messages beyond the leading multi-national corporations, particularly in small and medium enterprises responsible for bulk of the production of goods and services in the developing world including, inter alia, China, Brazil and India.

IUCN, 2005: 4.

3.2.2. Types of environmental sector covered by IUCN activities with business

Of the many environmental sectors and conservation themes on which IUCN has engaged the private sector, forestry was the commonest arena for interaction in the population of activities described in Part A of the questionnaire. Various forms of biodiversity conservation, and the related theme of protected areas, were the next most frequently mentioned. However, it can be seen from Table 7 that there has been very little focus in terms of environmental themes, with 35% of all the mentioned sectors or themes falling in a wide-ranging ‘other’ category.

Table 7. Environmental sectors and conservation themes covered in private sector interactions since 2001

Environmental sector	% of sectors/themes mentioned
Forestry	13
Biodiversity conservation	10
Protected areas	9
Water	6
Corporate environmental responsibility	5
Tourism	5
Marine	5
Fisheries	3
Wildlife trade	3
Agriculture	3
Knowledge management	3
Other	35

Source: questionnaire to Secretariat, Part A.

Number of responses: 26.

Number of environmental sector contacts to which responses referred: 67.

3.2.3. Scale of IUCN interactions with the private sector

Table 8 shows that many of the case study interactions with the private sector are or were quite brief. The modal duration of fixed-term activities is one year. However, almost a quarter of the interactions are open-ended. IUCN and its private sector partners are feeling their way, working together for as long as turns out to be appropriate.

Table 8. Duration of case study interactions with the private sector

Duration in years	No. of interactions
Less than 1	2
1	5
2	4
3	4
4	2
5	2
More than 5	1
Indefinite	6

Source: questionnaire to Secretariat, Part B.

Of the 26 specific activities with the private sector reported above, budget details were provided for 18. For some of the others, budgets were reportedly very small, negligible, or absorbed in regular staff time and operating expenses. The total budgets of the 18 for which this information was given ranged from US\$10,000 to about US\$2m, with a mean of US\$ 400,000.

3.2.4. Highlights of recent activity with the private sector

Collaboration with the **Sakhalin** Energy Investment Company over the impacts of its oil and gas developments on the Western Grey Whale has been one of IUCN's most prominent recent interactions with the private sector. In measures that exemplified its convening power and neutral scientific authority, the Union arranged consultations between the company and a number of its thematic programmes, regional programmes, Commissions and Members. It set up an Independent Scientific Review Panel (ISRP). Several actions ensued from the ISRP Report. One of them was a workshop convened by the potential project lenders Vancouver that recommended a standing Western Grey Whale Advisory Panel to advise the company on its mitigation plans and review other oil and gas development projects in the region. While this longer term structure is being established, an interim group of scientists has been constituted to evaluate the company's 2005 operations and advise on its mitigation plans for summer 2006.

Another focus of IUCN's work with the extractive industries in recent years has been the dialogue with the **International Council on Mining and Metals (ICMM)**. This group comprises a number of key international mining companies. The two organisations co-chaired an Advisory Group to help ICMM develop good practice guidance (GPG) on mining and biodiversity that technical and environmental managers can use to improve the environmental performance of their operations. The draft GPG is currently available for comment and will be finalised in the course of this year. Another part of the dialogue has addressed land use planning issues in collaboration with UNESCO. Meanwhile, in November 2005, IUCN and ICMM convened a Round Table on **Mining and Indigenous Peoples**. This addressed such issues as free prior informed consent, land rights, capacity building, community development and legal frameworks. In 2003-04, IUCN also worked with the **International Finance Corporation** to prepare its "A Guide to Biodiversity for the Private Sector".

The **IUCN-ICMM Dialogue** has been useful. ICMM was first in the private sector to recognise the principle of 'No Go' and to commit not to work in World Heritage Sites. Besides supporting the development of Good Practice Guidance for mining, IUCN has also been engaging ICMM on the issues of indigenous peoples and mining legacy. They have been exploring the concept of biodiversity offsets as a way for the private sector to contribute to conservation, and made an input on this subject to the 11th meeting of the CBD Subsidiary Body on Scientific, Technical and Technological Advice. With the ICMM, IUCN has also been contributing to the Global Reporting Initiative to improve the sustainability reporting framework for the private sector.

The BBP has also been active in promoting enhanced private sector contributions to implementation of the **Convention on Biological Diversity (CBD)**, which is likely to lead to a formal decision by the CBD Conference of the Parties on engaging business for this purpose.

Shell has been one of IUCN's longer term private sector partners. One outcome of the relationship was Shell's decision not to operate in the Natural World Heritage Sites. A senior Shell staff member has been seconded to the BBP since 2004. Recently, the two organisations have been collaborating over emerging environmental issues related to oil and gas exploration in the Arctic, which is likely to develop as a key region for the Union to focus on in its private sector engagements. There have been many other positive outcomes, as Shell companies have become better motivated to minimise adverse impacts on biodiversity and to find ways to affect it beneficially.

IUCN's links with Shell have grown partly through the **Energy and Biodiversity Initiative**, a collaboration among four energy companies and five NGO Members of IUCN to provide guidance to the oil and gas sector on building stronger support for incorporating biodiversity considerations into its operations. Tools, methods and decision support systems were developed to enable the sector to make better decisions about balancing

biodiversity and its resource extraction activities and to develop the business case for integrating biodiversity into oil and gas development. Following a series of meetings over three years, guidelines on the issue have been produced and widely disseminated. In addition to Shell's commitment on World Heritage Sites, BP has agreed to address biodiversity at each of its work sites, and Chevron has adopted new biodiversity procedures.

Recently, the **Asia** region of IUCN has been particularly active in developing private sector engagements. BBP has worked with the Asia Regional Office and a number of country offices to develop regional business and biodiversity strategies, notably in Pakistan, Sri Lanka, Bangladesh and Thailand. In Bangladesh, IUCN worked with a coal mining company and communities in the area where it planned to develop open pit operations in an effort to reconcile their various social, environmental and economic objectives. In Pakistan, IUCN convened a CSR round table to discuss the value of environmental initiatives as components of CSR programmes. The Sri Lanka country office has performed impressively in reinforcing corporate social and environmental responsibility since the tsunami of December 2004. BBP and the Asia Regional Office are currently engaging NABU (an IUCN member organisation from Germany) and GTZ to strengthen the region's capacity for engaging the private sector in China and Asia more broadly. Likewise, under a two year MOU, BBP and IUCN SUR are collaborating to co-fund a full time position that will report to the Regional Director to establish a business and biodiversity strategy and programme for **South America**. Capacity building discussions are also on-going with the **West Africa** and **WESCANA** regions.

Since 2004, the **Southern Africa** regional office of IUCN has been striving to involve the private sector in its operations, for example by involving business in discussions about Zimbabwe's Environmental Management Act and in facilitating various links between communities and commercial ecotourism operators. Also in the tourism sector, the South Africa country office has promoted the concept of fair trade in tourism and the development of fair trade certification for the industry. Another outreach to the private sector has been IUCN's establishment in 2005 of the Natural Futures Programme, in association with PhytoTrade Africa, a southern African trade association for natural, plant-based products. This is an attempt to stimulate pro-poor, environmentally sustainable business through the collection, processing and marketing of these often lucrative products. Overall, IUCN's private sector engagements in this region have tended to differ from those elsewhere by focusing on small and medium sized enterprises, mainly through a focus on community-based natural resource management (CBNRM) and related commercial opportunities in such fields as ecotourism and natural products. IUCN South Africa has also worked with the mining sector and contributed to the global dialogue with the ICMM.

IUCN is engaged in another natural products partnership with the private sector in **Ghana** through the **Allanblackia** initiative, which is part of Novella Africa, a public-private partnership that operates in various parts of the continent with Unilever, the United Nations Development Programme, the World Agroforestry Centre and various governments and NGOs. The project aims to provide Unilever with a sustainable supply of seeds from this tree, which produce oil that can be used in products like soap and margarine. At the same time, it aims to provide new sources of sustainable income for rural communities and to stimulate the emergence of small enterprises while contributing to forest landscape restoration and community-based fire management. A mid term evaluation of this project will be carried out in late 2006.

IUCN's **Forest Conservation Programme** has been active in seeking to engage the private sector and civil society in dialogue about illegal logging, building a tripartite approach (with governments) into forest law enforcement and governance (FLEG) processes. The programme has been particularly active in processes related to African Forest Law Enforcement and Governance, the International Tropical Timber Agreement and the Congo Basin Forest Partnership. Most recently it has worked with the World Bank to strengthen private sector and civil society contributions to official meetings on FLEG in Europe and North Asia. As a result of these and other efforts, the private sector is becoming better integrated into official processes for forest governance. IUCN's Regional Office for Europe has worked with the private forestry sector in Central and Eastern Europe to promote biodiversity, sustainable forest management and the concept of close-to-nature forestry in those regions. The IUCN **Marine Programme** has been working for several years with the Total Foundation on marine conservation research and policy.

Agriculture is another key area of IUCN private sector work, as can be seen from Table 6 above. In Russia, for example, the Union has worked with a major beer producer to identify best practice for sustainable agriculture in the Volgograd region. Globally, the Union's Chief Scientist is a member of the Advisory Board for the Sustainable Agriculture Initiative of 20 food companies, including Unilever, McDonalds and Nestlé, that seek to ensure their supplies are sustainably produced.

3.3. Operational arrangements

3.3.1. Links to the Programme

Many respondents were rather vague about which of the previous or current Programmes' Key Result Areas their case study private sector engagements contributed to. More than half the time they left this box in the questionnaire blank. This creates the impression that Secretariat staff are not yet very rigorously controlled by the requirements and priorities of the Programme, and that they engage in private sector interactions that they consider appropriate without determining precisely what their fit with the Programme may be.

Table 9. Case studies: contributions to KRAs of the previous Programme

KRA	No. of interactions
None	1
1	2
2	5
3	1
5	1
Multiple	1
Not stated	14
Not applicable (new activity)	1

Source: questionnaire to Secretariat, Part B.
No of interactions to which responses refer: 26.

Table 10. Case studies: contributions to KRAs of the current Programme

KRA	No. of interactions
1	3
2	1
3	2
4	4
5	1
Multiple	1
Not stated	13
Not applicable (old activity)	1

Source: questionnaire to Secretariat, Part B.
No of interactions to which responses refer: 26.

3.3.2. Sources of funding

Part B of the questionnaire obtained information about the sources of funding for 23 direct, specific engagements with the private sector. Table 11 shows that many were funded from more than one type of source. The private sector itself was the commonest provider of resources, with IUCN itself making inputs in many cases.

Table 11. Case studies: sources of funding

Source of funding	No. of interactions
Private sector company	13
IUCN	9
Government donor	5
NGO donor	5
Private sector charitable agency	5
Other	3

Source: questionnaire to Secretariat, Part B.
No of interactions to which responses refer: 23.

3.3.3. Collaboration across the Union

Collaboration between different parts of IUCN is vital if the Union is to engage effectively with the private sector. Despite a perception that some Members oppose such engagement, many Members have actually forged strong links with business over long periods. In South Africa, for example, the relatively new country office has learned much about private sector interactions from local Members. In El Salvador an IUCN Member has worked effectively with local and multinational businesses. At global level, some large Members such as Conservation International and The Nature Conservancy have arguably done much better at engaging the private sector than the Union itself.

Within the Secretariat, Table 12 shows that collaboration is commonest with and between thematic and regional programmes. The table also shows a number of contacts between the Secretariat and Commissions in the development of private sector interactions.

When resources permit the BBP to support the development of private sector strategies in regional and country offices, good progress can be made – as has been the case recently in Asia. Some informants in the Secretariat endorsed the idea of the global BBP developing private sector relationships and then passing them on to other global or regional programmes to carry forward. Others argued that the burden and cost of developing such relationships necessitate a strong role for the global BBP. Only after it has made the major initial effort of launching major private sector partnerships is it feasible for less strongly resourced regional and country offices to take them over.

Table 12. Other parts of IUCN with which respondents collaborated in work with the private sector

Component of IUCN	No. of respondents to Part A questionnaire	No. of respondents to Part B questionnaire (case studies)
Thematic programme(s)	17	14
Regional programme(s)	12	8
Commission(s)	9	9
Member(s)	8	11
Country office(s)	7	5
None	3	2

Source: questionnaire to Secretariat, Parts A and B.
Number of responses: Part A: 28; Part B: 26.
Number of collaborations to which Part A responses referred: 46.
Number of collaborations to which Part B responses referred: 56.

3.3.4. Implementation agreements

A key feature of operational arrangements for engagements with the private sector is the way in which each engagement is agreed by the various parties. Since the questionnaire survey explicitly focused on formal, structured activities, it is not surprising that Table 13 shows that these agreements were usually formal: either contracts, memoranda of understanding or project documents of some kind.

Table 13. Case studies: nature of implementation agreements

Type of agreement	No. of interactions
Contract	7
Project document	6
Memorandum of understanding	5
Other	3
Informal	2
Grant	1

Source: questionnaire to Secretariat, Part B.

No of interactions to which responses refer: 24.

3.3.5. Reporting, monitoring and evaluation arrangements

There was slightly less formality with regard to monitoring and evaluation arrangements. Of the 24 specific engagements with the private sector represented in Table 14, a third had no targets or performance indicators specified. Regular progress reports were produced for only half of these activities, and the performance indicators were actually monitored and evaluated for just a third of them. There is clearly scope for improvement in recording, reporting, assessing and explaining the performance of IUCN's work with the private sector.

Table 14. Case studies: specification of targets and indicators

Whether targets and indicators specified	No. of interactions
Yes	17
No	7

Source: questionnaire to Secretariat, Part B.
No of interactions to which responses refer: 24.

Table 15. Case studies: reporting, monitoring and evaluation arrangements

Reporting, monitoring and evaluation arrangements	No. of interactions
Final report	15
Regular progress reports	13
Monitoring and evaluation of performance indicators	9
Interim, mid term evaluation	9
Final evaluation	5
Occasional progress reports	3
None	3

Source: questionnaire to Secretariat, Part B.
No of interactions to which responses refer: 24.

3.4. Benefits for IUCN

3.4.1. Conservation outcomes

Respondents were asked how much they felt their interactions with the private sector had contributed to the previous IUCN Programme, and/or how much they are contributing to the current one. While they were generally modest in their assessment, Table 16 and Table 17 do suggest that the current approach to private sector engagement is making a relatively stronger contribution to the Programme than earlier efforts. Respondents were also restrained in their assessment of the conservation outcomes that their work with the private sector may be achieving (Table 18), and some argued that it is impossible to judge this kind of performance before more time has elapsed and/or appropriate evaluations have been carried out.

Table 16. Contribution of interactions with the private sector to the previous Programme

Extent of contribution	No. of respondents
Not at all	7
A little	13
Significantly	5
Strongly	1

Source: questionnaire to Secretariat, Part A.
Number of responses: 26.

Table 17. Contribution of interactions with the private sector to the current Programme

Extent of contribution	No. of respondents
Not at all	1
A little	13
Significantly	9
Strongly	3

Source: questionnaire to Secretariat, Part A.
Number of responses: 26.

Table 18. Achievement of meaningful conservation outcomes through work with the private sector

Extent of contribution	No. of respondents
None	2
Slight	18
Significant	4
Strong	2

Source: questionnaire to Secretariat, Part A.
Number of responses: 26.

3.4.2. Organisational outcomes

Asked whether their interactions with the private sector had achieved meaningful organisational outcomes for IUCN – such as stronger human resources, better knowledge or enhanced operational or analytical systems – a majority of questionnaire respondents judged these outcomes to be ‘slight’, although a few called them ‘significant’ and another small group could see no such organisational outcomes at all. As with conservation outcomes, responses about organisational outcomes are influenced by the limited time and experience that most IUCN programmes have had with the private sector so far. It takes time for such results to be achieved.

Table 19. Achievement of meaningful organisational outcomes through work with the private sector

Extent of contribution	No. of respondents
None	5
Slight	14
Significant	7
Strong	-

Source: questionnaire to Secretariat, Part A.
Number of responses: 26.

3.4.3. Material outcomes

Respondents were also asked whether their work with the private sector had achieved meaningful material outcomes – such as more funding or physical resources – for IUCN. Once again, the commonest response was ‘slight’.

Table 20. Achievement of meaningful material outcomes through work with the private sector

Extent of contribution	No. of respondents
None	2
Slight	20
Significant	3
Strong	1

Source: questionnaire to Secretariat, Part A.
Number of responses: 26.

3.5. Quality of performance

Part B of the questionnaire sought an overall assessment of the performance of case study interactions with the private sector, in terms of achieving the intended results. In some cases, this referred to completed activities. In the case of ongoing work, respondents were asked to judge the likely outcomes relative to plans. The answers were positive. The 17 Secretariat staff involved in these 26 activities believe that work with the private sector can perform well.

Table 21. Case studies: staff views on quality of performance

Quality of performance	No. of interactions
Highly unsatisfactory	-
Unsatisfactory	-
Satisfactory	11
Highly satisfactory	10
Not stated	5

Source: questionnaire to Secretariat, Part B.
No of interactions to which responses refer: 26.

4. Lessons learned

4.1. Introduction

The summary of lessons learned that is presented in this chapter is drawn from the verbal and written comments of Secretariat staff as received during the review.

4.2. Types of strategy

Broadly speaking, there are two kinds of strategy that IUCN can deploy in engaging with the private sector. The first is to adopt a largely reactive mode of providing technical, advisory and facilitation services to business when (as happens increasingly often) business realises it needs help in dealing with its environmental performance and associated social issues. The second, more proactive strategy is to build partnerships with the private sector as a way of enhancing execution of the Union's Programme and accelerating the pursuit of its mission. While many people think that IUCN should emphasise the second kind of strategy, it is also clear that the two approaches are not mutually exclusive. Servicing the private sector's growing need for environmental advice and support can often further IUCN's mission, and by strengthening links with business it can enhance the conditions for more programmatic collaboration.

IUCN has learned that, with the exception of some leading international businesses, the private sector itself is often in reactive mode with regard to environmental and conservation issues. Its strategies are inadequate, and it often tackles these issues in a haphazard, ad hoc manner as they arise. There is major potential for the Union to further its Programme by helping business to build programmes of its own in this regard. Starting at the bottom with scoping and strategic impact assessment, IUCN can provide expertise to help companies develop appropriate environmental strategies throughout their operations – a role that aligns well with Result 3.3 in the current Programme – *improved approaches to integrate environmental and economic values in decision-making*. This approach can help, as the Programme puts it, “to ensure that private investors view biodiversity conservation as part of good business practice, and ultimately transform themselves into agents of sustainable development” (IUCN, 2004a: 36). The guiding strategy need not necessarily be to bring business into implementation of the Programme; it should be to strengthen and motivate the private sector in working towards IUCN's vision.

It is now widely (but not universally) understood in IUCN that the private sector should not be looked upon merely as a source of funding. This does not mean that private sector resources cannot contribute to implementation of the IUCN Programme. Particularly if the more proactive strategy outlined above is adopted, it should be natural for joint activities by the Union and business partners to rely substantially on corporate resources for their execution. Meanwhile, there are real prospects that IUCN's major conventional sources of funding – the limited number of mostly European government donors that have supported it for several decades – may begin to dwindle. New thinking is needed about resourcing alternatives for the future. Programmatic partnerships with business may be one key to IUCN's future financial viability. Constant care will of course be required to avert potential 'greenwashing', but experience to date suggests that this risk is manageable. With an appropriate strategy, tools, guidelines and staff skills of the kinds that the BBP is

helping to develop, it is feasible and appropriate for corporate funding to feature significantly in IUCN's business model.

One realisation that respondents repeatedly mentioned during this review was that IUCN should differentiate its strategies for engagement with different sectors of private sector enterprise. The main conceptual focus has been on big national and multinational firms, while small and medium sized enterprises have had less of IUCN's attention in most parts of the world (see Table 4 on page 7). There is a growing consensus that this balance needs to be adjusted, and that working with smaller enterprises can be a highly effective way of pursuing the Union's mission – even though such interactions impose higher transaction costs, and small enterprises may not have the funds to self finance their conservation commitments.

4.3. Successful modes of engagement

4.3.1. Time

Several Secretariat staff pointed out to this review that it takes time to build contacts, and then joint activities, with the private sector. They underlined the importance of sensitive and constructive relationship management, which has to be a gradual process (see box). Building the necessary levels of trust and

Relationship management is critical to the success of working with the private sector – and this takes time, and resources. It is not something which should be undertaken lightly – as commitments will be tested both by those outside the engagement and by those within the parties engaging.

Comment by Secretariat staff member.

understanding does not happen overnight. Often, very different mindsets have to be reconciled, and assorted prejudices must be dismantled. It is unrealistic and counter-productive to expect quick results or act as if they can be achieved. The obvious implication is that an adequate and sustained level of resourcing is necessary if productive private sector engagements are to yield fruit. And, as one contributor to the review pointed out, patience is a very necessary virtue.

4.3.2. Contact strategies

There are (at least) three ways of interacting with the private sector. One is through companies' corporate social responsibility departments. While these agencies are often tasked with improving businesses' environmental performance, they are often marginal to the main centres of power and decision making in a company. A second point of contact may be a company's charitable agency or foundation, which is usually tasked with enhancing its image by grant-making to good causes (although some such foundations also seek to enhance the company's markets or supply chain). This risks creating the impression that IUCN's reason for business contacts is fund raising. It also means that the contacts are likely to be of marginal importance for the company. The third, and by far the most effective mode of contact is directly to the management and boards of businesses, mainstreaming environmental awareness and action into their corporate strategies. Once again, this takes time, and the first two kinds of contact may serve as stepping stones towards the third. But this mainstream contact should always be the goal.

Another kind of contact can also be effective, as IUCN's work with ICMM has shown. Collaborating with an industry representative body like the ICMM can help the Union to engage with many companies simultaneously – if that body is respected, effective and truly representative in its sector, enjoying the necessary mandate and authority from its member businesses.

In some instances it is appropriate for IUCN to work indirectly with business interests (as in the current biodiversity offsets pilot programme). When the latter are helping to fund joint activities in the interests of biodiversity and sustainable development, it can be both practical and strategic for resources to go to a partner organisation rather than to IUCN directly. Such arrangements can help allay concerns about the Union's receipt of funds from the private sector, although they are of course no substitute for the due diligence and appropriate policy that should be applied to any links with business. Nor should they represent any general avoidance by IUCN of direct funding from business. The primary principle should be that such funding is acceptable on the right terms.

4.3.3. Focus

Given the limited resources that IUCN normally has available, it is essential that private sector engagements be focused on realistic units of work that can yield tangible, if modest, outcomes in the medium term. Scattered or fragmented approaches to business not only reduce IUCN's credibility but also reduce the likelihood of meaningful results.

4.3.4. Attitude

As was noted above, business people and IUCN staff often have very different backgrounds and values. Successful interactions develop when both sides are prepared to set these prejudices aside and engage constructively. As they campaign for different environmental behaviour by business, IUCN personnel must avoid the temptation to lecture companies about how to run their affairs. They must also seek to

[We] learned a lot with working with the private sector when implementing this project. For example, "project" for IUCN does not mean the same thing as a "project" for the private sector. The private sector wants to see action and results quickly whereas the conservation community tend to be more careful with its moves. Transparency and communications are sometimes an issue. On the other hand, it is rewarding to see that the private sector "get things happening" on the ground and that we have the possibility to influence those things right from the beginning.

Secretariat comment on the Allanblackia project in West Africa

emulate the crisper decision making and management styles of the private sector, without abandoning the reflective, analytical values that can enhance their own contributions. Some parts of the Secretariat have registered success in this regard. The Asia Regional Office, for example, reported that "IUCN's acceptance of a corporate perspective grew as the [Skills Sharing] project [with Shell] progressed".

4.3.5. Motive

Successful interaction between IUCN and the private sector requires clarity on both sides about motives. As the 2003 External Review pointed out (section 2.2 above), IUCN is deluding itself if it treats the corporate sector as a donor – although company foundations may occasionally be generous supporters. IUCN must make it clear that it is approaching business as an operational partner. It must be able to show that such partnerships can meet both participants' core goals. As the Russia country office put it, "the private sector is interested to collaborate if there is a clear business case for doing so. The return to business needs to be understood."

4.3.6. Commitment and collaboration

Although there is still some dissent in some parts of the Union about the notion of engaging the private sector, the mandate of Congress is clear and IUCN must act decisively to implement it. Some contributors to this review saw Member opposition as a continuing challenge. Several urged clear action to embrace the private sector even though some elements in IUCN continue to doubt this strategy. Conversely, of course, as was pointed out above in the case of South Africa, some Members have long established, productive links with businesses from which the Secretariat can usefully learn. Indeed, collaboration between the Secretariat and Members in work with the private sector can be highly productive, as the experience of the Energy and Biodiversity Initiative and the IUCN/ICMM Dialogue has shown. The involvement of Members in such activities can also help persuade more sceptical parts of the Union that collaboration with business can be appropriate. Commissions, too, can be very valuable collaborators in IUCN-private sector activities, as in the Sakhalin activities to safeguard the Western Grey Whale.

4.3.7. Political timing

The political disposition of governments, business and civil society differs enormously from one part of the world to another and shifts constantly over time as political, economic and social contexts evolve. IUCN must constantly monitor and judge this changing political climate in order to determine the most effective timing and strategy for drawing the private sector into the conservation cause. In Central America, for example, the introduction of free trade agreements has opened new opportunities for the Union as local businesses grapple with their environmental provisions. The regional office there is helping them to

appreciate that new alliances with IUCN and other civil society agencies can benefit their bottom line as well as the environment.

4.3.8. Communications

Vigorous communication of activities and achievements adds much value to all areas of IUCN's work. In the case of interactions with business, as one contributor to this review put it, "a proactive communication strategy is essential for dealing with criticism by some radical NGOs of *any* work IUCN does with the private sector. This requires a lot of time and should be written into project budgets."

4.3.9. Organisational arrangements

Several lessons have been learned about optimum ways to organise interactions with the private sector. Unsurprisingly, it is important to have clearly defined terms of reference and agreements about any joint work, and to ensure openness and transparency in all dealings between the partners. Designated focal points help to steer activities effectively. In ongoing relationships such as 'dialogues', it helps to have clear deadlines for specific deliverables so that the interaction maintains purpose and direction. As one observer put it, "embarking on an engagement is not a success in and of itself – the relationship has to deliver tangible results whose benefits exceed their costs for the relationship to be considered a 'success'".

4.3.10. Further comments from the case studies

Table 22 below shows the positive factors that were mentioned by respondents about specific engagements with the private sector. For two thirds or more of the 23 interactions that these questionnaires described, leadership, vision and the degree of commitment of the private sector and IUCN were identified as assets. Not surprisingly, the quality of planning, design, management and staffing also featured strongly. Legal, institutional and technical issues were apparently less important as positive factors: what mattered most were attitude, commitment and the way these interactions were structured and driven.

Table 22. Case studies: factors with a positive influence on performance

Factor	No. of case studies to which factor applied
Commitment of private sector	17
Leadership, vision	16
Commitment of IUCN	15
Planning, design	15
Management	13
Understanding between IUCN and private sector	13
Staff capacity	13
Organisational arrangements	11
Funding	9
Monitoring, reporting	7
Types, profile of staff	7
Communications	5
Technical implementation issues	5
Political issues	3
Legal issues	2
Institutional issues	2
Social issues	2

Source: questionnaire to Secretariat, Part B.
No of interactions to which responses refer: 23.

4.4. Challenges

4.4.1. Getting the private sector's attention

In many parts of the world, business knows little or nothing about IUCN, and the first step the Union has to take is to promote corporate awareness about what it does and how it can help make enterprises environmentally sustainable without harming – preferably improving - their profits. This awareness raising must often be linked to general environmental education for the private sector, so that companies come to

understand the centrality of environmental issues to their core business. These challenges are particularly steep in rapidly industrialising areas such as south and south east Asia and in former command economies where many kinds of corporate regulation are ineffective.

4.4.2. Presenting the right profile

IUCN's history of engaging the private sector has seen several stops and starts over the last decade. Not surprisingly, some key corporate players have been unimpressed. Sometimes, they consider other major environmental organisations, such as WWF and Conservation International, as more useful or reliable partners. A long term challenge to IUCN is to build a strong, consistent and convincing profile as an agency to do business with. Part of this challenge, as was pointed out in section 4.3.4, is for IUCN staff to understand better the way the private sector thinks and acts. Without necessarily adopting all private sector values, they need at least to empathise better with their counterparts in the corporate world. Another part of the challenge is rooted in the diversity of the Union, which is of course also one of its strengths. With such a variety of Members, cultures and attitudes, IUCN rarely takes a single opinion. Developing a clear stance and direction on even a remotely controversial issue can be a challenge. As one informant put it, "IUCN is too big to say clearly whether it is clear about the private sector".

A key part of IUCN's profile, as this review has repeatedly observed, is its credibility as a neutral but expert convenor and facilitator. A constant challenge to all in the Union is the maintenance of this credibility. As the Bangladesh country office observed, "positioning IUCN as the knowledge broker is very important to achieve this neutral image". The Pakistan office said that "there is a clear demand for a neutral organisation like IUCN with whom the private sector is interested to work".

4.4.3. Getting adequate resources

Many contributors to this review made the obvious point that resource limitations restrict the amount of work they can do with the private sector, or reduce the credibility of IUCN in the eyes of business. As the Asia Regional Office commented, "it takes a lot of time and work to form relationships with companies". The modest scale at which the Union must work in its private sector interactions increases the importance of strategic choices about what types of engagement to prioritise.

'Adequate resources' does not just mean numbers of posts and quantities of funding. Staff working at the interface between IUCN and the private sector must understand that interface, and the mindsets that prevail on both sides of it. Once again, it takes time to build the required insights and skills. One obvious human resource strategy is to increase the number of Secretariat staff with private sector backgrounds, as well as enhancing the skills of existing staff.

4.4.4. Managing private sector linkages efficiently

Often with good reason, the corporate world tends to view governments and NGOs as inefficient and disorganised. Combining both the latter types of organisation in its membership and with a Secretariat that operates at global, regional and country levels, IUCN has a complex structure that risks deserving these criticisms. Particularly when regional and country offices are both developing private sector contacts in the same area, it is important to keep management and communication lines clear – both within the Union and between it and the businesses with which it interacts. In some instances this clarity has been lacking, and there has been confusion about how projects with the private sector were to be co-ordinated between different levels of the Secretariat. The Secretariat continues to be criticised for working in silos, and the business contacts developed at different levels are not yet effectively co-ordinated. As one contributor to this review put it, "at times, it is not clear who is doing what at what level". The BBP can provide this co-ordination. It is important that all parts of IUCN have access to comprehensive mapping of all interactions with the private sector – something that the BBP should be making available on its web site (section 2.5). The quality of such mapping, however, depends on the quality of the feedback that the BBP receives from the IUCN component programmes.

4.4.5. Selecting sectors and partners

It is obviously important for IUCN to select the best business sectors and partners on which to concentrate its limited resources. Things can never go right all the time, but the emerging guidelines and criteria for private

sector engagements should help the Union to succeed more often with this challenge. One clear strategic consideration is the amount of controversy that a private sector contact may cause within the Union. Although links with mining have had several valuable results, they have been strongly criticised in some parts of IUCN. Some commentators advise a focus on less environmentally controversial business sectors, but this in turn risks being counter productive. Some businesses are controversial because they are environmentally harmful. Those, presumably, are the kinds of business to which IUCN should be reaching out.

IUCN is also learning that different businesses react differently to its character. Its strengths and limitations mean different things to different kinds of company. Big firms can often source their own environmental expertise and develop multiple partnerships with the world's major conservation organisations, of which IUCN is only one. They can also take the longer term view in partnerships with the Union, as it gradually works out its attitude to the private sector. Smaller firms may have a more direct need for the biodiversity conservation advice that IUCN can help provide, but may be less patient with perceived ambivalence about links to business. They may also lack the funds to invest in change processes. The trade offs between conservation credentials and (small) profit margins may not be feasible for them.

Some commentators emphasise the need to be alert for possible 'greenwashing' in collaboration between IUCN and business, but, as noted in section 4.2 above, this risk is manageable. Those who implement the Council's mandate to engage with the private sector should ensure that IUCN's good name is not used for the wrong reasons. At the operational level, special care must be taken with the use of IUCN's name and logo in corporate branding of environmental activities.

When IUCN interacts with corporate representative organisations, some members of those bodies may be sceptical about conservation objectives. However, this challenge also provides an opportunity for building trust and understanding among these less welcoming partners, and for enhancing the Union's credibility across the whole of the corporate sector in question.

The World Business Council for Sustainable Development is another kind of representative body for the private sector. Although IUCN has a memorandum of understanding with the Council and has worked productively with it (for example, in mobilising business representation at the Bangkok Congress), there is scope for a more proactive engagement – even though, like IUCN, the Council has limited resources and capacity. The Council can certainly play an important role in communicating with its membership more effectively than IUCN might be able to do directly.

IUCN is learning that the various industry associations and representative bodies differ. Some focus on representation, in which case the 'lowest common denominator' issue may be a constraint. Others, like the ICMM, have been created with a more dynamic agenda of change; collaboration with them can help influence that change in the interests of biodiversity and sustainable development.

IUCN has had mixed experience in links with major multilaterals in building the private sector's contribution to conservation. Achieving clarity on mutually beneficial ways forward is a complex challenge, not yet successfully resolved in the case of the IFC (section 2.1). On the other hand, they have major global influence on conservation and development policy and practice, so working with them to enhance private sector roles remains important for IUCN.

4.4.6. Understanding and responding to the diversity of the private sector

To state the obvious, there are major differences within the private sector. Multinational mining companies and community-based enterprises may share the profit motive but little else. While IUCN seeks to match the expectations of global companies, it must also understand the constraints of small and medium enterprises. Big companies may be better able to meet the costs of environmental precautions than small ones. Smaller firms may have different decision making procedures and social values than large ones. Engaging the private sector demands many different insights and skills from IUCN personnel.

4.4.7. Legislative frameworks

Although profit will always be the decisive incentive for change in corporate environmental behaviour, the lack of appropriate or effective environmental legislation is an obvious challenge to IUCN's work with business in some parts of the world. In these areas, part of IUCN's private sector strategy may have to be collaboration with governments and business to design, enact and enforce laws and regulations that promote environmental sustainability without victimising companies.

Table 23. Case studies: factors with a negative influence on performance

Factor	No. of case studies to which factor applied
Political issues	6
External factors	4
Staff capacity	3
Legal issues	3
Funding	3
Organisational arrangements	2
Institutional issues	2
Social issues	2
Communications	2
Planning, design	1
Management	1
Types, profile of staff	1
Commitment of IUCN	1
Technical implementation issues	1
None	9

Source: questionnaire to Secretariat, Part B.
No of interactions to which responses refer: 23.

4.4.8. Further comments from case studies

Respondents on specific engagements with the private sector mentioned fewer negative than positive factors in their assessment of these experiences (see Table 23 and section 4.3.10 above). Various aspects of the political context were the most commonly mentioned problem, followed by external factors and the challenges posed by IUCN's limited staff capacity. Although there may have been some self-selection of the more positive project experiences that respondents preferred to describe in Part B of the questionnaire, there is also some encouragement to be gained from this shorter list of negative factors.

5. Ways forward

5.1. Most promising areas of collaboration

5.1.1. Convening forums, stimulating communication

As in many fields of its work, IUCN's convening power and credibility as a neutral, competent agency can be put to good use in developing private sector commitment to conservation objectives. The platform that the Union has recently created in Central America, bringing together companies, NGOs and governments, is a good example of how to build confidence and commitment. This convening function can either be in support of enhanced communication between the various parties, or as facilitation of working partnerships that further IUCN's mission.

Linked to these collaborative concepts is the suggestion that IUCN work with other major environmental organisations, such as WWF and Conservation International, in joint engagements with the private sector. The World Business Council for Sustainable Development should be one instrument for such joint approaches.

5.1.2. Providing environmental expertise to the private sector

IUCN clearly has a role to play in advising the private sector on environmental issues, particularly in support to smaller firms that may be unable to source or develop the necessary expertise themselves. It is better for the Union to provide these services proactively than for it simply to offer a reactive service on demand, like a team of consultants. However, supply-driven approaches, with their implications of marketing and communications, are inevitably costly.

IUCN's work with the Sakhalin Energy Investment Company (section 3.2.4) has been a valuable pilot of proactive engagement by both the Union and a company engaged in activities with major environmental impacts. Current interaction between IUCN Bangladesh and Asia Energy over mitigation of the social and environmental impacts of a coal mining project is another useful pilot of IUCN's provision of an independent, neutral platform for resolution of the inevitably controversial issues that arise. This type of intervention is a valuable field for further pilot work.

5.1.3. Engagement with sector organisations and representative bodies

Several Secretariat staff argued to this review that the most strategic approach for IUCN is to work with agencies that represent industrial sectors or groups of companies, in order to maximise leverage and impact. However, this approach needs to be based on appropriate understanding of the diversity of such agencies (section 4.4.5 above). Furthermore, representative bodies sometimes lack the resources needed for joint action with IUCN, and – because they may be restrained by less willing members – cannot always act as decisively as individual companies. The best strategy for IUCN is therefore to combine links with these representative bodies and collaborations with individual firms. At country level, introductory consultations with and between groups of companies and/or their representative bodies can be an effective way to launch stronger business commitment to environmental action. IUCN Pakistan's round table with business on the role of environmental issues in corporate social responsibility is an example of the sort of pilot work that should be replicated in other countries. A comparable approach that would also reward further piloting at country level is for IUCN to work with the private sector to review and build capacity for environmental impact assessment procedures, as has been done in Guatemala.

5.1.4. Engagement with small and medium scale enterprises

Much of IUCN's private sector work has been with large, multinational companies (see Table 4 on page 7). However, despite the major impact that such engagements can undeniably have, other observers argue that the best way forward is to engage with small and medium scale enterprises, which are sometimes closer to IUCN's core environmental concerns and which may be better able to achieve the Union's social and equity goals as well. A potential pilot project would be to revive a role for IUCN in supporting finance for small and medium enterprises, building on the lessons of the Kijani experience.

5.1.5. Sector choices

Staff views differed on the most important sectors for IUCN's engagements with the private sector. Biotechnology, energy, tourism and agriculture constituted one respondent's list. Tourism and agriculture, it is argued, are particularly attractive because IUCN can engage with the whole chain from production to consumer demand. Some work has already been done with major food companies through IUCN inputs to the Sustainable Agriculture Initiative; this is a field where further pilot activities would be rewarding. Certification of food and other natural resource-based products could also be an important role for the Union.

Another staff member urged links with the information and information technology sectors. A third urged two strategies: first, to focus on biodiversity-dependent industries, and secondly to help large footprint industries reduce the environmental impact of their activities. From the protected areas perspective, extractive industries and tourism are clear priorities. Yet another view, which could link to the focus on small and medium sized industries mentioned above, emphasised facilitation of certification arrangements as a way of spreading the culture of environmental responsibility in the private sector.

There is a consensus that, although IUCN's engagement with extractive industries has been rewarding in many ways, that sector has been too dominant in the Union's profile of business contacts. However, there

were no suggestions that links with the extractive industries should be scaled down; rather, that engagement with other sectors should be scaled up.

One pilot activity suggested to the review would work on carbon projects and climate change. It would aim to get business involved in Kyoto-related financial transfer schemes to compensate for reduced deforestation, for example, or sustainable forest exploitation. Pilot conceptual and practical work in this area could feed into Kyoto COP debates leading up to 2012, when the second Kyoto period begins.

5.1.6. Geographic choices

A complementary approach to IUCN's strategic choices for private sector engagement is to consider ecosystems or regions where such interaction could have particularly important conservation outcomes, given their environmental sensitivity and the activities and profile of business there. Two candidates for this kind of geographic emphasis at present are the Arctic region and the Persian Gulf.

5.1.7. Innovation

With its strong scientific credibility and comparatively neutral image, IUCN is well placed to promote innovation in corporate environmental responsibility. One example quoted to this review is the testing of biodiversity offsets as a new way forward for business. One pilot activity is already under way in this field (section 3.2.4), but there is scope for more.

5.1.8. The ultimate target?

Another argument presented to this review implies that having a private sector engagement strategy and a Business and Biodiversity Programme should be temporary features of a stage that IUCN should pass through in its understanding of business as part of society. From a time of keeping the private sector at arm's length, the Union has moved into a phase of rapprochement and learning, moving closer to the corporate world in various ways and starting to collaborate meaningfully with it. Ultimately, the Union should deal with business as naturally as it does with the rest of society, and the need for separate programmes and capacity would arguably dwindle.

5.2. Building capacity

Although it is not a unanimous view, there is a general belief in IUCN – as shown by the Council's mandate – that the Union should strengthen its interactions with the private sector. The obvious implication, as several informants for this survey pointed out, is that the Secretariat (and Commissions) need to build their staff capacity for this purpose. Partly this means training existing personnel; partly, as suggested in section 4.4.3 above, it means adjusting recruitment strategies so that more people with business backgrounds join the organisation.

5.3. Reporting, monitoring and evaluation arrangements

At global, regional and country levels, IUCN needs to become more systematic in reporting, monitoring and evaluating its interactions with the private sector. This review is one step in that direction, but it is limited by its small scale and the fact that it is responding to a specific WCC resolution. As was shown in section 3.3.5 above, current reporting and M&E procedures for private sector work remain somewhat haphazard. While routine annual reporting by country, regional and global programme offices includes some information about activities with the private sector, these do not provide an adequate overview to inform overall strategy in this field. The draft operational guidelines for private sector engagement refer to establishment of an online database of all such projects (section 2.5 above), but their ten modules do not include one on reporting, monitoring or evaluation. It should now be a priority to expand the guidelines for this purpose.

One way forward for IUCN's M&E of its private sector engagements should emulate the private sector itself by adopting performance assessment methods. These methods are already being explored for other purposes in the Secretariat, and the BBP might be a valuable pilot for applying them to areas of the Programme.

Private sector partnerships might be developed for the specific purpose of exploring the way businesses – such as Rio Tinto – use performance assessment.

One BBP informant argued that it is already time to review IUCN's private sector engagement strategy. The issues and options are evolving rapidly, and IUCN may need to reappraise its strategic choices. The ongoing challenge is to maintain a balance between the necessity of dealing with business as an integral part of global society, and being realistic about the major costs and readjustments implied in engaging with it effectively. A related challenge is to maintain an appropriate quality of relationship with the private sector – proactive and engaged, but independent and constructively critical.

Another kind of evaluation could form the theme for a pilot project. This concerns the development of biodiversity metrics for business: exploring ways for companies to measure the biodiversity impact and response of their commercial and conservation activities with tools that are simple, cheap, accessible, scaleable and useable at multiple sites.

Annex 1. Terms of reference

Gather and synthesize IUCN's past experience with the private sector and lessons learned

In 2004, drawing on its diverse experience IUCN developed 'A Strategy for Enhancing IUCN Interaction with the Private Sector'¹ which seeks to provide an overall framework for collaboration with business. Two resolutions (3.060 and 3.061), passed at the IUCN Third World Conservation Congress (Bangkok, November 2004) provide further direction on IUCN's private sector engagement, including that a review of IUCN's past experience with the private sector be undertaken.

Paragraph 1 of Bangkok Resolution 3.060², in particular, "*INVITES the IUCN Director General to review and make publicly available IUCN's past experience with the private sector and lessons learned (...)*". The consultant's task is to conduct such a review.

The output will be a final report, submitted at the latest on 25 March 2006.

Tasks:

1. Gather and review relevant background documentation to IUCN's 'Private Sector Engagement' efforts, including Bangkok Resolutions 3.060 and 3.061, the Situation Analysis, the Strategy, the Survey of Guidelines for not-for-profit/Private Sector Interaction³.
2. Finalise a grid of analysis with the Business and Biodiversity Programme (BBP) and the Special Adviser, Performance Assessment. Annex I,2 provides an initial starting point.
3. Based on 2, finalise the questionnaire which will be sent to all Thematic Programmes and Regional and Country Offices early in January 2006 along with a cover letter cover drafted by the Business and Biodiversity Programme.
4. Review various progress reports, assessment reports, and contributions by IUCN component programmes towards annual report, available in Global Programme directorate, list areas of IUCN-private sector engagement, and distil lessons learnt.
5. Follow-up on the questionnaire (paragraph 2 above) by carrying out telephone or personal interviews with relevant persons in the various IUCN thematic, regional and country programmes to elicit information about main activities involving private sector, lessons learnt, and ideas for potential pilot projects to operationalize the IUCN private sector strategy.
6. Develop a draft Table of Content and finalize it with input from other BBP team members.
7. Draft the report, and finalize it in consultation with BBP. The report, excluding any annexes, shall not exceed 20 pages.

¹ http://www.iucn.org/themes/business/Docs/PrivateSectorStrategy_31%20March%2004.pdf

² http://www.iucn.org/congress/members/Individual_Res_Rec_Eng/WCC3%20RES%20060%20Influencing%20private%20sector%20actions%20in%20favour.pdf

³ Posted online at <http://www.iucn.org/themes/business/Secretariat/3IC.htm>

Annex 2. Resolutions of the third World Conservation Congress

RES 3.060 Influencing private sector actions in favour of biodiversity

CONVINCED that the actions of private sector actors have a large bearing on the goal and mission of IUCN;

NOTING that the impact of the private sector on the conservation of biodiversity can be both positive and negative;

BELIEVING that, historically, IUCN has not prioritized and often not engaged effectively with the private sector for the achievement of its mission;

NOTING that IUCN has, during the past quadrennium, taken steps to engage in dialogue with companies, including through providing expert advice on biodiversity conservation in selected sectors and undertaking expert exchanges;

RECOGNIZING that IUCN will not make optimal progress towards achieving its Mission unless and until it improves its interactions with key actors in the private sector;

FURTHER RECOGNIZING that a range of IUCN members, including non-governmental organizations and government agencies, are increasingly working with the private sector to minimize its impact on the environment and to bring positive improvements in the environmental and social performance of corporations; and

AWARE of the importance of avoiding the name and reputation of the Union being used as 'green wash' to mask misbehaviour on the part of corporate actors and;

BELIEVING that the Union should adopt principles and guidelines for such engagement;

The World Conservation Congress at its 3rd Session in Bangkok, Thailand, 17–25 November 2004:

1. INVITES the IUCN Director General to review and make publicly available IUCN's past experience with the private sector and lessons learned, and propose compiling a workplan for a limited number of pilot initiatives with the private sector that will advance the mission of IUCN, with a view to pinpointing the optimal areas for IUCN interaction with the private sector in the future;
2. ASKS the IUCN Director General, before the end of 2005, to submit this workplan for consideration by the IUCN Council;
3. URGES the IUCN Council to explore and adopt principles, guidelines and mechanisms for engaging with the private sector, such as through the establishment of a knowledge network on biodiversity and corporate action; and
4. FURTHER INVITES the IUCN Director General to submit a detailed proposal for IUCN-private sector relations to the 4th IUCN World Conservation Congress.

The Department of State, United States, provided the following statement for the record:

State and agency members United States abstained during the vote on this motion.

RES 3.061 IUCN's interaction with the private sector

NOTING that the private sector can play a major role in achieving sustainable development, promoting biodiversity conservation and contributing to the Millennium Development Goals;

CONSIDERING that this is often not achieved because of a lack of effective citizens' and indigenous peoples' participation, illegal and unjust business practice, poor company standards and codes of conduct, and inadequate national and international policy and regulatory frameworks;

RECALLING the Recommendations of the IUCN-sponsored World Commission on Dams (WCD), the World Bank's Extractive Industries Review (EIR) and the Vth IUCN World Parks Congress (Durban, 2003);

NOTING that IUCN's Strategy for Enhancing IUCN's Interaction with the Private Sector calls for future interaction and dialogue with the private sector to be based on clear principles;

RECOGNIZING that this Strategy reiterates IUCN's goals of promoting a more accountable private sector, which contributes to sustainable development, including conservation and social equity;

CONCERNED that, unless interactions and dialogues with the private sector are based on clear principles and guidelines, there is a risk of tarnishing the reputation of IUCN and compromising its independence; and

FURTHER RECALLING IUCN Resolutions 1.81 Productive Relationships between IUCN and the Private Sector, and 1.82 Private Sector Financial Operations, adopted at the 1st IUCN World Conservation Congress (Montreal, 1996) and Decision C/60/59 of IUCN's Council, taken at its 60th Meeting, on the IUCN/International Council for Mining and Metals (ICMM) Dialogue;

The World Conservation Congress at its 3rd Session in Bangkok, Thailand, 17–25 November 2004:

1. CALLS on the IUCN Director General to initiate an open and participatory process to strengthen the principles of engagement and develop guidelines to guide further dialogue, partnership agreements and other interactions with the private sector;

2. RECOGNIZES that these principles and guidelines should be elaborated so as to inform the workplan to be prepared under operative paragraph 2 of Resolution 3.060 Influencing private sector actions in favour of biodiversity adopted at the present Congress;

3. NOTES THAT priority should be given to strengthening the principles and elaborating guidelines with respect to:

(a) transparency through ensuring public access to information; and

(b) participation of all stakeholders, especially vulnerable groups, in dialogues with the private sector;

4. RECOMMENDS the IUCN Director General to promote the principle of Free Prior and Informed Consent, as recommended by the World Commission on Dams, the Extractive Industries Review, the CBD Bonn Guidelines on Access to Genetic Resources and Fair and Equitable Sharing of the Benefits Arising out of their Utilization and the CBD Akwé: Kon Voluntary Guidelines for the Conduct of Cultural, Environmental and Social Impact Assessments regarding Developments Proposed to Take Place on, or which are Likely to Impact on, Sacred Sites and on Lands and Waters Traditionally Occupied or Used by Indigenous and Local Communities, in all formal dialogues and interactions between the private sector and the IUCN Secretariat, Council, and Commissions;

5. RECOMMENDS that priority be given to cooperation with the private sector in areas which address the root causes of biodiversity loss, where – as stated in IUCN's Strategy for Enhancing IUCN's Interaction with the Private Sector – action can be most effective; and

6. REQUESTS that the IUCN Director General prepare an annual report for IUCN members on the implementation of the above-mentioned Strategy, including steps taken to ensure adherence to agreed-upon principles and guidelines.

The Ministry of Environment and Forestry of Turkey provided the following statement for the record:

The Republic of Turkey objects to any reference to the World Commission on Dams.

The Department of State, United States, provided the following statement for the record:

State and agency members United States voted against this motion.

Annex 3. Analytical matrix

Issue	Key questions	Specific questions
Nature of experience	Types of engagement	Types of private sector entity (multinational, national, small scale, foundation, representative group etc.)
		Environmental sectors/themes involved
		Business sectors involved
		Elements of IUCN involved (Secretariat/ Members/Commissions, which country/ regional/thematic programmes)
		Geographic spread
		Number of engagements
		Duration of engagements
		Types of activity (influencing company strategy, influencing IUCN strategy, implementing conservation, joint public awareness programmes etc.)
	Stated purpose, planned outcomes of engagements (according to IUCN and according to private sector partners)	
	Operational arrangements	Structure of engagements (MOU, project document, contract, informal agreement etc.) and specificity of planning
Funding arrangements		
How monitored, reported, evaluated		
Effectiveness	Achievement of planned outcomes for IUCN	To what extent have IUCN's engagements with the private sector achieved their planned outcomes for the Union?
	Achievement of conservation outcomes	To what extent have IUCN's engagements with the private sector achieved measurable conservation outcomes?
	Achievement of organisational outcomes for IUCN	To what extent have IUCN's engagements with the private sector achieved organisational outcomes for the Union, e.g. stronger policies, procedures, capacity or infrastructure?
	Achievement of financial outcomes for IUCN	To what extent have IUCN's engagements with the private sector achieved beneficial financial outcomes for the Union?
	Achievement of planned outcomes for private sector	To what extent have IUCN's engagements with the private sector achieved the intended outcomes for private sector partners?
	Factors affecting effectiveness	What factors have promoted or constrained achievement of the planned outcomes in IUCN's engagements with the private sector?
		What types of private sector engagement have proved most effective for IUCN?

Annex 4. Questionnaire, Part A

IUCN review of experience with the private sector, 2001-2005

Questionnaire to the Secretariat

January 2006

Introduction

The questionnaire is in two parts:

- Part A, which follows, covers general issues related to your experience with the private sector.
- Part B, which is a separate file, invites you to give details of specific direct engagements with the private sector. We are sending you four copies of Part B, giving you the opportunity to report on up to four such specific direct engagements. If your programme or office has had more than four such engagements, please tell us about four that represent a spectrum of experience: different types of project or partner, or a range of success and failure.
- Please note that this questionnaire is concerned only with direct private sector interactions, in which a company or other private sector entity was the primary stakeholder with IUCN through a formally structured agreement for a project or other specific engagement.
- We do not seek information here about less direct or central private sector involvement in your activities, for example participation of business representatives in reference groups or workshops.
- Please take as much space as you like (or have time for) to explain your answers.
- Please also append any relevant documentation, such as plans or reports about interactions with the private sector.
- The consultant or a BBP staff member may want to follow up on your responses with a face-to-face or telephone discussion.
- **Thank you in advance for your help.**

We would be grateful if you could make time to complete the questionnaire and send it to business@iucn.org by 10 February.

Part A: overview

Your name:

Your position:

Programme or office in which you work and on whose activities you report below:

Your telephone number:

Your e-mail address:

Date:

For each question, please insert an x in one or more of the boxes as appropriate, and type in whatever explanation or commentary you wish to add.

1. With which types of private sector entity has your office/programme interacted directly⁴ since 2001?

None	Multinational company	National company ⁵	Medium or small-scale company	Informal sector enterprise	Private sector charitable foundation	Industry representative body ⁶	other

2. How many distinct engagements/projects/partnerships¹ with the private sector has your office/programme been involved in since 2001?

3. How many engagements/projects/partnerships¹ with the private sector is your office/programme involved in now?

4. What environmental sectors or conservation themes⁷ have the direct engagements¹ of your office/programme with the private sector covered since 2001?

⁴ Please note that this questionnaire is concerned only with direct private sector interactions, in which a company or other private sector entity was the primary stakeholder with IUCN through a formally structured agreement for a project or other specific engagement. We do not seek information here about less direct or central private sector involvement in your activities, for example participation of business representatives in reference groups or workshops.

⁵ A company operating at several locations within a country and/or with a substantial reputation in that country, but not operating in other countries.

⁶ E.g. a Chamber of Mines, fisheries association, paper manufacturers' association.

⁷ E.g. fisheries, wetlands, carbon trading, environmental education.

5. What business sectors⁸ have the direct engagements of your office/programme with the private sector covered since 2001 (please tick)?

Biodiversity-dependent industries	
Food; beverages; cosmetics; tobacco	
Forest products; lumber and paper	
Agricultural markets and marketing; co-operatives; agribusiness	
Fisheries; aquaculture	
Chemicals; rubber; drugs; biotechnology ⁹	
Consumer non durables: clothing, textiles, shoes, leather ¹⁰	
Large footprint industries	
Cement	
Automobile manufacturing	
Mining, extraction and refining: hydrocarbon fuels [e.g. oil, gas]	
Mining, extraction and refining; other non-renewable resources [e.g. metals]	
Construction	
Retail and wholesale trade; warehousing; e-commerce	
Transportation – general	
Railways and other surface transportation: cars, buses, trucks and water carriers; ports	
Air transportation	
Electric utilities	
Gas utilities; pipelines; water utilities	
Utilities – general	
Other transportation and utilities	
Biodiversity finance	
Banks [including commercial banks, international finance institutions]	
Insurance companies	
Pension funds	
Investment banking; venture capital; brokerage	
Other financial institutions and services [e.g. export credit agencies]	
Developing green enterprise – sustainable production in the following:	
Tourism	
Forest products: lumber and paper	
Agricultural markets and marketing; co-operatives; agribusiness	
Fisheries; aquaculture	
Other industry categories	
General [e.g. multi-sectoral industry associations]	
Entertainment, media [performing arts, visual arts, broadcasting, publishing etc.]	
Personal, professional and business services	
Real estate services	
Information and internet services; computer software	
Other	

6. With which other parts of IUCN has your office/programme collaborated in its direct engagements with the private sector since 2001?

None	Regional programme(s) (please specify)	Thematic programme(s) (please specify)	Country office(s) (please specify)	Commission(s) (please specify)	Member(s)

⁸ The business categories shown in the table below have been drawn from the Journal of Economic Literature's classification system in a way that corresponds to the four priority groups of business activity identified for attention by IUCN's Strategy for Interaction with the Private Sector. This detailed list has been used in order to provide a consistent format and baseline for future monitoring of our private sector work.

⁹ Please indicate if the private sector involvement from these sectors is not directly biodiversity-dependent.

¹⁰ Please indicate if the private sector involvement from these sectors is not directly biodiversity-dependent.

7. To what extent did the interactions of your office/programme with the private sector contribute to implementation of IUCN's previous Programme (2001-2004)?

Not at all	A little	Significantly	Strongly

8. To what extent are the interactions of your office/programme with the private sector likely to contribute to implementation of IUCN's current Programme?

Not at all	A little	Significantly	Strongly

9. What is the total amount of time spent by your office/programme on private sector interactions?

0-25%	26-50%	51-75%	76-100%

Comment:

10. How much have the interactions of your office/programme with the private sector so far achieved meaningful conservation outcomes?

Not at all	Slightly	Significantly	Strongly

Comment:

11. How much have the interactions of your office/programme with the private sector so far achieved meaningful organisational¹¹ outcomes for IUCN?

Not at all	Slightly	Significantly	Strongly

Comment:

12. How much have the interactions of your office/programme with the private sector so far achieved meaningful material outcomes¹² for IUCN?

Not at all	Slightly	Significantly	Strongly

Comment:

13. What are the main challenges for your office/programme in collaborating with the private sector?

14. What kinds of work with the private sector do you think offers the strongest potential for pursuit of IUCN's mission?

¹¹ E.g. stronger human resources, better knowledge in IUCN, enhanced operational or analytical systems.

¹² Increased funding or material resources.

15. Please share any other lessons you have learned about IUCN engagement with the private sector.

Please now proceed to Part B of the questionnaire.

Thank you for your help!

Annex 5. Questionnaire, Part B

Part B: questions about a specific direct engagement with the private sector

Your name:

Your position:

Programme or office in which you work and on whose activities you report below:

Your telephone number:

Your e-mail address:

Date:

16. Title of the project/engagement:

17. Brief description of the project/engagement¹³:

18. Stated purpose/objectives of the project/engagement¹:

Comment:

19. Planned outcomes of the project/engagement¹: what changes were/are expected to result from it?

Comment:

¹³ Please append any relevant summary documentation.

20. Type(s) of business sector¹⁴ involved in the project/engagement:

Biodiversity-dependent industries	
Food; beverages; cosmetics; tobacco	
Forest products; lumber and paper	
Agricultural markets and marketing; co-operatives; agribusiness	
Fisheries; aquaculture	
Chemicals; rubber; drugs; biotechnology ¹⁵	
Consumer non durables: clothing, textiles, shoes, leather ³	
Large footprint industries	
Cement	
Automobile manufacturing	
Mining, extraction and refining: hydrocarbon fuels [e.g. oil, gas]	
Mining, extraction and refining; other non-renewable resources [e.g. metals]	
Construction	
Retail and wholesale trade; warehousing; e-commerce	
Transportation – general	
Railways and other surface transportation: cars, buses, trucks and water carriers; ports	
Air transportation	
Electric utilities	
Gas utilities; pipelines; water utilities	
Utilities – general	
Other transportation and utilities	
Biodiversity finance	
Banks [including commercial banks, international finance institutions]	
Insurance companies	
Pension funds	
Investment banking; venture capital; brokerage	
Other financial institutions and services [e.g. export credit agencies]	
Developing green enterprise – sustainable production in the following:	
Tourism	
Forest products: lumber and paper	
Agricultural markets and marketing; co-operatives; agribusiness	
Fisheries; aquaculture	
Other industry categories	
General [e.g. multi-sectoral industry associations]	
Entertainment, media [performing arts, visual arts, broadcasting, publishing etc.]	
Personal, professional and business services	
Real estate services	
Information and internet services; computer software	
Other	

21. To which key result area of the IUCN Programme was/is the project/engagement meant to contribute?
Please refer where possible to the relevant statement(s) in the plan for the activity.

Previous Programme: KRA
Current Programme: KRA

¹⁴ The business categories shown in the table below have been drawn from the Journal of Economic Literature's classification system in a way that corresponds to the four priority groups of business activity identified for attention by IUCN's Strategy for Interaction with the Private Sector. This detailed list has been used in order to provide a consistent format and baseline for future monitoring of our private sector work.

¹⁵ Please indicate if the private sector involvement from these sectors is not directly biodiversity-dependent.

Comment:

22. Other parts of IUCN collaborating in the project/engagement (*please cross relevant boxes and specify*)

		Please specify
None		
Regional programme		
Thematic programme		
Country office		
Commission(s)		
Member(s)		

23. Duration of the project/engagement in years (to intended completion, if ongoing)

Duration in years			
Ongoing?			
Yes		No	

24. How the project/engagement was agreed and stipulated

Informal	
Memorandum of understanding	
Project document	
Contract	
Grant	
Other (please specify)	

25. Total budget of the project/engagement

26. Contributors to funding of project/engagement

IUCN	
Private sector company	
Private sector charitable agency	
Government donor	
NGO donor	
Other (please specify)	

27. Did plans for the project/engagement specify targets and indicators of performance?

Yes	(if so, please indicate where they can be found)	No	
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28. What monitoring, reporting and evaluation procedures were applied? *(Please cross the relevant boxes.)*

Monitoring of performance indicators	
Occasional progress reports	
Regular progress reports	
Interim/mid term evaluation	
Final report	
Final evaluation	

29. How satisfactorily did the project/engagement (if completed) achieve the intended results, or how satisfactorily (if ongoing) is it performing towards achievement of its intended results?

Highly satisfactory	
Satisfactory	
Unsatisfactory	
Highly unsatisfactory	

Comment:

30. What main factors explain the performance of the project/engagement?

Factor	Positive Influence	Negative influence	Please explain (box will expand!)
Planning, design			
Leadership, vision			
Management			
Monitoring, reporting			
Types/profile of staff			
Staff capacity			
Funding			
Organisational arrangements			
Political issues			
Legal issues			
Institutional issues			
Social issues			
Commitment of IUCN			
Commitment of private sector			
Understanding between IUCN and private sector			
Technical implementation issues			
Communications			
External factors			
Other (please specify)			

31. What are the main lessons that this experience offers for IUCN's future engagement with the private sector?

Please now complete Part B of the questionnaire again for other direct engagements with the private sector from which you feel that IUCN could learn.

Thank you for your help!

References

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