

**Greening the Global Economy**  
 New insights and new directions on markets, economics & business  
 from the 4<sup>th</sup> World Conservation Congress

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## 1. Introduction

This report attempts to capture the richness of the many exchanges and resolutions on markets, economics and business of the 4<sup>th</sup> World Conservation Congress which was took place in October 2008 in Barcelona, Spain. To place these exchanges and resolutions into context, this introductory section of the report outlines the history of engagement by the IUCN Congress with the private sector. It also highlights the role of markets, economic and business in IUCN's new 2009-2012 Programme.

### 1.1 The IUCN Congress and the private sector

The multitude of exchanges and resolutions of the 4<sup>th</sup> World Conservation Congress on markets, economics and business build on IUCN's historical recognition of the relevance of the private sector to achieving IUCN's mission. Over the decades, IUCN General Assemblies have adopted a wide range of business-related resolutions – some of which have focused on the negative environmental impacts of the private sector activities and others of which have focused on the conservation value of influencing, encouraging and assisting the private sector.

In Assembly resolutions over the years, several market sectors have been consistently highlighted. These include agriculture, dams, extractive industries, fisheries, forestry, tourism and transport. For example, there have been resolutions on the agricultural sector dating back to 1952 which have focused on issues such as encouraging responsible practices, notably in the areas of pesticides and fertilizer use, and on promoting organic agriculture. The resolutions have also requested that IUCN draft guidance documents, convene workshops, and partner with industry associations and companies in the agricultural sector. Similar sets of resolutions have been adopted as well for other market sectors.

Over the years, Assembly resolutions have also called for a range of economic policy measures including traditional regulatory approaches such as trade moratoriums and trade bans and market-based instruments such as certification schemes and innovative financial mechanisms. In this respect, Members have asked IUCN to engage in relevant international policy processes under multilateral environmental agreements, the World Trade Organisation and the Breton Woods institutions.

In 1996 at the 1<sup>st</sup> World Conservation Congress (which replaced the IUCN General Assemblies), the topic of business and sustainable development was the focus of a special high-level panel discussion. It was also addressed in workshops which included participation from the private sector. Importantly, at this Congress the Members adopted Resolution 1.81 which stated the following:

“The World Conservation Congress at its 1st Session in Montreal, Canada, 14–23 October 1996... urges IUCN members and the Director General, within available resources and based on the need to influence private sector policies in support of the Mission of IUCN, to expand dialogue and productive relationships and to find new ways to interact with members of the business community...”

At the 2<sup>nd</sup> World Conservation Congress in 2000 in Amman, Jordan, markets, economics and business featured more prominently in the Forum with a pioneering workshop on efforts to develop and invest in biodiversity businesses and the launch of the internet-based Biodiversity Economics Library. There were also relevant Assembly Resolutions on genetically-modified organisms, organic agriculture, trade liberalisation and multilateral financial institutions as well as the approval of the 2001-2004 Programme which included the following mandates to engage with the private sector:

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

At the 3<sup>rd</sup> World Conservation Congress in 2004 in Bangkok, Thailand, a major theme of the Forum was “Markets, Business, and the Environment: Strengthening Corporate Social Responsibility, Law, and Policy.” The many events under this theme explored how markets can function more sustainably, companies can better manage biodiversity in their operations, and new business models based on biodiversity conservation and sustainable use can be developed. Under this theme were the following subthemes:

- “Will Capitalism Conserve or Consume the Planet?” – which explored voluntary initiatives aimed at improving the biodiversity performance of business;
- “International Trade: Friend or Foe of Biodiversity” – which delved into linkages between trade liberalisation and environmental sustainability; and
- “Ecosystem for Sale in an Unequal World” – which addressed the role of ecosystem services for aligning the goals of poverty alleviation and biodiversity conservation.

New relevant Resolutions were adopted by the Members Assembly including 3.060 on influencing private sector actions in favour of biodiversity and 3.061 on IUCN’s interaction with the private sector. These provided further support and guidance to IUCN’s work with the private sector including further development of its private sector engagement guidelines and a clearer focus on market sectors where responsible biodiversity performance is critical.

## 1.2 New insights and new directions

The 4<sup>th</sup> World Conservation Congress provided new insights and new directions which have cross-cutting implications for the IUCN 2009-2012 Programme. Approved by the Members Assembly, the new programme is made up of five thematic components:

IUCN 2009-2012 Programme Areas		
Core Theme	<b>Conserving biodiversity</b>	Ensuring sustainable and equitable management of biodiversity from local to global levels
Theme 2	<b>Changing the climate forecast</b>	Integrating biodiversity considerations and opportunities into climate change policy and practice
Theme 3	<b>Naturally energising the future</b>	Implementing ecologically sustainable, equitable and efficient energy systems
Theme 4	<b>Managing ecosystems for human well-being</b>	Improving livelihoods, reducing poverty and vulnerability, and enhancing environmental and human security through sustainable ecosystem management
Theme 5	<b>Greening the world economy</b>	Integrating ecosystem conservation values in economic policy, finance and markets

The new insights and directions on markets, economics and business from the 4<sup>th</sup> Congress have relevance for all five of these themes. Thus this report provides guidance to managers across IUCN – both in headquarters and in the regional offices. Likewise, the report provides guidance to the Commissions and the Members regarding their work on economic policy and their engagement with the private sector. Finally, the report also provides guidance to other key stakeholders – including policy makers and business leaders – on opportunities for engaging with the broader IUCN community to improve their environmental performance and contribute to halting the loss of biodiversity.

The report is based on the selection of Forum events included in Markets & Business Journey and the cluster of Assembly Motions included under the theme on Economy, Markets and Finance. The Forum events in the Markets & Business Journey highlighted 3 priority sectors – Agriculture, Extractives and Tourism – and 3 priority issues – Incentives, Partnerships and Indicators. This report follows this structure. During the Forum, a ‘Business & Biodiversity Team’ covered these events as well as the Assembly to provide invaluable inputs into this report.

More information on the Markets & Business Journey is available at:

- [http://www.iucn.org/congress\\_08/forum/journeys/markets/index.cfm](http://www.iucn.org/congress_08/forum/journeys/markets/index.cfm).

More information on the Motions and Resolutions is available at:

- [http://www.iucn.org/congress\\_08/assembly/policy/index.cfm](http://www.iucn.org/congress_08/assembly/policy/index.cfm).

## 2. Priority sectors

Building on previous General Assemblies and World Conservation Congresses, the priority sectors for markets, economics and business were agriculture, extractives and tourism. These are covered in this section of the report.

### 2.1 Agriculture

#### 2.1.1 The bottom line

Though agricultural – including crop farming, agro-forestry and livestock ranching – is the sector which is fully based on biodiversity inputs and which has significant transformational impacts on landscapes and ecosystems, it has never received much attention within the IUCN community. Perhaps this is because of the traditional concern with protecting “wild” biodiversity rather than using “domesticated” biodiversity sustainably.

With the increasing recognition that biodiversity conservation is inextricably linked to the sustainability of rural livelihoods and now with the challenges and opportunities of agro-fuels production systems, however, the discussions at the Forum highlighted the increasing importance for IUCN to focus on the agricultural sector. There is a clear need for leadership within the IUCN community to bring together those elements which are working on agriculture and to build capacities and programmes to address the challenges of conserving biodiversity in the context the increasing demand for agricultural production.

#### 2.1.2 Eco-agriculture – Forum insights

In an event organised by Ecoagriculture Partners on exploring the role of conservationists in agricultural landscapes, the overriding question was why IUCN and its Members do not do more to promote conservation outcomes in agricultural landscapes. By way of example, the Nature Conservancy presented their efforts to integrate agricultural landscapes into “place-based conservation” programmes in Latin America. WWF also explained how they are monitoring agricultural developments in the Greater Mekong Region in order to identify conservation opportunities and threats and to develop a dynamic regional agriculture and conservation strategy.

In a related event, Bioersity International explored how to bridge the gap between agriculture and nature conservation. This event looked not only at conserving wild biodiversity within agricultural landscapes, but also at the challenges of conserving agricultural biodiversity. The integration of biodiversity and agro-biodiversity conservation was addressed as well in an event organised by the IUCN SSC Crop Wild Relative Specialist Group. This event explored market-related opportunities for crop wild relatives such as commercialising and branding certain species to ensure their survival.

The Earthwatch Institute organised an event to explore “wildlife-friendly farming” which can enhance biodiversity through protecting patches of natural habitat, minimising use of agrochemicals and reducing tillage, but often with lower yields and greater land requirements than intensive farming. The event focused on European farmlands and highlighted work undertaken with Syngenta.

Rainforest Alliance addressed similar questions while focusing on agriculture in tropical landscapes. The role of sustainability certification schemes to promote biodiversity-friendly farming practices was highlighted. Juan Marco Alvarez, the Executive Director of SalvaNatura noted:

“Even if certifications are at the individual farm level, their cumulative effects at the landscape level can be very profound. This is especially if they are in the buffer zones of protected areas as protected areas protection as well as sustaining ecosystem services.”

Clearly the challenges and opportunities to enhance biodiversity conservation and the sustainable use of biological resources – including agrobiodiversity – in productive agricultural landscapes will be an area of increasing interest to the IUCN community. This includes linkages between ecoagricultural approaches and protected areas management, wild species conservation and the maintenance of critical ecosystem services.

### 2.1.3 Eco-agriculture – Assembly directions

Agriculture as a market sector featured in several Motions of the Members Assembly. It was seen as a factor – sometimes as a threat and at other times as an opportunity – with respect to resolutions on specific areas, notable in the Pampas and Campos and the River Plate Basin in South America and the so-called Mediterranean biomes around the world. It also featured in Motions related to habitats for endangered species and in resolutions on indigenous peoples and conserved landscapes.

However, the only resolution which directly focused on the agricultural sector was Motion 105 on “Industrial agrofuel production.” This motion focused on the potential negative impacts of expanded agricultural production for biofuels on both biodiversity conservation and the sustainable livelihoods of rural communities. It called for a:

“global moratorium on the expansion of existing and new industrial agrofuel production until the potential social, environmental and human rights impacts can be fully examined and appropriate regulatory structures put in place...”

### 2.1.4 Agro-fuels – Forum insights

From a biodiversity perspective, energy as a market sector has traditionally overlapped with mining because of our dependence on mined fossil fuels such as coal and petroleum. More recently, energy is also associated with agriculture as we are beginning to see wide-scale production of biofuels. Energy – from a variety of sources including biofuels, fossil fuels, solar, wind and wood – and for a variety of purposes including industrial and household consumption – now features as its own thematic area in the new IUCN programme, particular with respect to the ecosystem impacts of growing biofuels.

Hence the Forum insights on energy provide important guidance to IUCN on the development this theme and in this regard, IUCN hosted an event on accelerating transitions to sustainable energy futures. Bringing together representatives of the National African Farmers Union of South Africa, Development Alternatives (India) and two large multinationals – Holcim and Shell – IUCN explored how to develop visions for sustainable energy futures. The event made clear that everything IUCN needs to consider its impact on energy – i.e., water, forests, protected areas, marine, law, economics, and so on. IUCN should also look at all energy options and explore the relationships between biodiversity and energy.

An industry-led event organised by the International Petroleum Industry Environmental Conservation Association (IPIECA) and the International Association of Oil & Gas Producers (OGP) included representatives from major oil companies including ConocoPhillips, ENI, ExxonMobil and StatoilHydro. The event reviewed lessons learned from the ways in which the oil and gas sector has worked to integrate biodiversity conservation into its operations. Some of the lesson learned included the following:

- identify potential biodiversity impacts and develop an impact assessment process;
- integrate biodiversity in management systems;
- reduce operations footprint and risk;
- improve stakeholder consultation;
- be clear on why you enter a biodiversity partnership; and
- ensure senior management buy-in and keep them informed on progress.

Biofuels was a particular hot topic at the Forum as evidenced by the World Bank event titled “Too much of a good thing? – Biodiversity, biofuels and balancing agendas.” This event presented the principles of

the Roundtable on Sustainable Biofuels, addressed issues of livelihoods and food security and explored new opportunities for the second generation of biofuels. There are many unknowns that require further investigation and many issues to be negotiated at the political level.

### **2.1.5 Agro-fuels – Assembly directions**

Energy, including agro-fuels, featured throughout the Motions before the Members Assembly, and was the specific focus of four Motions addressing topics ranging from access equity to the environmental impacts of wind power to biomass-based energy to industrial agrofuels.

Regarding access equity, Motion 102 on “Equitable access to energy” addressed the challenge of equitable access to energy in a broader context of asking the IUCN membership to support the energy components of the new IUCN Programme. The linkages between access equity and rural livelihoods in agricultural landscapes need to be addressed.

Regarding wind power, Motion 103 on “Environmental impact of wind-based power production in Spanish and Portuguese mountain areas” highlighted concerns over the environmental impacts of wind power facilities in the mountain areas of Spain and Portugal. The Members asked these governments to avoid wind power development in the mountain areas and where such developments are to take place carry out environmental impact assessments.

Regarding developing energy from bio-mass, Motion 104 on “Sustainable biomass-based energy” called on IUCN to continue to support efforts to develop sustainable biofuels that conserve biodiversity, bring significant benefits to climate change mitigation and adaptation, and contribute to social development objectives. This motion also called on the World Trade Organisation to adopt sustainability criteria for any biofuels in international trade, and remove or reduce tariff barriers to trade in sustainable biofuels.

Finally, regarding the production of industrial agrofuels, Motion 105 on “Industrial agrofuels production” focused on the concerns that this production may have negative impacts on biodiversity and local livelihoods as discussed above.

## **2.2 Extractives**

### **2.2.1 The bottom line**

The extractives sector includes the mining of minerals for industrial use such as bauxite and gold as well as the mining of minerals for energy such as coal and petroleum. Through its exploration and mining operations, the sector has direct impacts on landscapes and seascapes and hence understandably has always been a concern of the IUCN community.

In response to the intense concern of IUCN NGO members over the years, the extractives sector has established various sector-wide and company-specific initiatives to address its impacts on biodiversity. As evidenced by the high level of engagement of the sector in the 4<sup>th</sup> World Conservation Congress – including participation multinational CEOs – it is clear that the IUCN community has an opportunity to influence, encourage and assist the extractives sector to improve its capacity to conserve the integrity and diversity of nature.

To this effect, a particular important insight that emerged from several discussions in the Forum was the proposition that mining companies – through careful management of their activities supplemented as needed with biodiversity offsets – could deliver a net positive benefit for biodiversity. In short, the extractives industry could become part of the solution rather than part of the problem with respect to reducing the loss of biodiversity.

### **2.2.2 Mining – Forum insights**

There were several mining events at the Forum as well as active participation of mining executives including the CEOs of Rio Tinto and Shell. The International Council on Mining and Minerals (ICMM) as well hosted a high level panel debate building on their dialogue with IUCN.

At the ICMM debate, representatives from Anglo American and Alcoa spoke of developing a “post closure vision” for a mining area and adoption of an “ecological restoration” approach in agreement with local communities. In so doing, mining projects can unlock value and enhance conservation rather than impact on it.

In an over-subscribed event on how a mining company plans to achieve a “net positive impact” on biodiversity, Rio Tinto discussed how it has been addressing the company’s biodiversity strategy since it was launched at the 3<sup>rd</sup> World Conservation Congress in Bangkok. The company believes that it can do much more than minimising negative impacts. In this respect, the company is pioneering the application of the WBCSD/WRI Corporate Ecosystems Services Review. Through strategic prioritisation of biodiversity values and use of new approaches such as biodiversity offsetting, Rio Tinto’s mining operations can actually deliver a net positive impact on biodiversity.

In another event organised by the IUCN Commission on Environmental, Economic and Social Policy, the linkages between indigenous or local communities and mining were discussed. Interventions from Anglo American and ICMM reinforced the need to engage local communities in developing a vision for the mine and its eventual closure which delivers value beyond the bottom line to communities. Mining critics felt that the companies were doing too little, too late to really improve the situation of marginalised local communities. Nevertheless, both the industry and its critics agreed that it is critical to develop a solid baseline of biological, social and economic information before a mining project starts.

### **2.2.3 Mining – Assembly directions**

Mining has been a key issue before IUCN Assemblies over the years and the 4<sup>th</sup> World Conservation Congress was no exception. Building on a resolution from the 2<sup>nd</sup> Congress in Amman, Jordan, to ban mining in IUCN protected areas categories I to IV, this Assembly adopted Motion 106 on “Mining explorations and exploitations in and near Andean protected areas” which highlighted concerns for mining in and near protected areas in the Andean region and thus encouraged IUCN to extend its opposition to mining to the buffer zones of protected areas. Motion 110 on “Mining-induced degradation of biodiversity, protected areas and indigenous peoples” reinforced this by calling for an avoidance of mining activities not only in protected areas but also in non-protected areas of high conservation value and lands of indigenous peoples.

Motion 110 also called for the end of IUCN’s dialogue with ICMM. However, the dialogue had already finished earlier in the year. More contentiously, was Motion 107 on the “Termination of the agreement between IUCN and Shell.” There was much discussion on this motion both among Members and in the Assembly and in the end it was not adopted as it was not supported by the Government Members.

Motion 112 on “Establishing the *IUCN Extractive Industry Responsibility Initiative*,” which was adopted, asked IUCN to explore the feasibility of establishing an extractive industry responsibility initiative in collaboration with the UN, the World Bank, and IUCN Members and Commissions. A related Motion 109 on “Guiding and improving IUCN’s involvement with the private sector” focused on improving IUCN’s involvement with the private sector and proposed that IUCN not be allowed to sign any further agreements with private sector entities unless the proposed agreement has been reviewed and approved by IUCN’s Council. Following considerable discussion and negotiation, an amended version of this Motion was adopted which did not restrict IUCN from undertaking agreements with the private sector, but rather asked the Council to finalise the draft guidelines for private sector engagement.

In response to these resolutions and the often heated debates within the membership, the newly elected IUCN President, Ashok Kholsa, in an interview at the close of the Congress made the following observations:

“We have no choice but to recognise that corporates – and also governments for that matter – are major players in the degradation of environmental values and they will have to change their ways. Who is going to change that? Obviously movements like the conservation movement, and organisations such as the IUCN have the responsibility to work with them... in a way that helps

them see the light, change their ways and also contribute. Because corporations are there, not only to destroy the environment but to produce goods and services that people need...

“IUCN is in the business of working with all actors, whether they are governments, whether they are corporates, whether they are NGOs, whether they are media or academic institutions to bring about a change in mindset and in their practices so that the environment is improved.”

#### **2.2.4 Biodiversity offsets – Forum insights**

An emerging new market sector is biodiversity offsets. Biodiversity offsets offer one response to the continuing loss of biodiversity by aiming to develop commercial development projects that result in no net loss or even a net gain of biodiversity. At the Forum both NGOs and companies organised events on biodiversity offsets. Some companies, as noted by Kerry ten Kate of Forest Trends, are now moving toward a system of comprehensive offsets for all their environmental effects including biodiversity.

Forest Trends hosted an event to review their Business and Biodiversity Offsets Programme (BBOP). They explained that BBOP has 7 core principles as follows

- no net loss;
- adherence to the mitigation hierarchy;
- landscape context;
- stakeholder participation;
- equity;
- long term success; and
- transparency.

Experience in developing the methodologies and application of biodiversity offsets has provided the following lessons learned and tips:

- be clear about purpose and outcomes;
- ensure financial resources, skills, institutional capacity, and commitment;
- secure collaboration among stakeholders;
- know the ecosystem and the country;
- understand the scale of the offset;
- be cautious;
- manage boundary effects and spill-overs;
- secure sustainable livelihoods; and
- know what you can deliver and where to draw the line.

In Rio Tinto's engagement in various events the company explained how biodiversity offsets are a crucial part of Rio Tinto's biodiversity strategy. The goal of this strategy, as further discussed in the Mining section of this report, is to have a 'net positive impact' on biodiversity. They also noted that biodiversity offsets are increasingly required by legislation in a number of countries where the company operates.

Focusing on a particular type of biodiversity offset which is known as wetlands banking in the US, the Nature Conservancy's event explore how to use offsets globally to avoid wetland loss. In the context of global investments by organisations such as the World Bank and Shell, the event discussed how to incorporate the avoidance and mitigation of wetlands loss in aid and infrastructure programmes.

#### **2.2.5 Biodiversity offsets – Assembly directions**

Probably because of the newness of this sector, the Members Assembly did not address the growing market for biodiversity offsets. This is likely, however, to be a hot issue at the 5<sup>th</sup> World Conservation Congress.

## 2.3 Tourism

### 2.3.1 The bottom line

The discussion on the linkages between conservation of biodiversity and tourism is evolving. The focus of many of the events during the Forum had been on how to integrate biodiversity conservation in tourism industry management tools. The presence of many private sector representatives, from SixSenses in one of the workshops' openings, to Accor, the UK Federation of Tour Operators, Expedia and Travelocity sponsoring events, indicate that the industry is recognizing the important role that the tourism industry can play in promoting more responsible practices in biodiversity conservation.

Biodiversity conservation and tourism is no longer an exclusive issue to be addressed in the context of protected areas' management, but it has become an important element of the agenda of the tourism private sector which is taking action in developing tools such as the *Sustainable Tourism Baseline Criteria*, including sections on biodiversity, or the Guidelines for the sustainable use of biological resources in hotels (*Biodiversity: My hotel in action*).

In parallel, the discussion about the linkages between protected areas management and recreation maintains an important role and is progressing. How to strengthen conservation organizations capacity to develop tourism businesses that support conservation? How protected areas managers can reconcile their role as custodians of the biodiversity values of protected areas and the recreation opportunities offered by them? How specific uses of biodiversity, such as hunting, can be managed to achieve both conservation and economic benefits? All these are some of the questions on the table for further discussion on the linkages between biodiversity conservation and tourism.

### 2.3.2 Forum insights

There was a strong focus on the tourism sector in the Forum with more than 10 major events scheduled as well as several poster sessions and side events. Discussions ranged from exploring the opportunities and the challenges of ecotourism for specific sites, such as Sierra Gorda Biosphere Reserve in Mexico, to launching the new Global Sustainable Tourism Criteria. At the launch, Ted Turner, chairman of the UN Foundation, said:

“Sustainability is just like the old business adage: ‘you don’t encroach on the principal, you live off the interest. “Unfortunately, up to this point, the travel industry and tourists haven’t had a common framework to let them know if they’re really living up to that maxim. But the Global Sustainable Tourism Criteria (GSTC) will change that. This is a win-win initiative – good for the environment and good for the world’s tourism industry.”

The criteria were developed by the Partnership for Global Sustainable Tourism Criteria (GSTC Partnership), a new coalition of 27 organizations that includes tourism leaders from the private, public and not-for-profit sectors, including IUCN Members, such as the Rainforest Alliance.

Another event focused on Travelife, a tour operators initiative, which offers tour operators and their suppliers integrated industry-wide instruments and tools including a Travelife Sustainability Management System, training courses, action planning and suppliers assessments. The large hotel group, Accor, also hosted a session which highlighted their newly launched guide, “Biodiversity: My hotel in action – A guide to sustainable use of biological resources,” produced in partnership with IUCN and the French Ministry of Environment. Patricia Cortijo, Accor’s Environment Director, explained:

“Deciding where to locate hotels and how to design them, how to manage energy and water consumption effectively, and how to dispose of waste properly were all topics covered in detail in a number of existing valuable publications. What we didn’t have until now, however, was a reliable reference on how to minimize our direct impact on biodiversity during everyday operations.”

Yet another book which was launched at the Congress, was “Responsible Tourism: Critical Issues for Conservation” by Anna Spenceley with the IUCN Southern African Sustainable Use Specialist Group. The book takes a hard look at the real impacts of ‘responsible tourism’ and ‘ecotourism’ on the ground.

Furthermore, as tourism is the major business sector active within protected areas, the Forum also explored linkages between the industry and parks. For example, one event focused on rethinking destination management and visitation at World Heritage sites. Organised by the IUCN World Commission on Protected Areas, and the UNESCO World Heritage Centre and the Charles Darwin Foundation, this event highlighted a new initiative to reshape the course of tourism efforts at World Heritage Sites by producing policies and processes for engaging the tourism industry in a more productive manner.

Finally, linked to IUCN’s commitment to the sustainable use of biological resources, an event hosted by the International Council for Game and Wildlife Conservation presented a new tool for “Sustainable Hunting Tourism” to promote a coherent set of principles, guidelines, criteria and indicators for this important segment of biodiversity-related tourism. Across the world from Namibia to North Africa to Europe, there is a need to develop best practice models and standards to ensure sustainable and wise hunting practices.

### **2.3.3 Assembly directions**

By adopting Motion 45 on “Tourism in Antarctica and the Southern Ocean,” the Members Assembly addressed the challenges of tourism in a remote and highly sensitive region – Antarctica. They called for the development of a comprehensive Antarctic tourism management regime with legally binding and enforceable rules. These would include limits to the overall number of tourists and the prohibition of construction of land-based tourism infrastructure.

Tourism – both its potential benefits and its threats to biodiversity – featured throughout the Motions before the Assembly. Topics addressed included hunting tourism, whale-watching tourism, tourism in municipal conservation areas, tourism and sacred natural sites, and community-based tourism.

## **3. Priority issues**

A key milestone of the 4<sup>th</sup> World Conservation Congress was the widespread recognition that business is now “inside the tent.” Though profit-seeking organisations are still not allowed to join IUCN, clearly the business community now recognises the importance of engaging with the IUCN community and the IUCN community recognises the importance of engaging with business. That said and as is fitting of a highly complex global union dedicated to “conserving the integrity and diversity of nature,” views on priorities and modalities for “influencing, encouraging and assisting” the private sector are wide ranging.

This section of the report highlights a set of priority economics and business issues as reflected in the new insights arising from the Forum and the new directions arising from the Members Assembly. It is presented as a collection of priority topic under the three broad issues of Incentives, Partnerships and Indicators.

While reviewing the priority issues presented in this section, the reader is advised to consider these in light of an emerging structure for IUCN engagement in the private sector. Because businesses operate within markets and markets in turn operate within formal and informal “rules of the game.” IUCN’s engagement with the private sector needs to focus on all three levels – encouraging business, influencing markets, and assisting economic policy makers.

### 3.1 Incentives

#### 3.1.1 The bottom line

The IUCN community is deeply committed to developing ways and means to motivate society to conserve nature. Since the launch of the multilateral environmental agreements on biodiversity, climate change and desertification at the 1992 Rio Summit, there has been an increasing interest in developing both regulatory and market-based incentives for environmental conservation. The deliberations and resolutions of the 4<sup>th</sup> World Conservation Congress were no exception.

As evidenced by the broad range of economic incentive measures addressed in both the Forum and the Member's Assembly, it is clear that the IUCN community is still searching for those measures which will actually deliver biodiversity conservation and sustainable development on the ground. Unfortunately, in this respect, the challenge still remains. Clearly, more work on designing and implementing robust economic incentives needs to be undertaken by all components of IUCN.

#### 3.1.2 Conservation finance – Forum insights

Securing adequate and sustainable finance for biodiversity conservation is always a hot topic at an IUCN Congress and this one was also no exception. There were several Forum events on conservation finance, including an event hosted by the Conservation Finance Alliance reviewing the effectiveness of conservation trust funds (CTFs). Building on study released earlier this year – the Rapid Review of CTFs – this event noted that CTFs proved to be a good instrument to handle large volumes of funds for conservation in a transparent way, allowing for local participatory governance of funds.

Another event organised by the Wildlife Conservation Society surveyed innovations in financing conservation including the work of a new private equity firm, Canopy Capital, which is trading in forest ecosystem services. Andrew Mitchell, the Director of the Global Canopy Programme explained:

“Markets are by no means perfect but they are inventive. Who would believe 30 years ago that a bottle of fashionable mineral water would sell for more than petrol. But left to itself, the global market puts a value on bottled water of 70bn Euros per year but nothing on vital rain from rainforests. A scheme to value forest ecosystem services in global markets could deliver financial flows at scale, in addition to those provided by carbon markets. Some understandably fear turning natural capital into bonds or equities because the market can be a beast, but government funds sourced from taxation are unlikely to meet the \$30-50bn annual bill for halting deforestation.”

Other financial innovations discussed included selling nutrient credits in conservation easements, developing extinction derivatives (i.e., options with the underlying asset being the conservation status of a species), and long-term loans to communities based on the state of environment (i.e., performance-based collateral).

The future of philanthropy was also discussed in a high-level Sustainability Dialogue organised by IUCN. Interestingly, Motokazu Yoshida of the Keidanren Committee on Nature Conservation, Japan, noted that philanthropic “financial support is not enough and we need to encourage collaboration between companies and NGOs.” A similar view was also expressed by Andre Hoffmann of the MAVA Foundation, Switzerland, who said that we need to see “philanthropy as an investment in the future” and we “need to include sustainability into the business model.” In other words, philanthropy is going beyond charity and becoming a tool for strategic corporate social responsibility.

Financing grassroots environmental stewardship was the topic of an event organised by the Greengrants Alliance of Funds which look at experiences to more effectively support environmental action on the ground. The founder of this alliance, Chet Tchozewski of the Global Greengrants Fund, explained how his organisation works. They make small grants usually from \$500 to \$5,000 to local groups in despoiled and impoverished places where other sources of support often are not available. To find grantees, they rely on over 120 volunteer advisors around the world acting as a variant of an IUCN Commission for grassroots conservation finance.

Finance is also a key challenge for protected areas and in an event organised by The Nature Conservancy the status of protected areas finance in Latin America was reviewed. There are clear funding gaps in the region and a continued need for innovation to secure new resources. As way of supporting additional financial resources, a Peruvian study on the contribution of protected areas to the national economy was presented. Opportunities for increased tourism revenues following the success of protected area tourism in east and southern Africa was also discussed.

### **3.1.3 Conservation finance – Assembly directions**

In addition to the usual requests for funding to support the actions of various Motions, the Members Assembly supported the establishment of a new global conservation financial mechanism. Motion 108 on “Establishing the *1% Earth Profits Fund*” for requested:

“the Director General, in consultation with UNEP, GEF, international financial institutions, governments, IUCN’s members and NGOs to explore mechanisms to establish a new private-sector conservation finance initiative to provide increased and sustained support to biodiversity conservation and sustainable development, to be called the *1% Earth Profits Fund*...”

### **3.1.4 Ecosystem payments – Forum insights**

Throughout the Forum there were discussions of the role for markets in the sustainable provision of ecosystem goods and services. These were related to discussion on how to have a better understanding of the values of ecosystems and biodiversity. They were also related to discussion on conserving biodiversity through the sustainable use of biological resources and to payments for ecosystem services.

Regarding the valuation of ecosystem services, please refer to the section of this report on economic values. Regarding conservation through sustainable use, one event organised by Fauna & Flora International, the European Anglers’ Alliance, the European Council for the Conservation of Fungi and the International Council for Game and Wildlife Conservation explored the proposition, “what pays, stays.” The event looked at how landscapes and ecosystems can be restored by enhancing the diversity of use of wild resources.

Regarding payments for ecosystem services, Conservation International and Triple E hosted an event on how to turn conservation values into real money. The event focused on applicability of landscape auctions in conservation. Participants engaged in a mock auction and also discussed recent real-life landscape auctions.

IUCN and UNEP hosted a reception to introduce their joint research initiative on international payments for ecosystem services which is being undertaken in cooperation with the Convention on Biological Diversity. This initiative is exploring ways to measure the values of ecosystem services and to match international supplies and demands for these services.

Ecosystem services is also increasingly of direct interest to the business community as evidenced by the recent release of the WBCSD/WRI guidelines on corporate ecosystem services review. As a structured qualitative tool, these guidelines help managers to manage business risks and opportunities arising from their companies’ dependence and impacts on ecosystems. In an event organised by WRI, opportunities for further development of the guidelines were explored including accommodating more quantitative measures and addressing longer term global impacts.

Focus on the services of specific ecosystems also featured in Forum events related to marine, forests, wetlands and drylands. For example, in an IUCN-organised event to recognise that dry lands need not be waste lands, participants explored how market-based solutions to encourage sustainable harvesting of dryland resources would enhance local livelihoods. The work of IUCN with PhytoTrade Africa was highlighted as a model for the development of a strategic drylands programme.

### **3.1.5 Ecosystem payments – Assembly directions**

Though the Members Assembly did not address payments for ecosystem services explicitly, it was an underlying cross-cutting theme and appeared in Motions on wild species, trust building for conservation and sustainable use, municipal conservation areas, conservation and human rights, ecological networks, and equitable access to energy. For example, Motion 102 on “Equitable access to energy” called for:

“Developing and promoting practices, including guidelines, assessments and payments for ecosystem services, which ensure the maintenance of ecosystem services which underpin energy systems...”

### **3.1.6 Carbon offsets – Forum insights**

With a new IUCN programmatic theme on changing the climate forecast, events in the Forum on the biodiversity linkages to carbon offset markets were particularly pertinent. Topics ranged from greening development to forest carbon markets and reducing emissions from deforestation and degradation (REDD) to marine geo-engineering.

In a high level Sustainability Dialogue on greening development to address climate change, senior representative from organisations such as the Global Environment Facility, Norad, UNEP, and USAID explored how international development agencies can address climate change. Poul Engberg-Pedersen, Director General of Norad, Norway, observed:

“Two huge problems in the world are poverty and climate change. We need to deal with them at the same time at the global and local level. Integration of government and markets is what we need.”

In another event organised by the IUCN Chief Scientist, Joshua Bishop, the opportunities for further developing forest carbon markets to deliver both carbon and biodiversity benefits were highlighted. The event focused on the new initiative known as REDD. Reducing greenhouse gas emissions from deforestation and degradation represents not only a potentially cost effective mechanism for tackling climate change, but it also has clear linkages to conserving forest biodiversity conservation and potentially to enhancing the welfare of the poor. REDD is a huge opportunity and together IUCN’s Members and partners can develop methodologies and frameworks to ensure its success.

Yet another emerging opportunity – albeit a much more controversial one – for carbon offsets is marine geo-engineering. Organised by the IUCN Global Marine Programme, the event explored the opportunities and risks of a proposed commercial venture by Climos to sell ocean iron fertilization on the carbon credit market. Stimulating plankton blooms to consume and sequester more carbon could assist in decreasing the CO<sub>2</sub> concentration in the atmosphere, but there are many scientific uncertainties and legal complexities. The next big challenge is to organise and finance credible experiments of this offset technology for which Climos is seeking private investment.

### **3.1.7 Carbon offsets – Assembly directions**

Motion 94 focused on “Reducing emissions from deforestation and degradation (REDD).” In adopting this motion, the Members Assembly called on IUCN and its Members to undertake a number of activities in support of REDD including:

- Supporting the integration of REDD policies and strategies into national and sub-national processes;
- Facilitating partnerships to build consensus, generate synergies and strengthen capacity;
- Supporting pilot programmes; and
- Developing and promoting best practice principles and operational tools.

Clearly the development of REDD is seen as a major opportunity to link IUCN's concerns about the loss of forest biodiversity and the alleviation of rural poverty to investments in climate change mitigation. However, as noted in the section of this report on biodiversity offsets, other approaches to biodiversity and carbon offsets were not addressed directly by the Assembly. Nevertheless, in the implementation of the new IUCN Programme, work on REDD is likely to be complimented by expanding environmental offset work in other areas.

### **3.1.8 Macroeconomics – Forum insights**

In an event on monetary and fiscal policies for sustainability in Latin America hosted by the IUCN Commission on Environmental, Economic and Social Policy, the impact of macroeconomic policy on the environment was explored. In a macroeconomic model of the Mexican economy, import substitution was shown to be preferable to the freer trade conditions operating under the North American Free Trade Agreement (NAFTA). Though this conclusion differs from what most of the economic development literature would say, it did point to the need for further research in the area of macroeconomic policy and the environment. With such research IUCN could help to influence macroeconomic decisions, including those taken by the IMF and other development banks.

### **3.1.9 Macroeconomics – Assembly directions**

There was no discussion of monetary and fiscal policies or macroeconomic impacts in the Member's Assembly. Except for a single reference to the World Bank in connection with its extractives industries review and to the World Trade Organisation with respect to biofuels production, there was also no discussion of engagement with international economic policy frameworks. Clearly, macroeconomics was not considered a priority issue at this Congress, but – with the ecological fallout from global economic downturn – it may well be at the next one.

### **3.1.10 Fishing subsidies – Forum insights**

In an event organised by UNEP, participants from international think tanks including the International Centre for Trade and Sustainable Development explored how reforming fisheries subsidies would substantially contribute to tackling global overcapacity and overfishing. Courtney Sakai, senior campaign director at Oceana, explained:

"Subsidies threaten the future of the world's fishery resource and the livelihood of millions of people who depend on it. Time is running out for the world's fisheries and to stop the massive subsidies that fuel global overfishing."

Negotiations on fisheries subsidies reform at the World Trade Organization (WTO) were seen as one of the most promising actions in this regard. Action is also needed at the level of the European Union.

### **3.1.11 Fishing subsidies – Assembly directions**

Though fishing subsidies were not directly addressed in the Member's Assembly, Motion 42 on "Promoting transparency to achieve sustainable fisheries" was adopted. This Motion highlighted concerns that fisheries management systems established by governments are often inadequate because of secrecy and corruption. Transparency is clearly a prerequisite to addressing the impacts of fishing subsidies on marine resources.

One approach adopted by the Assembly to deal with the over-fishing crisis was the promotion under Motion 40 of "Fisheries management by Regional Fisheries Management Organizations (RFMOs)." With respect to a specific fish stock – blue fin tuna – adopted Motion 38 on "Action for recovery of the eastern stock of Bluefin Tuna" called on IUCN to support the closure of the Eastern Atlantic Bluefin Tuna fishery until adequate means are brought in to control fishing activities. There were also several Motions adopted to strengthen conservation efforts for sharks and whales.

### 3.1.12 Sustainable landscapes – Forum insights

From a market perspective, protected areas can be considered productive landscape enterprises providing a portfolio of biodiversity, public and consumer benefits ranging from carbon sequestration to habitat for endangered species to ecotourism. Furthermore, protected areas management schemes can provide a framework for what types of economic activities should and can take place under what type of protected area category or system of management.

Hence, from the opening of the thematic streams of the Forum, a key topic was to explore the production of economic benefits through protecting landscapes. In the opening of the stream on “Healthy Environments – Healthy People,” Sara Scherr of Ecoagriculture Partners spoke of productive protected landscapes which sustainably provide ecosystem services and where we can learn “how to improve agricultural production and simultaneously increase biodiversity.” Werner Bauer of Nestlé explained that “What is good for the socio-economic environment is good for Nestlé” as the company relies on quality productive land managed sustainably. Increasingly there is a recognition of the role of agriculturalists and other private landscape users as “stewards of ecosystems.”

As mentioned in the section on ecological indicators, the new IUCN System of Protected Areas Management Categories was launched at the Forum. This system enables landscape managers from both protected area authorities and commercial operations to better protect landscapes for their biodiversity values. David Sheppard of the IUCN Protected Areas programme explained:

“The system is not only a common language on protected areas but also it is increasingly used to guide policy and decision making on the use of natural resources; such as in relation to extractive industries.”

An example of the application of these new categories was an event organised by the IUCN WCPA Protected Landscapes Taskforce and the Government of Catalonia on the importance of categories for biodiversity conservation in the Mediterranean region. In this region, biodiversity conservation is mostly achieved by protected areas belonging to categories V and VI which include high degree of pressure from economic activities and hence the need to consider “effectiveness” in conservation in these categories as a key element.

Another event organised by Earthmind, built on the theme of private stewardship of landscapes and ecosystems by exploring whether IUCN categories could be more systematically applied to acknowledge conservation in productive landscapes. If so, could such “protected productive areas” be able to secure additional investments due to their ability to produce goods and services while at the same time conserving biodiversity? Chris Knight of PricewaterhouseCoopers explained:

“In a resource constrained world with growing populations, even protected areas will be required to provide economic and social benefits, as well as environmental benefits... If new protected area designations can provide investors with some level of reassurance around the lower endogenous risks and higher operational efficiencies of designated areas (where this is the case), then maybe such designations can help encourage financial support.”

### 3.1.13 Sustainable landscapes – Assembly directions

Protected areas featured in many of the Motions before the Members Assembly including Motion 49 on “Strengthening IUCN’s work on protected areas” which called on IUCN to ensure that “protected areas provide a central role in addressing key global environmental, social and economic problems in each of the [IUCN] programme themes” and Motion 61 on “Promotion of Categories V and VI Protected Areas for biodiversity conservation” which called on IUCN “to promote and advance the creation and management of Category V and VI protected areas.”

There were also references in the Motions to private protected areas, private property owners and private land conservation indicating an increasing recognition of the business linkages to protecting landscapes and ecosystems. This included Motion 56 which encouraged:

“the adoption of the use of different protected area categories and management designations within broader managed landscapes based on biological and social needs...”

### **3.1.14 Supply chains and trade – Forum insights**

Increasingly IUCN’s work on trade has focused on promoting biodiversity responsibility along supply chains. This approach was highlighted in a roundtable table discussion organised by the IUCN Chief Economist on whether trade can be good for biodiversity. The roundtable included a discussion of the recently formed Union for Ethical BioTrade (UEBT) which is bringing together sellers and buyers along supply chains to explore ways to enhance their biodiversity performance. It is clear that further work is needed across supply chains from identifying best practices for local communities to addressing biodiversity objectives within the rules of the World Trade Organisation.

Biodiversity-relevant standards and certification schemes are increasingly seen as important tools for enhancing biodiversity performance along supply chains. At the Forum, several such schemes were highlighted including new standards for sustainable tourism and for the wild collection of medicinal and aromatic plants – both of which are discussed further in other sections of this report.

Such standards and schemes are part of broad efforts to transform markets. Transformation to sustainable markets was the topic of an event organised by WWF and TRAFFIC which featured presentations by IKEA on sustainable supply chains, Coca-Cola on water sustainability, and the Federation of Columbian Coffee Growers on sustainability in coffee production. This event showed that there is a growing willingness among companies to take action to address the biodiversity impacts of their production of natural resource-based commodities and a growing body of experience on how conservation organizations can work with these companies.

Another innovative approach to trade and supply chains is to address biodiversity impacts along the lifecycle of goods and services. In an event organised by UNEP, they presented their Life Cycle Initiative which aims to more fully integrate biodiversity issues into life cycle analysis (LCA) and to encourage businesses to use LCA to reduce biodiversity impacts while at the same time increasing competitiveness and profits. Once such impact discussed in an event organised by The Nature Conservancy is the introduction of invasive species through international trade.

Finally, the traditional concern within the IUCN community over illegal and unsustainable trade was addressed in several events such one organised by TRAFFIC and the World Bank on the economic and social drivers of unsustainable wildlife trade. A panel with representatives from organisations such as CIFOR, CITES and the World Conservation Society explored critical economic policy questions such as the following:

- What are the links between wealth, poverty and engagement in the wildlife trade?
- What are the impacts of unsustainable wildlife trade on human wellbeing, development and poverty indicators?
- How do prices and markets influence harvest and trade?
- What is the role of law enforcement in securing sustainability?
- What are the links between awareness-raising behaviour of participants in the wildlife trade?
- What are the key factors influencing resource management?
- How can governments, NGOs, donor agencies and others better target interventions aimed at reducing unsustainable trade?

Understanding how trade can undermine as well as benefit biodiversity requires better understanding on how supply chains in various goods and services are structured and how both regulatory and voluntary schemes can be used to mitigate unsustainable trade and promote sustainable trade.

### **3.1.15 Supply chains and trade – Assembly directions**

Trade was another cross-cutting issue in the Motions adopted by the Members Assembly. In general, the Members called on IUCN and other stakeholders to promote sustainable trade. Specific

commodities addressed included African cranes, biofuels and bioenergy, forests and wildlife, freshwater and marine fish, sharks, whales, and even locally produced goods and services. For example, regarding African cranes, Motion 026 on “Controlling trade in wild caught African cranes” expressed concern “that trade in wild caught Cranes is reaching unsustainable proportions” and recommended CITES “undertake a Significant Trade Review for all African Crane species.”

## **3.2 Partnerships**

### **3.2.1 The bottom line**

Building successful partnerships for biodiversity conservation was another major theme of the Forum. This included events on all sorts of partnerships such as partnerships for local action with local and regional authorities, intergenerational partnerships and multi-stakeholder partnerships.

The “International Union for Nature Conservation” is itself a global biodiversity partnership. Yet, all too often, IUCN members – government and non-government – fail to develop substantive partnerships which could have a greater impact. Furthermore, key sectors – such as notably the private sector, intergovernmental organisations and provincial governmental organisations – are not yet allowed to join IUCN requiring partnerships between IUCN members and non-members.

It was clear from the Forum events that much more work needs to be done to develop meaningful partnerships in support of IUCN’s mission. For example, private-public partnerships can provide the basis for sustainable natural resource management in sectors such as water.

### **3.2.2 Private sector partnerships – Forum insights**

Increasingly, the private sector is also featuring in biodiversity partnerships. For example, the Seed Initiative profiled its partnerships which include small, medium or large businesses, local or international NGOs, and international agencies.

There were events on strengthening partnerships with the private sector such as one organised by the IUCN Commission on Education and Communication and the Institute for Ecological Research of Brazil. This event highlighted the importance of understanding the motivating factors for business and for establishing a dialogue process with business to develop “shared dreams.” It is noted the importance of developing a business plan for partnerships, managing relationships professionally and evaluating the outcomes of a partnership.

There was even an opportunity for capacity-building on partnerships within the Forum with an evening learning session hosted by WBCSD on how to develop successful partnerships with the private sector. This training workshop explored the rationale for engaging in partnerships and the key competencies needed by each stakeholder. Key success factors in building partnerships were discussed including when to partner and when not to partner.

A particularly interesting insight of the Forum was the development of biodiversity-benefiting partnerships along supply chains. At an event organised by the IUCN Business and Biodiversity Programme, the International Finance Corporation explained how large international lending institutions can work larger companies to enable small and medium enterprises (SMEs) to adopt sustainability standards for their supply of goods and services to the larger companies. WBCSD is taking a similar approach by developing a framework for larger companies to collaborate responsibly with smaller ones. In this respect, IUCN has a clear opportunity to support SMEs in reducing their footprint and sharing lessons from best practices.

One large, multinational company, Holcim, hosted an event focused directly on their interest in developing biodiversity-benefiting microenterprises which are related to the company’s supply chain or located in the vicinity of the company’s operations. The event highlighted the need to ensure that such enterprises not only benefit biodiversity but are also financially sustainable. In this respect, building a database of successful biodiversity-based businesses was seen as a potential key component of the company’s partnership with IUCN.

Finally, there was also some good discussion of how far NGO's should go in partnering with companies. Acciónatura organised an event to ask whether corporate interest in biodiversity was an expression of its corporate social responsibility (CSR) or "greenwashing." The event explored critical challenges such as the following:

- How can we further involve corporations in biodiversity conservation?
- Should NGO & business work together?
- Should NGOs working with SMEs or big corporations?
- Should NGOs engage with corporations that continue to have considerable gaps in their sustainability and still act irresponsibly at the local level?
- If so, how, for how long and how to influence this?
- How can NGOs deal with corporations that have "dark spots?"
- Is certification useful and if so should the IUCN community try to move towards global or regional certification schemes?

As there is an increasing interest among companies to make commitments to biodiversity conservation in support of their "social license to operate," transparency and accountability are critical to maintain the reputation of NGO partners. Also, to avoid being accused of supporting greenwashing, NGOs may need to stop acting as competitors. In this respect, IUCN may be able to play a role in facilitating meaningful biodiversity partnerships.

### **3.2.3 Private sector partnerships – Assembly directions**

Throughout the Member's Assembly, the role of partnerships was recognised as an important mechanism for promoting the mission of IUCN. In addition to adopting Motion 120 on "Intergenerational partnerships: Fostering ethical leadership for a just, sustainable and peaceful world," the Member's highlighted several other IUCN partnerships such as the following:

- ECOLEX partnership;
- Global Islands Partnership (GLISPA);
- ICLEI - Local Governments for Sustainability;
- Intergenerational Partnerships for Sustainability (IPS)
- Mediterranean mountain partnership;
- Partnership for Plant Conservation;
- Partnerships with international bodies: Ramsar Convention, CITES, WWF, and WAZA; and
- Partnerships with many governmental and donor organisations.

Interestingly, however, with respect to markets and business, the Members did not address the issue of partnerships. Rather these deliberations were at a higher level of "involvement" or "engagement" with the private sector. As highlighted elsewhere in this report, this included discussion of the way in which IUCN should govern its relationships with the private sector and, in one case, whether IUCN should continue with a particular private sector relationship. Capturing lessons from the many partnership experiences with governmental and non-governmental organisations will be one way to provide further guidance for the increasing opportunities to develop biodiversity partnerships with business.

### **3.2.4 Communications & marketing – Forum insights**

The 4<sup>th</sup> World Conservation Congress itself was a bold initiative in using modern communications and marketing tools and capacities to support IUCN's mission. This included extensive use of the Internet and media as well as the use of images and brands including the new IUCN logo and the thematic imaging of the Congress.

In this respect, the Forum also explored new opportunities for using communications and marketing tools. WBCSD, for example, organised an event on communications and marketing to support sustainable consumption, conservation and ecosystem management. Starting with a company's stated commitment to corporate social responsibility, it can influence consumer choices in favour of

sustainability through its advertising and marketing. The company can also develop internal communications to mainstream sustainability through product life cycles.

The IUCN Commission on Education and Communication hosted a two-part event to cutting edge communication strategies that inspire conservation action. Participants included the National Geographic Society, the Harvard Medical School and the International Herald Tribune who agreed on the need for innovation in the way the IUCN mission is communicated and marketed.

In addition, the Institute for Ecological Research in Brazil hosted an event to present its efforts to partner with the private sector to building awareness of Brazilian species. They have pioneered an innovative communication product – sandals with designs of the Brazilian fauna. In partnership with Havaianas, a producer of flip-flop sandals, their latest collection includes three new species for adults – the titi monkey, the otter, and the blue butterfly – as well as several species for children including the river dolphin, the hedgehog and the sloth.

### **3.2.5 Communications & marketing – Assembly directions**

In addition to adopting Motion 125 on “Communication, education and public awareness (CEPA) in conservation,” the Members Assembly accepted the decision to revert to IUCN’s traditional full name – The International Union for Conservation of Nature – in connection with a new logo. The Members also adopted IUCN’s 2009-2012 Programme which notes the following:

“A new generation of communications, if well used, can help highlight the positive linkages between biodiversity, livelihoods, lifestyles, prosperity, tolerance and peace.”

### **3.2.6 Participatory water management – Forum insights**

The IUCN Water Programme organised an event on engaging the private sector in dialogues or multi-sector platforms for participatory management of water resources. Participants in the event included representatives from two large multinational corporations - Shell and Syngenta. The event highlighted the complex public/private nature of water uses and hence the need for governments and civil society, as represented by IUCN Members, to engage with the private sector to ensure sustainability and equity in water resource use.

### **3.2.7 Participatory water management – Assembly directions**

The Members Assembly adopted Motion 88 on “The new water culture – Integrated water resources management” (IWRM), which called on IUCN to encourage and motivate companies in different sectors related to water to incorporate IWRM in their plans and management.

## **3.3 Indicators**

### **3.3.1 The bottom line**

Like all stakeholders in biodiversity conservation, the business community needs indicators in order to assess whether their biodiversity policies and practices are actually contributing to conservation of nature. In this respect, there is an increasing opportunity to use traditional IUCN indicator systems, such as the Red List, within the private sector. There is also, of course, a need to develop new sets of indicators which are aimed at assisting business to understanding their specific impacts on the environment.

In addition, the IUCN community continues to work on the economic indicators of biodiversity conservation show the value of conservation to society in general and to poor communities who are particularly dependent on natural resources for their livelihoods. In this respect, new efforts to develop a better global/macro understanding of the economics of ecosystems and biodiversity is underway with inputs coming from the IUCN community.

### 3.3.2 Ecological indicators – Forum insights

Indicators of ecological impact and biodiversity performance are needed to assess whether markets and businesses are enhancing or undermining the biodiversity conservation. Existing and new ecological indicators developed by the IUCN community have the potential to help policy makers and business leaders ensure that the markets for goods and services as well as the companies that operate within these markets account for how economic activities are actually affecting the status of biodiversity.

One holistic approach is Ecological Footprint accounting. In an event organised by the Global Footprint Network (GFN), progress by countries to account systematically for their ecological assets and to measure their progress toward sustainability in tangible ways was presented. Ecological footprint is also being used by companies, as explained in the case of BC Hydro:

“BC Hydro, Canada’s third largest electrical utility, is positioning itself to become "Footprint Neutral." Through an ambitious plan to control environmental impacts, the company is determined to provide no-net environmental impact for 20 years... To monitor this project... BC Hydro needed a single indicator that would provide a quantitative measure of impacts and benefits, and that was intuitively simple for customers, staff, and decision makers to understand. The solution was the Ecological Footprint.”

Another holistic approach is the Integrated Biodiversity Assessment Tool (IBAT) which was officially launched in an event organised by Conservation International. The tool is the result of an alliance between various conservation partners including BirdLife International, Conservation International and UNEP-WCMC, supported by private sector corporate partners such as BP, Bank of America, Cargill, Chevron, and JP Morgan Chase. IBAT has been designed to facilitate access to accurate and up-to-date biodiversity information to support critical business decisions. Glen Prickett of Conservation International explained:

“The launch of IBAT represents a significant milestone towards enabling the private sector to practically integrate conservation priorities within project decision-making processes. By working together to meet conservation and business objectives we were able to build an effective tool that could have far reaching benefits for some of the world’s most important forests and the species that live within them.”

There was as well a focus on indicators for ecosystems. As noted elsewhere in the report, one major new instrument discussed at the Forum was the WBCSD/WRI Corporate Ecosystem Services Review. One event organised by WRI explained the ESR methodology and described case examples. The event included a panel with representatives of WRI, WBCSD, WBCSD, Syngenta, and Mondi which discussed how business managers can proactively develop strategies to manage business risks and opportunities arising from their company’s dependence and impact on ecosystems.

There were also events such as the one organised by the IUCN Commission for Ecosystem Management which took a serious look at whether ecosystem indicators are meeting the needs of users and guiding conservation in the appropriate direction. The meeting focused in particular on the 2010 Biodiversity Indicators Partnership (2010 BIP) which brings together a host of international organizations working on indicator development in order to provide the best available information on biodiversity trends to the global community and assess progress towards the 2010 target.

Regarding species-based indicators, the IUCN Species Survival Commission organised an event to look at how such indicators can be implemented at a regional and national level. Such indicators as the IUCN Red List, the WWF Living Planet Index and sustainable use indicators were discussed. For all of these, data availability and reliability remain a major problem. The indicators work also needs to move beyond the academic interest to address the needs, for example, of businesses to measure and report credibly on their biodiversity performance.

Notably, the 2008 edition of IUCN’s flagship biodiversity indicator – the Red List – was launched at the Forum with a new business case for using the Red List:

“Biodiversity provides the goods and services we all rely on, and its conservation is in our best interests. Businesses can accomplish this through good land stewardship with sound management plans. The benefits from effectively addressing operational threats to biodiversity include: cost savings through better risk management; licenses to operate and quicker permitting; enhanced reputation; and access to capital and raw materials. Businesses can use the information contained in The IUCN Red List to inform the conservation of biodiversity at their sites.”

Finally, the redeveloped UNEP/IUCN World Database on Protected Areas was launched as well at the Forum. This database provides a home for storing a range of data on protected areas provided by conservation organisation and protected area authorities worldwide. Though ensuring the accuracy of the data and building the substance of the data remain challenges, the representative from BP noted that the new database has made it much easier for his company to take protected areas into consideration in planning their pipelines. Regarding the productivity of protected areas, the database also enables a better understanding of the aggregate global value of protected areas with respect to the provision of ecological services such as carbon storage and watershed protection.

### **3.3.3 Ecological indicators – Assembly directions**

Two of the Motions adopted by the Members Assembly addressed the IUCN Red List. Motion 20 focused on the “Development of climate change guidelines for Red List assessments,” while Motion 22 called for “Increased participation of scientists from relevant countries in the preparation of the IUCN Red List.” Aside from these two Motions, the Members did not offer new directions on ecological indicators and their potential for improving the biodiversity performance of markets and business.

### **3.3.4 Economic values – Forum insights**

There was heightened interest in assessing the the economic value of biodiversity with several Forum events on the global study on “The Economics of Ecosystems and Biodiversity” (TEEB). In an event hosted by IUCN’s Director General, the outcomes and implications of the interim study were presented and discussed. The lead author of the study, Pavan Sukdev explained the implications of the study:

“Nature is being lost because nature’s services aren’t valued... All the MDGs depend on good ecosystem management ... and it’s the ‘GDP of the poor’ which is most seriously impacted.”

The following panel discussion addressed a number of factors such as the need for governments to create markets for biodiversity like they have for carbon. Some type of cap and trade system for biodiversity is needed, but how to cap nature remains a big challenge. In this respect innovations in indicators and in related financial instruments will be needed. However, Tom Albanese, the CEO of Rio Tinto, noted that indicators to measure “net impacts” on the ground are particularly important. He also commented that in light of the current financial crisis, it will be wise to “keep the financial instruments for biodiversity simple.”

In a related event organised by Fauna & Flora International (FFI) and the UNEP Finance Initiative, a technical panel discussed how to overcome barriers to placing a financial value on biodiversity and ecosystem services. Panellists – representing Deutsche Bank, F&C Asset Management, Grupo Ecologico Sierra Gorda, Shell, Rio Tinto, and WRI – made the following observations

- There is a lack of comprehensive valuation of ecosystem services;
- More attention also needs to be given to the applicability and availability of tools to assist companies and finance;
- There is a need for a policy framework for ecosystem valuation;
- Integration with existing tools like the EIA as well as ones that use the correct metrics to incentivize good behaviour are needed;
- Environmentally-harmful behaviour due to perverse incentives needs to be addressed; and
- Attention to quality, regulatory frameworks, verification and standards is needed.

This discussion indicated that establishing value is not the real issue, but rather capturing values in ways that ensure environmental stewardship. Pavan Sukdev explained:

“We don’t see enough governments looking at natural capital as part of their government balance sheet. Identifying value is one thing; critical is to ensure that these values are captured.”

### **3.3.5 Economic values – Assembly directions**

The economic valuation of biodiversity was not a main topic in the Motions considered by the Members Assembly. Nevertheless, following on from the many discussions in the Forum on TEEB, the newly elected IUCN President, Ashok Khosla, stated that the priorities for IUCN over the next four years will include a better understanding of the economic impacts on the poor arising from ecosystem degradation and the loss of biodiversity and of the value of ecosystem services, especially knowledge of what works what doesn’t work in ensuring truly sustainable development. In an interview after his election, Khosla explained:

"Given its critical role in maintaining life - and the systems that support life - conservation of biodiversity now needs at least the same level of attention that other global environmental issues have garnered. This will have to be mobilized not only by international agencies and governments but also by the scientific community, civil society and the public at large. We must form new partnerships among the best institutions to bring together their different insights and to generate meaningful solutions that deal effectively with the inter-related issues of population, natural resources, environment and development."

### **3.3.6 Pharmaceutical indicators – Forum insights**

As one of the themes of the Forum was “healthy environments – healthy people,” it was fitting that some of the events focused on the pharmaceutical sector. Both risks and opportunities for biodiversity were explored including discussion of the impacts of introduced medicines on wild species and the sustainable use of wild harvested medicines.

Regarding risks, a most interesting event was organised by the Zoological Society of London, Wildlife Conservation Society of New York, IUCN Wildlife Health (Veterinary) Specialist Group and others to demonstrate the lack of controls on pharmaceuticals entering the environment on a daily basis. Speakers from Cooperation on Health and Biodiversity (COHAB), the UK Central Science Laboratory (food safety) and WCA Environment presented research around one particular case and its impacts on a raptor population and more generally regarding pathways and impacts of pharmaceuticals consumed by or exposed to wildlife populations. The event proposed that to address some of these concerns, IUCN can work to:

- support the exchange of environmental monitoring information to identify environmental signals early so as to isolate problems;
- support the development of a database housing monitoring information regarding pharmaceutical impacts on environment; and
- engage in policy and regulatory work with food safety and other partners for environmental risk assessment.

Regarding both risks and opportunities, the IUCN Species Programme and Botanic Gardens Conservation International (BGCI) hosted an event to explore expanding the role for plant species assessments for wild medicinal and nutritional plants. This included a discussion of using the Red List as well as encouraging local efforts to monitor the sustainability of local use of wild plants.

In support of promoting and ensuring the sustainable use of medicinal plants, a large consortium of organisations including the German Federal Agency for Nature Conservation (BfN), the FairWild Foundation, the Aromatherapy Trade Council, WWF Germany, and TRAFFIC organised an event called

“Go Wild!” on herbal products, local livelihoods and the new International Standard for Sustainable Wild Collection of Medicinal and Aromatic Plants (ISSC-MAP). This new standard was created by an innovative partnership of industry, conservation, community, and government and is currently being implemented in field projects around the world.

### **3.3.7 Pharmaceutical indicators – Assembly directions**

In the Motions adopted by the Members Assembly, there was a good deal of references in preambular text to both ecological and human health, including the following phrases:

...maintenance of healthy, free-living, self-sustaining populations of a diversity of species;

...maintain and restore marine ecosystem health and resilience;

...ocean health, conservation and management;

...environmental health and economic livelihood of Pacific communities and peoples;

...health of ecosystems in order to maintain communities with healthy people;

...measures for reducing poverty and protecting health must be taken in conjunction with measures for conserving the environment; and

...global climate change poses a new challenge for current initiatives to protect human health.

Nevertheless, the Members did not adopt any explicit resolutions on the pharmaceutical sector or the broader health sector. However, with the development of standards such as ISSC-MAP and IUCN’s new programmatic focus on managing ecosystems for human well-being, it is likely that the inter-linkages between healthy ecosystems and healthy people will become a priority topic.