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IUCN (International Union for Conservation of Nature) Engagement with the Private Sector:

Rationale and Purpose

1. Rationale

Over the years, it has become abundantly clear that biodiversity conservation can only succeed if attention is given to the underlying causes of biodiversity loss. The global economy is a particularly potent driver of such loss and the business world is beginning to recognize that it not only has a responsibility for mitigating the impacts of its environment footprint, but that positive contributions to nature conservation can be good for the business bottom line. Although some leading companies are now exploring the business opportunities that biodiversity provides, including markets for ecosystem services such as carbon sequestration, we are far from mainstreaming biodiversity in business across the world.

IUCN believes that economic development which disregards nature conservation is self-defeating, that conservation and profits are not mutually exclusive but may include trade-offs and that, without a strongly-committed partnership with the private sector, we will struggle to achieve the targets we have set for human well-being or biodiversity. Through constructive interaction with business, IUCN can help society in making better-informed choices.

2. Mandate

IUCN's mandate for engaging the private sector is rooted in IUCN's mission to "Influence, encourage and assist societies to conserve the integrity and diversity of nature and ensure that any use of natural resources is equitable and ecologically sustainable". The private sector, being a vital part of society that uses and affects nature in multiple ways, cannot be left out of this equation.

Since the creation of IUCN in 1948, different General Assemblies and Congresses of IUCN Members have passed approximately 210 resolutions related to the private sector. The trend has been increasing with the Bangkok Congress (2004) where Members adopted some 30 such resolutions. The range of topics in these resolutions varies greatly, including a focus on fisheries, tourism, agriculture, the extractive industries and the private sector in general.

After decades of seeking to address specific private sector issues, in 1996, IUCN's Members asked for a comprehensive approach to engaging the private sector.

Resolution 1.81 of the IUCN World Conservation Congress (WCC) held that year “*urged IUCN Members and the Director General, based on the need to influence private sector policies in support of the Mission of IUCN, to expand dialogue and productive relationships with the private sector and find new ways to interact with members of the business community*”. IUCN Commissions were also asked to review their programmes with a view to strengthening their efforts to persuade the private sector to support their members. Their message could not be more clear – achieving IUCN’s mission means engaging in constructive dialogue and collaboration with the private sector.

3. Steps taken

Under the mandate provided through these resolutions, especially Resolution 1.81, all three ‘pillars of IUCN, the Members, Commissions and the Secretariat, have collaborated, bilaterally or multilaterally, on several business and biodiversity initiatives such as “Business and Biodiversity: A Handbook for Corporate Action”; “Energy and Biodiversity Initiative”, and “Good Practice Guidance on Mining and Biodiversity”. In addition, IUCN Commissions and Members have engaged with the private sector in a variety of ways.

In pursuance of the mandate from its Membership, following the 1996 World Conservation Congress, IUCN Secretariat created an economics program, in part to implement the private sector mandate delivered in Res 1.81. This was later transformed into a Business Unit (around 2000) and eventually into what is currently the Business and Biodiversity Programme. A Private Sector Task Force was also set up by Council leading, in 1999, to the adoption by Council of “IUCN Guidelines for IUCN Engagement with the Private Sector” (Council Decision C/50/26) that were later replaced by a more elaborate set of operational guidelines (see below).

In 2000, furthering the Members’ mandate, the IUCN Council asked the Secretariat to develop a strategy and action plan for IUCN relations with the private sector (Council Decision C/51/39). Accordingly, a Private Sector Strategy was developed that was endorsed by the Council in 2004
http://liveassets.iucn.getunik.net/downloads/privatesectorstrategy_31_20march_2004.pdf
f. (Council Decision C/60/58) The Quadrennial Plan (2005-2008) of the Business and Biodiversity Program served as the strategy’s action plan. Responding to the call in Resolution 3.060 from the 3rd IUCN World Conservation Congress in 2006, IUCN also developed detailed, operational guidelines for its engagement with the private sector:
http://liveassets.iucn.getunik.net/downloads/ps_20guidelines.pdf

Together, the private sector strategy, the operational guidelines, and IUCN’s Intersessional Programme 2005-2008 - *Many Voices, One Earth* - http://cmsdata.iucn.org/downloads/programme_english.pdf provide the institutional framework for implementing the required private sector engagement. The Business and Biodiversity Programme coordinates the implementation of this mandate.

Vision and Objectives of IUCN’s Private Sector Strategy

The IUCN Private Sector Strategy envisions “*A sustainable global economy in which businesses are committed and effective partners in achieving a just world that values and conserves nature.*” The strategy further defines three specific objectives:

- (a) A conservation community that is well-informed about market mechanisms and understands their potential and limitations to achieving biodiversity conservation;
- (b) A more accountable private sector which contributes to sustainable development including conservation and social equity; and
- (c) Effective dialogue and collaboration between IUCN and the private sector which helps to achieve conservation through, and alongside, sustainable development.

In pursuance of the above objectives, IUCN has been seeking to:

- (a) Improve public and corporate policies and standards as the essentials of environmentally-responsible business;
- (b) Enhance stakeholders' capacities for effective implementation of business and biodiversity-related policies and standards; and
- (c) Increase mutual trust and engagement among stakeholders, notably the business and conservation communities, enabling collective efforts for addressing the shared and mounting challenges of biodiversity loss and ecosystem degradation.

In working with business, we encourage and support environmental responsibility in them. We do so by:

- (a) Helping companies reduce their environment footprint;
- (b) enabling business to contribute positively to conservation;
- (c) supporting economic value addition on natural capital;
- (d) leveraging finance sector influence for conservation, and
- (e) synergizing conservation and development.

Which businesses do we engage with? The IUCN policy does not impose restrictions on the choice of businesses to engage with. The Private Sector Strategy is an inclusive strategy and argues that *'the priority is to engage with those business actors in which change is most important and urgent, due to the scale of their negative impacts on the environment and vulnerable people'*.

The choice of whether or not the Secretariat should engage in a particular relationship with the private sector is an operational decision, mandated to the Director General of IUCN. This choice is increasingly guided by the institutional framework and mechanisms outlined in section 3 above. In particular, the tool of due diligence, recommended in the IUCN Private Sector Operational Guidelines, is proving very helpful in defining IUCN objectives in a relationship and in assessing and managing any major associated risks.

4. Private Sector Financing for IUCN's work

The continuing challenge of environmental degradation has led IUCN to expand its efforts in engaging the private sector in achieving IUCN's mission. We therefore welcome corporate support for IUCN. To maintain the integrity and reputation of IUCN as its most valuable assets, however, we keep substantive engagement with business (dialogue on business activities and actions to address their impact on biodiversity) distinctly separate from corporate funding support for IUCN. For the same reason, these functions are managed by different parts of the organization: the Business and Biodiversity Programme coordinating the substantive engagement and the Strategic

Partnerships Unit looking after corporate funding for IUCN. A substantive engagement with business is not conditional on a corporate grant. Likewise, a corporate grant to IUCN does not necessarily entail programmatic collaboration. IUCN participation in a substantive collaboration is either partly or fully-funded by IUCN core funds, cost recovery from the corporate partner or a combination, depending on the circumstances of the different relationships.