

**REPORT ON THE THIRD MEETING OF THE  
GLOBAL PARTNERSHIP FOR BUSINESS AND BIODIVERSITY**

**MONTREAL, CANADA: OCTOBER 2-3, 2013**

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## **Executive Summary**

The third meeting of the Global Partnership for Business and Biodiversity was held 2-3 October, 2014 in Montreal, Canada. The event was well received with over 180 participants preregistered and additional walk-ins arriving during the two days of the event. The Canada-International participant mix was about equal or swayed slightly toward international and included a good cross section of business sectors mixed with government, NGOs and academia. There were about 60 speakers in total and over 25 countries represented. All of the nine concurrent sessions (which included panels on ABS, Safeguards, Supply Chain Management, Agrifood, Retail/Consumer Goods, Extractive Industries, Sustainable Public Procurement, Standards, and Engagement of Stakeholders) were well attended and the final discussion groups provided some excellent ideas and recommendations. The feedback during the event and following has been very positive with offers of support and involvement in future events.

The opening plenary sessions featured welcoming remarks by the Chair of the Canadian Business and Biodiversity Council, and a series of speeches which included: the Government of Korea, highlighting the ongoing activities in Korea and the initial preparations for COP 12; the Executive Secretary of the Secretariat of the Convention on Biological Diversity (SCBD), who noted the importance of engaging with the business sector and outlined the business case for mainstreaming biodiversity considerations; and representatives from the Governments of Quebec and Canada, both of whom emphasized the importance of this subject and gave examples from their respective jurisdictions of companies engaged in biodiversity-friendly activities. These opening speeches were followed by a brief presentation by the SCBD explaining the evolution and objectives of the Global Partnership. This led to the first keynote speech (by Mr. Jon Grant) that highlighted the changes in the economy and the need for companies to become more sustainable so as to adapt. Mr. Grant included examples of company actions and programmes designed to assist in this endeavour.

The first set of concurrent panels dealt with Access and Benefits Sharing (ABS), Safeguards, and Supply Chains. The ABS discussion was designed to bring together private sector and government representatives to discuss the issues that they each face in relation to understanding and implementing the obligations set out in the Nagoya Protocol. Key points included the observation that industries are wary of new legislation or regulations, but that some of the opportunities of the Protocol could include: legal certainty, a level playing field, lighter regulation, and an enhanced reputation for those complying with the Protocol. Several schemes and mechanisms related to ABS implementation were also discussed, as well as the approaches taken by industry in adapting to this framework. The panel on Safeguards and Mechanisms was structured to examine how some of these innovative financial mechanisms are being developed and realized, as well as how safeguards can help to ensure that any potential negative impacts are minimized to the degree possible. Key points included the fact that private sector involvement is going to be essential both to provide new sources of finance as well as to tackle the drivers of biodiversity damage, but that this could carry some social risks. The types of mechanisms were discussed in some detail, including payment for ecosystem services and offsetting (including the concept of aggregated offsets), as were the risks which can emerge from these schemes, which can include: loss of access to land and resources; lack of participation of local communities in discussions about the financial mechanisms; exclusion of communities from financing mechanisms; and unfavorable terms for those who do participate. It was explained that safeguards are a key element for scaling-up biodiversity financing in a responsible manner. These safeguards can help to improve understanding of the terms of financial agreements by communities, helping to ensure that the

consequences of projects, during their entire lifecycle, are fully appreciated. Finally, the panel on Supply Chain Management discussed some of the dependencies on biodiversity that exist for these value chains, how to maximize the opportunities for greater profitability throughout the supply chain by enacting sustainable production and processes, and how to manage some of the associated risks. There were several presentations by different industry sectors noting how they deal with their supply chains in a sustainable manner. It was also noted that consumers are important stakeholders who are increasingly demanding sustainable products, a demand to which businesses must respond. It was observed that the top 20 global industries have a direct and indirect dependence on natural capital of approximately \$7.3 trillion, which exceeds their combined revenues, much of it deep in the supply chain. A good example of how a product was traced through the supply chain was also provided, with the observation that unless the supply chain is managed in a careful and holistic manner, sourcing could lead to environmental and economic degradation in local areas.

The lunchtime presentation featured a discussion of corporate engagement from an NGO perspective, in this case that of Birdlife International. It was noted that BirdLife is involved in the issue of sustainable development and must therefore work with businesses which can have a significant impact on the natural resources. Although this can represent an opportunity, both as a potential source of conservation finance, as well as offering opportunities to influence business practices, there are also potential risks in these types of partnerships, given that corporations are continually evolving with resultant changes in corporate priorities and policies. Birdlife concluded by noting that NGOs and businesses can successfully collaborate through genuine engagement, which leads in turn to a genuine commitment to sustainability and can bring resilience and equitably to business models.

The second set of concurrent panels dealt with specific industry sectors investigating how business practices and policies could encourage greater sustainability in these areas. One panel dealt with the agrifood sector, and discussed some of the challenges posed by a growing, and increasingly wealthy, population as well as exploring some of the opportunities which can arise from models of sustainability. It was explained that the world cannot be successful in meeting the demands being placed on production agriculture without protecting and nurturing biodiversity. Protecting natural habitats means meeting the increased demand for food by sharply increasing yields on land already under cultivation. To do this various agricultural innovation and advances will have to be utilized. Examples of these innovative practices were explained, including an interesting method of taking advantage of a natural process (pollination) to deliver other vital services in a more sustainable and efficient manner. It was also noted that partnerships between businesses and other stakeholders is essential to tackling this challenge, as is the need to share experiences and ensuring a nurturing policy environment for sustainable production to flourish. Another panel examined the extractive industries and discussed some of the current practices these sectors are using to deal with their ecological footprints. This included consideration of the mining, energy and timber industries. It was noted that sustainability is a core value of many of the industries concerned, and that understanding the biodiversity of a given site is crucial to being able to evaluate site environmental management plans and reclamation programs. As with other sectors, partnerships with other stakeholders are seen as important in tackling the issues inherent in these industries. Several business examples of these partnerships were presented during this session, including the Caribou Ungava Program and the Canadian Boreal Forest Agreement. The third panel in this set looked at the retail and consumer goods sectors, and examined the way that different categories of items can be both dependent, and have impacts, on biodiversity and ecological systems. The panel also examined how retailers and distributors can affect these impacts based upon the choices they make in their operations. It was noted that most retailers have the vast majority of

their environmental footprint coming from goods that are sourced from their supply chains and that most retailers don't have the knowledge of where their products come from or their impacts. It was also noted that consumers don't fully understand the issues involved, but that this is often mistaken for a lack of interest by businesses. It is therefore important to integrate biodiversity and product management from the very outset of the product design and development phases. Once again, the necessity of engaging different stakeholders was emphasized as fundamental to achieving this goal, particularly in terms of understanding impacts. However, for companies with multiple supply chains producing thousands of products, it can be very difficult to take concise decisions at the corporate level regarding traceability and management. Several examples, from handicrafts to tires to cosmetics, were cited as companies and organizations explained their approaches to sustainability.

The second day opened with a presentation by the business engagement programme of the International Union for the Conservation of Nature (IUCN). IUCN's engagement with business began in 2003 with the creation of the business and biodiversity programme and has steadily progressed since that time. Some of the key lessons learnt include: the idea that incremental change is not enough; business practice transformation has to include shaping regulatory frameworks with governments; the need to influence across sectors and supply chains; the sensitivity surrounding the impact of business on natural resource dependant livelihoods; and the need to invest in nature based solutions and key biodiversity areas. The presentation concluded by highlighting IUCN's expectations of the CBD and the Global Partnership in this area.

The third and final set of panels dealt with specific issues arising from previous COP decisions and discussions. One panel involved a discussion on standards and examined various aspects of this issue, including the effectiveness of standards and certification schemes, practical experiences of implementation, and how to resolve the issues surrounding the challenge in comparing and choosing amongst various frameworks. The different types of standards (regulatory vs. voluntary) were defined, and the role of standards in promoting biodiversity management explained. Some of the research in this area, including a joint project by the World Conservation Monitoring Centre (WCMC) and the SCBD, was also highlighted. There was also some detailed discussion, including practical application examples, of the International Finance Corporation's (IFC) Performance Standard 6 (PS6) dealing with biodiversity conservation. This also involved some discussion of standards for offsets and the idea of no net loss and net positive gain. Certification schemes and agreements for timber conservation were also discussed, including the Sustainable Forest Initiative and the Canadian Boreal Forest Agreement. Another panel dealt with the issue of Sustainable Public Procurement (SPP) and examined where SPP policies currently stand, and where they may be headed, as well as how businesses can both benefit from these policies and help to influence them. It was noted that biodiversity can contribute to creating employment as well as increasing the wellbeing of citizens and reducing poverty. Various public procurement policies designed to take advantage of this were then discussed, with examples from Peru, Canada, and South Africa. In addition, some of the tools and guidance materials available to organizations, including sub-national levels of government, were also highlighted. Finally, a panel on the Engagement of Stakeholders was convened. This panel highlighted some the efforts that have been undertaken to date in engaging businesses and other stakeholders, particularly with reference to the Global Partnership and national initiatives, and examined engagement strategies that have proven successful. A number of examples of this type of engagement were provided from Japan, Germany, Canada, the Netherlands, and China, at the company, organizational, and governmental levels. A major challenge for most organizations was that of mainstreaming biodiversity awareness for companies. To answer this, information guides and various

awareness raising activities have been conducted in various formats at the local, national, regional and global levels. Partnerships between different stakeholders are also a fundamental component of making these engagement endeavours successful.

The closing plenary for the meeting featured a brief discussion by the CBD Secretariat on targets for resource mobilization, including an explanation of the work of the High-Level Panel (HLP) on the Global Assessment of Resources for Implementing the Strategic Plan for Biodiversity 2011-2020. This was followed by closing remarks by the Government of India (the current CBD COP 11 President), including an overview of where businesses could influence some of the thinking and actions on biodiversity conservation, as well as a brief overview of some of the activities taking place in the country. The meeting concluded with remarks from the SCBD Executive Secretary, who reemphasized the importance of partnerships and engaging a wide variety of stakeholders (including businesses) so as to ensure that the idea of acting sustainably is fully implemented.

### **Recommendations from the Meeting**

The Global Partnership meeting generated a number of recommendations for the next decision by the Conference of the Parties to the Convention on Biological Diversity. The following inputs stemming from these recommendations will be considered in the drafting of the decision and subsequent discussion/negotiations. For ease of consideration, the recommendations have been grouped by broad categories:

#### ***Reporting:***

- Parties to the convention to promote, support and incentive all businesses, ideally on a sector-specific basis, to assess and report on their biodiversity impacts, dependencies and activities in relation to the Aichi Targets;
- Reporting should take into account natural capital accounting and environmental and social safeguards
- Reporting should be incorporated into National Biodiversity Strategies and Action Plans (NBSAP);
- Parties need to outline general guidelines for reporting, which includes clarifying and articulating the principles and objectives of accounting for, and reporting on, biodiversity issues and concerns from a business perspective;
- Ensure that there is a good link between this reporting framework and existing key concepts in this area (e.g. natural capital accounting and valuation, sustainability and integrated reporting, available standards (GRI), etc);
- Parties need to encourage transparency, traceability and clarity in reporting criteria;

#### ***Accounting and Resource Mobilization:***

- Parties to the Convention should provide for/or encourage criteria for the valuation of ecosystem services;
- Parties to the Convention should seek to foster public and private partnerships (especially involving the finance sector) to help mobilize funding and strengthen community-level capacity building;
- Parties to the Convention to facilitate the development of tools and mechanisms to scale up and prioritize national investment strategies in biodiversity, in collaboration with the private sector.

#### ***Standards and Engagement:***

- Parties to the Convention should create an enabling environment such that standards can

be more effectively implemented;

- Businesses need to consider best practices with regard to mainstreaming biodiversity in business operations;
- Parties to the Convention should encourage landscape planning using a multi-sectoral approach taking climate change into account;
- Parties to ensure that biodiversity issues (particularly with regard to business) are discussed in other multilateral fora;
- All businesses need to engage their senior levels of management, and supply chains, with regard to green procurement policy and encourage cooperative “green” procurement on a wide scale.

## **Full Report of Sessions**

### **DAY 1 - Opening Plenary**

#### **Welcoming Remarks**

**Mr. Luc Robitaille** (Mr. Robitaille is the Corporate Director of Environment for Holcim Canada Inc., and Chair of the Canadian Business and Biodiversity Council)

Mr. Robitaille acted as the Master of Ceremonies for this meeting, and as such began with a few brief comments. He noted that there were a fairly large number of countries represented at the meeting (over 25) and that he was gratified to see many businesses represented, which indicated that they are getting involved in this area. He further noted that businesses have a crucial role to play regarding environmental change. He explained that the meeting aimed to create a collaborative environment in order to share ideas and help drive the agenda forward. This was important given that biodiversity, compared to other environmental issues (such as climate changes or water) is not as well understood and does not attract as much attention. He concluded by noting that there is a need to change the way that environmental challenges are seen and dealt with, and that this would have to involve greater communication between upper management and employees within a company or organization.

**Mr. Jung Jun Park** (Mr. Park is the Deputy Director of the Nature Resources Division in the Ministry of Environment, Government of the Republic of Korea (which will be the host of the CBD COP 12 in 2014). He is responsible for Biodiversity R&D as well as support and implementation of CBD decisions including managing research in biodiversity, the Nagoya Protocol, biological resources related to manpower training policy and managing of biological resources conservation facilities)

Mr. Park's statement focused on two main points, the experience of Korea on the launching of the "Korean Business and Biodiversity Initiative", and the introduction of the main theme and plan regarding the upcoming conference of the parties that will be held in Pyeongchang in October, 2014. On the first issue, he explained that the Korean Ministry of the Environment hosted a signing ceremony, which was the kick-off for a national initiative in Korea. The Vice Minister of the Korean Ministry of Environment, and a representative of Keidanren (from Japan) delivered their congratulatory message in the ceremony. Mr. Braulio de Souza Dias, the Executive Secretary of the SCBD, also delivered his congratulatory remarks via video. The ceremony included about 70 participants, including 27 CEOs and executives of various companies and organizations. The Japanese Business and Biodiversity Partnership, the CBD Secretariat, the Korean Business Council for Sustainable Development (KBCSD, the Korean regional partner of the WBCSD), the Korea Biotechnology Industry Organization, and the Secretariat of Green Companies (which has been designated by the Korean Ministry of Environment) also supported this event. The launching of the Korean initiative was built on several previous workshops and policy gatherings held in Korea before and after COP 11. He noted that the Korean initiative will be undertaking a number of activities in 2014 to help raise awareness of this issue amongst the Korean business community, and will be planning several activities in cooperation with partners for COP 12. With respect to his second issue, the main themes of COP12, Mr. Park began by saying that the Republic of Korea is proud to be next host of CBD COP. There are three key messages planned for COP12: biodiversity and sustainable development; biodiversity and peace; and biodiversity and job creation. He noted the importance of developing concrete methods to achieve sustainable development as well as

biodiversity conservation, and that the Korean government will take global trends in this area into account in the development of the COP programme. With regard to the idea of “Peace based on Biodiversity”, the Korean government is establishing the Demilitarized Zone Eco-Peace Park, which is expected to facilitate peace building through conservation of biodiversity in the DMZ region. He explained that by expanding joint efforts of conservation between South and North Korea, the Korean government will present a new model on Peace through Biodiversity. Finally, he explained the theme of “Job Creation through Biodiversity.” He noted that industrial expansion and technology innovation based on biological resources will lead to more practical and effective biodiversity conservation and sustainable use of components of biodiversity. He concluded by expressing the desire that Korea will hold a very successful COP, with cutting-edge IT technologies and a vastly reduced flow of paper.

**Dr. Braulio Ferreira de Souza Dias** (Dr. Dias is the Executive Secretary of the Secretariat for the Convention on Biological Diversity. Prior to being named head of the CBD Secretariat in 2011, Dr. Dias had over three decades of experience in biodiversity science and policy and its implementation at national and international levels)

Dr. Dias opened his remarks by welcoming delegates to Montreal and the meeting, and noting that the current meeting is part of a process of engagement that was begun several years earlier. He explained some elements of the Global Partnership, noting that it currently has around two dozen active participants, with many more countries and regions exploring the possibility of joining. He explained that to maximize its effectiveness it is important that the major economies, business interests, and other key stakeholder groups are represented and involved. He emphasized that the Partnership is not a competitor to other groups in this area, but rather it is designed to facilitate greater dialogue and cooperation amongst all groups. He noted that the Partnership stemmed from decisions taken at COP 10 and COP 11 and is an indication by the global community of its understanding that business needs to play a critical role in addressing environmental issues, including the loss of biodiversity. He also noted that there are good opportunities for those businesses that are able to seize the initiative and develop innovative strategies. He further explained that the Economics of Ecosystems and Biodiversity (TEEB) project highlights that “ecosystem services” represent tens of trillions of dollars per year worth of benefits, and that the loss of these services due to environmental degradation is on the order of \$5-7 trillion per year, or roughly the GDP of China. He cited the example of Masoala National Park in Madagascar, where the potential of these services has been quantified and protection efforts are therefore being undertaken on a strong economic basis. He also cited the efforts that Puma has been undertaking to find the true costs (in environmental terms) of its products. He went on to note that despite these efforts, there is still much left to do. The indicators of biodiversity loss, and of other environmental problems, continue to point in the wrong direction. He was encouraged by the willingness of governments and other major stakeholders to enter into dialogue with each other and create an enabling environment for businesses to act sustainably. He also emphasized the importance of the private sector with respect to financing sustainability (i.e. through various innovative financial mechanisms). He mentioned several successful example of one such mechanism, payment for ecosystem services. He concluded by noting some of the ongoing activities of the Secretariat with respect to business engagement in the lead-up to COP 12 in 2014.

**Mr. Roger Menard** (Mr. Menard is the Director of Economic Analysis and Policies for the Ministère des Relations internationales, de la Francophonie et du Commerce extérieur of the Gouvernement du Québec in Canada)

Mr. Menard began his talk by noting that the achievement of the Aichi Biodiversity Targets will require robust involvement not only from the government, but from all stakeholders. He noted that the balance between economic growth and sustainable development is a collective concern, and that the involvement of the business sector is crucial to finding a solution, since businesses require a supply of resources and robust ecosystem services in order to operate. As biodiversity disappears, so do business opportunities for new technologies, new medicines, and other innovative products and services. He noted that this meeting is a good opportunity to take concrete steps for integrating biodiversity into business practices. The Global Partnership for Business and Biodiversity is an important tool to help accomplish these goals as it creates a platform for dialogue between businesses, governments and NGOs. This is an inspiration for many other multilateral agreements. He further mentioned that governments also have a key role to play regarding the protection of natural resources and biodiversity. The Quebec government has been committed to implement the Convention for over 15 years. About 9% of Quebec's territory is now designated as protected areas, and the Quebec government aims to get to 12% by 2015. Last year, the Minister of Sustainable Development, Environment, Wild Life and Parks adopted a plan regarding biodiversity conservation, a first step towards achieving the Aichi Biodiversity Targets. At the international level, Quebec is part of the advisory committee of sub-national governments to the Global Partnership of Sub-National Actors for Biodiversity Conservation. Together with other states and regions, the Quebec government seeks to promote the implementation of the Convention at the sub-national level by sharing best practices and developing common projects. He concluded by saying that Quebec is honored to host the Secretariat of the Convention on Biological Diversity (based in Montreal) and that it intends to continue supporting the Secretariat in the future.

**Mr. Robert McLean** (Mr. McLean is the Executive Director, Wildlife Program Policy, Department of the Environment of the Government of Canada)

Mr. McLean began by highlighting the great diversity of subjects that were going to be discussed during the meeting. He mentioned the different business and biodiversity guides and documents making the business case for biodiversity that have been published recently. He noted that it was exciting to see how the Global Partnership has evolved and grown over the years. He explained that Canada had gotten involved at an early stage with the Partnership, and was instrumental in its further development. He also noted the growth of the Canadian Business and Biodiversity Council. He then explained that in 1977, Environment Canada issued regulations that allowed them to create national wildlife areas. But to be successful in biodiversity conservation it is not just about government protected areas. Although these are important, it is necessary to look at the whole landscape with regard to biodiversity conservation and maintaining the health and integrity of ecosystems. Business has a fundamental role to play in this area. He noted that he has seen an evolution and integration of conservation thinking in businesses in Canada since the 1980s. There are lots of good examples and he sees the momentum continuing. He stated that those who were attending the meeting likely understand the importance, and challenges, of taking nature and biodiversity into account for business. More and more companies are responding to this challenge and seeing the benefits. This is sometimes done because of the business case and the issue of corporate social responsibility, but often businesses also respond because it is simply the right thing to do. Biodiversity conservation and the maintenance of ecosystem services is good for overall economic prosperity, as well as corporate balance sheets and individual health and well-being. He noted that there are many good examples of leaders in Canada regarding business and biodiversity, with one of the best being in the forest sector. Canadian companies are world leaders in forest

certification. In 2009, Canada had 40% of the world's certified forests. The Canadian Boreal Forest Agreement, which involves a number of forest companies and environmental organizations that are working together to ensure ecosystem conservation and the long term economic viability of the boreal forest, is one such innovative partnership. As a further corporate example, in Quebec, the provincial electricity utility is changing the way it operates so to conserve biodiversity along its distribution lines. They have moved away from clear-cutting along these lines in favor of selective cutting, managing wood waste on site, and keeping a number of natural habitat features. Mr. McLean ended his presentation by acknowledging the work of the CBBC and the CBD for this meeting.

**Mr. David Steuerman** (Mr. Steuerman is a consultant with the Secretariat of the Convention on Biological Diversity. He joined the Secretariat in early 2011 to help with the program of engagement with the business community)

Mr. Steuerman's presentation was intended to act as a "primer" to help ensure that all participants were familiar with the basic issues surrounding biodiversity and ecosystem services, as well as the business case for acting sustainably. He began by briefly explaining the concept of ecosystem services and the fact that over-exploitation of biodiversity is leading to a rapid reduction of the availability and robustness of these services. He also noted the important link between biodiversity/ecosystem services and corporate supply chains, with the idea that as the environment degrades, so the viability of the supply chain or business model decreases. He then went on to explain the business case noting the relationship between risks (i.e. negative corporate images, consumer boycotts, government legislation, poor relations with other stakeholders, higher insurance premiums, scarcity of resources, etc.) and opportunities (i.e. market leadership, lower insurance premiums, access to new eco-conscious/ethical funds, long-term stability of supply, enhanced employee loyalty, lower overall supply management costs, etc.). He then moved on to a brief discussion of the Secretariat's engagement strategy vis-à-vis the business sector, noting the decisions coming from COP 10 and 11. He mentioned several of the activities, including dissemination of information regarding case studies and best practices, analysis of tools and mechanisms, and working with different partners. In addition, he discussed the role of the Global Partnership and explained its function, noting that it was a network of networks and currently had active or developing initiatives in regions across the globe. He concluded by outlining some of the next steps of the engagement programme leading to COP 12 and the fact that although there has been good progress to date, a lot remains to be accomplished in this area.

### **Keynote Presentation**

**Mr. Jon K. Grant** (Mr. Grant is the past Chairman and CEO of the Quaker Oats Company of Canada, Chair of CCL Industries, Chair of the Ontario Biodiversity Council, Trustee of the Symons Trust, and Chair of the Bagnani Trust)

Mr. Grant presented a number of different ideas and thoughts about where business and biodiversity can go in the future. He noted that the CBD is one of the most important things that the UN can be doing at present. He described what the world may look like in a couple of years, which he felt would be rather surprising. In talking about the limits of economic growth, he felt that as long as the price of oil stays above \$100U.S. a barrel, economic growth is going to be constrained around the world for a variety of reasons. In addition, he noted that not too long ago, the world's population was about two billion, but it is now over seven billion. However, fertility rates are declining, to the point where they are below replacement level. These factors

may create conditions where no growth becomes the order of the day. He quoted the economist Reuben Jeffery, in Calgary, who said: “*We may turn green as a world, whether we want it or not*”. He also stressed that nature will not be destroyed but it is human civilization that is at risk. In the very long term, human activity is merely a blip for the planetary systems, but that blip could represent a devastating tipping point for humanity. In order to survive and thrive, it is necessary to understand that the economy and ecology are not mutually exclusive. He noted that the Latin roots of the two words are related: economy means home, and ecology means ‘all the things around the home’. There are primarily three elements that are really crucial for human life: air, water, and the food supply, all of which are directly supplied by the environment. He noted the argument that says if too much time is spent talking about the environment, and encouraging businesses to become more environmentally conscious, it will have a negative effect on the market. But the market is ‘nothing’; it is merely a conjecture of words and phrases and adding up numbers. Markets can change and can adapt to a society that becomes more conscious about the environment. He then moved on to the question of where things stand vis-à-vis biodiversity conservation. The Ontario Biodiversity Council was established as a group separate from the political process, made up of a wide variety of stakeholders including environmentalists, business interests, farmers, aboriginal leaders, academics, etc. They believe that Ontario should have an integrated biodiversity strategy that is central to all decision making, and is applied to all Ministries in the government. In 2012, the Council asked many of the key Ontario Ministries (including finance, health, transportation) to put biodiversity considerations as a central tenant of their strategies and to be part of the biodiversity strategy round table. All of them responded positively and signed on to participate in this round-table. Ontario’s biodiversity strategy was seen as being a leader both in Canada and around world. Mr. Grant noted that in order to move forward and attract more business interests to this area, the business case for protecting biodiversity must be articulated and presented. The companies that succeed are going to be well managed, environmentally sensitive, and produce good quality products in an efficient manner. This will both improve the overall business model and also appeal to shareholders. He concluded by saying that the work of the Convention and the Global Partnership is very important as it is necessary to get all stakeholders involved and have them all work towards finding a solution, and that this requires adequate resources to do the job. In particular, he said that it is important to get more examples from the business sector and ensure that these reach as wide an audience as possible.

## **Concurrent Session #1**

### **Panel on Access and Benefit-Sharing (ABS)**

The fair and equitable sharing of the benefits arising out of the utilization of genetic resources is one of the three objectives of the Convention on Biological Diversity. At the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity in Nagoya, Japan, the Nagoya Protocol on Access and Benefits Sharing was adopted. The Protocol is expected to enter into force in 2014, 90 days after the date of deposit of the fiftieth instrument of ratification.

The Protocol includes provisions regulating access to genetic resources and the fair and equitable sharing of benefits arising out of their utilisation. A user of genetic resources seeking access to a genetic resource in another country (e.g. to a medical plant to conduct research on substances or for the making of pharmaceuticals), shall comply with access-provisions of the country providing the resource. The supplier of a genetic resource shall be provided access to fair and equitable participation in the benefits arising from the utilisation of this resource (e.g. assets, technologies, knowledge, etc.). The use of genetic resources is often associated with traditional knowledge of indigenous and local communities. Therefore, the Nagoya Protocol also

includes provisions regulating the access and benefit sharing related to such knowledge. The Protocol has the potential to create considerable benefits, in terms of transparency and legal/regulatory certainty, for both business and stakeholders but will require a mutual understanding of the obligations set out in the Protocol and national measures put in place by countries to meet these obligations.

The entry into force of the Nagoya Protocol will have implications for the business community in relation to the use of genetic resources and associated traditional knowledge. This panel was designed to bring together private sector and government representatives to discuss the issues that they each face in relation to understanding and implementing the obligations set out in the Nagoya Protocol. Discussions centered on opportunities and responsibilities that will emerge from the ratification of the Nagoya Protocol and examined how the business sector can best support implementation and take advantage of the Protocol.

### **Keynote Speaker**

**Mr. Tim Hodges** (Mr. Hodges is a career Canadian diplomat, with a focus on environmental, benefit sharing, economic, scientific, and trade policy issues. He was the Co-Chair of the Ad Hoc Open-ended Working Group on ABS).

Mr. Hodges began his presentation by reflecting on ABS and noting that there are still concerns amongst stakeholders about businesses (particularly from developed countries) acting in illegal or inappropriate ways with regards to ABS. He also noted that many industries are afraid of new legislation or regulations, and will be reluctant to lead. Initially, the process towards the Nagoya Protocol did not explicitly include industry, but they are important players. In order to function in this regulatory environment, industry requires clear legal rules, transparency, an efficient system, and a deal that is perceived as being fair. The really hard work with regard to the Nagoya Protocol is therefore about implementation. The Protocol is also not 100% comprehensive as there are areas not covered such as genetic resources outside of national jurisdictions. He also noted some of the specific challenges inherent in ABS discussions. These included questions about benefits-sharing, specifically what could and could not be derived from these benefits? With respect to access, how this would work and what is the time frame under consideration? These elements are important to ensuring a transparent system. There are also other aspects to be taken into consideration, which could include simplified procedure for non-commercial research. Mr. Hodges also noted that in order to create a global multilateral benefit-sharing mechanism, a flow of information amongst all stake-holders is essential, with the necessity to develop codes of conduct, guidelines, best practices and standards. All of these could provide interesting opportunities for industry involvement. He concluded by commenting on industry's potential future under the protocol. He noted some of the risks which could include: blockages to projects, legal uncertainty, discrimination, heavy regulation, and negative impacts on reputation. On the other hand, some of the opportunities include: legal certainty, a level playing field, lighter regulation, and an enhanced reputation for those complying with the Protocol.

### **Panelists**

**Mr. Suhel al-Janabi** (Mr. al-Janabi is the co-manager of the ABS Capacity Development Initiative)

Mr. al-Janabi gave a brief introduction on the issue of ABS and how it relates to local communities and their conservation activities with respect to biological genetic diversity. He

described the evolution of negotiations on the ABS since the early beginnings of the Convention on Biological Diversity (CBD) at the first Rio Earth Summit, up to the adoption of the Nagoya Protocol on ABS in 2010 and current perspectives. He also stressed the importance of understanding the practices and needs of the private sector with respect to this issue. He noted that in 2005, the German and Dutch governments started working on the ABS issue. Their main focus was on the African, Caribbean and Pacific regions regarding:

- National implementation
- Value chain establishment
- Regional cooperation
- Traditional knowledge
- Supply chain
- Access enabling environment

At subsequent working groups various other issues were considered including:

- Access and benefit sharing vis-à-vis biotrade
- Different user models in provider countries
- The emergence of flexible models
- The need to better understand ongoing research and development

Industry development processes, which includes issues surrounding investment as well as prior informed consent and mutually agreed terms between the contracting parties

He noted that some of the lessons learnt to date include the understanding that there are common elements, but also huge variations in the various situations and that the framework needs to reflect reality of the situation under consideration. He also noted the discussions on trust and corporate social responsibility which emphasized the importance of learning by doing, pragmatism, the importance of long term investment to help build capacity and the need to seek win-win solutions.

**Mr. George Greene** (Mr. Greene is the founding chair of Stratos Inc., a specialized management consulting firm that helps businesses, governments and associations recognize and act on environmental, social and economic risks and opportunities)

Mr. Greene presented some of the ABS management tools that have been updated with the adoption of the Nagoya Protocol. He noted that there are two versions of these tools, but that trust between the parties was at the heart of both documents. The first is the ABS best practice standard (which is supported by the Swiss government). The second is the guide to good practises. He noted that both provide guidance for legal certainty at all stages of negotiation and for all relevant sectors. He also noted the importance of an outcome-based standard and the need for businesses to be in compliance with the guidelines. At the international level, a recognised certificate of compliance can allow for electronic verification of permits and provenance. He noted that compliance standards must be applied in both user and supplier countries, with full access to information and “checkpoints” existing in the provider and user countries. This could include a national monitoring mechanism. He also noted that as a result of these compliance standards, there would be greater legal certainty and provenance which would apply to companies both in Nagoya Protocol ratifying and non-ratifying countries, thus ensuring better coverage of supply chains.

**Mr. Claude Fromageot** (Mr. Fromageot is the Director of Sustainable Development for the Yves Rocher Group and Director of the Yves Rocher Foundation)

Mr. Fromageot presented how the Yves Rocher Group started biodiversity implementation initiatives 50 years ago in La Gacilly, a small village of France, and is a model of biodiversity management. He pointed out several of the group's achievements including the economic development with local job creation and organic harvesting, the opening of a botanical garden; the protection of bird species; and France's largest outdoor photography exhibition. Yves Rocher Group strives to replicate this biodiversity model worldwide in all of its botanical supply chains. With respect to biodiversity management and ABS, he noted that Yves Rocher approaches this from four perspectives:

- Scale of operations (ABS in cosmetics is based on micro-projects)
- Impact of operations (which can include the mixing of different products and/or sources of materials and the importance of sharing benefits with all relevant stakeholders in the local population)
- Time-frame of operations (Research and development in cosmetics takes 5-7 years and 20% of product portfolio is renewed each year. ABS can be implemented at every stage of a product lifecycle, from R&D to production phases)
- Economics of the operation (ABS investments can be compared to botanical supply in value on value chain)

He also noted that the cosmetics industry has interesting opportunities with regard to ABS. They can launch new micro projects, new supply chains, and the small size of suppliers presents a chance to develop local community projects. He stressed that to make this work, it is necessary to build the guidelines together, and implement the guidelines in a consensual manner, involving all stakeholders.

**Ms. Elisa Romano** (Ms. Romano is a policy and industry specialist at the National Confederation of Industry (CNI) in Brazil, an organisation that defends and represents industry in the promotion of a favorable environment for business in Brazil)

Ms. Romano (who noted that CNI is a founding member of the Brazilian Business and Biodiversity Initiative) presented the view of government regulation and ABS from the perspective of CNI. She noted that Brazil is a hotspot of biodiversity, which gives the country a competitive advantage and can be source of innovation. However, she noted that there remains uncertainty and delay in regulation and that some of the legislation in place is not working as expected. She noted that since 2001, CGEN (the Council for Genetic Heritage Management) has had the following powers:

- Authorizing access to genetic resources
- Requiring prior informed consent to access genetic resources
- Require the signing of benefits sharing contracts; and
- Has a range of measures for dealing with non-compliance

However, she noted that the council lacks transparency, is very bureaucratic and time consuming. It had issued very few permits (a total of 275 over 10 years) but then in 2012, it suddenly moved into higher gear issuing 50 permits. She then discussed the expectations and assumptions of ABS in Brazil. She noted that it was hoped that it would result in greater transparency, less bureaucracy, be less time consuming, and show some benefits (including incentives) for industry. Since June 5, 2012, the Protocol has not yet been ratified, it is still under discussion in the congress. CNI has helped to produce a study to better understand the protocol (which was expected to be ready by the end of 2013) which help the government evaluate the positive and negative impact of the Protocol for Brazilian industry. Some of the concerns include impacts on industry, legal uncertainty, greater bureaucracy, and the guarantee

of sovereign rights. In addition, the current regulation (which is under review) is not very well aligned with the Nagoya Protocol. She concluded by noting that products from biodiversity resources reached US\$113 billion and accounted for 11% of imports and 35% exports. Brazil currently exports low value genetic resources, so there is a question concerning the impact of ABS in this area.

## **Discussion**

Although the topic generated a fair amount of interest and the session was well attended, time constraints prevented a very extensive discussion. However some of the key questions and comments were as follows:

- Lots of effort has been extended in this area, but a big question that remains is who owns the biodiversity? In order to fully address this issue, it is necessary to think beyond the Nagoya Protocol. The genetic resource loss is huge in Mesoamerican countries. How can this be addressed? The involvement of industry is essential for various reasons including their responsibility to consumers.
- What is the role of legislation or standards to regulate ABS?
  - One panelist noted that there is a need to have different options to handle various situations. It was hoped that there would only be one model of prior informed consent and mutually agreed terms, but this has proved to be unrealistic. Another panelist noted that standards are needed to help provide flexibility. He noted that there is a complementary regime of regulation and standards that can help.
- In order to meet the Aichi target of restoring degraded land, traditional knowledge is critical, and it is vital to bring science to traditional knowledge, as well as for businesses to bring in aspects of traditional knowledge and science and to help strengthen adaptation by local communities.
  - One panelist noted that traditional knowledge was being discussed in many of the sessions, acknowledging the centrality of its role in this area.

## **Panel on Safeguards & Mechanisms**

The need for scaling up resources for biodiversity conservation is an ongoing concern, and was discussed in depth at ninth meeting Conference of the Parties to the Convention on Biological Diversity in Bonn, Germany where the Strategy for Resource Mobilization was adopted. The Strategy seeks to “Explore new and innovative financial mechanisms at all levels with a view to increasing funding to support the three objectives of the Convention” and refers to a variety of mechanisms including payment for ecosystem services (PES), biodiversity offsets, environmental fiscal reforms, markets for green products, international development finance (ODA), and the close synergies between conserving biodiversity and mitigating and adapting to climate change. While these innovative mechanisms are seen as important, their development has also generated concern over potential challenges, notably their potential effects on the rights and livelihoods of indigenous peoples and local communities. To address this concern, various stakeholders have stressed the importance of designing and implementing safeguards in biodiversity financing mechanisms. The Secretariat has undertaken an initial synthesis on innovative financial mechanisms and the first discussion paper was presented at the eleventh meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 11) in Hyderabad, India.

This panel was structured to examine how some of these innovative financial mechanisms are being developed and realized, as well as how the safeguards can help to ensure that any

potential negative impacts are minimized to the degree possible.

### **Keynote Speaker**

**Ms. Maryanne Grieg-Gran** (Ms. Grieg-Gran works for the International Institute for Environment and Development (IIED), and leads their work on the economics of ecosystem services)

Ms. Grieg-Gran premised her presentation on the notion that biodiversity indicators are going in the wrong direction and that private sector involvement is going to be essential both to provide new sources of finance as well as to tackle the drivers of biodiversity damage. She presented examples of financial mechanisms that could change behaviors, as well as noting their associated social risks. She noted that innovative financial mechanisms fall into the several categories:

- Green markets: which includes various types of certification that products have been produced sustainably or to agreed best practice standards;
- Payments for ecosystem services (PES): Land/resource managers are paid to conserve or enhance ecosystem services by beneficiaries directly or by governments on their behalf. The largest such schemes are generally run by governments, but there are varied roles for businesses from running small local schemes to contributing to an environmental trust fund;
- REDD+: initially this was a (PES) scheme, but as the emphasis has shifted to national REDD programmes it has become more of a mix of policy instruments and financial mechanisms
- Biodiversity offsets: these are defined by the Business and Biodiversity Offsets Programme (BBOP) as measurable conservation outcomes resulting from actions designed to compensate for significant adverse biodiversity impacts arising from project development, and persisting after appropriate prevention and mitigation have been taken.

She noted that these financial mechanisms can have adverse social impacts that are of concern for both ethical/justice reasons that that conservation activities should not be at the expense of the poor and marginalized communities and instrumental reasons, that biodiversity conservation is more likely to work if it benefits local communities. Some of the key social risks that were highlighted included: loss of access to land and resources; lack of participation of local communities in discussions about the introduction and design of financial mechanisms; exclusion from the biodiversity financing mechanisms; and unfavorable terms for those who do participate. It was also noted that one of the biggest challenges in dealing with these risks involves the issue of land tenure. Some of the steps needed to mitigate these risks could include strengthening local rights and increasing recognition of local concerns. Ms. Grieg-Gran also gave some examples of PES, citing a pilot scheme in forests important for chimpanzees in Uganda, and the Bolsa Floresta Programme in Brazil.

### **Panelists**

**Ms. Claudia Ituarte-Lima** (Ms. Ituarte-Lima is an International Environmental Law Officer at the Resilience and Development Programme at the Stockholm Resilience Center, Stockholm University)

Ms. Ituarte-Lima made a presentation on the intersection between science, law and policy for socio-ecological resilience and discussed leading work on safeguards in biodiversity financing and possible guiding principles. The focus of the presentation was on multilevel environmental governance and how the dynamics between local, national and international legal systems can either support or inhibit equity, sustainable livelihoods and conflict resolution. She noted that

safeguards are a key element for scaling-up biodiversity financing and discussed several possible guiding principles. It was noted that there are different types of safeguards, including substantive and procedural, each of which address different aspects of the problem. Some of the guiding principles that were discussed included:

- Biodiversity values for local livelihoods
- People's right including access to resources and livelihood
- Local and country-driven/specific processes linked to the international level
- Governance, institutional frameworks, and accountability

Safeguards are required to respond to the both the risks and opportunities inherent in specific biodiversity financing mechanisms. Harmonisation of the various types of safeguards, where possible, would be helpful.

**Ms. Maria Yolanda Teran Maigua** (Ms. Teran Maigua is a representative from the Andes Chinchansuyo)

Ms. Teran Maigua presented examples on how indigenous peoples and local communities have developed traditional knowledge and practices to protect biodiversity. She noted the cultural meaning of Mother Earth - Pachamama – which implies something sacred, alive and needing respect. She noted that Indigenous peoples generally have a close link with their territories, land and water; use an oral tradition; and act with good will. She also pointed out that the various financial mechanisms (PES, REDD+, offsets) have social risks and no evidence of success. In fact, she said that these types of financial mechanisms can cause division, fear, and insecurity within the communities. Much of the problem stems from a lack of information (free, prior and informed consent) as well as a poor understanding of the terms of the agreement in the indigenous communities, with the contracts often signed in hurry. As a consequences, sacred sites can be lost. In order to address these concerns, Ms. Teran Maigua noted that what is needed is a concrete approach with clear polices, respect for communities, robust safeguards, equitable benefit sharing, and a good understanding of the consequences before, during and after the project.

**Mr. Aurélien Guingand** (Mr. Guingand is an environmental economist working at “Mission Économie de la Biodiversité », the research department on biodiversity economics of the Caisse des Dépôts et Consignations group (CDC) in France.)

Mr. Guingand explained that his research unit focus on the best ways of devising concrete, applicable initiatives and solutions to preserve biodiversity, with particular emphasis on biodiversity offset projects and payment for ecosystem services. He presented CDC group's vision on nature-based solutions that create synergies between economy and ecology. He noted that there is a gap at the international level between existing efforts for biodiversity conversation and funding needs, but that this gap could be partly filled by the use of appropriate innovative financing mechanisms. He presented two types of complementary financial mechanisms that could possibly aid in this area. The first was Biodiversity offsets. After having presented two different approaches to biodiversity offsets with the A65 highway project and a pilot habitat banking scheme aiming at creating a natural asset reserve in France, he noted that there are three possible safeguards for biodiversity offsets implementation:

- Effective implementation of the full mitigation hierarchy: avoid, reduce and, finally, offset residual impacts on biodiversity; Ecological equivalence principle: project implementation has to be associated with no net loss of biodiversity; and

- Local stakeholder engagement: close cooperation with nature conservation organizations, public authorities and communities.

The second type of mechanism that he discussed was Payment for Ecosystem Services. He saw these as contractual agreements between users of ecosystem services and land managers in a position to act on ecosystem service provision. . The conventional view of PES is associated with the idea that they are top-down economic instruments which should integrate ecosystem services into markets. However, he noted that this view does not provide the right framework for practitioners in the field and argued that in practice, PES often do not demonstrate features of market governance or nature commodification. In a context of high complexity, PES should rather seek to provide locally grounded incentives for collective action in order to achieve socio-ecological sustainability. He also noted three possible safeguards for PES implementation:

- Correct ecological point of departure;
- Investment in structural changes in farming practices rather than compensation of opportunity costs;
- Grounding PES in local institutional context
- He concluded by noting that the right use of nature-based solutions (biodiversity offsets, PES), with the correct enabling conditions, could act as a catalyst for change towards biodiversity conservation.

**Dr. Joël Houdet** (Dr. Houdet is the Managing Director at Integrated Sustainability Services, a South African sustainability consultancy which provides sustainability strategy, management, reporting and forensics services)

Dr Houdet made a presentation on aggregated offsets, the principles behind them, examples of their application, and the associated opportunities and risks. He began by discussing the idea of aggregated offsets, which is the pooling together of various offsets to sell to the market. He noted that different developers have different impacts on different types of habitat (mountains, grasslands, wetlands), and they are looking for solutions for the various residual impacts. Aggregated offsets can offer an innovative solution. There are different names for different types of aggregated offsets: mitigation banks, conservation banks, habitat bank, or species bank. The name depends on local context and legislation. Such banks can be managed by public or private companies. He also noted that while these aggregated offsets can pool together various types of resources, they require a lot of expertise and imply significant transaction costs. The benefits of these schemes include ecological aspects (i.e. securing large areas for conservation benefits, strategic placement, avoidance of temporal loss of habitat, turning a liability into an asset) and administrative issues (i.e. easier ecological monitoring, reduced offset costs through economies of scale). In order to realize these benefits, it is necessary to have clear understanding of the requirements of the offset, long term control of property, secure financial resources and a strong legal basis for protecting the land and its associated resources in perpetuity. Dr. Houdet also pointed out that there potential risks is these schemes which have to be monitored and addressed, including: lack of equity, financial failure, lack of regulatory capacity, high transaction costs, adaptation (climate change), as well as accountability related to payment staking (paying multiple credits for same site) and possible double-dipping.

## **Discussion**

The discussion and Q&A session following the presentations was quite lively, with a number of areas addressed by both the panelists and from the audience. Some of the key questions and

comments were as follows:

- Is Free Prior and Informed Consent an important and good safeguard?
  - A number of panelists answered this. The safeguard is seen as key because of the gap between the assessment of legislation and its actual application. Another safeguard that was seen as useful was Independent Legal Advice to communities, given differing legal traditions and the fact that one party may create the contract, whilst the other merely signs it. Another important aspect that is happening over and over is the “no touch” approach, when actually what is needed is a change in perspective and more active stewardship of resources. Another panelist noted that the designs of an offset are usually the responsibility of the developer, and then the state is responsible for the validation of the offset. But after that the local stakeholders (protection area agencies, etc.) can be responsible for the implementation of the offset measures, thus ensuring equity in the process. A final commenter on this subject said that it would be fine for the community to choose legal advice, but there are two main issues in this regard. First, there are very few lawyers who want to work with indigenous people and that are willing/able to understand the issues of biodiversity and business. Second, whenever a contract (western protocol) is going to be signed, the communities are not told in advance about it, which puts them in a situation where we are not prepared. It is therefore very important to consult and engage the local stakeholders, and be aware of the cultural implications.
- How is a land attributed to someone?
  - The first response noted that it depends on the operating country. As examples, in South Africa land tenure is clear so that one can find ways to aggregate offsets so it could be accessible to everybody. But in northern Africa, (i.e. Uganda) one is dealing with different mining operations operating in the landscape, all coming from different parts of the country or from outside of Uganda. This gets complicated as the different licensing requirements are not being followed by the stakeholder in charge. In that context if one wants to find innovative solutions, it is necessary to try to address all the government structures of the region at the same time, and that is very challenging. Another panelist highlighted the importance of talking to local people. When talking about land ownership, it's important to think about the legal concept of property as a bundle of rights and obligations. Property rights can be recognized without legal title, but systems also recognize possession as a conferring a legal rights. The solution is often case by case.
- Where is the money going to come from to support various forms of offsets or payment for environmental services?
  - One panelist noted that it depends on every country's legislation. As an example, regulatory offsets are required by the legislation in many countries around the world (i.e.. Australia, South Africa, etc.). In this context, the money comes from the development process. Where it gets more complicated is when one looks at voluntary payments. Also depending on the jurisdiction, the rules can change between mandatory and voluntary. It was also noted that there can be an issue regarding IFC requirements. Companies need strong financial background and an incentive to get offsets financed.
- If it is the government that collects the revenues from taxes do they distribute the money in an effective way (specifically referred to Ecuador)?
  - Ecuador is more of an example of environmental fiscal reform that aims to tackle unsustainable practices. Some countries need to make an assessment on what is best or not with regard to revenue from taxes) in their particular case. Some revenue will be devoted to positive incentives or getting rid of perverse incentives. But there can be further problems such as how the money is utilized and whether this is really positive for biodiversity and social objectives.

- One participant noted that the concept of aggregate offsets is interesting and useful, but it needs to be examined in detail, because any tool is going to have its pros and cons. The co-benefits of other mechanisms also need to be explored.
- Another comment reflected the question of the roles of the public and private sector. The public sector has the responsibility to develop a regulatory framework, and the private sector has the responsibility to obey by that framework, or, when there is no framework, to use their own standards, or to follow financial institutions' own standards (i.e. IFC and many commercial banks, although it was noted that the IFC has a requirement on biodiversity offsets; they prefer that businesses pay more attention in avoiding and minimizing impacts. Implementation can also vary depending on whether the jurisdiction has a strong or weak regulatory framework. Where there is very weak regulatory framework, companies often go above and beyond the host countries' requirements, but this can sometimes have negative repercussions for the companies in that area.
- It is hard to assess a unique habitat, how does this work vis-a-vis offsets?
  - Metrics are a key aspect in this regards. You need to have the right metrics to compare impact with offsets. Unfortunately, in many countries and many regions, there is no knowledge about what biodiversity currently exists. The second danger is that some people use measurements to account for everything. But from a purely biological standpoint, with this approach one misses tons of issues (i.e. species level, genetic aspect, etc.). However, from a practical approach, one has to depend on the metrics used. There is also a social aspect which depends on negotiations with stakeholders, and not scientific solutions. Another panelist added that one needs to go beyond the metric of species habitat and look at ecosystem equivalence in terms of ecosystem functions. It is also important to integrate socio-economic aspects, not necessarily into the equivalence principle, but somewhere in the process.

### **Panel on Supply Chain Management**

Supply chain management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with suppliers, intermediaries, third party service providers, and customers. In essence, supply chain management integrates the supply and demand management within and across companies. Supply chain management also drives the coordination of processes and activities with and across marketing, sales, product design, finance, and information technology. Recently, companies have become increasingly aware of the importance of biodiversity and various ecosystem services to the smooth functioning of their supply chains, and the consequent vulnerability of these chains to disruptions caused by environmental problems. These can come from a scarcity of supply of a raw material, the disruption of a process due to a failing ecosystem service, or a natural calamity made worse by a degraded ecology. It has been shown that a huge proportion of a company's ecological footprint emanates from its supply chain, and in particular lower tier suppliers.

This panel discussed some of the dependencies on biodiversity that exist for supply chains, how to maximize the opportunities for greater profitability throughout the supply chain by enacting sustainable production and processes, and how to manage some of the associated risks. The panel also discussed how these changes can be encouraged at a policy level and how governments and international bodies such as the CBD can support the greening of the supply chain.

## **Keynote Speaker**

**Mr. Rajendra Dobriyal** (Mr. Dobriyal is the Senior Regulatory Affairs Manager at Hindustan Unilever Limited (India))

Mr. Dobriyal began his presentation by noting that business as usual is not acceptable anymore and that environmental consideration are must to win in markets now. He also emphasized that acting sustainably can in fact become a competitive advantage for business. He then explained about Unilever, noting their commitment to reduce their environmental footprint by half and their long-term dedication to the idea of sustainable growth. He also stressed Unilever's interest in collaboration and the importance of their biodiversity strategy for achieving their long-term sustainability goals. He explained in detail Unilever's "Sustainable Living Plan" which is a series of non-negotiable commitments that includes:

- 50 targets;
- Progress reports for Unilever and its suppliers;
- Eventually sourcing 100% of agricultural raw products sustainably;
- Improving the health of 1 billion people around the world through Unilever's hygiene & health initiative;
- Reducing Unilever's overall environmental footprint.

Mr. Dobriyal noted that consumers are important stakeholders who are increasingly demanding sustainable products. He also noted that it is important for Unilever to create products that make a difference in people's lives. Balancing innovation, costs and opportunities is always a challenge, to achieve the ultimate goal of being sustainable yet keep the business profitable one. He also mentioned the Unilever Sustainable Agriculture Code which includes 10 specific indicators on their website. He noted that it is important to ask suppliers which areas are important for them and act on these areas (i.e. water irrigation). He concluded by noting the importance of ensuring that supply and demand are in balance and that sourcing herbs or plants does not destroy traditional markets or practices.

## **Panelists**

**Ms. Libby Bernick** (Ms. Bernick is Senior Vice President for North America of Trucost, a London-based research firm that measures and puts a price on natural capital)

Ms. Bernick began her presentation by noting the importance of natural capital in supply chains. She cited TEEB research which has indicated that the top 20 global industries have a direct and indirect dependence on natural capital of approximately \$7.3 trillion, which exceeds their combined revenues. She then discussed several case studies of companies that are trying to determine the value of natural capital (and their products' impact) throughout their supply chains, including Puma, General Mills, and Sprint. These companies are looking to change how they collaborate their suppliers as well as the risks inherent in their supply chains. She concluded by noting some of the challenges inherent in this approach, including:

- Understanding what elements in the chain are material to business performance and being careful to focus on the correct things
- Understanding how to measure biodiversity impacts in the supply chain and what sorts of proxies to use
- The fact that knowledge remains patchy and the resources required to effectively track impacts can exceed the capacity of some suppliers
- How to use green procurement as a tool to influence suppliers and the value chain

**Mr. Ward Griffin** (Mr. Ward Griffin is the President and CEO of the Lowe-Martin Group. The Lowe-Martin Group is one of the largest Commercial Printing Companies in Canada)

Mr. Griffin began his presentation by introducing Lowe-Martin Group and the challenges of operating in a fragmented market sector. He noted that Lowe-Martin has had a 100 year business plan, and that sustainability is central to the company's vision. He also noted that Lowe-Martin has been recognized as one of the most sustainable companies for the past 6 years. A particular challenge is the fact that the company operates in a shrinking industry, and that balancing economic and sustainability issues can therefore be a challenge. He noted that sustainability is central to Lowe-Martin's business planning and on par with profitability concerns. In order to compete in a sustainable manner, the company has adopted various strategies including recycling; vegetable based inks; and introducing non-toxic elements in the production. He then noted some of the challenges being faced by supply chains, saying that certification schemes (such as that offered by the Forest Stewardship Council (FSC) for pulp and paper) which are very successful and feature world leading practices can help to identify problems in supply chains. However, one issue is convincing customers that the sustainable products are as good as the regular ones (in some cases customers have not been happy with the "green" products. In terms of chemicals, many are EcoLogo certified which limits the amount of toxic chemicals and helps companies to change their practices. It was explained that Lowe-Martin has required specifications for other aspects of its supply chain. It is also trying to "green" its energy use through agreements with Bullfrog power (zero emission power) and Ontario Hydro. He indicated that the company has issued sustainability reports and has an internal "Green Team" (which involves and empowers employees) as part of its ongoing strategy.

**Dr. Julien Chupin** (Dr. Chupin is the Director of Etre et avoir conseil in France. He currently guides companies in securing their sourcing of renewable natural resources and managing ABS)

Dr. Chupin used the example of *Centella asiatica*, a plant sourced from Madagascar, in order to draw policy recommendations to improve the management of sustainability risks in supply chains. Centella has a variety of different societal uses and several international value chains rely on this plant being collected in the wild. However, there are significant livelihood issues at the production level. He asked whether an international market can constitute a threat to the conservation of a natural resource; if local management is enough; if production in a developing country constitutes a threat; and in this context how can a company secure sourcing of the natural resource? He noted that for managing biodiversity and social issues in the supply chain, it is important to understand what is happening at the base of the chain (i.e. in the production area). He gave an example of a best practice scenario from Honduras, in which various upstream parts of the supply chain (traders, exporters, collectors) jointly provide specifications on quality, traceability and sustainability. In working with the collecting communities, these upstream interests triggered the elaboration of sustainable practices to manage risks specific to the production area (e.g. harvesting methods and a forest management plan, providing equipment, and benefitting local producers through organizational, commercial and technical enforcement, and governance rules). However, there are some wider breaking points that this approach cannot fully overcome (e.g. resistance to change in the production area and in the supply chain. consumer willingness to pay a higher price, etc.), which formed the rationale of the research he presented. Looking at the methodological framework, his research cross-analysed the supply chain and the production area. He also noted the importance of uncovering interactions between the governance, user, and resource systems. He then presented the two main results of the research: that the value chain itself does not manage sustainability due to a

divide between upstream and downstream in terms of exchange of information and capacity (e.g. financial, technical, human) to implement the sustainability specifications; and that the regeneration of the resource is linked to exploitation by the poorest. They implement practices to manage the regeneration of the plant as they derive a revenue that ensures their food security. In this micro system there is also a poverty trap related to insecure land property rights. He noted 5 scenarios showing the evolution of this system. In all cases the results for income of primary producers remains under the poverty line. In two cases, there are also a risk of serious disruption to the sourcing of the plant due to the incapacity of the supply chain to manage external shocks. Furthermore, actors in the value chain are somewhat limited in their ability to individually address these issues. The next step of the research, in order to identify a management approach on these biodiversity and social impacts, is to continue the participative modelling of the system described, moving towards simulations, and testing real life solutions identified by the stakeholders of the production area and the supply chain. In terms of policy recommendations, some basic principles include the idea of necessary evolution at every level of the supply chain and production area, the concept of a circular economy, and the idea that business will transit to clear, ambitious, and stable environmental regulations. One concrete recommendation, applicable to both the public and private spheres, regards the pertinence of moving towards the governance of a common pool natural resources by a wide framework of stakeholders, which would provide a systemic vision at the scale of the area under consideration (e.g. ecological continuity, flow of resources and energy, social flows, knowledge and competencies). A further recommendation (aimed at the private sphere) is to ensure that the sourcing of natural ingredients contributes to the conservation and sustainable use of biodiversity and social development, in line with the objectives of the CBD. For this purpose, companies should integrate and aggregate supply chain impacts into reporting their assessment of externalities and their dependence and impacts on biodiversity. This would lead to greater accountability in the entire value chain. The most important issue is to create a level-playing field for companies to 'tap into' stakeholders intelligence. He concluded by noting that there are different trajectories available for management of biodiversity and social impact through the supply chain depending on the level of involvement and willingness of stakeholders from both the upstream parts of the supply chain and the production area.

**Dr. Rene Gomez-Garcia Palao** (Dr. Gomez-Garcia serves as coordinator of the Environmental Business Unit of the Department of Environment in the CAF Development Bank of Latin America)

Dr. Gomez-Garcia began his presentation by discussing the concept of building bridges to the Green Economy. He noted that this concept has to be applied to both public and private companies and must encompass both the supply and demand sides of the equation. It is likely easier to start from the demand-side while also trying to obtain the best possible benefits for suppliers upstream of the value chain. The way to construct these bridges involves several elements including:

- Capacity Building
- Getting more involved with business in terms of their operations (both large enterprises and SMEs)
- Greater emphasis and investment in science and technology

Dr. Gomez-Garcia also noted that there have been several regional projects in Colombia, Ecuador and Peru. These efforts are intended to maximize benefits for the local population taking into account regulatory conditions and other factors such as Access and Benefits Sharing. Projects of differing sizes can help to increase the understanding of the value of biodiversity in the value chain. These types of projects involve a value-sharing concept which

can enhance the overall competitiveness of a company. There are a variety of potential clusters in the Latin American and Caribbean regions including those centred on ecotourism, agroforestry, and bio-business. He concluded by noting that the evaluation of these projects and ascertaining criteria for success would be very important in their long-term viability and ability to promote sustainability.

## **Discussion**

This panel generated a fair amount of interest and discussion, which was somewhat constrained due to a lack of time in the session. However, the following represents some of the questions and comments during the discussion (many of which were directed to the presenter from Unilever):

- How do you monitor and give advice to suppliers?
  - Unilever explained that it is necessary to try to educate and raise awareness amongst suppliers, using various motivating strategies and illustrations of previous best practices.
- How does one insure that the cost of sustainability is not a burden to the producers?
  - For Unilever, it was indicated that the costs are limited as the models give benefits to the suppliers as they improve their modes of production. However, it was noted that it can still be an issue.
- More expensive production is actually going to be passed down to the consumer. How is Unilever dealing with higher costs for consumers?
  - It was noted that the prices have not significantly gone up because of these practices, and given other factors it is hard to blame price increases solely on the new model.
- How does Unilever ensure that the entire sector is moving in the same direction? How can they scale up and drive the change?
  - Unilever integrates many of its suppliers in different parts of the world through joint funds, therefore encouraging the businesses to cooperate to make changes.
- What key indicators are used for monitoring biodiversity by Unilever?
  - Unilever indicated that its policy is that no endangered species are harvested, they respect legislation in place, and there is no (or at least minimal) interference with ecosystems.
  - It was also noted by another panelist in order to be successful, it is imperative to gain understanding of new approaches towards stakeholders at the base of various supply chains.

## **Lunchtime Presentation**

**Mr. Jonathan Stacey** (Mr. Stacey is a Senior Programmes Manager heading BirdLife International's Working with Corporates Programme and advising on corporate engagement, biodiversity tool development and implementation, for strategic development and implementation across the BirdLife Partnership)

Mr. Stacey began his presentation by outlining Birdlife International, which he described as a global partnership for nature and people. Birdlife International is composed of over 120 country partner organizations worldwide. The BirdLife International Partnership is supported by offices of the Secretariat and governed by an elected Global Council, with the national partners organized into 6 Regional Partnership groupings. He then discussed the strategic pillars of the Strategy 2020 which include: saving species, conservation of sites and habitats, promotion of ecological sustainability, and empowering people. He noted that the country partners' plans are

consolidated into regional priority plans, which then become specific conservation programmes that fit under the various strategic pillars. He noted that BirdLife is involved in the issue of sustainable development, and to this end must work with businesses, particularly large ones, which can have a significant impact on the natural resources that underpin a biodiverse world. He noted that often the private sector and associated market forces are the largest constituency in most of the countries where BirdLife has activities. This can, however, represent an opportunity, both as a potential source of conservation finance, as well as offering opportunities to influence business practices vis-à-vis their impact on biodiversity and the environment. He noted that BirdLife's data shows that US\$80 billion per year is needed for global nature protection, which is small compared to other expenditures (i.e. \$469 Billion on soft drinks, \$1900 Billion on military, and \$3,814 Billion representing the revenue of the ten largest companies). He went on to explain that birds are good indicators of the distribution, status and trends of other wildlife groups, but that one in eight bird species is threatened with extinction, with the overall status of the world's birds deteriorating. Human actions are putting pressure on species, sites and habitats, with unsustainable agricultural practices being the greatest threat to bird species. Seabirds are also in serious danger from fisheries bycatch, with fisheries causing the deaths of hundreds of thousands of these seabirds every year. He noted that BirdLife has identified more than 12,000 Important Bird and Biodiversity Areas (IBA) on land and at sea. Marine IBAs have been instrumental in identifying protected areas in the oceans, and 47 million hectares of IBAs have been designated as Special Protection Areas in Europe. With regard to the Aichi Targets, he explained that BirdLife can contribute to 18 out of 20 of the Targets, but that this has to be a shared responsibility with the business sector. Business-NGO cooperation may work well in this regard as NGOs can bring knowledge, tools, and guidance for prioritising, assessing impacts, strategic planning and restoration of biodiversity. BirdLife engages with business in many different ways, with focus on the following areas:

- Aiming to change corporate policy or provide critical information/services
- Confronting and challenging companies causing damage
- Seeking funding from corporates (without any intention or attempt to influence them)
- Working together to improve corporate (environmental) practice

The underlying principles of these strategic partnerships include: finding common objectives, risk identification and management, institutional capacity, developing a biodiversity strategy, building trust, creating a long-term commitment to integrating biodiversity values and planning, developing best practices and sectoral leadership. He also noted some of the tools and themes that Birdlife uses (or takes into account) with respect to these partnerships (including BirdLife's Forests of Hope, Preventing Extinctions and Flyways Programmes). He then outlined two specific (and successful) examples of corporate partnership (RioTinto and CEMEX). Despite the successes, he noted that there are potential threats and weaknesses in these types of partnerships, given that multinational corporations are continually evolving with resultant changes in investment decisions, alterations to corporate priorities and policies, and personnel changes which can affect programme development and continuation. In addition, relationships of this nature can mean that Birdlife risks being exposed to a "killer-issue" beyond its control, or that an inherent inequity in the power balance between the partners can lead to problems or an over-dependence on the relationship. In these types of engagements, Birdlife can provide advice (i.e. Working with Corporates Guidance) and help them with their due diligence in this area, taking into account factors such as the mitigation hierarchy, biodiversity offset principles, standards (i.e. IFC Performance Standards), and the valuation of natural capital. He concluded by noting that NGOs and business can successfully collaborate through genuine engagement which can help in the development of new economic models based on a valued natural environment, leading to a genuine commitment to sustainability which can, in turn, bring greater resilience and equitably to business models.

## **Concurrent Session #2**

### **Panel on Agrifood**

The late 20th and early 21st centuries have seen a dramatic increase in global wealth and a surge in the middle class with profound global benefits. However, this increase in wealth also means that the global demand for food is forecast to increase by 70-80% over the next 50 years. In particular, rising wealth has caused changes in dietary patterns, with more demand for animal protein (meat, fish, eggs, milk) and other high-value commodities such as oils, and processed goods. Part of this increase will be met through improvements in yield. However, increasing these yields has to contend with a variety of challenges including: increased demand for land for biofuels; land degradation; urban expansion; climate change; water scarcity; and species infestations, all of which have the potential to cause projected yields to be 5–25% short of global demand by 2050. Increasing intensification of agricultural practices seems likely and as a result, there will be an increased need for clear policy frameworks and implementation of strong sustainable agriculture management practices.

This panel discussed some of the implications of these challenges and explored some of the opportunities which can arise from models of sustainability. The panel also examined how businesses, governments and other stakeholders can help to encourage greater sustainability through improved methods and policies that will help ensure a balance between the increasing demands for food and sustaining healthy ecosystems.

### **Keynote speaker**

**Mr. Jay Bradshaw** (Mr. Bradshaw is President of Syngenta in Canada, a world leading agri-business with more than 27,000 employees in over 90 countries dedicated to bringing plant potential to life)

Mr. Bradshaw began his talk by noting that agricultural ecosystems provide the food, fiber, bioenergy, and medicines essential to human well-being, but that is a misconception that the sustenance modern agriculture provides comes at the expense of biodiversity. He explained that the world cannot be successful in meeting the accelerating demands being placed on production agriculture without protecting and nurturing biodiversity; and it will not be able to promote and protect biodiversity without employing agricultural innovation and advances. He noted some of agriculture's dependence on biodiversity, such as:

- Soil protection. Biodiversity contributes to a fertile, healthy soil structure, complete with multitudes of micro-organisms;
- Water cycling. Biodiversity assists with the natural filtration processes for fresh water, removing contaminants, sediment, suspended solids and gases;
- Beneficial insects. Biodiversity supports beneficial insects that assist in production by managing harmful pests;
- Provision of genetic resources: These are necessary to breed new, locally adapted crop varieties that make agriculture more productive, efficient and effective.

He then explained that next to climate change, habitat loss is the biggest threat to biodiversity. Forty percent of the earth's land surface is currently cultivated, but given that the global population is estimated to reach more than 9 billion by 2050, it is estimated that global food output must increase by a further 70%. Protecting natural habitats and ecosystems means meeting this demand for food by sharply increasing yields on the land already under cultivation, not converting more of the earth's surface into agricultural production. While sustainable agricultural production is comprised of many elements, the imperative is to produce more from less, a goal that must be the shared aim of every stakeholder in the agricultural production value chain. He noted some examples of how increased yields can be achieved:

- Advances in crop genetics: breeding beneficial traits into crops such as improved resistance to abiotic and biotic stresses;
- Advances in seed breeding technologies: these draw upon the genetic diversity of food crops to enhance desirable traits;
- Advances in crop protection products and technologies: these help crops compete with a variety of weeds, disease and insect pests.

He explained that still more can be done to enhance biodiversity in agricultural landscapes, such as increasing the quality and amount of edge habitat and he noted the importance of pollination to agricultural ecosystems. He then highlighted some initiatives Syngenta has undertaken, including “Operation Pollinator” (an initiative to restore natural habitats and food sources and to revive the fortunes of native pollinators by training farmers to make use of field margins and pockets of land where crops cannot easily be farmed); and the “good growth plan”, which is operating on four continents and aims to boost resource efficiency by rejuvenating ecosystems and strengthening rural communities. He also highlighted some of Syngenta’s Canadian initiatives including:

- A multi-year wetland restoration initiative in partnership with Ducks Unlimited Canada;
- An ongoing commitment to the Kensington watershed project, which aims to reduce field run-off and improve biodiversity in northern Prince Edward Island;
- A partnership with Foundation de la faune du Quebec, supporting the « mise en valeur de la biodiversité en milieu agricole » program developed in cooperation with l’Union des Producteurs Agricoles.

He concluded by noting that while these projects are important, much more needs to be done and that the agricultural sector at large needs to continue to help preserve the world’s diverse ecosystems.

## **Panelists**

**Mr. Emilio Oyarzabal** (Mr. Oyarzabal is a Technology Development Manager in Monsanto in charge of three areas: Monsanto’s university licensing of commercial products, managing professional associations relations, and lead of internal and external sustainability programs and business ecosystems training)

Mr. Oyarzabal began his presentation by discussing how Monsanto can help to achieve the Aichi Targets. He noted that there were several specific targets of particular applicability to Monsanto, including:

- Target #1: *By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably;*
- Target #7: *By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity;*
- Target #11: *By 2020, at least 17 % of terrestrial and inland water, and 10% of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes;*
- Target #15: *By 2020, ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems, thereby contributing to climate change mitigation and adaptation and to combating desertification; and*
- Target #17: *By 2015 each Party has developed, adopted as a policy instrument, and has commenced implementing an effective, participatory and updated national biodiversity*

*strategy and action plan.*

He went on to note that Monsanto is tackling these targets with the help of partner organizations such as WBCSD, Conservation International, the Nature Conservancy, and TEEB. He also noted the project work being done in various areas of the world (including Latin America, Africa, and South East Asia) in conjunction with these partners to tackle these goals. This work includes water-use efficiency projects and production and conservation activities. He concluded by noting some next steps which include:

- Defining capacity building process across value chains;
- Linking with global goals such as Action 2020;
- Reinforcing multi-stakeholder partnerships; and
- Ensuring the link between social and environmental goals.

**Dr. Peter G. Kevan** (Dr. Kevan has contributed extensively to teaching, notably in Applied Ecology, Apiculture, and Pollination, and also to technology transfer while at the University of Guelph, where he is the Scientific Director of the national Canadian Pollination Initiative)

Dr. Kevan began his presentation by noting the importance of biodiversity and ecosystem services both in the soil (i.e. soil aeration, nutrient cycling, nitrogen fixation, etc.) and above ground (i.e. natural control of pests and diseases, and pollination). He went on to explain the importance of pollinators (both managed and wild) for agro-ecosystems, and the pressures that they are currently experiencing. He also alluded to agriculture as being the “major destructor of biodiversity” due to its dependency on chemical pesticides and fertilizers to keep up with market demand worldwide. He then described his research on vectoring Biological Control Agents (BCAs) by pollinators (such as bees). This process would use bees for pest and disease control. The process involves having the bees transmit specific agents to plants which would provide effective pest or disease control. The bees pick up the vectors as they leave the hive and deposit them on the plants in the process of their pollination activities. This process has already been implemented for several crops (berries, tomatoes, sunflowers) where it has proved to be quite effective. It is under evaluation for a number of other crops (coffee, apples, canola, peppers, etc.). He concluded by noting the benefits of this process, resulting in reduced use of chemical pesticides and consequently reduced costs, as well as a return of bio-complexity to agricultural systems.

**Mr. Paul Short** (Mr. Short is the President of the Canadian Sphagnum Peat Moss Association, the national advocacy agency representing the Canadian horticultural peat industry. His main responsibility with the Association is in developing responses to the challenges for responsible peatland management, restoration of peatlands, climate change and industrial sustainability)

Mr. Short’s presentation highlighted the importance of the Canadian peatland resource, aspects of peatland restoration research, and various sustainability initiatives in this area. He noted that over 70 million tonnes of peat accumulates each year in Canada, of which 1.3 million tonnes is harvested. The majority of peatland in Canada is “virgin” territory (81%) with a further 15% used for agriculture and the remainder for a variety of other functions. He explained that peat is the underpinning of a multi-billion dollar horticultural industry. Canada is the world’s largest producer of horticultural peat, and it supplies 98% of its yearly Sphagnum peat harvest to the U.S which accounts for 65% of the peat used in the US markets . In terms of restoration activities, since 1992 there have been workshops and various experiments, with full restoration activities beginning in 1999. In 2000, an area of 350 hectares of industrial land was restored.

Mr. Short then went on to describe other activities in peatland management. In 2003, the first five-year term of the Industrial Research Chair in Peatland Management was established, with a second five-year term beginning in 2008. There are currently 17 Canadian peat producers that are partners in this effort. He noted a successful example of restoration in central Quebec (Bois-des-Bel). In the restored section, Sphagnum cover is steadily increasing and seems set to reach the levels recorded in natural peatlands. In comparison, Sphagnum remained absent from the unrestored site. The coming back of Sphagnum in restored sites also means that over the long term the functions of production and decomposition are re-initiated, leading back to a peat accumulating system. Animal diversity declines in peat extracted sectors, especially in large scale industrial peatlands. Some birds and insect species typical of natural peatlands do recolonize the restored sectors, but their abundance initially remains lower than in natural peatlands. Overall the biodiversity of restored sites appears to exceed natural peatlands mainly due to the amphibian species occupying ecological niches (ponds) not always found in ombrotrophic bog conditions. He also noted the function of peatlands as important carbon sinks. He then went on to explain Life Cycle Assessment (LCA) studies and certification for peatland harvesting. He noted that LCA is an holistic approach, with data on peat production collected from producers through questionnaires. He also discussed Social LCA which is a relatively recent assessment tool looking at the behavior on the part of producers, not simply processes. It identifies the organizations involved all along a product's life cycle and examines a list of issues of concern related to five main stakeholder categories. In terms of implementation, seven peat producers have achieved VeriFlora certification, with approximately 70% of the peat produced covered under this certification label. Additional companies are in the process of acquiring certification. He discussed the Industrial Social Responsibility Report (ISR), which structures and organises in a coherent and systematic way, the various LCA-based initiatives as well the Veriflora certification process conducted so far by the industry. The ISR initiative is structured on the Sustainability Assessment of Food and Agriculture systems (SAFA) pilot project which is an international reference tool for assessing the sustainability performance of food and agriculture businesses. The SAFA is based on selected sustainability themes, sub-themes and indicators of performances and includes 23 pilots from developed and developing countries, including peat moss producers in Canada. He concluded by noting that future goals include:

- Encouraging sustainability research in environmental areas that impact the peat moss industry;
- Ensuring that restoration of post-harvest sites are conducted by the association's members in accordance with government compliance;
- Enhancing close, positive and supportive relationships with various levels of government including the First Nations; and
- Engaging in constructive dialogue with NGOs and consumer stakeholders.

**Mr. Marcel Groleau** (Mr. Groleau was elected president general of the Union des producteurs agricoles at the organization's 2011 General Congress. He is also co-president of the Coalition pour la souveraineté alimentaire and spokesperson for GO5, Coalition for a Fair Farming Model, Supply Management and was also elected second vice-president of the Canadian Federation of Agriculture)

Mr. Groleau began by describing the Union des producteurs agricole, which is an organization that represents all Quebec farmers including more than 40 groups that cover over 20 production sectors. He noted that all human action affect the environment and biodiversity, and that the high rate of growth of the world's population, and the pressures of the market, have a significant impact on resources and biodiversity. He noted that with current technologies, agriculture can

be both high-performing and responsible, but unfortunately, agro-biodiversity is being put in jeopardy by the pressures of trade requirements. According to the FAO, the problem is not a question of productivity, but rather of access to food, with hunger and malnutrition caused mainly by poverty. He quoted the agricultural engineer, Marcel Mazoyer who said that the production levels and production costs of the various agricultures around the world have never been so unequal as they are today and that "...by placing the products of these so dissimilar agricultures in direct competition with each other that, since the 1950's, development has been curtailed, resulting in the impoverishment, and even the ruin and exodus, of tens of thousands of small farmers". He noted that World Food Day indicates that, in spite of the progress made towards the Millennium Development Goals, the war against hunger is far from won. Mr. Groleau explained that the responsibility of feeding the population of a country falls upon its government, and that environmental and natural resources must be considered at the global level and initiatives must be collaborative and coordinated. When farmers of the world are put in competition with each other, the ecosystems are exposed to this competition and this puts biodiversity at risk. He then made reference to the " Zero Hunger Challenge" launched by the UN Secretary-General in June 2012. Its objectives include: access to sufficient food, the implementation of sustainable agrifood systems, increased productivity and income for small agricultural producers, and the reduction of food waste. He noted that Canada, as an example, has not yet reached its full potential for agricultural production, but to do so farmers must have access to farmland and receive a decent income for their labours. The FAO considers it essential to support local agriculture in order to protect foodstuffs from price volatility, and it believes that the best way to do this is by the presence of strong professional agricultural organizations that can support farmers in their adoption of new technologies, in the development of markets, and in the pooling of supply in order to meet demand. He noted that the Union des producteurs agricoles has worked with African farmer organizations and has demonstrated that it is possible to improve the living conditions of farmers by supporting their organizations. These types of agricultural organizations facilitate knowledge transfer and promote the adoption of efficient and sustainable farming practices, such as crop rotation, reduced tillage, land drainage, the rational use of fertilizers and pesticides, watercourse improvements, etc. He noted that farmers around the world must also deal with the climatic and agronomic constraints that are specific to each country, but that can create very unequal advantages between producers. In addition, there are other considerations such as economic levels and cultural, political and social differences, and environmental and food safety standards. Therefore, the reciprocity of norms between trading countries becomes very important for ensuring the development of the local agriculture and the protection of biodiversity. He highlighted the effort to define how businesses, governments and other stakeholders can contribute to maintaining the balance between the increasing demand for food and the preservation of healthy ecosystems. He concluded by noting that he would advocate for the adoption of trade policies that favour both fair trade and the development of local agriculture, as well as the establishment of strong agricultural organizations to help combat poverty.

## **Discussion**

This panel generated a fairly active although short discussion (due to time constraints). The following represents the questions and comments during this period:

- How can food waste be managed?
  - One panelist noted that it depends where the waste food comes from (i.e. residential, supermarket (retail), restaurants). Depending on the source, there is little that can be done by individuals. There is also a lot of food lost at the beginning of the process (harvests, separation of the grain) through to delivery to at point of retail or the home. This is a big issue but there are ways to address this problem. Another panelist noted

that nobody manages the whole process, but he concurred that there is a lot that can be done to reduce waste in the value chain. Another speaker stated that the food supply is not well managed, producers do not take responsibility further up the chain. It was noted that this occurs because producers have government insurance or subsidies (sustaining their output), otherwise the current system would not be viable. There are countries and sectors that manage production to ensure a balance between supply and demand is maintained, but this is not happening in the food sector.

- There are a wide variety of issues with regard to agriculture and its impacts, but who is ultimately responsible for managing these issues?
  - It was acknowledged by one of the panelists that there are many opportunities, issues and challenges, but that is not the focus of most businesses. But they noted that just feeding the world is not enough, businesses and other stakeholders need to have a wider view and consider all the social aspects related to this problem.
- Is sustainability pre or post-competitive with regards to agriculture. How is the primary producer supposed to survive in such an environment?
  - It was noted that as a small farmer, it is very difficult to stay competitive, and market niches need to be developed. As an example of the challenge, the average farm in Quebec has about: 60 cows, whereas the average in California is closer to 1500 cows. Without public support, it would be almost impossible for smaller farms to survive.

## **Panel on Extractive Industries**

Resource extraction involves any activity that withdraws resources from nature. Extractive industries, along with agriculture, form the basis of the primary sectors of the economy. Extraction produces raw materials which are then processed to add value. Examples of extractive industries include hunting and trapping, mining, oil and gas, and forestry. Natural resources can add substantially to a country's wealth, however a sudden boom can create problems both socially and environmentally. The demand for both minerals and energy has increased in the early part of this century due to growing economies and population. The International Energy Agency's World Energy Outlook 2009 projects that, under a 'business-as-usual scenario', global energy demand will increase by 40% between 2007 and 2030, reaching 16.8 billion tonnes of oil equivalent, with fossil fuels continuing to dominate the energy mix. It is estimated that the demand for minerals will increase by approximately 60% in 2050. Compared to other businesses, the direct impacts of mining and the oil and gas sector on biodiversity are generally quite localized. They may however be significant in terms of the quality of the habitat impacted since they may affect sensitive and pristine environments previously inaccessible to humans.

This panel examined some of the current practices in the various extractive industries and how these sectors are dealing with their ecological footprints. The discussion also considered how best this vital sector can meet the needs of the modern world while minimizing its impacts, both through sustainable corporate practices and the use of policy tools.

### **Keynote Speaker**

**Mr. Dennis Wilson** (Mr. Wilson is the Director of Environment and CSR at New Gold (Canada). He is also part of the Mining Association of Canada's Implementation Committee "Towards Sustainable Mining")

Mr. Wilson began his talk by providing a brief introduction to New Gold. The company operates mines in British Columbia (Canada), California (US), Mexico, and Australia and has other

projects in both British Columbia and Ontario (Canada). He noted that sustainability is a core value at New Gold and that the British Columbia management team is implementing key parts of the sustainable mining initiative of both the Mining Association of Canada and the Mining Association of British Columbia. He noted that understanding the biodiversity of a given site is crucial to being able to evaluate the success or limitation of site environmental management plans, overall environmental performance, reclamation programs, and ecosystem functionality and sustainability. He emphasized the importance of all stakeholders working together to achieve these goals. He noted several examples of site and biodiversity restoration projects, including: protection of the Kultarr (a bird species in Australia); reforestation programmes in Mexico; protection of certain reptile species in California; and restoration of the New Afton Copper-Gold Mine, which had previously been a heavily degraded site. He noted that the funding provided by New Gold, in cooperation with other stakeholders, has had good measurable effects on biodiversity in previously damaged areas.

### **Panelists**

**Mr. Armand MacKenzie** (Mr. MacKenzie is the Senior Director of Government and Stakeholders Relations at Tata Steel Minerals Canada)

Mr. MacKenzie began by giving an overview of the TATA group and TATA Steel, which is one of India's largest steel companies. TATA Steel, which started in Canada in 2012, has operations in Quebec and Labrador, with products being shipped to Europe. Mr. MacKenzie outlined the TATA philosophy, which is inclusive and stakeholder focused. He noted that the company is committed to cooperate with local communities, including with respect to environmental capacity building, jobs, health, etc. He noted that consideration of biodiversity is key to many aspects of the decision making processes. This is done by TATA recognizing and respecting the special relationship of local indigenous communities to the environment affected by a project. TATA seeks to avoid development and exploration activities in sensitive areas and implements measures to mitigate both primary and secondary impact of projects. This includes preserving and investing in opportunities to improve the status of local wildlife. It also involves protecting sacred land and getting agreement and approval from local communities for projects. Mr. MacKenzie also noted that TATA takes a site specific approach to its projects which includes some of the following considerations:

- Recognizing the importance of implementing the COP decisions based on article 8j by incorporating the Akwé Kon Voluntary Guidelines into planning;
- Ongoing consultation process with the Canadian indigenous community;
- Making sure the operations are respectful to the environment and local population;
- Protecting and enhancing the caribou herd through the "Caribou Ungava Program" (in cooperation with Laval University); and
- Working with local groups, and using their knowledge in the planning and implementation process.

**Mr. Luc Robitaille** (Mr. Robitaille is the Corporate Director Environment of Holcim (Canada) Inc. and the Chair of the Canadian Business and Biodiversity Council. He has also been the chair of the Environmental Committee of the Cement Association of Canada since 2006)

Mr. Robitaille began by asking why biodiversity matters in a corporate context. He noted that industry has a big role to play in biodiversity conservation, particularly vis-à-vis the extractives industries. He also noted that concrete is essential to society's shift to a green economy as it

can minimize ecological footprints due the lower energy requirements for concrete building versus those made of wood. He also mentioned Holcim's footprint, which is global in scope including a number of sites in Canada. In trying to reduce its environmental impact, Holcim tries where possible to recycle aggregates as a replacement for natural stones. They are also trying to change the view of the industry, and he noted that a well-managed quarry generally results in improved biodiversity compared to its previous land use. Holcim achieves these results through a partnership with IUCN which has developed an integrated biodiversity management system. All sites are classified according to biodiversity importance and potential impact, and interventions are adjusted to take into account of local biodiversity needs. He concluded by citing a couple of examples including the Ripon Quarry in the UK (ecosystem evaluation and restoration) and SERA in Quebec (Bank Swallow nesting installation in an active quarry zone).

**Mr. Chris Fordham** (Mr. Fordham is the Manager for Sustainability Strategy at Suncor Energy Inc. He is also part of the Sustainability group at Suncor Energy and is currently involved in the oil sands monitoring program and the Canadian Oil Sands Innovation Alliance)

Mr. Fordham began by noting that Suncor is the largest energy company in Canada and heavily involved in mining due to the oil sands. They follow two strategies for sustainability at their sites, land reclamation (which is a regulation) and land protection (which is voluntary). With regard to land reclamation, the company is required to reclaim disturbed lands such that they are in a condition equivalent to their previous status. As an example of this, he cited Suncor's activities at "Pond 1" in Fort McMurray. This site started operations in 1967 and was completed in 1991. In order to reclaim the land, Suncor tried a number of strategies including planting grass and trees (but these were destroyed by mice) and other similarly unsuccessful ideas. More recently, they have taken a more integrative approach introducing target species of flora and fauna and various innovative schemes, which have had greater success. With respect to land protection, in 2003, Suncor started to work with the Alberta conservation association and formed the boreal habitat conservation initiative to conserve ecologically significant areas of Alberta's boreal forest. The company has invested \$4 million, with the result that significant areas of natural boreal forest have been protected. It was indicated that the initiative has created 29 conservation sites in Alberta, with the partnership with the provincial government to last at least until 2016. He did note the importance of ongoing monitoring of projects as protecting land can have (sometimes unforeseen) consequences for the local population and the economy.

**Mr. Chris McDonell** (Mr. McDonell is a Registered Professional Forester employed by Tembec, a large diversified Canadian forest products company, in the role of Manager of Aboriginal and Environmental Relations)

Mr. McDonell began his presentation by introducing Tembec, a forest products company operating Canada-wide since 1973. The company produces a wide range of pulp and paper products, including a special cellulose for the pharmaceutical industry. He noted that in Canada forests can be covered under different ownership schemes, including tenure on public land, crown license, and the traditional lands of aboriginal people. He explained that Tembec has certification for forestry in the central area of Canada, and that the company incorporates biodiversity into forest sector decision making. In sourcing wood fibre, the company takes into account legality assurance, chains of custody, aspects of forest management (i.e. regulations and certification) and enters into environmental partnerships as appropriate (i.e. the Canadian Boreal Forest Agreement and Carbon neutral Commitment). Mr. McDonell also noted the move towards implementation of an ecosystem-based approach to forest management. He also

mentioned the importance of partnerships for managing shared resources. He concluded by commenting on some challenges to this type of management scheme, including legislative issues, corporate practices and the complexity of forest conservation and land management with so many stakeholders involved. He noted the importance of developing workable models to address these issues.

## **Discussion**

This panel generated a fairly extensive discussion amongst both the panelists and with the audience. The following represents the questions and comments during this part of the session:

- Life span of gold mine?
  - New Gold noted that it depends on a lot of factors related to the site and other circumstances.
- Can voluntary programmes and incentives drive sustainable mining?
  - Legal requirements are paramount, but this can be complemented by voluntary actions, they are not in contradiction.
- Why is traditional use important in site restoration?
  - Traditional (i.e. culturally significant) plants can be important elements in the plans to restoring a site. Partners on the ground (i.e. local communities) can be very helpful in this regard.
- How is the closure of a site handled?
  - New Gold again responded noting that it can be a long process and does involve keeping relations with the regulators (government) and other stakeholders.
- Has there been talk with investors on increasing green funds?
  - Holcim noted that green funds are a part of their budget, but increasing these funds could have further benefits.
- What is the rate of reclamation projects over various sites?
  - Suncor explained that it had mined some 21000 ha and had reclaimed 1500 ha, with more to be done by 2020. Holcim noted that it depends on the type of site under consideration.
- How is long-term sustainability managed after the companies have completed their operations and “walk away”?
  - Holcim noted that they have a reserve every year to ensure that the project will be continued in perpetuity. New gold said that it depends on the liability conditions surrounding the project. TATA noted that regulations need to be aligned and made clearer on this point. It is key to secure agreements with the local community including on long-term management.
- A question was raised about mitigation hierarchy and how to implement it in different circumstances. There had been a focus on habitat restoration to nature, but less about the impact of mitigation.
  - It was noted that there are documents available (the SERA guidelines) which addressed this issue. Another panelist noted that if there are areas that should be avoided, the project will be designed to respect nature, and not damage the sensitive areas. There are also areas that are off-limits due to regulations.
- It was noted that in some countries with extensive mining operations (i.e. Peru) mining companies are devastating nature and hurting biodiversity. The speaker felt that the paradigm of sustainability for this industry requires more work.
  - It was noted that this is a difficult question to answer, particularly as the companies are supplying an important commodity (i.e. gold in Peru). It is hard to find right balance to be able to resolve. Another panelist gave a different perspective in that he noted that

tropical forestry is experiencing similar chain of custody issues. For example, IKEA needs to know the source of the timber for its products. This has helped lead to EU trade regulations which require traceability capacity, and this has, by creating a level playing field, helped the company in maintaining its good practices.

- A final speaker noted that while these are good examples, they are somewhat rare. How can more companies be encouraged to follow these good practices?
  - Holcim noted that all of their documents are public, and they are happy to share information on best practices. Another panelist echoed this, saying that by raising standards in dealing with indigenous groups, they will get better at dealing with other companies, thus raising the bar for everyone.

## **Panel on Retail & Consumer Goods**

Today's consumers are increasingly demanding products that are more efficient, last longer, and are more environmentally friendly. The retail sector sells a great variety of products made from a wide range of materials that are often sourced from countries other than where they are sold. Retail markets are also dependent on large supply chains that are often dependent on ecosystem services but can also have significant biological impacts at the local and global level. Retail outlets can have direct impacts on the environment from conversion and degradation of land as a result of development for distribution and storage. The emerging trend for sustainable products is creating new opportunities for both products and processes, and biodiversity can provide inspiration for new and novel materials and designs.

The primary objective of this panel discussion was to examine the way that different categories of items can be both dependent, and have impacts, on biodiversity and ecological systems. The panel also examined how retailers and distributors can affect these impacts based upon the choices they make with regard to product selection, placement and advertising, and ultimately how this impacts on the choices of consumers. The session discussed ways in which retailers and producers can work together to minimize their impacts, as well as how policy decisions can help to influence these endeavours.

## **Keynote Speaker**

**Mr. David Smith** (Mr. Smith is a globally recognized leader in business sustainability with blue chip companies. He is currently acting as an advisor to the Canadian Business and Biodiversity Council)

Mr. Smith began his presentation by noting that most retailers have the vast majority of their environmental footprint coming from goods that are sourced from their supply chains, and this can be close to 100% for biodiversity impacts. He noted that for most part retailers don't have the knowledge of where their products come from and what kind of impacts they might have, resulting in a lack of control and transparency in the supply chain. He then addressed two different aspects of the equation, that of the consumers and the role of the retailers. From the consumer side, he explained the following:

- The demand for sustainable products is still quite latent because it is too complicated for consumers to understand, and they often don't appreciate the need to pay a premium for sustainable goods.
- This attitude is often misread by businesses as apathy. Businesses cannot wait for consumers to drive this and need to use their leadership to activate sustainable mass consumer consumption.

- The eco-label model is too complicated for consumers (requiring knowledge of thousands of eco-labels in each and every retail category). There have to be better ways to address this. From the retailer's perspective, Mr. Smith noted the following:
- Retailers are misreading consumers silence as apathy and assume that "they are not going to pay for it".
- Retailers often don't know about externalities and impacts. If there is no valuation then there is no return on investment, no measurements system, and no transparency on what these impacts actually are. Thus, if one can't measure the impacts, then it is hard to manage them.
- Through the Canadian Business and Biodiversity Council there was a survey in Canada of businesses, including a segment for retailers. There was found to be very low engagement and awareness of biodiversity-related issues.

He then concluded this section by noting that if consumers don't understand the concept and won't lead, and if business also doesn't understand and act, there is a problem. He noted that there is a need to move from simply a reactive mindset to a more analytical approach. But this has to be done carefully, by deciding what elements need to be focused on, and then how to address them. A lot of this has to do with collaboration and working across the supply chain. It is important to understand how things are made, and what the business cases are for various products and production techniques. It is also important to know where things come from, which can be very challenging, as often the suppliers themselves don't know. He noted that a shared knowledge tool or database could be very useful in this regard. He concluded by emphasizing three key points:

- For biodiversity, like other sustainability aspects, the mantra needs to become "what gets measured gets done. It is important to scale up all the databases so that impacts across different ranges of products can be quickly evaluated.
- Businesses have to be proactive and get ahead of consumer demands, not just react to them.
- Radical (and real) collaboration within the supply chain and between competitors is necessary for improvement and verification in this area.

## **Panelists**

**Mr. Eduardo Escobedo** (Mr. Escobedo is the Executive Director of the Responsible Ecosystems Sourcing Platform (RESP). In this role he supports the fashion, cosmetics and jewellery industries in enhancing their impacts on the conservation of biodiversity through sound and effective sourcing practices)

Mr. Escobedo began by describing the Responsible Ecosystems Sourcing Platform which is a multi-stakeholder initiative with a mission to create net positive impacts by fostering business driven changes. The focus of the platform is on the sustainable use of biodiversity and national resources, while emphasizing the collaborative approach between different stakeholders and sectors. The platform concentrates on three specific sectors: cosmetics, fashion, and jewelry while trying to enhance the collaboration in four priority areas: wool fibres; reptile skins; natural ingredients; and coloured gemstones. He then began to address the topic of biodiversity impacts and dependencies vis-à-vis consumer goods. The first aspect that he discussed was the fact that there is a lack of understanding of the importance of biodiversity as a product is produced. It is necessary to understand how to integrate biodiversity management (e.g. agro forestry systems, collection methods, ecosystem valuations) and product management (such as product category rules, product environmental declarations, product scorecards, life cycle assessment) from the very outset of the product design and development phases. The second aspect of this topic involved reconciling the different methodologies and starting points from the

different communities, as well as filling in information and knowledge gaps. He noted that within the communities of biological management and valuation, there is a lot of talk about indicators, measurement tools, and data capture, which are some of the biggest challenges regarding biodiversity assessments. He felt that it is necessary for closer collaboration between the biodiversity community and business to address these challenges as there are many existing technologies that could enhance how biodiversity and ecosystems services data is collected and analyzed. In more appropriately integrating technologies in the development of measurement tools and data capture, traceability throughout the value chain could be ensured, which in turn would provide better visibility and information for all the actors of the value chain. He noted that there are already business logistic traceability technologies that can be applied to collecting relevant data on biodiversity, which may be preferable to only gathering data on ecosystems and species, that can be then used with regards to key decision making processes. He also noted the need for global databases (which RESP is working on) as one of the main challenges in the retail sector is that even when they do have direct access to data, most of it is either at a local or national level, and often not comparable. For companies that can have 500 different supply chains producing thousands of products, it is very difficult to take decisions on the corporate level when there is no readily comparable data. The final element that he addressed is how this is linked to the final consumer. A lot can be done about the production and transformation processes; however, especially regarding biodiversity, conservation is underpinned by sustainable consumption practices. It is therefore important to adequately understand and measure what sustainable production capacities are for different habitats and linking this to the overall market sustainability formula . He concluded by noting that what brings everything together is communication. It is essential to communicate the value of nature from the consumer's perspective and link this to the idea of a sustainable lifestyle. If there is no change on the consumption side, it is going to be very difficult to see positive changes in biodiversity conservation.

**Dr. David Hircock** (Dr. Hircock is the executive director of Corporate Sustainability and Global Innovation for Estee Lauder. He has worked extensively around the globe as a respected expert on issues related to human rights, conservation of biodiversity and culture)

Dr. Hircock opened his presentation by emphasizing the importance of rethinking the supply chain, and instead thinking of it as a supply circle. He noted that if the supply chain turns into a supply circle, it would follow five principles. He illustrated these by citing the example of the Aveda Holiday Program which used Nepalese handmade paper in some of its products:

- Performance product: The handmade paper has been used for hundreds of years in Nepal, it is a high quality paper (does not degrade easily) and in 2012, Aveda bought in total over one million sheets of this paper.
- Benefit community: This resulted in the empowerment of local women and increased benefit sharing in projects designed by the community.
- Support human rights: The program facilitated women's rights and equal gender access to education and also led the community to understand their rights and challenges in areas of high child/human trafficking.
- Preserve/enhance biodiversity: 16,350 hectares of Himalayan forest have been preserved since 2002. This was also the first FSC certification in the world for handmade paper. It also helped to protect certain endangered species (i.e. snow leopards) through wildlife friendly certification.
- Mitigate climate change: By avoiding deforestation major carbon dioxide releases have been avoided and watershed protection has significant benefits downstream.

He concluded his presentation by noting the following key points:

- Access to market: Companies need to buy the products, Aveda has bought over one million sheets from this community.
- Program implementation takes time: Establishing a programme can be a long-term prospect, in Aveda's case it took 12 years
- Diversify the local market: When buying from local indigenous communities, it is important to think about the future: what happens if the company leaves the community? Encouraging diversification of the local market can protect the community and also the integrity of the company if priorities change.
- Is the Nagoya protocol a barrier to market: The Protocol is very complicated and compliance with all aspects could be a challenge. The question is whether it will become too complicated and if this would then create additional obstacles for companies.

**Mr. Timothy A Bent** (Mr. Bent is the director of Environmental Affairs at Bridgestone Americas. Bridgestone Americas is the American subsidiary of Bridgestone; a global corporation headquartered in Japan, with one of the world's largest retail automotive services and tire sales)

Mr. Bent commenced by explaining retail market and the Bridgestone Americas Spent Tire Initiative. He noted the importance of sustainability across the entire supply chain, including:

- At the Source: Expansive geographic footprint with diversified sources of supply
- At the Manufacturing Facility: All Bridgestone manufacturing facilities are ISO 14000 certified, and two plants are also LEED certified.
- At the retail stores: Various aspects of sustainability
- During the life of the product: The product has its highest environmental footprint during use because of the energy required to move the tire
- End of Life: Theme of the presentation

He noted that Bridgestone retail operations aim to help consumers drive in a greener and cleaner manner by keeping vehicles and tires in good repair, thus reducing fuel use. He then moved on to the topic of recycling, which is key to their strategy. He noted that 100% of Bridgestone Retail Operations' (BSRO) spent tires find another beneficial purpose, surpassing the national average of around 85%. BSRO is also leading the way on non-lead wheel weights, which are now becoming an industry standard. For Bridgestone, sustainable biodiversity can be seen as the "sweet spot" of engagement and a good strategic "fit" enabling both competitive advantage and sustainability. Mr. Bent also discussed the spent tire initiative (which was begun in 2012) that sets a waste-free vision for the future of the tire industry. The program has been designed to assure that for every new tire the company sells in the US, one spent tire is sent to another valuable purpose. He noted that scrap tires are one of the most important and visible issues for this industry. The general perception is that "tires are poster child of trash", but in reality, 85% of used tires are recycled. He then drew a link between biodiversity in streams and scrap tires. He explained that rivers such as the Duck in middle Tennessee are important to environmental health and biodiversity. Linking the material issues of scrap tire management and biodiversity, the company has found a strategic fit for Retail/NGO/Community engagement. As part of the spent tire initiative, Bridgestone partners with The River Network and other NGOs and communities to recycle the tires they remove from the environment. So far 25,000 tires have been recovered. River cleanups help biodiversity in the area, while also helping engage community members to be more aware of biodiversity issues and act on them. He noted that this is but one example of a business trying to find a way to help communities with the issues around biodiversity.

**Mr. Rik Kutsch Lojenga** (Mr. Lojenga is the executive director of the Union for Ethical BioTrade, an association of companies that are committed to the ethical sourcing of biodiversity. Their commitment is externally verified using a standard called the BioTrade standard)

Mr. Lojenga began his talk by asking why member companies are interested in biodiversity. He noted three main reasons:

- Innovation: This involves R&D, looking into active ingredients and properties of products, and new product launches based on native biodiversity. This brings out the issue of ABS. The Nagoya Protocol is very important when discussing R&D and biodiversity.
- Sourcing: Companies work with various herbs, extracts, flavors, fragrances, colorants, and other products that are derived from a wide variety of ecosystems and are therefore directly dependent upon biodiversity.
- Corporate image/marketing purposes: These companies integrate biodiversity issues into the management systems (R&D, marketing, supply chains, etc.). They use a risk based approach, determining which suppliers have the biggest impact and incorporating biodiversity considerations.

Mr. Lojenga noted the examples of two large and innovative Brazilian companies, Nativa (a maker of organic products) and Natura (a large Brazilian cosmetics company) who have been able to position themselves globally in part based on biodiversity considerations. He noted that much innovation is coming from emerging markets and that this represents an ongoing trend where changes vis-à-vis will be driven by emerging economies. In looking at other sectors (i.e. agrifood) he noted that while there was agreement that biodiversity is important, it was still seen as a fuzzy concept with only half reporting specifically on biodiversity (although almost all of them reported on sustainability in general). Some other interesting findings that came out of interviews with different companies were as follows:

- There is an increasing interest in looking at sustainability for specialized ingredients beyond simply major commodities. In the next three to four years, companies will therefore need to increase levels of traceability and transparency with respect to this sourcing and its impact (and dependency) on biodiversity.
- The level of consumers' awareness of biodiversity. Various surveys have found that while a majority of consumers have heard of biodiversity, very few could actually define and understand it. He noted that one of the CBD Aichi targets for 2020 is increasing awareness of biodiversity. As this awareness grows, they may start asking questions to companies about their biodiversity policies and demanding greater levels of sustainability.
- Various studies have also demonstrated that companies do see natural ingredients and biodiversity are important issues. However, only about 40% had measures and/or formal policies regarding biodiversity in place. So while this is seen as important, a lot more needs to be done to fully incorporate biodiversity considerations into business planning.
- The issue of access and benefit-sharing (ABS), the adoption of the Nagoya Protocol, and the fact that many governments are revising their legislation in this area has caught the attention of many corporations, and causing them to examine it much more carefully across many different sectors.
- It was noted that if brands and retailers pay more attention to biodiversity, it could have a significant impact across their supply chains. He noted that this is a trend which is beginning and should be further encouraged. He also mentioned that retailers and brands could help raise awareness of this issue by communicating and educating consumers.
- Sustainability standards can be very useful, although it will be a major challenge to fully certify all products across a myriad number of supply chains. However, these types of standards do set good practices and are often developed through, and encourage, ongoing

stakeholder consultation.

He concluded by noting that in 2010 (the year of biodiversity) there were a number of specific campaigns (many championed by businesses), but this has been less prevalent during the subsequent decade of biodiversity. Raising the profile of this could have beneficial effects all-around.

## **Discussion**

This panel generated a fairly robust discussion, the highlights of which are as follows:

- From a retail and large manufacture perspective, is ABS creating barriers to smallholders participating in the supply chain as the ante is upped on requirements (i.e. certification, monitoring, data, capacity building)?
  - Several panelists noted that there are many potential barriers such as the funds needed for ongoing certification. Companies must anticipate this and be prepared to assist suppliers if required. This means that clear communication between stakeholders is essential. It was also pointed out that standards can help to define good practices and ensure clear communication between stakeholders. It was also noted that guidelines, as opposed to strict standards, could be helpful in ensuring full participation of suppliers as these can be less costly and better adapted to smaller companies and suppliers.
- It was noted that the discussion has focused more about companies and supply chains than about consumers. Therefore, as business models change (selling services as opposed to just goods) should consumers be integrated into these discussions?
  - Several panelists noted that many consumers are not interested in this discussion, so businesses abdicate responsibility saying they are not being asked to make the changes. A change in the attitudes of both consumers and businesses is therefore important to help move this forwards. It was also seen as important to concentrate on strategies to extend life cycle and recycle products as well as integrating biodiversity considerations into the supply chain.
- There is a lack of biodiversity specific measures and solutions when dealing with supply chains. Would offering biodiversity offsets for their suppliers be a potential solution?
  - One panelist noted that there is still a lack of basic understanding regarding supply chain impacts on biodiversity. The role of offsets would be part of that understanding. In order to manage their risks, companies need to have more action and accountability behind the stories they tell. Another panelist noted that “green-washing” is an ongoing concern, and that better targeted investments (with higher returns) would help the situation overall. It was also noted that most companies can’t understand their net impact by themselves. There has to be a partnership with communities that are fully engaged in these issues.
- It was pointed out that, in some cases, when there are strict regulations companies may just change their suppliers or vice-versa, but this may not solve the deeper problem. A critical mass of companies is needed to achieve a lasting impact on the various suppliers and overall market.
  - It was noted that the need for this is especially strong in developing countries, which may not have strong environmental requirements. Regulations that prohibit certain products into certain markets may just cause a shift by suppliers or the sourcing companies. Fundamental change is needed to address the deeper problem. Another panelist noted that the Natural Resources Stewardship Circle, where major cosmetic companies come together with stakeholders, is trying to achieve this sort of change.

## **Closing Remarks**

**Mr. Ravi Sharma** (Mr. Sharma is the Principal Officer of the Technical Support for Implementation unit at the Secretariat of the Convention on Biological Diversity)

Mr. Sharma began his closing remarks by highlighting some significant elements regarding the panel sessions on day one. In particular he noted the following:

- **ABS:** This is one of the major programs of the Convention, which led to the development of the Nagoya Protocol, which will hopefully enter into force in 2014 (for COP 12);
- **Safeguards:** This is a very sensitive point of discussion and it is good that the Convention has begun to examine this issue in more depth.
- **Supply Chain management:** Addressing issues related to business and biodiversity through supply chain management can be accomplished by ensuring that the concerns of larger companies are transmitted to those (particularly SMEs) lower down the chain.
- **Agrifood:** Agriculture is one of the most important sectors with regards to biodiversity conservation and the Secretariat needs to make efforts to continue this engagement.
- **Extractive industries:** There is a lot of good work being done in this sector with a number of interesting corporate examples that can offer inspiration and guidance to other firms.

Mr. Sharma also said that he had received some comments from business schools in attendance noting that the discussions at the meeting were way ahead of what is being taught, and that this represented an important opportunity for continuing to diffuse the message. However, he also noted that despite all the good work being reported, there is still a lot to be done, and that one vitally important challenge is to begin to scale-up the successes and ensure that the information and best practices reaches companies and sectors around the world. He concluded by expressing his satisfaction in the quality of the discussions and the mix of participants, and noting that this bodes very well for ongoing engagement and dialogue.

## **DAY 2 - Plenary Presentation**

**Mr. Gerard Bos** (Mr. Bos is the Head of the Global Business and Biodiversity Programme at the International Union for Conservation of Nature (IUCN). He is responsible for the implementation of IUCN's Business Engagement Strategy and serves as focal point for all business and biodiversity related matters at IUCN)

Mr. Bos began his presentation by describing IUCN and outlining its Programme for 2013-16. IUCN has 1,231 members worldwide from over 160 countries, including 89 States, 124 Government agencies and almost 1000 national and international NGOs. It also has over 60 Regional and National Committees. The programme for 2013-16 is composed of three parts: valuing and conserving biodiversity; effective and equitable governance of nature's use; and deploying nature-based solutions to climate, food and development. He noted that IUCN also has six Flagship Knowledge Products, including the Natural Resource Governance Framework (dealing with effectiveness, rights, equity and benefits) and Human Dependency on Nature (which values nature's contribution to people's livelihoods). He then described IUCN's engagement with business, which began in 2003 with the creation of the business and biodiversity programme. In 2005 a private sector strategy was developed, and a task force was created in 2008. IUCN has been active in the business programmes of the recent CBD COPs and at the 2012 IUCN World Congress a business engagement strategy was approved, with 2013 seeing the second IUCN Business Week. The business week highlighted the need to move out of respective comfort zones, viewing this as a transformational change. Various collaborative initiatives were also discussed including:

- Scaling up the Net Positive Impact (NPI) concept

- Operational guidelines in key biodiversity areas
- Landscape restoration
- Accounting for Natural capital

Mr. Bos then outlined some of the key lessons learnt during the past 10 years of IUCN's engagement with business such as:

- Incremental change is not enough, there is need to move to transformational change
- Business practice transformation has to include shaping regulatory frameworks with governments
- Need to leverage greater change by influencing across sectors and supply chains
- The most contentious issue is the impact of business on natural resource dependant livelihoods
- There is an urgent need to invest in nature based solutions and key biodiversity areas

He explained that the IUCN's business engagement strategy has one primary objective (the transformation of business practices to generate benefits for biodiversity and natural resource dependant livelihoods) and three main entry points. The first of these, mitigating direct impacts at the landscape level, involves the integration of biodiversity risk management measures in business operations, strengthening of biodiversity management practices across a range of sectors, and promoting awareness and value of Net Positive Impact and No Net Loss commitments. He also noted the wide range of users for the Integrated Biodiversity Assessment Tool (IBAT). For the second entry point, leveraging supply chains, he cited the example of the Aluminium Stewardship Initiative (ASI). This involves 14 companies from the aluminium value chain that have joined forces to foster greater sustainability and transparency throughout the aluminium industry from bauxite mining to the production of products to the reuse/recycling of these products. The final entry point, influencing public and financial policies, includes screening of investments against various safeguards (i.e. IFC, World Bank, Equator Banks), identification of critical habitat (i.e. custom version of IBAT for IFC), and the integration of (non) financial and technical risk factors in project finance decisions. He noted that in terms of scaling up IUCN's business engagement strategy, the following would be required:

- Leading businesses to pilot and promote best practice tools;
- Business groups to promote robust standards as benchmarks;
- Direct public and financial policy engagement to create a level playing field for progressive businesses.

He concluded by highlighting IUCN's expectations of the CBD and of the Global Partnership, including:

- The creation of a network of networks with a purpose (not just another B&B platform)
- That it links back to the core CBD Agenda: (i.e. Aichi targets, ABS protocol, etc)
- Alignment between global, regional and national biodiversity related efforts
- Encouragement of the missing actors to come to the table (i.e. negotiators, regulators and policy makers, SME's, and various under-represented sectors)
- Identification of the gaps and missing links in this area.

## **Concurrent Session #3**

### **Panel on Standards**

One of the most significant aspects of the growing engagement by the business sector in the area of biodiversity, and sustainability more generally, is the creation and propagation of various tools and mechanisms that can help industry comply with recognized benchmarks. Standards and certification schemes are of fundamental importance in this endeavour, as without them it is difficult to compare the environmental impacts (positive and negative) of a particular product,

process or policy. Many of these schemes, such as the International Finance Corporation's Performance Standard 6 (highlighted in the most recent COP decision) are internationally recognized, whereas others may be regional or national in scope, or even developed to fit the needs of a small subset of companies. Given the increasing level of interest in this field, there have been a plethora of standards developed, but this growing complexity can make the selection of an appropriate mechanism quite challenging. The Secretariat and the UNEP-World Conservation Monitoring Centre (WCMC), in conjunction with other partners, has been undertaking research in analysing some of the gaps and differences in terminology that exist between different standards and certifications in this area.

This panel examined various aspects of this issue, including the effectiveness of standards and certification schemes, practical experiences of implementation, and how to help resolve the issues surrounding the challenge in comparing and choosing amongst various schemes. The panel also considered the issue of best practices and how this might be encouraged by businesses and in policy decisions.

### **Keynote Speaker**

**Ms. Melissa Tolley** (Ms. Tolley is the Head of Business, Biodiversity and Ecosystem Services at the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC). She manages UNEP-WCMC's business engagement and oversees the Proteus Partnership – a collaboration with 15 of the largest companies within the extractives sector)

Ms. Tolley began her presentation by noting that standards are a set of requirements with which a business is required to comply, and against which it can be audited. They are also a tool to direct economic activities for improved social and environmental performance and a framework for biodiversity and ecosystem services management which can help to define, guide, assess and monitor company practice. She explained that there are different types of standards, broadly grouped into:

- Regulatory standards: governed by national and international laws
- Voluntary standards: (e.g. associated with financial institutions, individual companies or industries, product certification schemes)

She went on to note that the role of standards in promoting biodiversity management by business was recognised in COP 10 and 11 decisions (decisions X/21/3c and XI/7/4e) as well as the decision in 2012 that calls upon businesses to consider the revised 2012 IFC Performance Standards (decision XI/7/2). She then explained the study that WCMC (in conjunction with the CBD and other partners) undertook regarding a review of criteria within standards. The study was a review of biodiversity (and ecosystem services) requirements of standards and certification schemes covering 36 standards across 8 industry sectors. The study noted a great deal of variation between standards re: coverage of biodiversity, definitions used, and measures adopted for biodiversity protection and also observed that specific guidance on managing ecosystem services was rarely given. She noted the follow-up work (again in conjunction with the CBD and other partners) involving best policy guidance for the integration of biodiversity and ecosystem services in standards. This was an overview of key approaches to strengthen biodiversity and ecosystem services criteria in standards, considerations for the formulation of appropriate policy requirements, and guidance on addressing the pressures economic activity poses to biodiversity and ecosystem services. Ms. Tolley also highlighted another piece of work undertaken by UNEP-WCMC (an "A to Z guide") which aims to address the issue of consistency in terms and definitions across different standards. She then discussed the requirements for effective standards which include:

- Consistent and comprehensive policy reflecting effective practice
- Effective implementation by practitioners
- An enabling environment for implementation
- Monitoring of success and clear feedback to policy revision

In order to achieve effective implementation, detailed guidance is required to assist in interpretation of the standard. She also noted some of the challenges in the effective use of standards including:

- Inconsistency of terminology and approaches
- Multiple standards with different approaches and/or requirements
- Voluntary nature of standards – drivers for uptake
- Absence of an enabling environment at the national level
- Ensuring long-term implementation and success – identifying which safeguard measures provide discernible benefits for biodiversity

In particular, she highlighted that the lack of an enabling environment within national policies and legislation was a major hindrance to implementation and mentioned the following examples to demonstrate this:

- Lack of government frameworks to allow for biodiversity offsetting
- Regulations that do not permit management of HCV areas in plantation concessions

She noted that an enabling environment requires regulatory systems at the national level that allow for, and support, implementation of the biodiversity management practices within standards and promotes aligned and co-ordinated actions by the private sector and conservation practitioners. She highlighted that the CBD's role in working with national governments was a relevant and useful avenue to promote the need and options for developing enabling conditions within legislation and national regulations. She concluded by noting that while standards are a useful mechanism for guiding biodiversity management within the private sector, there is a need to ensure consistency in approaches and support effective implementation, and that the lack of an enabling environment at the national level is the key challenge to the success of standards in achieving on-ground biodiversity conservation.

## **Panelists**

**Ms. Lori Anna Conzo** (Ms. Conzo is an environmental specialist and biodiversity focal point in the Environment, Social and Governance Department of the International Finance Corporation (IFC) of the World Bank Group. Lori specializes in the development of mitigation and management strategies for biodiversity-related impacts for large-scale private sector developments worldwide)

Ms. Conzo focussed her presentation on discussions about the IFC Performance Standard 6 (PS6) which deals with biodiversity conservation and sustainable management of living natural resources. She noted that the objectives of PS6 are:

- to protect and conserve biodiversity;
- to maintain the benefits from ecosystem services; and
- to promote the sustainable management of living natural resources.

She noted that biodiversity offsets are referenced in this standard as a potential mitigation measure to obtain no net loss, where feasible, in natural habitats. There is also a reference to critical habitats, in which companies, as a general requirement, should respect a mitigation hierarchy vis-à-vis the protection and conservation of biodiversity. She noted that measurable conservation outcomes should be reasonably expected to result in no net loss and preferably a net gain of biodiversity. Net gain is required in critical habitats. This must be demonstrated “on-the-ground” and on an appropriate geographical scale. With regard to offsets, the design must

adhere to the “like-for-like or better” principle (“trading-up” in certain circumstances) and be carried out in alignment with the best available information and current practices. With respect to offsets in critical habitats, the client must demonstrate through an assessment that the project’s significant residual impacts on biodiversity will be adequately mitigated. She went on to observe the following with regard to the initial experiences of PS6:

- The main challenge involves the implementation and long-term management of offsets;
- Although long-term arguments are required by scientists to justify action, companies also require short term arguments to help make the business case;
- There is a need to coordinate efforts between the private and public sector.

She concluded with the following thoughts:

- Is it possible (technically and politically) to define a more standardized approach to the process of defining offsets
- Financial institutions, together with government and industry are part of a growing community of practice which is seeking ways to ultimately deliver conservation outcomes;
- New mechanisms are needed and innovation is essential;
- It is important to work collectively, share experience and seek solutions from various partners.

**Mr. Benoit Limoges** (Mr. Limoges is the Director of the Biodiversity and Ecosystem approach, of SNC-Lavalin Environment & Water. He also leads the International Center of Expertise on Biodiversity and Ecosystem Services (ICEBES) of SNC-Lavalin)

Mr. Limoges began by addressing the practical impact that the International Finance Corporation (IFC) performance standards can have and how both companies and the environment can see significant benefits when these tools are applied. He noted that globally, businesses that are more visionary are increasingly trying to apply IFC’s Sustainability Framework. He then centred in on Performance Standard 6 which applies to biodiversity conservation and sustainable management of living natural resources and recognizes that the preservation of biodiversity and ecosystem services, and the sustainable management of natural resources, are important components of sustainable development. He noted that clients of the IFC have to follow these standards to obtain financing, but other enterprises are deciding to follow them voluntarily. In PS-6, the mitigation strategy comprises offset measures that can be implemented only after the mitigation of impacts has been demonstrated. This standard aims at no net loss of biodiversity. He then noted that SNC-Lavalin Environment & Water is well-versed regarding the need to address the potential impact of projects located across the globe. SNC are internationally active in supporting efforts to assess and manage biodiversity through a variety of sustainable solutions. He listed some of the expertise that SNC’s programme (and others) can and should bring to the table, including:

- Inventory and assessment of habitats and monitoring of the different elements of biodiversity;
- Impact studies targeting biological systems and the ecosystem services important to local communities;
- Design and implementation of mitigation plans and offset measures aimed at achieving no net loss of ecosystem services or biodiversity, in compliance with International Finance Corporation Performance Standard 6 (PS-6);
- Support for conservation planning and management of protected areas;
- Quantification and monetary valuation of ecosystem services;
- Site redevelopment, re-vegetation and stabilization of banks and slopes through phyto-engineering;

- Restoration of damaged ecosystems such as wetlands, mine sites or contaminated sites;
- Design of ecological infrastructures like biological corridors, wildlife passages, sedimentation basins and green dependencies;
- Implementation of the ecosystem approach in water management and in adaptation to climate change;
- Management of urban biodiversity, wildlife interpretation, ecotourism and characterization of cultural diversity;
- Development of policies, strategies, laws and practices related to biodiversity conservation;
- Institutional support and capacity building;
- Assessment of the interdependence between corporations, biodiversity and ecosystem services, so as to identify corporate risks and business opportunities.

He concluded by noting a few examples of where this expertise has had concrete results, specially mining projects where the no net loss of biodiversity have been targeted through the help of various mitigation strategies, including offsetting.

**Mr. Andrew de Vries** (Mr. de Vries oversees Sustainable Forestry Initiative's (SFI) North American conservation program and engages First Nations and Metis groups in the development and use of the SFI standard. He also works with governments in Canada on forest management and conservation policies)

Mr. de Vries began his presentation by defining forest certification and what it can deliver. This is a voluntary process to manage forest lands and promote sustainable forest management through principles, criteria and objectives consistent with government processes around the world. This began in the 1990s in response to concerns about logging practices and forest conversion, especially in tropical regions, from consumers, industry and public authorities are looking for proof of legality and sustainability. This type of certification can deliver many results including:

- Social, economic and environmental representation in decision-making
- Avoidance of illegal timber
- Identification of special biological, cultural, heritage sites
- Management strategies to protect species at risk
- Management strategies to maintain wildlife habitat
- Sustainable harvest levels
- Prompt regeneration
- Third party accredited certification audits which are publicly available with corrective action clearly highlighted

He then discussed SFI, which is a third-party certification program which verifies that the requirements set out in the SFI 2010-2014 Standard have been met. SFI principles are consistent with the UNCED 1993 Montreal Process, guidelines published by ISO, and it is endorsed by PEFC. He noted that as the single largest forest certification standard in the world, SFI is committed to promoting responsible forestry and buying decisions in North America and the world with more than 2,500 organizations involved in the SFI program. SFI certified forests in North America is some 248 million acres, a 75% increase since 2007. The SFI standard is composed of 14 core principles with 20 objectives, 38 performance measures and 115 indicators. Biodiversity is specifically addressed through 1 Principle, 1 Objective, 2 Performance Measures and 10 indicators, but other elements of the standard help address biodiversity issues such as soil, water, forest health, special sites and research. He explained that principle 4 specifically discusses the conservation of biological diversity and objective 4 looks at the conservation of biological diversity including forests with exceptional conservation value. Within

this objective are several performance measurements that state that participants shall have programs to promote biological diversity at stand and landscape levels and shall apply knowledge gained through research, science, technology and field experience to manage wildlife habitat and contribute to the conservation of biological diversity. He concluded by noting that SFI has awarded more than \$1.32 million in conservation grants with a further \$4.8 million leveraged from partner contributions, which supports over 40 projects with 150 partners.

**Mr. Aran O'Carroll** (Mr. O'Carroll is the Executive Director of the Canadian Boreal Forest Agreement. He is responsible for providing program management support to all of the signatory organizations CBFA)

Mr. O'Carroll's presentation focussed on describing the Canadian Boreal Forest Agreement (CBFA) including its structure and key goals, the progress made to date, and lessons for standard-setting from the CBFA experience. He noted that the CBFA is an historic agreement between seven Canadian and International environmental organizations and the majority of the Canadian forest industry. It is designed to protect significant areas of Canada's Boreal Forest, protect threatened woodland caribou, and find a new prosperity for the forestry industry and the communities that rely on it. The CBFA involves reciprocal commitments:

- Participating forest companies have committed to implement, "the highest environmental standards of forest management," and;
- Participating conservation groups are committed to ensure "global recognition and support for forest company efforts"

He noted that despite some significant setbacks after three years, work continues across the agreement, with the first joint recommendations in Northeast Ontario before government. They are also moving ahead with land use planning in Alberta, Saskatchewan, Manitoba and Newfoundland. He explained that national-level science-based guidance work is proceeding and key pieces are in place. He noted that the CBFA represents a globally significant precedent for boreal forest conservation and forest sector competitiveness, and will help to ensure that Canada is recognized as a world leader in conservation and protection of boreal biodiversity and the preferred global source of supply of sustainable forest products. The agreement has six key goals which are all implemented in the context of active adaptive management:

- World-leading forest practices standards (Goal 1)
- Network of protected areas (Goal 2)
- Recovery of species at risk (Goal 3)
- Climate change (Goal 4)
- Forest sector and community prosperity (Goal 5)
- Recognition by the marketplace (Goal 6)

With respect to goal #1, this identifies and implements world-leading forest practices based on ecosystem-based management. It builds on the three major North American certification programs with the Forest Stewardship Council's stand and landscape-level planning and practices as acknowledged reference points. The CBFA structure includes a publicly-available text (outlining the architecture of the relationship); a third-party Secretariat program management providing coordination and facilitation; a commitment to independent science overseen by a Science Committee; implementation with governments, communities, First Nations and stakeholders; and independent auditing of progress that is reported to markets and the public. In terms of ongoing progress, Mr. O'Carroll noted that the joint secretariat has been established with 20 staff and contractors supporting signatories with coordination and facilitation services, and that the joint science committee has been assembled. He also noted that the decision-making structures are in place and staffed with 120 expert volunteers from across

Canada. The CBFA has put 29 million hectares of caribou habitat off limits to harvesting to allow space for planning efforts, which should result in jointly-produced, scientifically-based guidance for caribou action planning and protected areas planning at the national level. In addition, there are two new wildland parks in place in Northeast Alberta. There has also been the creation of the Boreal Business Forum, which is a collection of globally influential retailers/consumers of Canadian forest products in place. An independent assessor (KPMG LLP) has been selected and the CBFA is beginning to secure Aboriginal and Provincial government engagement.

### **Discussion**

The discussion and Q&A session following the presentations was quite lively, with a number of areas addressed by both the panelists and from the audience. Some of the key questions and comments were as follows:

- There was no mention about GRI, and it's one of the most accepted standards by businesses. And there is a biodiversity aspect in it.
  - It was noted that there is a difference between guidelines and certifications. GRI is a guideline, but the panel mostly concerned certifications.
- There was a question regarding how offsets of biodiversity can function?
  - One panelist noted that if offsets are to last, community engagement is required. An example of this was poaching, which can return to the offset area if not continually monitored. Another speaker said that this also applies to the forestry industry especially with regard to indigenous communities. He noted that they are pleased with the SFI standard, which requires protection of cultural and indigenous sites. Another panelist (responding to a related question) noted that in general, businesses find offsets very expensive, and to implement effective offsets is very difficult. In reality it is not often used.
- A comment was made regarding costs and benefits to the forest industry of certification. It was noted that a lot of the activity in certification improves market access.. Certification programs can also help to get rid of waste and inefficiencies within forestry operations indirectly meeting costs.

### **Panel on Sustainable Public Procurement**

Sustainable Public Procurement (SPP) is about ensuring that the products and services purchased by the government are as sustainable as possible, both in the sense of lowest possible environmental impact as well as in terms of producing the most positive social impacts. Through the re-design of its procurement policies and procedures, governments can see many multiplier benefits internally and across society as a whole, including efficiency gains, energy usage reductions, financial savings, improved access to services and better working conditions. Due to its significant impact on the economy, public sector procurement is a major contributor to industry growth and stability across a wide range of sectors, providing finances and contracts that can help drive markets for goods and services. By harnessing and strategically directing that public investment, governments can use their purchasing power as a long-term incentive to stimulate green investment, production and innovation across domestic and global value chains, thereby creating jobs, diversifying industry, and helping to prepare domestic enterprises to compete internationally on green and equitable products and services. There are a number of initiatives and studies underway examining the issue of SPP both at the national and sub-national levels. This includes traditional procurement as well as public-private partnerships (PPP) which are becoming increasingly popular. The CBD Secretariat has been working with the UNEP-Division of Technology, Industry and Economics (DTIE) and other partners in an

effort to better understand the role of biodiversity in SPP decisions, and how this can be strengthened in the future.

This panel discussed some of this work, where SPP policies currently stand, and where they may be headed. In addition, the panel examined how businesses can both benefit from these policies and perhaps help to influence them in the future.

### **Keynote Speaker**

**Ms. Maria Luisa del Rio Mispireta** (Ms. Mispireta is an Advisor in the office for the Strategic Development of Natural Resources in the Peruvian Ministry of Environment)

Ms. Mispireta began her presentation by noting the importance of biodiversity as a pillar of the global economy. She emphasized the importance of rethinking traditional models of economic growth in order to move towards a new economy. She noted that Peru is moving into this new stage with comparative global advantages, but also huge challenges, not least of which involves changing the vision of the public sector. She stated that government, as usual, is not enough, and we are aware of this. She then gave a brief overview of Peru, noting that it is one of the world's mega bio diverse countries. There is a wide variety of ecosystems, species diversity, and genetic resources all of which can contribute to creating employment. This is in line with government policies that are designed to increase the wellbeing of citizens and reduce poverty. She then discussed various measures and initiative from the Peruvian government's sustainable public procurement programmes, of which one is the business and biodiversity program (Biodiversidad y Empresas). The focus of this program is to promote "...innovative, efficient, competitive, socially responsible and environmentally friendly companies, capable of improving the quality of life and increase the welfare of society as a whole." She noted the importance of ensuring that these companies are supported by the public sector and promoted in the private sector. She further noted that in the Peruvian context, there are two key phrases related to sustainable public procurement: to lead by example and to strengthen confidence. These are used to demonstrate to the population and the private sector that the government is engaged in sustainable activities. She explained that in Peru there are two aspects at work: public expenditure, and public environment expenditure. While this framework would be helpful for mainstreaming biodiversity vis-à-vis economic, social and environmental criteria, the situation in Peru is that the economic criteria are stronger than environmental criteria. She also noted the functional classifier for environment, which deal with public investments in programs and subprograms in Peru. These include:

- The strategic development, conservation and sustainable use of natural heritage. This is a new program launched in 2012.
- The integrated management of environmental quality.

The share of public environment expenditure versus public expenditure is growing slowly due to regulations put in place that prioritize the building of infrastructure in Peru, instead of environmental conservation. The sustainable public procurement programme is engaged with the Ministry of Finance regarding several criteria (i.e. price/quality, procurement). Most of those criteria are still at an early stage of development. Ms. Mispireta outlined some green growth initiatives including the national public investment system green (which formulates projects related to ecosystems services and biodiversity) and environmental national accounting. This is at an early stage; formulating criteria and pilot projects in partnership with a variety of international organizations. There is also an eco-efficiency measure for the public sector involving additional provisions of the budget laws. She concluded by noting that there are challenges to implementing SPP, but the concept is being integrated into social programs and Peru is studying the experiences of other countries.

## **Panelists**

**Ms. Margaret Bailey** (Ms. Bailey is the lead policy analyst for green procurement at the Office of Greening Government Operations at Public Works and Government Services Canada. She supports the government-wide implementation of the Policy on Green Procurement and the green procurement targets in the Federal Sustainable Development Strategy)

Ms. Bailey's presentation focused on the green procurement policy of the Office of Greening Government Operations in the Government of Canada, how it is implemented and operated from a high level perspective, and some of their lessons learned. She noted that the objective of policy on green procurement, which came into effect in 2006, is to integrate environmental consideration into the procurement decision making process. The focus of the policy is on environmental issues and considerations, with other aspects of sustainability (i.e. social aspects) being handled by other organizations within the federal government. The policy is implemented within the context of value for money, where environmental impacts and environmental considerations are considered a value among many others. The emphasis is also on a life cycle approach to procurement, considering each step from sourcing material to product manufacture to disposal. This policy is to be implemented on a government-wide basis, leveraging existing processes to the extent possible. The types of activities that are undertaken include:

- Leveraging centralized purchasing strategies, plans and instruments (a mixed model is used as not everything is purchased centrally);
- Target setting through reports on plans and priorities;
- Monitoring and use of industry standards and eco-labels;
- Developing and sharing of information and tools

In practice she noted that this policy is meant to help reduce the amounts of material required as well as encouraging recycling and reuse as much as possible. She concluded by noting some of the lessons learned as this policy has been developed and implemented:

- It is a challenge to maintain competition while advancing sustainability, and yet maintaining competition is both a requirement of public procurement and provides incentive for the industry as a whole to improve;
- There is a need to balance environmental objectives with other procurement objectives;
- The high volume and variety of purchasing and people involved is managed through collaboration, engagement and prioritizing implementation activities according to spend, environmental impact and ease of implementation;
- It is helpful to maintain a separation between a centre of expertise responsible for the policy machinery and a partner organization responsible for operational implementation;
- The use of a principles-based approach that is phased in helps ensure that the most environmental benefit is achieved, that advances in technology are leveraged and that competition is maintained.

**Dr. Jean-Pierre Revéret** (Dr. Revéret is a professor in the department of Strategy and Corporate Social Responsibility at the University of Quebec in Montreal. He is also co-holder of the International Chair in Life Cycle Analysis at CIRAIQ, a leading research center in life cycle analysis (LCA), where he leads the development of social and socio-economic LCA)

Dr. Revéret focussed his presentation on the activities of the "Espace quebécois de concertation sur les pratiques d'approvisionnement responsable" (ECPAR). He notes that

EPCAR seeks to join forces with other organizations to increase positive impacts on sustainable procurement. It also provides services such as the development of skills through training, workshops and exchanges between leaders and experts, help with resource optimisation through the creation of tools and approaches that meet common needs, progress measurement and reporting, and research and innovation. He explained that EPCAR is a network representing more than 700 managers and procurement professionals, with a total volume of purchases of over \$25 billion. It involves 60 - 80 experts and practitioners involved in responsible procurement activities on a continuous and regular basis since 2008. In addition there are 16 members who are both partners and users, including a sectoral network, which defines, validates and implements the tools and approaches developed, and various stakeholder specialists from different dimensions of procurement that ensure rigor in the tools and approaches developed. Some of the tools and approaches developed by EPCAR since 2008 include:

- Responsible procurement specification sheets adapted to the Canadian context
- Total cost of ownership calculators
- Inventory and description of certifications for specific products and services
- Repertory of existing tools on the international market
- Best practice guides for suppliers
- Publication and evaluation of supplier data management platforms
- Planning and promotional tools for the social economy sector and collectively-owned enterprises.
- Methodology for integration of social issues into procurement policies
- Social life cycle assessment
- Publication and analysis of social, environmental and economic considerations in responsible purchasing
- Holistic training program, including practical exercises
- Repository of presentations of best practices
- Inventory of criteria and performance indicators

He further explained that the responsible procurement specification sheets created by EPCAR define the environmental and social requirements that should be taken into consideration in calls for tender. The contents are developed by experts and the environmental component is validated by a research center specializing in life cycle assessment. Each listing includes the offer of the social economy sector and collectively-owned enterprises.

**Mr. Philipp Tepper** (Mr. Tepper is a project co-ordinator for the sustainable procurement team at ICLEI – Local Governments for Sustainability. He is also the Procura+ Campaign Manager ([www.procuraplus.org](http://www.procuraplus.org))).

Mr. Tepper began by noting that local governments and initiatives with their buying power can be a handy tool for achieving the aims of biological diversity, and he noted the role of ICLEI and its programmes including Procura+, in working with these local authorities. He noted that sustainable procurement makes use of existing laws to conserve biodiversity. Furthermore, he mentioned that these efforts can send a strong signal to companies, and although something may cost more in the short-term, in the long-term it would achieve real economic benefits. Sustainable procurement can provide a boost to sustainable entrepreneurship, and it needs to be applied on a cradle to cradle basis (i.e. from initial sourcing of raw materials to production to disposal and back to reuse as new starting material). Mr. Tepper also noted the importance of understanding which certifications (of which there are many) are trustworthy and efficient. He concluded by explaining that sustainable procurement can help to green supply chains, assist in

properly valuing environmental impacts (emissions, natural capital, etc.) and drive innovation.

**Mr. Kiruben Naicker** (Mr. Naicker is the head of Biodiversity Planning at the National Department of Environmental Affairs in South Africa. He is responsible for mainstreaming Biodiversity imperatives into national, provincial and local planning processes as well as cross-sectorally)

Mr. Naicker discussed sustainable public procurement from a South African perspective. He noted several policies and programmes including the National Development Plan; the Public Finance Management Act (PFMA) and the Preferential Procurement Policy, in which the government gives historically disadvantaged people preferential consideration. He noted, however that this system is difficult to manage and can be open to fraud. Mr. Naicker explained that the idea of green procurement in South Africa is relatively new. Some of the barriers to full implementation include a lack of awareness regarding the issue, a lack of a clear legal mandate, and the premium costs of green solutions. In order to overcome these barriers, various types of support are required such as training, information databases, and cooperation with (and engagement of) various stakeholders. He sees a viable way forward as being the National Development Plan for 2012-2030. This would involve an overhaul of biodiversity and public procurement regulations and operations. However, there remain various challenges to implementation (some similar to those mentioned above) including limited capacity, a lack of effectiveness, the cost premium of green products and a lack of transparency which can result in companies abusing the system.

## **Discussion**

This topic had a fairly active discussion following the panel presentations. The following represents the questions and comments that arose during this session.

- Is there shift in emphasis between economics and environment, particularly given the current economic circumstances?
  - It was noted that this is a recurring question but one that is beginning to be addressed. There is an appreciation of the change in engagement with suppliers. It was also noted that environmentally conscious suppliers tend to be better business partners. It was also pointed out that those new to green procurement sense that items will cost more, but research indicates that the costs can be neutral or even positive.
- When it comes to offering better services, there is a price premium, but Quebec law (and other jurisdictions) must go for lowest bidder. What else can be done to differentiate a company that provides superior services?
  - It was noted that this is still a work in progress, with various studies on-going. It is always a challenge to compare companies and service to one another while being fair and competitive. It is important to build a program that will look for more innovative solutions. The current trend is to look more strategically and holistically, but it remains a challenge. Another panelist noted that the EU is about to pass a new law which will encourage sourcing based on a number of criteria, including environmental performance.
- How do you measure and assess real progress in procurement and the larger impacts it has on sustainability? What sorts of metrics can be used?
  - One panelist noted that it is difficult to assess direct impacts such as reductions in greenhouse gases, species or ecosystems protected, etc. It is necessary to recognize that green procurement is a part of the solution. One can look at how many purchases were undertaken using green procurement policies, and what criteria was used for

making those decisions. Another panelist suggested that it is better to note what is actually being undertaken as opposed to focusing on simply the end results. The issue needs to be looked at holistically, and not just from a narrow perspective (i.e. land use). An additional comment reflected the importance of clear data and definitions (i.e. what counts as “green”). There is also a certain pragmatism necessary in monitoring as government resources are often quite limited.

## **Panel on Engagement of Stakeholders**

Without doubt, the business sector is one of the most important stakeholder groups when one talks about sustainable development and the green economy. Engagement of the business sector is increasingly recognized as being an essential element in the successful implementation of the Convention on Biological Diversity and the fulfillment of the Aichi Biodiversity Targets. Businesses are very often at the “sharp end” of biodiversity impacts, as they are directly involved with extracting, growing, or otherwise producing and processing the items that modern economies depend upon. Even those companies whose business models are not directly dependent upon natural processes (ecosystem services) can have significant indirect impacts, either through financing, selling, or otherwise enabling influential activities of “front-line” industries. Businesses can also have a profound effect on the policies of their home states. One of the major challenges in engaging the business sector, however, is the sheer diversity of enterprises involved. Businesses can range from state-owned corporations to publically traded multi-nationals to family-owned micro-enterprises. Some firms are more responsive to environmental issues than others (and many have already taken important steps to “green” their products and processes), but the vast majority have yet to undertake this task in a meaningful way. Engaging Small and Medium sized Enterprises (SMEs), which form the bulk of the world’s businesses, can be particularly challenging. Unlike larger corporations, SMEs often lack the needed skills and resources to dedicate to this issue. As such, they will require considerably more information and support in their efforts to meaningfully address their impacts upon biodiversity.

This panel examined some the efforts that have been undertaken to date in engaging businesses and other stakeholders, particularly with reference to the Global Partnership and national initiatives. The objective of this panel was not merely to provide examples of initiatives, but to examine engagement strategies that have proven successful and investigate ways in which this can be furthered both through policy support and the encouragement of cooperation and synergies amongst various groups in this endeavour.

### **Keynote Speaker**

**Mr. Yoshiharu Tachibana** (Mr. Tachibana is an advisor to the Keidanren Committee on Nature Conservation. He attended the COP10 in Nagoya as a representative of Keidanren, the Business Association of Japan, and participated as a facilitator in the International Business & Ecosystems Dialogue, which was a forerunner of the Global Partnership for Business and Biodiversity)

Mr. Tachibana began by introducing the Keidanren Committee on Nature Conservation (KCNC), which, since its establishment in 1992, has donated approximately 3.1 billion yen to over 1000 projects. He noted the close and ongoing collaboration between the committee and IUCN, and he also mentioned the Global Partnership for Business and Biodiversity and the role of Japan/KCNC in the development of this project. He noted that the first meeting of the

Partnership took place in December 2011 in Tokyo. He indicated that a major challenge for KCNC is that of mainstreaming biodiversity awareness for companies. To that end, KCNC has published a guide for its members available in both Japanese and English. For KCNC, some of the key objectives with regard to mainstreaming include:

- Encouraging understanding of the Aichi Targets. He noted that only some Japanese companies are aware of the targets, and there are different levels of understating of them even amongst those firms;
- Ensuring that biodiversity is a key component of business planning;
- Utilizing biodiversity to help with poverty eradication and development

He noted that KCNC is interested in sharing their experiences to date regarding their activities with Japanese firms. With regard to project funding, this has often involved either identifying endangered species and taking actions and/or identifying local communities who need help in this area. One challenge for KCNC is regarding how much emphasis it should be placing on projects related to poverty alleviation while still maintaining a focus on biodiversity protection. They are still striving to find the right balance in this regard. Mr. Tachibana concluded by saying that analysis of the value chain of companies is important to help them understand their true impact and dependency on biodiversity, and that using the expertise of different partners (i.e. NGOs) is important to the development of more effective projects and tools.

## **Panelists**

**Ms. Sally Maria Ollech** (Ms. Ollech has been a Senior Project Manager at the 'Biodiversity in Good Company' Initiative since early 2012. In this position, she also has a coordinating role for the German platform "Enterprise Biological Diversity 2020", a network for business and nature conservancy organizations initiated by the German Environment Ministry, business federations and NGOs in March 2013)

Ms. Ollech began by explaining how Germany is engaging business in this area and how they are trying to reach Target 17. Several key milestones in this process have included:

- In 2007 a National Biodiversity Strategy and Action Plan (NBSAP) was developed in Germany
- In 2008 Germany launched a business and biodiversity initiative: The 'Biodiversity in Good Company' Initiative
- Since that time annual national forums on biological diversity and business dialogue forums have been implemented
- In 2013 a new platform for business associations and environmental NGOs was launched: Enterprise Biological Diversity 2020

The engagement of businesses in Germany uses a membership based approach which was initiated by the federal ministry. In 2011 the initiative was transformed into a company-driven association. Members sign and implement the Leadership Declaration, a commitment to integrate biodiversity aspects into the environmental management systems. The goal of the new platform is to engage the expertise and experience of existing organizations as well as encouraging dialogue between various stakeholders so as to exchange information and best practices. This broader approach was prepared by the Federal Environment Ministry and its partners in a one year strategic process starting in February 2012. With regards to specific actions, she noted that there are seven thematic fields of action. Stakeholders can make project proposals with the idea that this would be undertaken in partnership between different stakeholders. She concluded by noting that there are several examples of this type of collaboration being successfully undertaken in practice. Further information on this is available at: [www.biologischesvielfalt.de/ubi\\_2020.html](http://www.biologischesvielfalt.de/ubi_2020.html) (German only)

**Ms. Barbara Reuber** (Ms. Reuber is Vice President of Environment at Ontario Power Generation. She is also on the Board of the Wildlife Habitat Council, the Canadian Business and Biodiversity Council and a member of the Ontario Biodiversity Council)

Ms. Reuber began by discussing Ontario Power Generation's (OPG) approach and profile. She explained that OPG has 65 hydro-electric, 5 thermal, and 2 nuclear power plants which produce over 60% of Ontario's electricity. She then began discussing OPG's biodiversity program within its business model. She noted that there have been a number of changes in the organization over time with regard to this file. OPG looks at its sites with the intention of enhancing them as well as assessing which significant species are impacted. They also have a program of undertaking biodiversity initiatives to compensate for the residual impacts of OPG's operations. She noted that OPG takes an ecosystem based approach and tries to operate on both a site (local) and regional level. They also engage with various partners and stakeholders such as the science community (so as help maximize positive impacts) and First Nations communities (through Equity Partnerships utilizing their traditional knowledge). OPG does not operate internationally as its operations are entirely based in Ontario, but it follows the principles and practices as established at the provincial, federal, and international level. She noted a number of concrete activities undertaken by OPG including the Pickering fish net, the Mission Marsh conservation area near Thunder Bay, and support for the "Bring Back the Salmon" project to offset the impact of power plant operation on the lake ecosystem. In terms of business related partnerships, Ms. Reuber highlighted OPG's involvement with the Wildlife habitat Council (WHC), the Canadian Electricity Association (CEA), and the Canadian Business and Biodiversity Council. She concluded by noting the importance of an effective biodiversity (and larger environmental) strategy as well as the opportunities offered by partnerships with different stakeholders.

**Mr. Daan Wensing** (Mr. Wensing is the managing director of the Leaders for Nature network and head of all IUCN NL's business and biodiversity programmes. This includes the international expansion of Leaders for Nature, to India and other countries)

Mr. Wensing opened by emphasizing the importance of scaling up efforts to engage with the business community. He explained the situation in the Netherlands, noting the national committee with some 30 members across the Netherlands. Members work on issues involving biodiversity, ecosystem management, and engagement of the private sector. He noted that the Netherlands has had a huge impact on local ecosystems, with the result that there is relatively little biodiversity left. He also noted the importance of focussing on value chains in terms of engagement, and the need to engage "one on one" with businesses. He discussed the activities of the "Leadership Platform" which had positive effects. In 2005 they had begun to engage with the CEO of the Mackenzie network (who has a personal passion for nature) and then proceeded to organize meetings to elaborate this interest and examine how it could be mobilized to help build momentum for various biodiversity-friendly activities. In 2006 the platform encouraged various CEOs to write letters in economic journals to ask the government to do more to protect nature (19 CEOs signed the letter). He noted that the government was initially "not amused" by the publication of the letter, however after engaging with them for some time the relationship is now well on track. Currently, the platform has mobilized the middle management level and provides training as well as sharing knowledge and encouraging working together beyond competition. The national platform aims to scale these results up to the entire economy. A helpdesk has been established, which business can call for free (funded by government). In

addition, the platform holds an executive dinner every year, discussing “scaling up”. Mr. Wensing also noted that these platforms are cooperating with the European initiatives, and are also undertaking similar projects in India. Some examples of the activities of the platforms include information on Green infrastructure and valuation of natural capital. The platform continues to engage with the government to request further action on biodiversity and it is building a stronger network, encouraging planning and joint actions between companies which allows them to act pre-competitively. He noted that these activities are open to all companies, regardless of size, although full engagement remains an ongoing challenge.

**Ms. Wang Aihua** (Ms. Wang is the Project Officer of the Foreign Economic Cooperation Office of the Ministry of Environmental Protection (FECO/MEP) of China where she is responsible for International Cooperation Project Management and Implementation in the field of Biodiversity)

Ms. Wang opened by elaborating Chinese actions with regard to business engagement in biodiversity. At the government level, she notes that in June 2012, the premier called on central and local governments to strengthen their investment for biodiversity conservation and social responsibility. In addition, she mentioned that China had completed its NBSAP in September 2010 which included 10 priority areas and 30 actions. She also drew attention to the national 12th five plan, which had significant environmentally friendly elements. With regard to businesses, she noted that there have been over 1000 reports produced on this topic. In addition, various financial institutions are showing support for low carbon businesses and good supply chain management. Ms. Wang mentioned the international forum and workshop held on September 13, 2012 in Beijing focussing on biodiversity and green development. She also highlighted an initiative on business and biodiversity signed by four types of enterprises: state owned construction, timber companies, financial institutions, and private sector companies. The components of this initiative include:

- Dissemination of biodiversity-related concepts both within and outside the various firms
- Prioritizing ecological factors in business operations
- Actively participating in ecological activities of public interest

The initiative is undertaking various projects and research activities, including work on a new GEF 6 project. She concluded by noting that the work plan in the future would include: awareness raising; private-public dialogues; business based best-practices; research on mechanisms; and participation at various international workshops.

## **Discussion**

There were several questions and comments that arose in this discussion period. A summary of them is as follows:

- What are the relations between biodiversity and profit for business?
  - Personal motivation is a key driving force, but it must go beyond that, with all levels in a corporation being engaged in the effort
- From a risk management perspective, what strategy was used to get high level CEO engagement?
  - It is important to get a number of CEOs as leaders, who can then invite/motivate their peers, which would be the key to engage those who might not otherwise come on board.
- It is hard to get government to engage in many countries, what approach has been utilised to encourage voluntary participation and interaction?
  - In Japan, the vertical cooperation among government is very strong, so it flowed fairly naturally. Another panelist noted that it just requires time and ongoing engagement

efforts. Another participant noted that in South Africa, existing networks between government and business were utilized (although they were originally not necessarily focused) on biodiversity. From that starting point, further engagement can take place. This is better than starting from scratch.

- What is the best practise for engaging middle management in a company that may not have top level buy-in? What information do they need in order to minimise the personal and professional risk?
  - In the Netherlands, middle management is hard to push. The approach is to work with fresh graduates who are not (yet) worried about their careers. If one can approach from both ends (senior management and lower levels) this will help to drive the middle. Another panelist noted that when a company has gained experience, one can bring in peers and show success. If there is already a demonstrated success story, this will lessen career risks. Sharing information and best practices can be a good approach in this regard.

## **Closing Plenary**

**Mr. Ravi Sharma** (Mr. Sharma is the Principal Officer of the Technical Support for Implementation unit at the Secretariat of the Convention on Biological Diversity)

Mr. Sharma began his presentation by outlining the agreement on targets for resource mobilization that emerged from the discussions at COP. He noted that Parties adopted a set of financial targets designed to mobilize the necessary financial resources for the effective implementation of the Aichi Biodiversity Targets (*ref: decision XI/4/7*) which would double the total biodiversity-related international financial resource flows to developing countries by 2015. This commitment would also mean that by 2015 at least 75% of Parties would:

- Include biodiversity in their national priorities and have therefore made appropriate domestic financial provisions;
- Have (or be provided with) adequate financial resources to have reported on domestic biodiversity expenditures; and
- Have (or be provided with) adequate financial resources to have prepared national financial plans for biodiversity, and that 30% of those Parties would have assessed and/or evaluated the manifold values of biological diversity and its components.

He then explained that the High-Level Panel (HLP) on the Global Assessment of Resources for Implementing the Strategic Plan for Biodiversity 2011-2020 submitted its preliminary report to COP 11. The second phase of the HLP will build upon this report by:

- Assessing the direct and indirect benefits that result from the investments and policy reform for biodiversity conservation and sustainable use;
- Assessing the range of the costs of implementing the Aichi Targets; and
- Identifying opportunities to secure benefits most cost-effectively through actions in the biodiversity sector and across the economy as a whole.

He next discussed the reporting framework on biodiversity expenditure, noting that this seeks to ensure the fulfilment of the reporting obligation agreed by Parties under the pertinent biodiversity financial targets. The reporting framework includes guidance for recording expenditures related to biodiversity. He noted that about 45 Parties had submitted their reports and that the secretariat is organizing technical capacity building workshops in collaboration with UNDP and UNEP to ensure that at least 75% of Parties submit their reports by 2015. He then highlighted some of the other activities being conducted by the economic unit of the Secretariat including assessing and evaluating biodiversity values and addressing the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society. He concluded

by noting that the Secretariat is providing support to developing country Parties, in collaboration with the GEF and its implementing agencies, including through a Global NBSAP Workshop (which took place in November 2013) and that the second Dialogue Seminar on scaling up finance for biodiversity will be held in Quito, Ecuador in April 2014.

**Mr. Hem Pande** (Mr. Pande is the Additional Secretary at the Ministry of Environment and Forests in the Government of India (which is the CBD COP 11 President). As the National Focal Point to the CBD, he was responsible for the successful hosting of the Eleventh Conference of the Parties to the CBD during October, 2012 in Hyderabad, India)

Mr. Pande began by asking why are business and biodiversity initiatives important? He noted that industry is an important stakeholder when it comes to biodiversity, but globally, it is, so far, the most difficult to engage. This Partnership is trying to help out with this issue. All businesses need to be aware that they are ultimately dependant on biodiversity and have direct and indirect impacts on it. He further noted that as seen in articles 10 and 16, and in many COP decisions adopted over the years, there are many aspects of the Convention that are directly relevant to business. He stated that businesses must become active partners in biodiversity conservation by incorporating biodiversity management in their operations. He reminded participants that the slogan for COP 11 in India was: Nature protects if she is protected. This also means that businesses benefit if nature is protected. He then described the activities in India, noting that the Ministry of Environment and Forests regulates many companies related to biodiversity and environment in the country. They also organized the Indian business and biodiversity initiative, with the first round table having been attended by many companies and international organizations. He explained that India has a fifth of the world's population, and is a mega-bio-diverse country (with almost 8% of the world's biodiversity), which puts a lot of pressure on the living natural resources. The question is how industry fits in to this picture. He highlighted a new law requiring that 2% of the company's profit must go to CSR purposes. He said that this would be a good initiative for other Parties to copy. He concluded by noting that this law will have an impact on a company's sustainable use of biodiversity, and that this, as well as initiatives such as Access and Benefits Sharing will help to ensure a greater level of awareness and increased mainstreaming of biodiversity concerns by business.

**Dr. Braulio Ferreira de Souza Dias** (Dr. Dias is the Executive Secretary of the Secretariat for the Convention on Biological Diversity. Prior to being named head of the CBD Secretariat in 2011, Dr. Dias had over three decades of experience in biodiversity science and policy and its implementation at national and international levels)

As concluding remarks for the meeting, Dr. Dias noted that the CBD is a platform designed to engage government and different stakeholder groups, and that the CBD began to actively engage the business sector in 2008. Although much has been accomplished since that time, the Convention is aware that there is still much to do, and is consequently always looking for good ideas and inputs from the business sector, and other relevant stakeholders. He also noted the Aichi targets are an important framework upon which to base ongoing efforts, which he summed up as "implementation, implementation and implementation". He concluded by re-emphasizing the importance of enhancing partnership so as to mobilize stakeholders and sectors to help continue to move this issue forwards.