

# Secretariat of the Convention on Biological Diversity



#### **MESSAGE**

#### from

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## EXECUTIVE SECRETARY OF THE CONVENTION ON BIOLOGICAL DIVERSITY

to the

#### BUSINESS AND BIODIVERSITY CONSERVATION SEMINAR

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#### Ladies and Gentlemen,

I come here this morning with two very simple messages. First, the business implications of biodiversity loss are becoming ever more evident every day. Biodiversity loss can no longer be considered as simply an environmental issue—a societal concern that can be addressed by writing a cheque to a local conservation organization. I think—and, more to the point, businesses increasingly think—that it is more appropriate to frame biodiversity as an issue that has a profound influence on brand value, sustainability of supply chains, access to markets, and so forth. Biodiversity, in other words, is also a strategic business issue that needs to be understood and managed.

Secondly, the Canadian business community has a unique opportunity to take ownership and drive the growing business and biodiversity agenda. For this reason, I am delighted that the Secretariat of the Convention on Biological Diversity, which is based in Montreal, has been closely associated with the organization of this seminar. I hope that today's discussions will allow us to determine practical actions for Canadian business over the course of the next two years, that is, that Canadian business can be seen as a major player in efforts to achieve the target of substantially reducing the rate of biodiversity loss by 2010.

"Business and biodiversity" may seem like an odd association. However, when the 2005 Millennium Ecosystem Assessment highlighted that two thirds of the ecosystems it analysed were degraded or being used unsustainably, it also stressed that this had tangible implications for business. In terms of risks, continued degradation of ecosystem services means that companies have to pay to access services that were hitherto, in a sense, "free of charge". A second type of risk includes the fact that expectations from regulators, consumers, but also companies up and down the supply chain, will also change. Opportunities therefore exist for companies able to respond to the demand for sustainably produced products. The emergence of entirely new "biodiversity markets" may also provide additional opportunities.

Let me touch upon how Governments have addressed business and biodiversity, in light of recent developments under the Convention on Biological Diversity.

I think it is important to stress that the Convention itself has always recognized the critical role of business. Business is referred to in the Convention text, as well in many decisions adopted over the years. Many programmes of work as well as various tools developed under the Convention are directly relevant to business.

A real breakthrough, however, was achieved two years ago. At their eighth meeting, held in Curitiba, Brazil, in March 2006, the Parties to the Convention adopted their first decision focusing exclusively on the engagement of the business community in the implementation of the three objectives of the Convention: conservation of biodiversity; sustainable use of its components; and fair and equitable sharing of the benefits from the use of genetic resources. This sent a strong and unambiguous message: the Convention will not be implemented without the full and effective engagement of the business community. In adopting this decision, Parties called for the engagement of business in the drafting and implementation of national biodiversity strategies and action plans; the participation of business at meetings under the Convention; the articulation of the business case for biodiversity; and the compilation and development of tools to help companies better align policies and practices with the objectives of the Convention.

As a follow up to the Curitiba meeting, the Government of Portugal included the theme of "business and biodiversity" as a priority of its presidency of the European Union, as witnessed by the organization of a High-Level Conference in Lisbon in November 2007. Subsequently, the European Commission issued a call for tender to establish a business and biodiversity platform. Germany established a Business and Biodiversity Initiative to mobilize business for the recently concluded ninth meeting of the Conference of the Parties and to report back on concrete actions of member companies at the tenth meeting, to be held in 2010. Japan has revised its national biodiversity strategy to include a much stronger angle on business engagement.

Since the Curitiba meeting, the business and biodiversity agenda has received a further thrust when it was integrated into critical policy forums, including the biodiversity agenda of the Triple Presidency of the European Union – Germany, Portugal and Slovenia at the end of 2006 and the Potsdam Initiative of the G8+5 in March 2007. The Kobe Call for Action for Biodiversity, adopted by the Environment Ministers of the G8 at their meeting from 24 to 26 May 2008, also includes a strong emphasis on business engagement.

Recalling that one of the wake-up calls for business in the climate change arena was the report produced by Sir Nicholas Stern on the economics of climate change, the Potsdam Initiative includes a similar study for biodiversity. This work is currently ongoing, under the able leadership of Pavan Sukhdev of Deutsche Bank. I am delighted to report that preliminary results were provided at the ninth meeting of the Conference of the Parties, which took place in Bonn from 19 to 30 May.

The Secretariat has taken the implementation of the Curitiba message very seriously and, over the last two years, has greatly extended its outreach to companies, business associations and business schools. Among other initiatives, the Secretariat launched its *Business 2010* newsletter to provide a forum for the engagement of the business community as major stakeholders for the successful implementation of the three objectives of the Convention. Immediately after Curitiba, I decided to appoint a full time staff member to work as a business liaison officer.

A few weeks ago, the importance of engaging business was further reiterated at the ninth meeting of the Conference of the Parties. The final decision adopted by the Parties highlights a number of priority areas, including the integration of biodiversity in investment decisions and the development of capacity building in developing countries. The high-level segment of the meeting, which saw the participation of over 100 ministers, including Prime Minister Harper, included a whole session on business and biodiversity.

More generally, the Bonn meeting of the Conference of the Parties saw the adoption of a number of landmark decisions. Let me highlight two which are of particular relevance to business.

First, delegates agreed on a firm process toward the establishment of international rules on access to genetic resources and the equitable sharing of benefits from their use (the third objective of the Convention). The meeting produced a plan for the negotiations that not only sets out a clear roadmap leading up to 2010, but also provides a shortlist of options as to what elements should be legally binding and which are not.

Secondly, the Parties also examined the difficult issue of biofuels. While countries agreed that the sustainable production and use of biofuels could have many positive contributions, its success depended on the methods of production, the feedstocks and the agricultural practices involved. They called for the development of sound policy frameworks on biofuels under the Convention drawing upon the existing tools that have already been developed.

In many ways, business and biodiversity came centre-stage at the Bonn meeting. In addition to the substantive elements which I have just mentioned, the meeting saw the highest ever participation of business delegates, representing a wide range of sectors, including agribusiness, aviation, construction, pharmaceuticals, and the financial services sector. A wide range of business-related side-events and activities were organized by Parties, companies, business associations, United Nations agencies and non-governmental organizations. A number of these are featured on our website, as webcasts. Progress on a number of tools and issues were presented, including biodiversity offsets, biofuels, technologies inspired from biological mimicry, frameworks to analyse company dependencies on biodiversity, and biodiversity benchmarks in the food and beverage sectors.

Japan, as the next host of the Conference of the Parties, has already signalled its keen interest in seeing the business and biodiversity agenda flourish. I had the opportunity of visiting Japan in February 2007 and was able to witness this first hand. I will be returning to Japan in a few days and will be speaking to business leaders there. Preparations for the tenth meeting of the Conference of the Parties are well and truly under way and at the Bonn meeting, there was a very strong delegation from business, led by the Japanese business association Keidanren. I have no doubt that COP-10 will see an even stronger participation of business.

I see a number of unresolved challenges for the business and biodiversity agenda. One challenge resides, clearly, in the fact that the business and biodiversity community often speak a "different language". A second is the fact that most of the business and biodiversity tools have been developed for larger companies – most of these will be inadequate for the world of small and medium-sized enterprises. A third is to ensure that this agenda also incorporates the experience and needs of developing countries. The Secretariat will be addressing some of these issues in the months to come by continuing the compilation of evidence of the "business case" for biodiversity; the compilation of good practice guidance; encouraging business schools to develop case-studies and the drafting of a guide to the Convention for business. I believe that the Canadian business community has a role to play in all of these aspects.

Finally, let me indicate that there is no shortage of "gloom and doom" figures with respect to biodiversity. Yet, when analysing the biodiversity challenge from a business perspective, I believe it is healthy to maintain a positive outlook. To borrow from Professor Forest Reinhardt of the Harvard Business School, "Most executives owe their success to optimism and opportunism (...). In most areas, successful managers search for opportunity in adversity, treating complex new problems as chances to separate their firms from competitors that are less well managed. Business problems stemming from the environment demand no less."

I hope that leading Canadian businesses, by addressing biodiversity head-on, can clearly position themselves ahead of their competitors.

Thank you for your kind attention.