



CONVENTION ON BIOLOGICAL DIVERSITY

Distr.
GENERAL

UNEP/CBD/COP/8/25/Add.1
23 January 2006

ORIGINAL: ENGLISH

CONFERENCE OF THE PARTIES TO THE
CONVENTION ON BIOLOGICAL DIVERSITY

Eighth meeting

Curitiba, Brazil, 20-31 March 2006

Item 24 of the provisional agenda*

COOPERATION WITH OTHER CONVENTIONS, ORGANIZATIONS AND INITIATIVES AND ENGAGEMENT OF STAKEHOLDERS, INCLUDING OPTIONS FOR A GLOBAL PARTNERSHIP

Addendum

ENGAGEMENT OF THE PRIVATE SECTOR

Note by the Executive Secretary

I. INTRODUCTION

1. Objective 4.4 of the Strategic Plan of the Convention on Biological Diversity states that “key actors and stakeholders, including the private sector, are engaged in partnership to implement the Convention and are integrating biodiversity concerns into their relevant sectoral and cross-sectoral plans, programmes, and policies”. This objective acknowledges the important role the private sector, particularly those industries that are based on or heavily impact biodiversity and its components, could play in the implementation of the objectives of the Convention.

2. The potential benefit of engaging the private sector in the implementation of the Convention has long been recognized. Article 10 (e) of the Convention commits Parties to encouraging cooperation between government authorities and the private sector in developing methods for sustainable use of biological resources. In decision III/6, the Conference of the Parties requested the Secretariat to explore possibilities for encouraging the private sector to support the objectives of the Convention, and, in decision IV/12, it requested the Secretariat to examine the constraints to, opportunities for, and implications of private sector support for the implementation of the Convention. Furthermore, in decision V/11, the Conference of the Parties resolved that the involvement of the private sector should be included, as appropriate, on its meeting agenda and integrated into the sectoral and thematic items under its programme of work. In decision VI/16, the Executive Secretary, in collaboration with the Global Environment Facility, was requested to explore opportunities for developing a global initiative on

* UNEP/CBD/COP/8/1.

banking, business and biodiversity. In addition, numerous decisions on specific mechanisms and issues, including technology transfer, sustainable use, agricultural and forest biodiversity, incentive measures and the clearing-house mechanism, refer explicitly to enhancing private sector engagement.

3. Despite this background, and although most Convention processes permit private-sector participation, private-sector involvement in meetings of the Conference of the Parties, its subsidiary bodies, and the work of the Convention has been limited. Neither the Convention nor business has actively or consistently engaged one another at the global level, while engagement at the national level has varied widely across Parties. Cross-sectoral implementation remains one of the greatest challenges of the Convention and is becoming increasingly important as biodiversity continues to be lost.

4. The private sector as a whole is arguably the least involved in the implementation of the objectives of the Convention of all major biodiversity stakeholders yet, the daily activities of business and industry have significant impacts on biodiversity. Encouraging companies to avoid, minimize, and mitigate their negative impacts on biodiversity, share relevant expertise, information and technologies with the public sector, and promote good practice more broadly would make a significant contribution to the 2010 target. Furthermore, strengthening private sector engagement in the implementation of the Convention would help to mainstream biodiversity and raise the profile of the Convention in government and amongst the public. It would also help to ensure that the outputs of the Convention (principles, guidelines, tools, etc.) were viable and well-utilized ^{1/}.

5. Thus, with 2010 quickly approaching, there is an urgent need to engage the private sector, among other stakeholders, in both the implementation of the objectives of the Convention and the Convention process. This need was recognized by the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention (WGRI), ^{2/} which made a number of recommendations on ways and means of strengthening such engagement ^{3/} (see section III below for a more detailed discussion on the outcomes of the WGRI). This recognition has come at a time when companies and industry associations are increasingly acknowledging the importance of biodiversity and its components to their productivity and sustainability. Some companies, for example, have developed an interest in engaging with biodiversity-related issues in order to maintain their reputation, as well as their competitive advantage through access to: land, sea and other natural resources; legal and social rights to operate; capital and insurance; and new 'green' markets. ^{4/}

6. In order to explore the opportunities for, and the potential benefits and risks of, cooperation with the private sector, ^{5/} the Executive Secretary, the Department for Environment, Food and Rural Affairs of the United Kingdom (DEFRA), the Brazilian Ministry of Environment (MMA), the World Conservation Union (IUCN), the Brazilian Business Council for Sustainable Development (CEBDS), and Insight Investment co-sponsored the Business and the 2010 Biodiversity Challenge meeting in London (20-21 January 2005). The small scoping meeting brought together individuals from business, civil society, Governments and local and indigenous communities to develop ideas, which could best be pursued through the Convention or in support of its objectives, for engaging business in biodiversity issues, as a means of working towards the 2010 target. In order to focus discussion, the meeting primarily addressed

^{1/} See document UNEP/CBD/WG-RI/1/8 for a detailed discussion on the rationale for engaging the private sector.

^{2/} The WGRI met in Montreal, Canada, from 5 to 9 September 2005.

^{3/} See WGRI recommendation 1/7 in document UNEP/CBD/COP/8/4.

^{4/} See document UNEP/CBD/WG-RI/1/8 for a detailed discussion on the business case for biodiversity and examples of existing business and biodiversity initiatives.

^{5/} See document UNEP/CBD/WG-RI/1/8 for a list of risks of, and opportunities for engaging the private sector.

engaging industries with a direct footprint on biodiversity and those that impact biodiversity through their supply chains. ^{6/}

7. In recommendation 1/7, the Working Group on Review of Implementation of the Convention noted the outcomes of the London meeting and welcomed the hosting of a second meeting to further develop the outcomes of the first meeting, and to explore new ideas for engaging business in the implementation of the Convention by expanding participation and addressing two additional groups of industries: industries dealing with issues related to access and benefit-sharing (ABS) and the financial services sector. The second Business and the 2010 Biodiversity Challenge meeting was held in São Paulo, Brazil, from 3 to 5 November 2005. ^{7/} The outcomes of both meetings are discussed in more detail in section II below.

8. During the high level segment of the eighth meeting of the Conference of the Parties, business leaders will join Ministers and other relevant stakeholder in a series of roundtable discussions on biodiversity-related issues. Business leaders and Ministers will have a more focussed discussion on how business and industry can contribute to the 2010 target during a business and biodiversity breakfast on the margins of the high level segment. The results of both the roundtable discussions and the breakfast will be made available to the Conference of the Parties.

9. Drawing on the outcomes of the Business and the 2010 Biodiversity Challenge meetings, as well as the recommendations of the Working Group on Review of Implementation of the Convention, this note provides a brief background to the draft decision on private sector engagement for consideration by the Conference of the Parties at its eighth meeting. Section II outlines the outcomes of the two Business and the 2010 Biodiversity Challenge meetings and section III summarizes the outcomes of the Working Group on Review of Implementation and outlines the draft decision on private sector engagement in the implementation of the Convention presented in full at the end of this note. While the term private sector is used throughout the note, the discussion may also apply to other parts of business and industry, including state-owned companies.

II. OUTCOMES OF THE BUSINESS AND THE 2010 BIODIVERSITY CHALLENGE MEETINGS

10. The first Business and the 2010 Biodiversity Challenge meeting generated a number of ideas for strengthening private sector engagement in the implementation of the Convention. The second meeting built on the list of ideas by defining concrete proposals for action. The main outcomes of the two meetings are summarized below. ^{8/} They should not be seen as formal recommendations of meeting participants, but as a collection of generally agreed ideas for strengthening business engagement.

11. Participants in the meeting called on businesses of all sizes to: define biodiversity commitments in line with the goals and objectives of the Convention on Biological Diversity; operationalize and report on such commitments; and promote good practice more broadly, including through sharing information on biodiversity status and trends.

12. They noted that in order to promote good practice, there was a need to:

(a) Raise awareness about biodiversity, the Convention, and the business case for biodiversity by speaking to the business agenda (e.g. developing a business guide to the Convention or a pamphlet on the 2010 target);

^{6/} The outcomes of the meeting are available in the final report, document UNEP/CBD/B2010/1/3.

^{7/} The final report of the meeting is contained in an information document.

^{8/} The outcomes are discussed in more detail in the meeting reports UNEP/CBD/B2010/1/3 and in an information document for the meeting.

- (b) Ensure information on biodiversity status and trends is available to business; and
 - (c) Develop incentives for good biodiversity practice.
13. Participants also acknowledged the need to leverage existing, or develop new, tools for good practice by:
- (a) Improving the accessibility of good practice guidance to business (e.g., gathering good practice guidance and making it available through the clearing-house mechanism);
 - (b) Developing basic biodiversity criteria for business that can be integrated into company policies, good practice guidance and performance measures, and that reflects the full range of goals and objectives of the Convention, including those associated with access and benefit-sharing and indigenous and local communities;
 - (c) Developing, or integrating biodiversity into existing, good-practice guidance and certification schemes;
 - (d) Developing reliable measures of biodiversity value and impact for use at the enterprise scale;
 - (e) Exploring mechanisms for biodiversity offsets according to the following principles:
 - (i) Biodiversity offsets do not confer the right or provide the justification to proceed with projects that will have unacceptable impacts on biodiversity;
 - (ii) Biodiversity offsets should be considered only after prevention/mitigation measures have been exhausted; and
 - (iii) Biodiversity offsets should comply with national and international laws.
 - (f) Developing sector-specific biodiversity benchmarks, potentially by expanding the application of the benchmarks developed by Insight Investment; and
 - (g) Integrating biodiversity into disclosure mechanisms, voluntary reporting mechanisms, investment indices and other mechanisms for investment decisions, and other industry standards (e.g. SEC Standards 9/, ISO 14001 10/, FTSE4 Good 11/, Global Reporting Initiative 12/).
14. Participants identified the need to support existing good practice, in particular by exploring ways and means of supporting small and medium-sized enterprises based on environmentally sound goods and services.
15. Meeting participants suggested strengthening business engagement in the Convention process by encouraging business participation in intergovernmental meetings of the Convention (e.g. Conference of the Parties, Conference of the Parties serving as the meeting of the Parties to the Cartagena Protocol on

9/ SEC standards are enforceable standards set by the United States Securities and Exchange Commission to protect investors and maintain the integrity of the securities markets.

10/ ISO 14001 is an environmental management standard of the International Organization of Standards.

11/ FTSE4 Good Indices measure the performance of companies that meet globally recognized corporate responsibility standards. FTSE is an independent company that began as a joint venture between the *Financial Times* and the London Stock Exchange.

12/ The Global Reporting Initiative is a multi-stakeholder process and independent organization that develops globally applicable, voluntary sustainability reporting guidelines. It is an official collaborating centre of the United Nations Environment Programme and works in cooperation with the United Nations Global Compact.

Biosafety, SBSTTA, the Working Group on access and benefit-sharing, etc.) and in the implementation of programmes of work through, for example, consultation, peer-review, information-sharing, and participation in expert panels and liaison groups. They also suggested encouraging national focal points to: involve business representatives in the development and implementation of national biodiversity strategies and action plans (NBSAPs) and other biodiversity-related policies and programmes; include business representatives in national and regional preparatory processes for meetings of the Conference of the Parties and on national delegations to meetings of the Convention; and, where appropriate, to nominate business representatives for participation in ad hoc technical expert groups.

16. Finally, participants identified some key overarching issues that need to be addressed in order to strengthen business engagement of biodiversity-related issues. They emphasized the importance of engaging economic and social ministries, as well as stakeholders, in the implementation of the Convention (e.g. in the development and implementation of national biodiversity strategies and action plans) in order to ensure that biodiversity-related policies and messages are consistent across ministries and to further mainstream biodiversity. They also highlighted the need to strengthen environmental governance more broadly.

III. OUTCOMES OF THE WORKING GROUP ON REVIEW OF IMPLEMENTATION OF THE CONVENTION

17. In preparation for the Working Group on Review of Implementation of the Convention, the Executive Secretary, taking into account the outcomes of the first Business and the 2010 Biodiversity Challenge meeting, as well as other relevant material, prepared a note on private-sector engagement in the implementation of the Convention (UNEP/CBD/WG-RI/1/8). Upon consideration of the issue, the Working Group adopted recommendation 1/7 on private sector engagement, which outlines the rationale for engaging the private sector, welcomes the Business and the 2010 Biodiversity Challenge initiative and notes some of the tools and mechanisms that might help to facilitate both business engagement in, and cooperation among environmental and economic government agencies with regard to, the implementation of the Convention. The recommendation also identifies types of tools and guidance on which further work under the Convention could facilitate private-sector engagement in its implementation.

18. Recommendation 1/7 also contains a draft decision for the Conference of the Parties, in which it: encourages national focal points to take measures to engage the private sector in the implementation of the Convention and in the Convention process; requests the Executive Secretary to compile information on the business case for biodiversity and good biodiversity practice, and target the private sector through the Global Initiative on Communication, Education and Public Awareness; invites businesses and relevant organizations to develop and promote awareness materials and good practice guidance and tools; encourages businesses to align their policies with the goals and targets of the Convention and to participate in meetings of the Convention; invites the Expert Group on Technology Transfer to address the role of the private sector in achieving the three objectives of the Convention; and decides to consider further ways and means to promote business engagement in the implementation of the Convention at its ninth meeting.

19. Most of the outcomes of the first and second Business and the 2010 Biodiversity Challenge meetings are broadly reflected in the draft decision on private sector engagement; however, a few additional ideas emerged from the second meeting that the Conference of the Parties may wish to consider. These include the need to: (i) encourage companies to share information on biodiversity status and trends with relevant organizations and government agencies to contribute to improving biodiversity information, assessments and decision-making; (ii) identify ways and means of supporting small and medium-sized enterprises with environmentally sound products; (iii) explore ways and means of strengthening enforcement of the Convention; and (iv) implement Article 6(b) of the Convention on

integrating the conservation and sustainable use of biodiversity into relevant sectoral and cross-sectoral plans, programmes and policies. These issues are included at the end of the draft decision on private sector engagement as items that the Conference of the Parties may wish to consider.

IV. DRAFT DECISION

20. The following draft decision is adapted from recommendation 1/7 of the Working Group on Review of Implementation of the Convention. Paragraphs 1-5 of recommendation 1/7 (the recommendations of the Working Group preceding the draft decision) have been presented in preambular text for the sake of clarity. Paragraphs 6 and 7 of recommendation 1/7, welcoming the convening of a second Business and the 2010 Biodiversity Challenge meeting, have not been included as the meeting has already taken place. Instead, the report of the second meeting has been referenced in preambular paragraph 5 below (paragraph 2 of recommendation 1/7), which notes the report of the first meeting. No changes have been made to the text of the draft decision in WGRI recommendation 1/7 (paragraphs 1-9 below). Additional ideas emerging from the second Business and the 2010 Biodiversity Challenge meeting that the Conference of the Parties may wish to consider are included at the end of the draft decision (paragraph 21 below).

The Conference of the Parties,

Recalling decisions III/6, V/11 and VI/26 of the Conference of the Parties, in particular objective 4.4 of the Strategic Plan (“Key actors and stakeholders, including the private sector, are engaged in partnership to implement the Convention and are integrating biodiversity concerns into their relevant sectoral and cross-sectoral plans, programmes, and policies”),

Emphasizing the need to involve all stakeholders in the implementation of the Convention and the achievement of the 2010 target, while mindful also that responsibilities for implementation rest primarily with Parties,

Noting that there are multiple reasons for promoting the engagement of business and industry in the implementation of the Convention, including the following:

(a) The private sector is arguably the least engaged of all stakeholders in the implementation of the Convention, yet the daily activities of business and industry have major impacts on biodiversity. Encouraging business and industry to adopt and promote good practice could make a significant contribution towards the 2010 target and the objectives of the Convention;

(b) Individual companies and industry associations can be highly influential on Governments and public opinion; thus, they have the potential to raise the profile of biodiversity and of the Convention itself;

(c) The private sector possesses biodiversity-relevant knowledge and technological resources, as well as more general management, research and communication skills, which, if mobilized, could facilitate the implementation of the Convention;

Welcoming the initiative of the Ministry of the Environment of Brazil and the Department for Environment, Food and Rural Affairs of the United Kingdom, together with the World Conservation Union (IUCN), the Brazilian Business Council for Sustainable Development (CEBDS), Insight Investment and the Executive Secretary, to develop ideas, that could best be pursued through the Convention or in support of its objectives, for engaging business in biodiversity issues, as a means of working towards the 2010 target,

Noting the report of the first Business and the 2010 Biodiversity Challenge meeting (UNEP/CBD/WG-RI/1/INF/5) held in London on 20-21 January 2005, as well as the report of the second meeting held in São Paulo, Brazil, from 3-5 November 2005,

Noting that the following types of tools and mechanisms may be of use in facilitating contributions from business and industry towards the implementation of the Convention and its 2010 target:

- (a) Awareness-raising materials and training workshops on business and biodiversity issues for the private sector;
- (b) Guidance on the integration of biodiversity considerations into existing voluntary or mandatory reporting and performance standards, guidelines, and indices in order to mainstream biodiversity considerations into business practice;
- (c) Certification schemes reflecting the full range of biodiversity-related issues to facilitate consumer choice based on companies' biodiversity performance;
- (d) Internationally agreed standards on activities that impact biodiversity;
- (e) Guidance and tools to assist companies in implementing good practice with regard to biodiversity;
- (f) Biodiversity policies and action plans to define and operationalize companies' biodiversity commitments;
- (g) Biodiversity benchmarks to guide and assess companies' biodiversity management practices;
- (h) Guidelines for incorporating biodiversity-related issues into existing environmental impact assessment procedures and strategic impact assessment;
- (j) Partnerships to facilitate knowledge-sharing with regard to good practice;
- (k) Public-private partnerships;

Further noting that some of the tools and mechanisms enumerated above may also be of use in facilitating cooperation among government agencies that deal with biodiversity conservation and sustainable use and those that deal with economic development, in regard to implementation of the Convention and achievement of its 2010 target,

Noting that contributions from business and industry towards the implementation of the Convention and its 2010 target could be facilitated by further work under the Convention to develop:

- (a) Tools, guidance and standards on biodiversity-related issues relevant to the private sector;
- (b) Tools for assessing the value of biodiversity and ecosystem services, for their integration into decision-making;
- (c) Guidance for potential biodiversity offsets in line with the objectives of the Convention;
- (d) Guidance on integrating biodiversity into industry standards, certification schemes and guidelines;
- (e) A guide to the Convention for the private sector;
- (f) Guidance for Parties on how to engage the private sector, in accordance with national needs and circumstances;

1. *Urges* national focal points, working with relevant government departments, to communicate the importance of biodiversity to companies operating within the jurisdiction of Parties, including state-owned companies and small and medium enterprises, to engage such companies in the development of national biodiversity strategies and action plans, and to encourage such companies to adopt practices that support the implementation of national biodiversity strategies and action plans and the objectives of the Convention;
 2. *Encourages* national focal points, where appropriate, to include private sector representatives on national delegations to meetings of the Subsidiary Body on Scientific, Technical and Technological Advice, the Conference of the Parties, and other intergovernmental meetings, and nominate them to participate in technical expert groups;
 3. *Requests* the Executive Secretary to compile information on the business case for biodiversity and good biodiversity practice, and to make this information available through the clearing-house mechanism;
 4. *Further requests* the Executive Secretary to include the private sector as a target audience for its outreach materials and in the Global Initiative on Communication, Education and Public Awareness (CEPA);
 5. *Invites* businesses and relevant organizations and partnerships to develop and promote the business case for biodiversity, to develop and promote the wider use of good practice guidelines, benchmarks, certification schemes and reporting guidelines and standards, in particular performance standards in line with the 2010 indicators, and to prepare and communicate to the Conference of the Parties any voluntary commitments that will contribute to the 2010 target;
 6. *Invites* businesses to align their policies and practices more explicitly with the goals and targets of the Convention;
 7. *Encourages* business representatives to participate in the meetings of the Conference of the Parties, the Subsidiary Body on Scientific, Technical and Technological Advice, and other intergovernmental meetings;
 8. *Decides* to consider, at its ninth meeting, further ways and means to promote business engagement in the implementation of the Convention, with a particular emphasis on the Convention's role in facilitating such engagement;
 9. *Invites* the Expert Group on Technology Transfer (EGTT) to address the role of the private sector in achieving the three objectives of the Convention and to consider the relevance of the present recommendation for the work of the Expert Group, and to report thereon to the Conference of the Parties.
21. The Conference of the Parties may also wish to consider:
- (a) Welcoming ongoing and new initiatives to engage businesses in furthering the objectives of the Convention, including the dialogue between business leaders and Ministers involved in implementing the Convention;
 - (b) Inviting businesses and relevant organizations to share information on biodiversity status and trends;
 - (c) Noting that further work under the Convention on ways and means of supporting small and medium-sized enterprises with environmentally sound products would help to promote good biodiversity practice among business and industry;

(d) Requesting the Executive Secretary, in collaboration with other relevant conventions and international organizations, to explore ways and means of strengthening enforcement of the Convention;

(e) Encouraging Parties to prioritise the implementation of Article 6 (b) of the Convention.
