



CHINA BUSINESS AND BIODIVERSITY PARTNERSHIP

Progress Report for 2015

On December 26, 2014 the Ministry of Environmental Protection (MEP) formally ratified China joining the Global Partnership for Business and Biodiversity, and the Foreign Economic Cooperation Office (FECO) filled out the application form to fulfill the accession process on behalf of the MEP. This was approved in February 2015, making China the 19th member of the Global Partnership for Business and Biodiversity. FECO is responsible for the management and day-to-day operation of the partnership in China, and will see to the development of a sustainable mechanism and operational mode that meets the requirements of CBD and fits within the Chinese context. FECO will build on initiatives already in place, including the China Biodiversity Partnership and Framework for Action (CBPF) and the annual Forum of biodiversity and green development, as well as other pertinent work relating to CBD implementation.

On May 22, 2015, the Executive Secretary of the CBD Secretariat Mr. Dias came to Beijing and participated in the commemoration event for the "International Biological Diversity Day", reiterating the significance of China joining the Global Partnership and the hard work of the Chinese government pushing enterprises forward to engage with biodiversity. Mr. Dias also stated that the development of a mechanism and operation mode is a priority and should draw on international experiences, including lessons from other countries and continents.

The Workshop on Biodiversity and Green Development organized by FECO as a side meeting on the occasion of Guiyang Eco Forum on June 26, 2015 was a good opportunity to disseminate the message of CBD's Global Partnership on Business and Biodiversity and the news of China having joined the partnership. David Steuerman from the CBD Secretariat was invited to give a speech to over 100 participants introducing the global Initiative and the significance of China's participation.

Ms Li Pei, Deputy Director General of FECO led a delegation comprised of 6 delegates to participate in the CBD's 5th Forum on Business and Biodiversity in Helsinki, Finland, from Nov. 10-12. It was a good learning process to share experiences with representatives of other national and regional initiatives under the umbrellas of the Global Partnership.

Since May, the task of "Drawing on International Experience to carry out an in-depth research, into the Mechanism, Operational Mode and Sustainable Development of Chinese Enterprise Engaging in Biodiversity", following China's joining the CBD's "Global Partnership

for Business and Biodiversity” has been internally discussed and currently is being embarked on and in progress following formalities of international tendering process that was initiated.

Specifically, next steps are to:

- Look into the requirements of the CBD’s “Global Partnership for Business and Biodiversity”, on its national membership, in all relevant aspects;
- Interview with major organizations under the China Biodiversity Partnership and Framework for Action (CBPF), particularly those international agencies;
- Link and communicate with the other members and exchange on how they build mechanism, operationalize and maintain sustainability;
- Collect all useful data, information and facts on how the countries develop and run the mechanism, build institution, develop services and enroll partners, etc.
- Develop country specific case studies, in at least three continents, America, Europe and Asia;
- Draw on experience from other countries, draw up a comprehensive report to elaborate on and validate all aspects relating to mechanism development, operationalization and sustainability of the National Partnership capable of systematically pushing forward enterprises engaging in biodiversity in China, with a far-sighted and constructive recommendation preposition put forward in the report as well.

The national partnership aims to address an array of challenges related to “sustainability” from at least three dimensions, including organizational, technical and financial. Practices of member countries in Asia, Europe and America will be consulted to determine how China should build a mechanism which is practical and effective in operationalizing and meeting the requirement of CBD Global Partnership and fits within the Chinese context, with attention paid to the following dimensions:

Organizational

How the Chinese mechanism of a “partnership for business and biodiversity” should be appropriately built up, which will involve implementing software and hardware, establishing institutions such as a Council and Secretariat, developing management and operation processes, and enrolling members of business, local government, NGO, academia, etc.

Technological

How the Chinese mechanism of a “partnership for business and biodiversity” should be practically operationalized in a commercial fashion, in order to cater to various needs of members from the corporate sector, industry associations, various levels of government, NGOs and academia.

How a service system should be gradually built up to mobilize and integrate resources from cross-sectoral partners. The service system should also serve the MEP, National Committee on Biodiversity Conservation and other ministries where possible in policy development.

Financial

How the Chinese mechanism of a “partnership for business and biodiversity” should maintain financial sustainability, drawing on the experiences of other countries, within the Global Partnership framework and with advice of the CBPF partnership members. The following options are being considered:

- corporate members pay an annual fee
- Non-corporate members contribute in the form of technology, consultation, services or in-kind donations
- other benefits, revenues and earnings

In conclusion, the study should unfold the experience of other countries in running the national partnership, provide services to members, and provide insightful opinions on how China should tackle the same challenges in line with Chinese contexts and international expectations. Apart from the above consideration, the following implications should be taken into account when building up the mechanism of the national partnership.

Membership development

Chinese contexts need to be explored to determine the right path for the Chinese Partnership mechanism to run properly and enroll members mainly from the business community, industry associations and local government. The Partnership will target industries that create impacts on biodiversity, such as extractive, agriculture, wind brewing, traditional herbal medicine, cosmetics, etc., with attention paid to local governments that attach more importance to corporate social responsibility (CSR). In the eastern coastal area of China such as Shanghai, Jiangsu, Zhejiang provinces, there are a large number of export-oriented enterprises; therefore, local governments already have mandates to integrate biodiversity related indicators into their existing Monitoring and Evaluation System. These systems evaluate corporate performance on social and environmental aspects. In addition, local governments that wish to gain assistance to balance biodiversity conservation and economic development may be interested in joining the Partnership. Service providers, specialized NGOs and relevant research and academic institutions are also welcome to join the Partnership, since they can provide useful resources, technologies, consultation, information and knowledge products to build up and substantiate the “Service System” that the partnership has been working towards.

Service system development

When addressing the development and launch of the service system, the following dynamics, efforts and processes in China will be taken into account:

- A. Serve the MEP and National Committee on Biodiversity Conservation, in providing policy and decision making and carrying out pertinent work assigned by relevant government departments.
- B. Develop technical tools and training courseware and provide capacity building and awareness raising activities and campaigns to enterprises and industry associations, to support their efforts of integrating biodiversity into strategy and operations.
- C. Support the initiatives of industry association, business confederation, regulator department of government, etc. to integrate biodiversity into departmental or industrial planning process, such as sustainable development, circular production, climate change, CSR, etc., and support the development process of industry guidelines that incorporate biodiversity conservation, sustainable use and benefit sharing.
- D. Develop principles, criteria and indicators for businesses engaging in biodiversity that set voluntary standards; develop a logo to couple with standards for monitoring and evaluating performances of enterprises when practising biodiversity conservation; provide training to support enterprises adopt such standards.
- E. Provide consultation services to local governments to support their efforts to integrate biodiversity consideration into local M&E systems, economic development strategy, institutional reform, CSR strategy, and other incentive mechanism, at the local level, such as biodiversity adapting to climate change, green finance, sustainable procurement, etc.
- F. Develop market based Payment for Ecosystem Services (PES) methodology such as biodiversity offset, wetlands credit, etc. Support the launch of a transaction platform (based on such PES approaches) to facilitate transaction between enterprises and governments. Incorporate work into the existing Verified Emission Reduction system currently in place in China.
- G. Hold a Biodiversity and Green Development Forum annually on which dialogues amongst partners and stakeholders are open, with information dissemination, knowledge sharing, communication strengthening and consensus building. Good practices of business engaging in biodiversity will be distributed and an award for best practice is to be launched.
- H. Keep in touch with the other state members on the CBD's "Global Partnership for Business and Biodiversity" for effective communication, collaboration and exchange; provide support to the MEP's participation into the Global Forum on Business and Biodiversity held annually as organized by the CBD Secretariat.

Financial balance

On this dimension, opportunities will be explored within currently existing initiatives and processes of local governments, industry associations, and corporations at various levels in China, including CSR, sustainable procurement, green finance, ecological standards, pilot projects, etc. All these initiatives could bring in different types of resources needed for building up the Chinese national partnership and making it sustainable.



Helsinki CBD Forum on Business and Biodiversity, Nov. 11-12