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Item 8.2 of the provisional agenda*

ENGAGEMENT WITH BUSINESS

*Note by the Executive Secretary***

EXECUTIVE SUMMARY

The present note summarizes the activities that have been undertaken to date by both the Secretariat and partner organizations in fulfilling decision X/21, on business engagement, particularly paragraph 3 thereof, adopted by the Conference of the Parties at its tenth meeting. Section II (Encouraging the establishment of national and regional business and biodiversity initiatives) reflects the various efforts that have been made in facilitating the development of Global Partnership for Business and Biodiversity and its component parts in various countries. The section also reports on the first meeting of the Global Partnership. Sections III-VI (Compilation of information on existing tools that can facilitate the engagement of businesses; Analysis of the effectiveness of these tools, and making this compilation and analysis available; Encouraging the development and application of tools and mechanisms that can facilitate the engagement of businesses; Encouraging the monitoring of the effects of these tools and mechanisms; and Disseminate Tools and Examples of Best Practice for Encouraging the Participation of Business) primarily focus upon the efforts of the Secretariat to disseminate various tools and other mechanisms to the business community, and other interested stakeholders, through a variety of methods, including the newly developed Global Platform for Business and Biodiversity website and newsletters. In addition, these sections discuss the analytical work that has done by the Secretariat in conjunction with partners (most notably UNEP-WCMC) with regard to standards and certifications. Section VII (Encouraging businesses in communicating their biodiversity-relevant activities) relays the work being done in terms of outreach to the business community, including the distribution of case studies and engagement of businesses through workshops and other meetings.

Finally, Section VIII (Other business-related issues) explores issues not directly touched upon by decision X/21, including biotrade and some of the ongoing challenges related to engaging the business

* UNEP/CBD/WG-RI/4/1.

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community and having them mainstream the ideals and goals of the Convention and the Aichi Biodiversity Targets. The suggested recommendation for the consideration of the Conference of the Parties at its eleventh meeting set forth below builds upon and reinforces many of the elements that emanated from decision X/21, while also addressing certain gaps not yet addressed in previous decisions.

SUGGESTED RECOMMENDATIONS

The Ad Hoc Open-ended Working Group on Review of Implementation may wish to recommend that the Conference of the Parties adopts a decision along the following lines:

The Conference of the Parties,

Recalling decision X/2 which called upon businesses, amongst other stakeholders, to undertake actions which would lead to the successful implantation of the Strategic Plan and the Aichi Targets; and

Recalling decision X/44 which calls for the identification and elimination of perverse incentives that drive biodiversity loss while also establishing positive incentives that will enhance biodiversity-friendly activities;

Recalling also decision X/21, in which the Conference of the Parties called upon Governments and business to take specific steps to actively encourage greater private sector engagement with the Convention;

Recognizing, in particular, the importance of paragraph 1 of decision X/21, in which the Conference of the Parties called upon Governments to support “the establishment of national and regional business and biodiversity initiatives and to strive towards a global partnership on business and biodiversity by inviting ongoing initiatives and other interested stakeholders to be part of the business and biodiversity initiative...and to develop ongoing dialogue with the business community in relation to biodiversity considerations and activities”;

Understanding that the facilitation and development of these national and regional business and biodiversity initiatives can help businesses: to better understand biodiversity and the business case for its conservation; build capacity; share best practices; and help facilitate dialogue amongst all interested stakeholders, as well as situating biodiversity in the larger context of environmental sustainability;

Recalling decision X/21/3 which call upon the Executive Secretary to compile, analyse, and disseminate tools and other mechanisms through various means to businesses and other interested stakeholders;

Recalling the Jakarta Charter on Business and Biodiversity and its call to action for business;

Noting the Cha-am Declaration on Biodiversity which emanated from the Asia Regional Forum on Biodiversity, and which recognizes that nature is the foundation of life and that protecting nature is the joint task of business, government, academia, and other multi-stakeholders in society;

Welcoming the revised Keidanren Declaration of Biodiversity, Guide to Action Policy;

Appreciating the invaluable work of the various voluntary standards and certification bodies such as (*inter alia*) the Forest Stewardship Council, the Marine Stewardship Council, Fairtrade Labelling Organizations International, the Rainforest Alliance and LIFE institute;

Recognizing the importance of the revised International Finance Corporation's Performance Standard 6, which states that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development,

Appreciating the links between biodiversity and other aspects of environmental sustainability and the importance of emphasizing the synergies for business between the various Conventions,

Recognizing the importance of continuing to encourage and support businesses to embrace and act upon the overall goals of the Convention, to help them to understand and implement (where relevant) the Aichi Biodiversity Targets, and to help them understand how biodiversity fits into the overall environmental sustainability agenda,

1. *Calls upon* businesses to continue liaising with national Governments, civil society organizations, academia, and other relevant stakeholders, and formulating relevant targets for biodiversity conservation and sustainable use of ecosystem services, which align with the Strategic Plan and the Aichi Biodiversity Targets

2. *Invites* Parties to:

(a) To adopt biodiversity-friendly policies that can leverage market forces such as incorporating sustainability standards based on the revised (2012) IFC Performance Standard 6, and other credible voluntary standards, in government procurement policies and including biodiversity impacts within green product ratings where they exist;

(b) To adopt other biodiversity-friendly policies, such as, *inter alia*:

(i) Encouraging consideration of best practices for voluntary standards and certification schemes that will help incentivize the sustainable management of landscapes and seascapes, and will help companies (particularly small and medium-sized enterprises) assess and effectively address their impact upon biodiversity;

(ii) Encouraging, and assisting with (as appropriate), the establishment of monitoring and reporting frameworks to provide motivation for compliance with sustainability policies and standards backed by credible, independent, third-party verification;

3. *Encourages* businesses:

(a) To support their supply chains, and other relevant stakeholders, to report on progress made in mainstreaming the goals of the Convention and the Aichi Biodiversity Targets, including their biodiversity strategy, policies and action plans;

(b) Analyse the impacts, dependencies, opportunities and risks of individual sectors as they relate to biodiversity and ecosystem services;

(c) Adopt biodiversity friendly policies, including the use of voluntary standards and certification schemes, that incorporate biodiversity safeguards;

(d) Continue the dialogue with government on all relevant aspects of the national and international biodiversity agenda through the national business and biodiversity initiatives and other means, including on issues such as economic valuation and other relevant mechanisms such that the interests of the private sector are taken into account;

4. *Requests* the Executive Secretary:

(a) To continue to facilitate the dialogue among business, government and other relevant stakeholders through ongoing support of national, regional, and international business and biodiversity initiatives;

(b) To compile information on best practices in government procurement practices that incorporates Convention objectives and facilitate the engagement of businesses, governments and other stakeholders in adopting such practices through various means including the Global Platform for Business and Biodiversity website, themed newsletters and specific, targeted workshops; (also see UNEP/CBD/WG-RI/4/6);

(c) Continue to work with partners to further refine the analysis of the various tools and mechanisms and thereby help companies (including small and medium-sized enterprises) understand, assess and adopt cost effective, credible and impactful solutions;

(d) To help raise awareness by collaborating with appropriate national, regional and international partners, thus assisting businesses (including small and medium-sized enterprises) build capacity to fit biodiversity into the overall environmental-sustainability agenda.

I. INTRODUCTION

1. At its tenth meeting, held in Nagoya, Japan, in October 2010, the Conference of Parties adopted decision X/21, on business engagement, which built upon decisions IX/26, on promoting business engagement, and VIII/17, on private-sector engagement, adopted at its ninth and eighth meetings, respectively.

2. Specifically, in paragraph 3 of decision X/21, the Conference of the Parties called upon the Executive Secretary::

(a) To encourage the establishment of national and regional business and biodiversity initiatives by facilitating dialogue among Governments, business, and other stakeholders;

(b) To compile information on existing tools that can facilitate the engagement of businesses in integrating biodiversity concerns into corporate strategies and decision-making, to analyse the effectiveness of these tools in relevant economic sectors, and to make this compilation and analysis available;

(c) To encourage the development and application of tools and mechanisms that can facilitate the engagement of businesses in integrating biodiversity concerns into their work;

(d) To encourage the monitoring of the effects of these tools and mechanisms;

(e) To disseminate tools and examples of best practice for encouraging the participation of business; and

(f) To encourage businesses in communicating their biodiversity-relevant activities to their consumers, customers, and other stakeholders.

3. The decision also called upon Governments and the private sector to engage in dialogue through the establishment of a Global Platform. Other elements in the decision called upon governments to, *inter alia*, promote a public-policy environment enabling private-sector engagement and the mainstreaming of biodiversity into corporate strategies and decision-making; develop, and report on, national activities that promote and facilitate the mainstreaming of biodiversity by business; encourage involvement of businesses as stakeholders in any future revision and implementation of national biodiversity strategies and action plans; and adopt sustainability criteria for government purchases of products of biological resources. The private sector was requested to, *inter alia*, contribute to the implementation of the Convention as well as its Strategic Plan and to use these elements for defining concrete and measurable biodiversity targets for their operations; monitor and assess their impacts on biodiversity and ecosystem services, and to develop and apply processes and production methods that minimize or avoid negative impacts on biodiversity; share and adopt lessons learned between and among business and enterprises; participate in voluntary certification schemes; adopt and track commitments to support the achievement of the three objectives of the Convention through initiatives at both national and global levels; and report on biodiversity conservation and sustainable use of ecosystem services related activities.

4. Particularly with regard to the requests to the Executive Secretary, the decision hinges on three primary aspects: facilitation of dialogue between government, industry and other stakeholders; assessment, dissemination and monitoring of tools and mechanisms; and encouraging businesses to share their experiences. These elements also coincide with the majority of the points that are directed towards governments and business.

5. Sections II-VII below provide an update on the action taken in response to the paragraphs 3 (a)-(f) of decision X/21, while section VIII provides information on other business-related issues.

II. ENCOURAGING THE ESTABLISHMENT OF NATIONAL AND REGIONAL BUSINESS AND BIODIVERSITY INITIATIVES

6. For some time business has been encouraged to be a part of the wider discussion on mainstreaming biodiversity. Certain businesses that have been taking action in this area have played an important role in many important meetings regarding biodiversity and sustainability that have also involved governments. Building on the decisions coming out of the eighth and ninth meetings of the Conference of the Parties, four countries (Canada, France, Germany, and Japan) have created these initiatives and have seen them evolve and develop. Since the tenth meeting of the Conference of the Parties, a number of other countries have also become interested in these types of initiatives, including, *inter alia*, Brazil, India, the Republic of Korea, Rwanda, South Africa, the United Kingdom, and. With the encouragement and support of the Secretariat and other partners such as IUCN, they have begun to take shape. As more countries get involved in this process, a critical mass can be achieved which will encourage still more states to undertake these initiatives. There are also several regional initiatives that have been developed, the most active being those for the European Union and the ASEAN region.

7. The Secretariat has helped to organize and participated in several workshops at both the national and regional levels, in a variety of countries with national and regional partners. These workshops were designed to raise awareness in the business community as well as encourage dialogue amongst the various stakeholders. The reaction to these events has generally been positive, with many companies reporting that they were more aware of, and sensitive to, the issue of protecting biodiversity. In addition, in several cases, these workshops were the precursor to the formation of national business and biodiversity initiatives. However, these workshops and initiatives are only a preliminary step as the vast majority of businesses remain largely unaware of the importance of biodiversity to their operations. In addition, actions are required to establish transparent monitoring mechanism to ensure that business operations provide tangible environmental benefits and are not an exercise in “greenwashing”.

First meeting of the Global Partnership for Business and Biodiversity

8. The Secretariat of the Convention on Biological Diversity, along with the Keidanren Committee on Nature Conservation, the Japanese Ministry of the Environment, and the International Union for Conservation of Nature (IUCN) organized the first meeting of the Global Partnership for Business and Biodiversity, in Tokyo on 15-16 December, 2011. The purpose of this meeting was to help realize the decisions agreed upon by the Conference of the Parties at its tenth meeting, particularly with regard to the establishment of national and regional business and biodiversity initiatives, the encouragement of the development and application of tools and mechanisms that can facilitate the engagement of business, and the dissemination of tools and examples of best practice for encouraging the participation of business. The Tokyo meeting also saw the official launch of the full online Global Platform on Biodiversity. The primary goals of the Global Platform for Business and Biodiversity meeting were to introduce the national business and biodiversity initiatives that are a part of the Global Platform and discuss the challenges inherent in their mandate and in growing the Platform further; and to discuss the implementation of decision X/21, the challenges that businesses still face in mainstreaming biodiversity into their day-to-day activities, and explore initial recommendations the business decisions for consideration at the eleventh meeting of the Conference of the Parties.

9. The meeting was divided into seven panels each focusing upon specific elements of the Global Platform or the run-up to the eleventh meeting of the Conference of the Parties:

(a) **Discussion of existing business and biodiversity initiatives:** Presentations at this session were given by Canada, Germany, Japan, France, Brazil, South Africa, Rwanda, the Netherlands, India and the Republic of Korea. The first four, being established initiatives, were focussed upon their accomplishments since the tenth meeting of the Conference of the Parties. The other speakers focused on current planning and ideas for facilitating national initiatives through the integration of current programmes;

(b) **Role of the national initiatives in addressing policy challenges:** This panel had the previous panel's participants answering questions and addressing what they saw as the primary challenges facing them. Although a number of issues were raised in this forum, the biggest challenges were seen to be getting companies to understand biodiversity and how it fits into the larger context, and issues of administration (working with different stakeholders) and funding;

(c) **Views and perspectives about industry:** This panel had four companies (Mitsui, Taisa, Bridgestone and Petrobras) giving their perspective of the challenges of managing biodiversity, and a government representative responding to these issues. Overall, there was a sense that companies can benefit from protecting biodiversity, but that government must do its part including business and environment friendly policies;

(d) **Perspectives on thematic initiatives and tools/mechanisms to integrate biodiversity into business:** This panel featured a single presentation on the work of the UNEP World Conservation Monitoring Centre (done in conjunction with the Convention Secretariat) regarding a gap-analysis of standards. The presentation reviewed the findings (discussed below) and noted next steps;

(e) **Review of actions since the tenth meeting of the Conference of the Parties and initial recommendations for consideration at the eleventh meeting:** This panel had presentations by Keidanren, the Japanese Ministry of Environment, the UNEP World Conservation Monitoring Centre, and the Convention Secretariat. The first two speakers focussed primarily on progress since the tenth meeting of the Conference of the Parties, and the latter two looked towards the eleventh meeting. There were a number of questions raised about the proposed language of the decisions, all of which have been addressed in subsequent drafts;

(f) **Discussion of future business and biodiversity national initiatives and moving the Platform forward:** This featured regional presentations from the Association of Southeast Asian Nations (ASEAN), IUCN-India, the European Commission, the World Ocean Council, and the Convention Secretariat (regarding national biodiversity strategies and action plans). The main purpose of this session was to introduce some of these regional and cross-cutting themes and address some of the projects and challenges facing them in 2012 and beyond. In addition, the session served to draw together these larger programmes with the national initiatives such that their efforts can be synergized to the highest degree possible;

(g) **Discussion of high-level conference at the eleventh meeting of the Conference of the Parties and other events:** The final panel session had speakers from the Convention Secretariat, the Government of India, and the World Business Council for Sustainable Development (WBCSD) exploring some of the ideas and events to be undertaken for both the eleventh meeting of the Conference of the Parties and Rio+20.

10. The meeting was very well attended with approximately 250 participants from Japan and abroad. The majority of participants were from the private sector, although there were also many NGO and IGO representatives from Japan and other countries. Also in attendance were representatives from approximately ten governments in attendance. The discussions were fairly active and in particular there was considerable feedback on the initial discussions regarding the eleventh meeting of the Conference of the Parties. Overall, participants were very supportive of a strong business decision for the eleventh

meeting of the Conference of the Parties and felt that this would be an important step in ensuring that businesses have both the understanding and capabilities to mainstream the goals of the Convention and the Aichi Biodiversity Targets.

III. COMPILATION OF INFORMATION ON EXISTING TOOLS THAT CAN FACILITATE THE ENGAGEMENT OF BUSINESSES, ANALYSE THE EFFECTIVENESS OF THESE TOOLS, AND TO MAKE THIS COMPILATION AND ANALYSIS AVAILABLE

11. The development of tools and mechanisms is an essential element in helping companies to assess their needs, take the necessary actions, and then measure the results. These tools and mechanisms come in a wide variety of forms, from standards and certification schemes to online databases and programmes for offsetting negative environmental impacts, among other incentive measures. These can also be either regulatory or voluntary schemes. As an initial step, the Secretariat has compiled an extensive list of the various tools and mechanisms (including guidance documents) and made this list (with direct links) available through the recently developed Global Platform for Business and Biodiversity website. This list is being continually updated to reflect new developments and improvements. In addition, a wide selection of best practices and corporate case studies are available through the website and newsletters. Companies and the national business and biodiversity initiatives have been very generous in sharing their stock of such studies on the Global Platform website.

Initial analysis of standards

12. In response to decision X/21 paragraphs 3 (b) and (d), the Secretariat engaged with WCMC-UNEP and other partners in an effort to evaluate various standards so as to ascertain where gaps and other inconsistencies may exist. The initial results of the standards review showed that although there were many common elements to the majority of standards, such as the protection of habitats and species, and the recognition of protected areas, there were significant differences in the level and quality of guidance provided in addressing these issues. There were also discrepancies in the use of language and definitions, as well as significant gaps in biodiversity criteria, which make comparing the standards and utilizing common analytic tools problematic. Initial recommendations stemming from this study included the following:

- (a) Adopt internationally recognized definitions;
- (b) Avoid the displacement of threats;
- (c) Include modified habitats;
- (d) Provide guidance on operation inside protected areas;
- (e) Include specific reference to internationally recognised protected areas;
- (f) Recognize Indigenous and Community Conserved Areas;
- (g) Safeguard priority conservation areas;
- (h) Adopt the mitigation hierarchy and 'no net loss' approaches.

13. This research was supplemented by a working-group meeting held in Cambridge, United Kingdom, on 30 November 2011 where experts were asked to comment on the initial findings, methodologies, and recommendations. A number of suggestions were put forward, many revolving

around the idea of a “glossary” of internationally recognized definitions, but also touching on issues such as references to landscape/seascape planning, alignment with national and/or regional management plans, and references to internationally protected areas and recognizing Indigenous and Community Conserved Areas. There was also lively discussion around the idea of developing a set of minimum and/or optimal/aspirational biodiversity criteria for standards. On the one hand, minimum criteria were seen more practical and less exclusive to small businesses with limited resources to manage their environmental impacts. By improving baseline standards, this might help to close the gap between the 'best' and 'worst' business practices and their respective standards. On the other hand, minimum criterion that are less comprehensive than many of the standards currently on the market may slow down progress towards better environmental practices. It was also noted that the different contexts in which all the standards operate may make a generic set of minimum criteria problematic, and there was concern that existing standards may be deemed not to meet a minimum despite having very specific and robust criteria that deal with the sector-specific threats posed. Therefore, it was suggested that a set of optimal criteria, or even best practice guidelines, may better support the drive towards improved performance and increased alignment with global biodiversity conventions and targets.

IV. ENCOURAGING THE DEVELOPMENT AND APPLICATION OF TOOLS AND MECHANISMS THAT CAN FACILITATE THE ENGAGEMENT OF BUSINESSES

14. There has been an explosion in the numbers of tools and mechanisms being developed for, and by, companies. There are numerous publications by various associations, international governmental organizations, non-governmental organizations and governmental bodies that have provided tools, standards and guidance to companies in this area in a wide variety of sectors. One prominent example is the International Finance Corporation’s (IFC) Performance Standard (PS) 6 which was originally issued in April 2006 on Biodiversity Conservation and Sustainable Natural Resource Management. The IFC applies the Performance Standards to manage social and environmental risks and impacts and to enhance development opportunities in its private sector financing in its member countries eligible for financing. The Performance Standards may also be applied by other financial institutions electing to apply them to projects in emerging markets. PS 6 was recently updated.¹ The World Business Council on Sustainable Development, in cooperation with partners such as the IUCN, also has issued a number of important publications on managing biodiversity and ecosystem services. Many of these documents can be found through the Convention’s Global Platform for Business and Biodiversity website (www.cbd.int/en/business/tools).

15. There have also been some very innovative analytical tools developed by companies, looking at various aspects of their impacts on the environment. One particular example of note was the work undertaken by Puma, which has broken their analysis down by the impacts of various segments of their supply chain. This noted particularly large impacts further down their supply chain where raw products are either grown or extracted from the natural environment. This type of analysis would be of particular value to many types of businesses that may not see their direct impact on biodiversity (or their benefit from ecosystem services) but which would have a much better understanding based on their supply chains or their position as a supplier to other companies/organizations. Other companies have taken different approaches, such as using indicator species to measure impacts or trying to place value on ecosystem services that they utilize. Many of these case studies are on the Global Platform website, and more in-depth case studies and analysis is planned for 2012.

¹ See: http://www1.ifc.org/wps/wcm/connect/bff0a28049a790d6b835faa8c6a8312a/PS6_English_2012.pdf?MOD=AJPERES).

V. ENCOURAGING THE MONITORING OF THE EFFECTS OF TOOLS AND MECHANISMS THAT CAN FACILITATE THE ENGAGEMENT OF BUSINESSES

16. The Secretariat has undertaken a survey of the private sector regarding their use of tools and mechanisms and a literature review of existing standards to determine commonalities and gaps. The preliminary results of the survey indicated that large enterprises appear to be more aware and concerned with biodiversity issues generally than smaller companies. This implies that specific awareness raising activities aimed at small and medium-sized enterprises will have to be undertaken by the SCBD and its partners. It was also found that tools and mechanisms aimed at companies in the Forestry, Mining, Extraction, Construction and Energy sectors were most commonly used, whereas those in the Financial, Travel and Tourism, and Retail sectors appear to be less widely adopted. Although the majority of the tools and mechanisms reviewed were given above-average ratings, standards received the highest overall ratings and thus appeared to be the most effective in helping companies achieve their goals.

VI. DISSEMINATE TOOLS AND EXAMPLES OF BEST PRACTICE FOR ENCOURAGING THE PARTICIPATION OF BUSINESS

Global Partnership for Business and Biodiversity website

17. With the generous support of the Government of the Netherlands, the Secretariat has developed the Global Partnership for Business and Biodiversity website. This site, which replaces the old CBD business site, features an extensive list of the various tools and mechanisms (including guidance documents) as well as case studies which are searchable through a variety of criteria, including country, sector and type of document (i.e. tool, standard, guidance, etc). The website also includes an archive of the Convention's business newsletters and a calendar of business events. Phase 1 of the site was activated in June 2011. Initial response to the site was very favourable from companies and other stakeholders. The Secretariat received many requests to post additional tools and mechanisms, indicating that there was a perceived value to being included on the site's listings. The reception of the new site has been very positive. Visitors to the new site in its first six months of operation were up by over 120% against the old site. Analysis of the numbers also shows a greater number of people exploring the new site and significant numbers visiting the pages containing case studies and tools and mechanisms.

18. Phase 2, with various enhanced features was debuted during the Global Partnership meeting in Tokyo in December 2011. These features include more user-friendly search tools and a planned interactive portal which will be able to host webinars and allow companies to seek advice from various sectorial or biodiversity experts. In addition, the site will also provide information of the various national and regional business and biodiversity initiatives and will act as an important support platform for the global partnership. The site can be found at: <http://www.cbd.int/en/business>.

Newsletter

19. In 2011, two editions of the *Business.2020* newsletter were issued. The first one focused on the outcomes of the tenth meeting of the Conference of the Parties and the road ahead. The second issue had a special focus on forests and efforts to conserve forest ecosystems. Plans for 2012 include newsletters with a focus on India (as the host of the eleventh meeting of the Conference of the Parties), Rio+20 and a discussions of, and examples of, standards as applied to the private sector. The format of the newsletters continues to be streamlined, and the content is, to the degree possible, linked to the Global Platform website with regard to the case studies section. Achieves of the newsletters can be found at: <http://www.cbd.int/en/business/newsletters/>.

VII. ENCOURAGING BUSINESSES IN COMMUNICATING THEIR BIODIVERSITY-RELEVANT ACTIVITIES

20. Many large companies and other organizations, in a variety of sectors, have undertaken activities aimed at sharing case studies and encouraging the adaptation of best practices. Many have spoken at events and workshops held before, during, and after the tenth meeting of the Conference of the Parties. Through the Global Platform website, the Secretariat has gathered a fairly comprehensive set of case studies and made them available to all interested stakeholders. In the lead-up to the eleventh meeting of the Conference of the Parties, there are plans to create more detailed case studies that will trace the decision-processes and rationales that caused companies to undertake the actions that they did. This work will be aimed at further encouraging small and medium-sized enterprises to take action in this important area. Targeting supply chains of large multi-national companies is being seen as an effective way to get the message across to a wide range of companies in particular sectors. This will be especially important in light of the need to specifically target small and medium-sized enterprises to help them understand the importance of biodiversity to their operations. While these businesses are currently still the exception, in terms of their ecologically friendly activities, it is felt that by highlighting their activities and ongoing (and often enhanced) profitability, their business and reporting practices can serve as a template for others to follow.

21. In addition, building on the ideals expressed in the Jakarta Charter on Business and Biodiversity (point 14) which asked businesses to endorse the Charter, the Secretariat is requesting businesses to commit to respect and mainstream the objectives of the Convention and to demonstrate that they are continually striving to improve their performance vis-à-vis sustainability management and protection of biological diversity.

22. The tenth meeting of the Conference of the Parties saw the adoption of the Strategic Plan for Biodiversity 2011-2020² and its 20 Aichi Biodiversity Targets, many of which address issues of specific interests to business. As an example, Target 3 talks about removing subsidies harmful to the preservation of biodiversity, and replacing them with policies that promote ecologically sustainable activities. Targets 6 and 7 speak of the importance of sustainable practices in managing and harvesting in the forestry, agricultural and fisheries sectors. The Secretariat and many other partner organizations are working to ensure that businesses take the Aichi Targets and the Strategic Plan into account when undertaking actions designed to safeguard biodiversity.

23. Since the tenth meeting of the Conference of the Parties, there have been numerous conferences dealing with business and biodiversity (either in whole or in part) which have involved significant private sector participation. These meetings have occurred throughout the world and have brought together the private sector, academics, NGOs, IGOs and government representatives.

24. The Convention's business and biodiversity programme has also been working with the other Rio conventions under the auspices of the Rio Pavilion to help promote cooperation between the various treaty bodies as well as placing biodiversity into the broader context of overall sustainability. A business day was held in Durban, South Africa, on December 7, 2011 during an event held in conjunction with the seventeenth meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change. This included a morning session featuring speakers from the South African Department of Environmental Affairs, the National Business Initiative, and WBCSD, a panel discussion on mainstreaming environmental sustainability into business featuring WWF, the South African National Biodiversity Institute (SANBI), the University of Pretoria and AngloGold Ashanti, and a series of other events organized by IUCN, the South African government, the World Bank and the Global Mechanism. The business programme will continue undertaking these cooperative events at meetings of various conference of the parties and a suite of activities is planned for Rio+20 to be held in June 2012.

² Decision X/2, annex.

VIII. OTHER BUSINESS RELATED ISSUES

Biotrade

25. Since the tenth meeting of the Conference of the Parties, the BioTrade Initiative of the United Nations Conference on Trade and Development (UNCTAD) has consolidated its Fashion and Cosmetics Biodiversity Platform (FCBP), which now brings together a number of international organizations and non-governmental organizations with more than 60 multinational companies and 150 micro, small and medium sized biodiversity-based enterprises from the two industries. UNCTAD has been working together with its platform partners in the production of two sectoral documents for the cosmetic and fashion industries that will compile relevant knowledge, case studies and best-practices in addressing the importance and impact of conservation and sustainable use of biodiversity by these to industries.

26. Developing countries need support to build institutional and technical capacity for meeting complex technical requirements and for effectively using voluntary sustainability standards as a marketing tool, including geographical indicators, intellectual property rights, and access and benefit sharing mechanisms. They also need support for more effective participation in international trade negotiations affecting biotrade, such as those on sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT). The UNEP-UNCTAD Capacity Building Task Force (CBTF) takes a two-pronged approach to addressing national and international challenges in promoting biotrade. The CBTF takes the lead in implementing international level activities, while the German Technical Cooperation Corporation (GTZ) takes the lead in implementing national-level activities in three pilot countries: Namibia, Nepal and Peru. This is done in close cooperation with national multi-stakeholder task teams on environment and trade.

Ongoing challenges for business and biodiversity

27. Despite the considerable progress that has been made to date on engaging business with the issue of biodiversity protection, there remain a number of significant challenges which will have to be addressed if the goals of the decisions of the Conference of the Parties are to be realized. The first challenge is that of awareness-raising. There have been a number of surveys conducted (such as the Keidanren questionnaire discussed above and other similar studies conducted around the world) which have sought to assess business' awareness and understanding of biodiversity.

28. While many businesses indicate that they have heard of biodiversity and, particularly in emerging markets such as Brazil and South Africa, nevertheless there often remains a gap in understanding of precisely what biodiversity entails (i.e., using the Convention definition). Often, the comprehension of biodiversity is limited to species protection and this can then create difficulties as companies may not understand how they will benefit (economically) from engaging in protection activities or how biodiversity degradation will affect them. In addition, businesses may also find it difficult to place the idea of biodiversity into the larger context of sustainability, particularly as some issues (i.e. climate change on a global scale, pollution on a more local scale) will tend to loom larger on the corporate radar than the somewhat more abstract notion of biodiversity protection. This illustrates the continuing importance of engagement amongst all stakeholders and the need to continue making the business case for biodiversity.

29. Another issue that can act as a constraint on action is the complex nature of the problem and the difficulty in accurately measuring and/or valuing biodiversity and its loss. Unlike climate change, which can be relatively simplified to the metric of carbon ton equivalents with regard to emissions, it is very difficult, to find a single metric to analyse biodiversity. Valuation and monetization has been resisted at different levels for varying reasons, including scientific uncertainty, inaccurate weightings of value by potential markets, the non-fungibility of biodiversity assets, and moral and ethical concerns over valuation of nature. The TEEB report has made a very important start in this area by looking at

assessing values of ecosystem services, but this too has certain limitations. The private sector is also interested in being engaged in the conversations concerning valuation of biodiversity and mechanisms that may emerge from this exercise.

30. In November 2011, a discussion involving international governmental organizations (including the Convention Secretariat), non-governmental organizations, academics and the private sector was held at the Royal Institute of International Affairs, Chatham House, London, to explore some of these issues. This discussion broadly examined the issues around valuation and the potential for markets and helped to highlight some of the issues from the private sector perspective. Some of the points that were raised included the idea that doing nothing will likely be worse than doing something, but it is critical to take societal views into account instead of focussing only on business interests; there is a need to find a way to reconcile intrinsic and extrinsic values; and that economic considerations must follow from scientific based evidence. Further discussion, tied into the wider debate on this, could help to specify what is needed for the next steps and how best to get there.

31. It is important to realize that even where businesses are willing to take action; there may be various policy and economic challenges that make this difficult. There is no doubt that in the current economic climate, many businesses are fearful and are operating in survival mode. It is also true that adopting biodiversity and ecologically friendly practices, no matter that they may increase profitability in the medium- to long-term, will nevertheless incur some up-front costs. Businesses are looking for reassurance that they will not lose their competitive edge by incurring these costs, and that government policies will create a level-playing field. Businesses also need to understand that in terms of risk management, the risks incurred by any short-term costs made to ensure sustainability are outweighed by the risks in doing nothing, and eventually losing market share and incurring far larger costs when having to catch-up to legislation and far-sighted competitors. In addition, encouraging governments to adopt “eco-friendly” procurement policies will help to drive market demand for these types of products, and thus provide a strong incentive for businesses to take action. This will reinforce the actions that are beginning to be taken by some larger companies (and consumers) that are making more stringent demands on their suppliers *vis-à-vis* environmental issues.

32. One other issue that is especially important for small and medium-sized enterprises is the increasing difficulty in locating appropriate information. As often as not this is not due to a paucity of data but being lost in a sea of competing standards and mechanisms. There are many excellent tools and guides available, but they can sometimes be difficult to locate, particularly for non-specialists. Through the Global Platform website and the Global Partnership, the Secretariat and the various national and regional initiatives are striving to provide easy-to-use guides and advice that will assist businesses navigate these complicated waters. The Secretariat will be compiling reference material specifically to this end that is expected to be unveiled during the eleventh meeting of the Conference of the Parties. The Secretariat is also encouraging Parties to consider best practices in standards and certifications as this may help to strengthen these tools and provide greater clarity to companies.

33. These ongoing gaps have prompted ongoing calls to further strengthen the engagement of business in the activities of the Convention, and to take greater action to instill in the business sector the goals of the Convention and the Aichi Biodiversity Targets. This sentiment has been expressed at virtually all workshops and conferences, and is at the heart of declarations such as the Jakarta Charter on Business and Biodiversity issued in 2009. The Global Partnership meeting held in Tokyo, while not issuing a formal declaration, indicated its overall support for a draft decision at the eleventh meeting of the Conference of the Parties that would further the gains made at its tenth meeting and help more businesses (in particular small and medium-sized enterprises) to mainstream biodiversity and sustainability issues. The decision that follows builds upon and reinforces many of the elements that emanated from decision X/21, while also addressing certain key lacunae identified in various sections of the present note.

*Annex***CHA-AM DECLARATION ON BIODIVERSITY**

We, the participants of the Asia Regional Forum on Biodiversity, recognize that nature is the foundation of life and that protecting nature is the joint task of business, government, academe, and other multi-stakeholders in society. Thus, we have committed ourselves to advocate for the protection and sustainable use of biodiversity in partnership with all sectors of society.

To this end, we declare our commitment to:

- Contribute to the preservation of the Earth's natural heritage by protecting species, ecosystems, and genetic diversity through mainstreaming of biodiversity conservation, sustainable management and advocacy in organizational plans and programs, as well as corporate social responsibility initiatives;
- Produce goods and services in forms and manners that will contribute to the protection and conservation of biodiversity;
- Promote sound investments that will pave the way for environmentally sound technologies, products and services;
- Use expertise, experience and resources to convince co-employees and customers, as well as the general public, to implement ecologically sustainable practices of living and consumption;
- Support global, regional and national efforts to halt the loss of biodiversity, including objectives and initiatives by the Convention on Biological Diversity, the Sirindhorn International Environmental Park Foundation under the Patronage of HRH Princess Maha Chakri Sirindhorn, the United Nations University Institute of Advanced Studies through the Regional Centres of Expertise on Education for Sustainable Development, the ASEAN Centre for Biodiversity and other relevant international/regional agreements and institutions;
- Share the benefits of the economic utilization of natural resources fairly with those who grant access to them openly and cooperatively;
- Explore the potential for cooperation with scientific institutions, non-governmental organizations and governmental institutions with the aim of deepening involvement in biodiversity conservation;
- Ensure, in cooperation and networking with all stakeholders including business sector and communities, the long-term viability of agriculture and fisheries for food production and income generation through fair, ecosystem-based, community-centered, science & technology oriented, R&D approaches, while providing solutions to problems of pollution, disease, land degradation, desertification and climate change that are affecting sustainable agricultural and fishery practices;
- Promote biodiversity conservation actions at all levels of government, communities, businesses and universities through education;
- Explore channels of support for biodiversity conservation actions and wildlife and forest law implementation as well as enforcement such as through social sanction, capacity building and public awareness;

- Encourage national governments to recognize the role of business in biodiversity conservation actions;
- To engage in transformative education on biodiversity conservation for sustainable development that can change behavior of all stakeholders;
- Encourage the youth involvement in biodiversity and environmental conservation action to promote sustainable development through education, training and social activities;
- Explore appropriate channels by regular interactive meetings for mass media of different status (government, business, etc.) through media resource centers to create awareness on various issues relating to biodiversity conservation; and
- To meet the basic needs for the present and future generation using scientific innovation for research and development for appropriate utilization of local and indigenous knowledge with equity and equality while maintaining balance between environmental, social and economic sustainability.

With this declaration, we will work together to inspire other organizations by communicating examples of environment-friendly best practice; encouraging multi-stakeholder partnerships; promoting wide leadership and public awareness of the values of biodiversity and the need for cooperation from all sectors; and recognizing outstanding contributions to biodiversity conservation and advocacy.

This Cha-am Declaration is adopted on the 4th of November 2011 at the Asia Regional Forum on Biodiversity held in Cha-am, Phetchaburi Province, Thailand.
