



## Brief overview of the international framework

### Business and biodiversity in the context of Convention on Biological Diversity

The Convention on Biological Diversity (CBD) provides an international framework for involving business in activities related to sustainable use and conservation of biodiversity. Forming partnerships with business is supported, for example, by the Articles 10 and 16 of the Convention. These articles emphasise the cooperation between the national governmental authorities and private sector in developing methods and technologies for sustainable use and conservation of biological diversity, including facilitating access to these technologies for developing countries. In addition, the issue has also been addressed in the Convention's Strategic Plan (i.e. the Strategic Plan's Goal 4).

In 2006, the eighth CBD Conference of the Parties (COP8) adopted the first decision focusing exclusively on business (Decision VIII/17). The decision recognises the current lack of private sector involvement in protection and sustainable use of biodiversity. It also stresses that encouraging business and industry to adopt and promote good practice on biodiversity conservation could make a significant contribution towards implementing the CBD objectives, including significantly reducing the loss of biodiversity by 2010.

Consequently, the decision urges the Convention Parties to improve their engagement with the business community when developing and implementing national biodiversity strategies and action plans. It also encourages active participation of business in Convention processes and invites businesses and other relevant organisations to develop and promote the business case for biodiversity. In addition, two stakeholder meetings have been organised in the context of CBD with a view to examine ways to strengthen business engagement in the implementation of the Convention<sup>1</sup>.

The progress in efforts to improve the involvement of different business sectors in biodiversity conservation will be reviewed at the next COP meeting (COP9) taking place in Germany in May 2008. The COP9 will also consider further ways and means to promote business engagement in the implementation of CBD goals, with a particular emphasis on the Convention's role in facilitating such engagement.

<sup>1</sup> For further information see outcomes of the CBD stakeholder meetings on business and biodiversity:

### International initiatives on business and biodiversity

The Millennium Ecosystem Assessment (MA), published in 2005, played an important role in increasing the knowledge and awareness of the international community, including policy and decision-makers and the private sector, on the impacts of biodiversity loss and the loss of related ecosystem service on business and industry.

The MA findings stated that if current trends in biodiversity loss continue several ecosystem services that business and industries depend on, such as water supply and provisioning of biodiversity resources, will cease to be available or become more costly to obtain. Once internalised by primary industries, the resulting additional costs will also be passed downstream to secondary and tertiary industries. This leads to changes in the operating environment of all businesses.

However, the MA also recognised that pressures on ecosystems and their services could give rise to new business opportunities, such as markets for carbon reduction credits, organic farming and provisioning of environmentally friendly technologies.

The MA also outlined a number of policy options for enhancing ecosystem services and addressing drivers behind the observed negative trends. These options included, for example, eliminating subsidies that promote unsustainable use of biodiversity and related services and increasing the use of economic instruments in the management of ecosystem services. The identified alternatives were also envisaged to become part of the future policy environment for businesses.

In addition to MA, a number of business and biodiversity related initiatives have been launched by several international stakeholders during the last decade. For example, the IUCN business and biodiversity programme was established in 2003 with an aim of helping businesses to meet their environmental obligations and enabling them to positively contribute to biodiversity conservation. In addition, the Countdown 2010 initiative actively supports the involvement of business in biodiversity conservation.

The World Business Council on Sustainable Development (WBCSD) has also recognised the importance of biodiversity and related ecosystem services to the business sector. In 2005, the WBCSD established the Sustaining Ecosystems Initiative that aimed at catalysing the business sector response to the opportunities and challenges outlined in the MA. In 2007, the WBCSD work on ecosystems became a permanent focal area on the Council's agenda.



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aims at engaging the business sector in the management of biodiversity as an integral part of its operations and processes<sup>2</sup>. Enforcing business and biodiversity partnerships has also been included in the Finnish national biodiversity strategy for 2006-2016<sup>3</sup>.

A number of Member states, including France, Germany, Portugal, the UK and the Netherlands, have also already initiated actions in promoting partnerships between business and biodiversity. For instance, in the UK an internet based resource centre providing information for businesses on biodiversity related issues has been established<sup>4</sup>. In the Netherlands an IUCN founded initiative called "Leaders for Nature" provides a platform for initiatives that bring together individual business leaders and representatives of the environmental community<sup>5</sup>.

High Level Conference on Business & Biodiversity:

<http://www.countdown2010.net/business>

More information about the possible EU actions on business and biodiversity: [http://www.countdown2010.net/file\\_download/137](http://www.countdown2010.net/file_download/137)

## **Business & biodiversity in the context of other EU policy sectors**

### **Agriculture, fisheries and rural development**

The relationship between the agriculture and fisheries sectors and biodiversity has traditionally focused on preventing or mitigating the negative effects of these sectors on species and ecosystems. Consequently, there are a number of Community Initiatives on biodiversity

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TAs regards business and biodiversity partnerships, organic farming is one of the most common ways for the agricultural sector to engage with environmental protection voluntarily. It has been estimated that in 2005 around 6 million hectares in EU-25 were either farmed organically or were being converted to organic production. Both the area covered by organic farming and the number of organic operators is constantly growing. For example, during the period 2004-2005 there was a 6 per cent increase in the number of organic operators<sup>9</sup>.

The first EU Regulation for organic production was laid down in 1991 (Regulation No 2092/91/EEC). The Regulation was replaced in July 2007 by a new Council Regulation on organic production and labelling of organic products (Regulation (EC) No 834/2007). According to the 2007 Regulation, one of the goals of organic farming is to contribute to a high level of biological diversity in agricultural ecosystems. In addition, preservation of soil and aquatic biodiversity forms a basis for all organic farming activities.

The development of EU agriculture and fisheries sectors is supported by the Community through two specific funds, namely the European Agricultural Fund for Rural Development (EAFRD) (Regulation (EC) No 1698/2005) and the European Fisheries Fund (EFF) (Regulation (EC) No 1198/2006). Both of these funds also provide opportunities for further engaging the agriculture and fisheries businesses in biodiversity conservation. For example, both EAFRD and EFF offer financial assistance for sectors' stakeholders to voluntarily improve the environmental standards of their operation (e.g. through agri/aqua-environmental measures).

#### **EU policy framework for enterprises and industries**

The Lisbon Strategy for growth and jobs forms the current basis for the development of enterprise and industrial policies in the EU (COM(2005)330). Thus, improving the employment and competitiveness of Community's businesses, while keeping in line with the requirements for sustainable development, is one of the primary aims of the EU policy framework for enterprises and industries.

As with agriculture and fisheries, there are a number of EU policies and legislative instruments in place aiming to avert or minimise the negative effects of businesses and industry, e.g. the extractive industries, on the environment. Some of these instruments also include specific provisions for the protection of biodiversity (See Box 2).

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It is also considered that the integration of environmental aspects into the functioning of EU enterprises and industries cannot be based on legislation alone, but it should also be supported by a number of voluntary approaches (Council Conclusions in May 2001 and June 2002). These approaches include, for example, the Eco-Management and Audit Scheme (EMAS) and the EU Eco-label, both aimed at enhancing businesses' visibility and environmental image (Regulations (EC) No 761/2001 and (EC) No 1980/2000, see also Box 3). The EMAS and Eco-label systems also take into consideration aspects related to biodiversity.

In addition, the EU also supports the integration of environmental aspects into business operations through a number of Community funds (e.g. Structural Funds, see below) and financing by various financial institutions such as the European Investment Bank (EIB).

As regards specific business sectors, the renewed EU Tourism Policy (COM(2006)134) recognises that sustainable

## Future developments & challenges

The EU is currently in a process of further defining and developing its agenda on business and biodiversity. In general, it is considered that the EU leadership in business and biodiversity could create an important driver for action both at the Community and Member State level. Possible areas where EU measures and initiatives could best add value to the process are discussed below.

### Potential focal areas under EU biodiversity policy

The establishment of the Natura 2000 network is increasingly focusing on the management of the designated areas. It has been acknowledged that the management of Natura sites provides a good opportunity for involving business, especially Small and Medium Enterprises (SMEs), in biodiversity conservation. Cooperation with the business sector can also play an important role in securing adequate funding for the management of the network. For example, cooperation with local tourism operators can be beneficial both for area's economic development and the management of Natura

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In this context, the previous experiences in developing and implementing voluntary instruments should be taken into consideration (e.g. voluntary instruments for regulating CFC emissions).

There is also a potential for a greater use of market based instruments, such as payments for environmental services, in the context of several EU business and industrial sectors (see also the focal areas under biodiversity policy above). These instruments could target the use of biodiversity resources directly. Additionally, instruments generally supporting the sustainable use of natural resources could also be designed to benefit biodiversity conservation. For example, encouraging sustainable use of water through resource pricing could in many areas, e.g. wetlands, support the conservation of natural ecosystems.

Specific Community level actions on a number of business sectors could also provide significant support for biodiversity conservation. For example, mainstreaming biodiversity and ecosystem services into the EU Tourism Policy and upcoming EU Agenda for Tourism would support the creation partnerships between tourism businesses and biodiversity. As the challenges for businesses operating along the fish products supply chain grow the development of environmentally sustainable fishing and aquaculture activities, e.g. partnerships between the fishing industries and biodiversity conservation, should be further supported within the fisheries policy.

Similarly, specific actions on biodiversity friendly business development within the agriculture and forestry sectors should be promoted. In this context, it is hoped that the upcoming Communication on the competitiveness of the forest-based industries will provide strong support for such initiatives.

Increased attention should be also given to integrate biodiversity related considerations into the EU biotechnology sector. In the current EU Strategy for life sciences and biotechnology the impacts on biotechnology on biodiversity and the potential benefits of biodiversity conservation for the sector are not addressed in a comprehensive manner (COM(2002)27). In addition, partnerships between business and biodiversity are mainly promoted in the context of EU and third countries.

### Providing funding for action

Financial support is needed to ensure that business and biodiversity actions are successfully implemented and carried out. The EU has an important role in providing resources for these actions.

The EU has already provided some financial support for activities related to business and biodiversity. For example, the EU financial instrument for environment (LIFE) and the 6<sup>th</sup> Framework Programme for Research and Development (FP6) have supported initiatives and research on the topic. It is foreseen that these instruments (i.e. LIFE+ and FP7 for the 2007-2013 funding period<sup>13</sup>) are to provide valuable support for business and biodiversity initiatives also in the future.

According to the Commission, the EU funding instruments for rural and regional development (e.g. EAFRD, EFF, ERDF, ESF and the Cohesion Fund) should increasingly contribute to conservation and sustainable management of biodiversity. Consequently, these instruments also provide a number of opportunities for supporting the establishment of partnerships between business and biodiversity.

However, the programming of EU funds gives the Member States a lot of freedom to develop policies and measures that suit their national and regional priorities. As a result, the actual level of support to biodiversity and business initiatives depends on the decisions made at the Member States level. It is therefore important that the both the Commission and Member States make an effort to ensure that business and biodiversity related activities are included in the national co-funding priorities.

The EU also plays an important role in supporting the cooperation between business and biodiversity at the global scale. Consequently, support to business and biodiversity initiatives should form one of the focal areas of the Community funding instrument for development cooperation (DCI) (Regulation (EC) No 1905/2006).

### Concluding remarks

It is evident that support to the use of biodiversity as a maintenance of ecosystem services is vital for business and the environment. For this reason, the protection of biodiversity and related services is a key objective to give rise to private and public support initiatives. Consequently, a number of actions have been generated to support the active involvement of business in biodiversity conservation.

The ESCAP plan is an important instrument to support the

cooperation between different ES policy sectors.

Policy for regional and rural development, is vital for ensuring a successful and concerted action.