

Industry impacts on Biodiversity – a view from IUCN

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What is IUCN?

IUCN, International Union for Conservation of Nature, helps the world find pragmatic solutions to our most pressing environment and development challenges.

IUCN works on biodiversity, climate change, human livelihoods and greening the world economy by supporting scientific research, managing field projects all over the world, and bringing governments, NGOs, the UN and companies together to develop policy, laws and best practice.

IUCN is the world's oldest and largest global environmental organization, with more than 1,200 government and NGO members and almost 11,000 volunteer experts in some 160 countries. IUCN's work is supported by over 1,000 staff in 45 offices and hundreds of partners in public, NGO and private sectors around the world.

The Regional Office for Europe, based in Gland, Switzerland oversees the operations of the Union in Europe, including the management of: the IUCN Representative Office for the European Union in Brussels; the Programme Office for South Eastern Europe in Belgrade; and the Caucasus Cooperation Centre in Tbilisi.

Working with business

The programme for IUCN in Europe includes engagement with the private sector as one of its main areas of priority. IUCN works with business and industry in a number of ways, but Tc -0.1(t)94-0.1()94-d 4-0.94-00.94 provide IUCN with a coherent framework for influencing the business sector, a clear reference point as to the level of ambition expected from the business engagements, and a consistent approach to the management of reputational risks and quality assurance.

One of the big issues for companies and development projects is the impact a particular intervention

And, where do we look for replacement land? Within a range of 1 to 10 kilometres or do we go as far as 500 kilometres? Within the same province or can it be within the same country?

We should also be realistic, and there will be impacts on biodiversity that are not significant enough to deal with, and that can be ignored. This may be particularly relevant for Small and Medium Enterprises. The real challenge is to determine what the threshold is and to agree on who makes the decision whether an impact is serious enough to be addressed.

Why should business consider biodiversity?

There is a definite business case, which is illustrated by the fact that several companies have developed biodiversity management systems or action plans, and many of these companies work in your field of operations - extractive industry. Business need access to land, sea & natural resources, either directly or through their supply chains, and caring for nature also provides access to capital and may reduce operational risks.

The International Finance Corporation of the World Bank Group requires in its sixth Performance Standard "No net loss" for projects that are planned in "natural habitat" and "Net positive gains" for those proposed in "critical habitat". This standard came into force in January 2012, and is a condition for project finance from the IFC and over seventy other banks that have adopted the so-called "Equator Principles".

In addition to these financial incentives, several recent political decisions have been made that encourage, or instruct companies to aim for "no net biodiversity loss". To name a few:

- The 20 so-called Aichi targets are 2010 commitments of all countries that have ratified the Convention on Biological Diversity. Aichi Target 5 says that "By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced."
- The European Union's Biodiversity Strategy to 2020 aims at "Halting the loss of biodiversity and the degradation of ecosystem services in the EU by 2020, and restoring them in so far as feasible, while stepping up the EU contribution to averting global biodiversity loss." This commitment covers all 27 EU Member States and has impact on projects funded through European Commission Official Development Assistance. The European Commission has recently created a working group on No Net Loss under its implementation framework for the Biodiversity Strategy, and IUCN is part of this working group.

Environmental Impact Assessments

You may ask: can a traditional Environmental Impact Assessment (EIA) not deal with biodiversity? EIAs are rarely planned to achieve 'no net loss', and typically only require avoidance and/or minimisation of some impacts of the proposed development. They usually do not address residual impacts, and do not address all components of biodiversity affected, as they are generally very site specific, without proper landscape scale. EIAs also often fail to address indirect and cumulative impacts. However, biodiversity can be integrated with the EIA process to deliver "no net biodiversity loss"!

One key question that is often posed is: "How much does it cost to protect natural

we are asking the wrong question, and we should ask how much we lose by not protecting nature. The Economics of Ecosystem and Biodiversity (TEEB) study that was launched in 2010 tried to put a figure on the economic value of the services from nature that are being lost, and came to a staggering figure of 1.35 to 3.7 trillion Euro per year. And with nature, the sting is in the tail – full regeneration of a destroyed forest may take up to 100 years, so the impact of what we are losing today may not be apparent for another generation.

Conclusion

There are still many questions to be answered, but one thing is sure: looking after nature and the goods and services it provides is a good business practice, prepares companies for future regulations and directives and may in the long run save money.

I know that a number of large companies in the mining and extractive sector are aware of the value of nature and the services it provides, but there may be others that still need to be convinced. IUCN is currently in negotiation with both CEMBUREAU and UEPG to try and agree on a joint programme of work. The lack of manpower in our offices to coordinate such an initiative is one of the bottlenecks, but I hope we can resolve this in the near future. It would be good to work more closely together in this important area of work.

I hope I have given you some food for thought.

Thank you

Hans Friederich