

FIRST MEETING OF THE GLOBAL PLATFORM FOR BUSINESS AND BIODIVERSITY
(Tokyo, Japan---December 15-16, 2011)
Background Document

As a way of building on the business decisions at COP 10, the Secretariat of the Convention on Biological Diversity (CBD), along with the Keidanren Committee on Nature Conservation, the Japanese Ministry of the Environment, and the International Union for Conservation of Nature (IUCN) are organizing the first meeting of the Global Platform for Business and Biodiversity in Tokyo, Japan on 15-16 December, 2011. The primary goals of the Global Platform for Business and Biodiversity meeting are 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 building the Platform further; and
- Discuss the implementation of the business decisions taken at Nagoya (COP 10), the challenges that businesses still face in mainstreaming biodiversity into their day-to-day activities, and explore initial recommendations for the business decisions for COP 11.

This background document will provide a brief overview of the history leading up to the COP 10 decision, some discussion of the decision itself and a progress report on the elements requested of the Secretariat (X/21/3), and an outline of some potential recommendations on business engagement for COP 11. The following documents will be appended to this paper and will provide supplemental information:

- Text of the COP 10 decision on business engagement (X/21);
- The Aichi Biodiversity Targets;
- Text of the COP 9 decision on business engagement (IX/26);
- Text of the COP 8 decision on business engagement (VIII/17);
- Jakarta Charter on Business and Biodiversity;
- Declaration of Biodiversity by Nippon Keidanren;
- Text of IFC Performance Standard 6 (January, 2012).

In addition, a separate paper, "Review of the biodiversity requirements of standards and certification schemes: A snapshot of current practice" by WCMC-UNEP, published as part of the CBD Technical Series, will also be available as a reference.

Background to the Global Platform:

The Global Platform on Business and Biodiversity aims to promote markets that support nature conservation and sustainable use and that incorporate the value of biodiversity in business operations. Businesses are both affected by, and rely upon, biodiversity and ecosystem services, regardless of organization size, location and sector. This is more obvious for some, less so for others. There are some industries whose profitability depends directly on the health of ecosystems, for example forestry, fishing, agriculture and ecotourism. Other sectors have a direct impact on ecosystems and biodiversity through their operations, such as mining, construction and energy. For companies in these areas, a good track record on sustainability management is crucial for them to be able to obtain operating licenses and to maintain good relationships with stakeholders (i.e. local communities and NGOs). Other industries, such as cosmetics and pharmaceuticals, also depend on biological material and genetic resources in the creation and manufacture of their products. Many firms find inspiration in biological systems when they are designing new products, and all companies, in all sectors, rely upon the various ecosystem services provided free of charge by natural systems around the world. Even the financial sector is exposed to risks caused by biodiversity loss. This is due to insurance claims and poor (or negative) returns on

investments caused by natural and man-made disasters, made worse through environmental degradation. The financial sector can also have a major impact through project financing and the creation of new environmental markets, such as payment for ecosystem services, biodiversity offsets and REDD+.

Consumers are also becoming more aware of biodiversity issues and are increasingly looking for sustainable products. Business, therefore, faces some political scrutiny for its impact on biodiversity. It also faces potential regulation related to biodiversity. Managing biodiversity is a way to manage risk. Research shows that the long-term consequences of biodiversity loss can lead to higher costs for inputs to business processes, or unpredictable changes for business. Ignoring biodiversity could therefore result in loss of profit and market share, and ultimately cause severe disruption to existing business models.

The Global Platform has come about as a result of a series of discussions culminating in the COP 10 business decision that called upon governments, the private sector and the Secretariat to engage businesses to help them mainstream the ideals of the CBD and reduce their impact upon biodiversity and ecological systems.

Lead-up to COP 10:

Parties to the CBD have, for some time, been exploring ways to enhance business collaboration in achieving the goals of the Convention. COP 8 held in Brazil, 2006 addressed the need for business involvement in biodiversity conservation (decision VIII/17). COP 9 (Germany, 2008) invited Parties to further improve actions and cooperation for the engagement of the business community through public/private partnerships (decision IX/26). In addition to the decisions issued at the various COP meetings, there were other actions of note that were designed to promote business engagement. During the G-8 discussions in Japan in 2008, Environment Ministers discussed ways to promote the conservation and sustainable use of global biodiversity, adopting the Kobe Call for Action for Biodiversity to promote international cooperation and engagement of the private sector. The Third Business and the 2010 Biodiversity Challenge Conference which was held in Indonesia in 2009 issued the Jakarta Charter on Business and Biodiversity which also focused on the sustainable use and conservation of biodiversity. In Japan, Nippon Keidanren issued its “Declaration of Biodiversity” as well as a “Charter of Corporate Behaviour” both of which include sections on biodiversity.

There are also numerous publications by various associations, International Governmental Organizations, NGOs 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. 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 CBD’s Global Platform for Business and Biodiversity website (www.cbd.int/business).

COP 10 Decision and Activities

The tenth meeting of the Conference of Parties (COP10) in Nagoya October 2010 issued a strong decision, which built upon those issued at previous COPs) to enhance the engagement of the private sector and involve them in the implementation process of the Biodiversity targets. Specifically, the decision (X/21/3) called upon the Secretariat of the Convention on Biological Diversity to:

- Encourage the establishment of national and regional business and biodiversity initiatives by facilitating dialogue among Governments, business, and other stakeholders;
- 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;
- Encourage the development and application of tools and mechanisms that can facilitate the engagement of businesses in integrating biodiversity concerns into their work;
- Encourage the monitoring of the effects of these tools and mechanisms;
- Disseminate tools and examples of best practice for encouraging the participation of business; and
- Encourage businesses in communicating their biodiversity-relevant activities to their consumers, customers, and other stakeholders.

In addition, the decision 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:

- Promote a public policy environment that enables private sector engagement and the mainstreaming of biodiversity into corporate strategies and decision-making;
- Create conditions that facilitate private sector engagement for: transparent reporting against which to assess implementation; independent assessments; and terms and conditions for partnership initiation and termination;
- Identify a range of options for incorporating biodiversity into business practices that take into account existing developments under various forums;
- Develop, and report on, national activities that promote and facilitate the mainstreaming of biodiversity by business, such as through regulations and economically and socially sound incentive measures;
- 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.

For the private sector, the COP 10 decision called upon them to:

- 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 impacts on biodiversity and ecosystem services, and to develop and apply processes and production methods that minimize or avoid negative impacts on biodiversity;
- Take into account various existing guidelines and initiatives;
- Share and adopt lessons learned between and among business and enterprises;
- Survey available best practice within relevant industries;
- Participate in voluntary certification schemes;
- Adopt commitments to support the achievement of the three objectives of the Convention through initiatives at both national and global levels;
- Use clear and measurable criteria or indicators as a means to track implementation of these commitments in a transparent manner, by means of voluntary declaration;

- Engage wider efforts to promote business engagement in the achievement of the three objectives of the Convention and its new Strategic Plan; and
- Publicly report on biodiversity conservation and sustainable use of ecosystem services related activities.

Particularly with regard to the Secretariat's role, 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. In response to this decision, the Secretariat has undertaken the following broad activities:

- Dissemination of case studies and best practices through newsletters and (more recently) through the newly developed Global Platform on Business and Biodiversity website;
- Dissemination and analysis of tools and mechanisms again through the Global Platform website. The analysis and evaluation work is being done in conjunction with WCMC-UNEP and other partners;
- Outreach and awareness raising activities to the private sector, through national workshops and other business and sustainability fora;
- Facilitation and encouragement of dialogue and information exchange through the establishment of national business and biodiversity initiatives. The Secretariat will facilitate linkages of these initiatives through the Global Platform website, direct interactions, and through fora such as the first meeting of the Global Platform on Business and Biodiversity;
- Direct encouragement of companies by the Secretariat to share case studies and best practices through the various information dissemination portals and meetings. In addition, companies will be encouraged to undertake commitments and their respective national business and biodiversity initiatives by mainstreaming the goals of the Convention into their day-to-day economic activities.

Progress Since COP 10

With respect to the primary aspects of the decision discussed above, the following is a snapshot of progress to date on these issues.

Facilitation of dialogue between government, industry and other stakeholders

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. At COP 10, the high level business and biodiversity meeting sought to bring together senior government officials and Ministers with industry CEOs.

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 taken by businesses need to be monitored to ensure that provide tangible environmental benefits and are not simply an exercise in “Greenwashing”.

These initiatives were the basis for an ongoing dialogue amongst various stakeholders (including governments and the private sector) where participants could share information and best practices. These were not designed to be new bureaucracies or to replace existing initiatives, but rather to provide a space for dialogue amongst all the relevant players.

Building on the decisions coming out of COPs 8 and 9, four countries (Canada, France, Germany, and Japan) have created these initiatives and have seen them evolve and develop. Since COP 10, a number of other countries have also become interested in these types of initiatives, and, with the encouragement and support of the Secretariat and other partners such as IUCN, they have begun to take shape. Through meetings such as the Global Platform, the Secretariat aims to bring these national and regional initiatives together to exchange ideas and best practices. As more countries get involved in this process, a critical mass can be achieved which will encourage still more countries to undertake these initiatives. The SCBD will continue to play an overall facilitating role through the use of global and regional meetings as well as virtual sessions via teleconferences and the Global Platform website.

Assessment, dissemination and monitoring of tools, mechanisms and best practices

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. Companies and the national business and biodiversity initiatives have been very generous in sharing their stock of such studies on the Global Platform website. Another channel of distribution is the CBD Business.2020 newsletter. Several editions have been published since COP 10 and future newsletters will be themed to reflect current issues of particular interest.

The Secretariat has been engaged with WCMC-UNEP and other partners in an effort to evaluate the effectiveness and use of these various tools and mechanisms. This has involved, *inter alia*, 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 SMEs 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. Tools (as defined as elements that facilitate the implementation of sustainability or biodiversity concerns into the work of businesses, such as websites or published works that provide information, applications and programs) seemed to be

employed more often than standards, certifications and guides, which may indicate that they are more accessible or that businesses are more aware of them. These initial results will help to guide future publications and awareness raising activities as business engagement continues apace.

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. Recommendations stemming from this study included adoption of internationally recognized definitions and language, including better guidance for companies operating in modified ecosystems or protected areas as well as other high-value, non-protected areas, and better cross-fertilization of ideas amongst different standards and standards bodies. Further work in this area to be undertaken for WGRI and COP 11 will focus more closely on gaps in various standards and attempting to create a baseline set of criteria which standards should seek to meet (a standard of standards).

Encouraging businesses to share their experiences

As discussed above, businesses that have taken steps to preserve biodiversity have thus far been quite willing in sharing their experiences and best practices. Many have spoken at events and workshops held both before and after COP 10. Through the Global Platform website, the Secretariat has gathered a fairly comprehensive set of these case studies and made them available to all interested stakeholders. In the lead-up to COP 11, 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 SMEs to take action in this important area.

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. In particular, 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 SMEs 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.

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 will be asking businesses to commit to respect and mainstream the ideals 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.

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 must be reassured that they will not be penalized for incurring these costs, and that, in fact, government policies will eventually make such actions mandatory. Businesses need to understand that in terms of risk management, the

risks incurred by any short-term costs made to ensure a sustainable way of doing of business are vastly 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 more far-sighted competitors.

COP 10 saw the adoption of the 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.

Towards COP 11

COP 11, to be held in Hyderabad, India in 2012, should emulate its predecessors in further promoting the engagement of the private sector in biodiversity concerns and creating policy and market conditions that allow businesses to maximize their benefits while safeguarding the environment. To this end, and building upon previous decisions and the intercessional work that has been done, the following initial draft recommendations for business engagement may help to create these optimal conditions (the language will be refined as the date for WGRI and COP 11 approaches):

For Governments:

- With respect to specific government policies and procurement, encourage them to:
 - Incorporate revised IFC standard 6 as part of Government procurement policies;
 - Include biodiversity impacts within green product ratings where they exist;
 - Identify (and eliminate) perverse subsidies that drive biodiversity loss;
- Continue to encourage businesses to embrace and act upon the overall goals of the Convention;
- Act to create policy and economic environments that provide positive incentives (and removes negative incentives) for businesses to mainstream biodiversity and sustainability concerns;
 - To this end, endorse and recognize a baseline set of criteria for standards and certification schemes that will help companies assess and measure their impact upon biodiversity;
 - In addition, governments should agree to accept standards and certifications that meet these criteria regardless of their national origin as this will enhance trade opportunities and create more stable markets;
- Work with industry and other relevant stakeholders to create and enhance the national business and biodiversity initiatives such that these can help businesses to better understand their role, build capacity, share best practices, and help facilitate dialogue amongst all interested parties;
- Help businesses to understand and implement (where possible) the Aichi Biodiversity targets;
- Through these initiatives, and other mechanisms, engage in dialogue with industry, and other relevant stakeholders, with regard to the development of, and their participation in, National Biodiversity and Strategy Action Plans.

For Businesses:

- Report on their progress, use of tools and mechanisms and other best practices with regard to their mainstreaming of the goals of the Convention;
- Continue the dialogue with government on a variety of aspects of the biodiversity agenda through the national business and biodiversity initiatives and other means;
- Encourage businesses to understand and implement (where possible) the Aichi Biodiversity targets;

- Encourage leading businesses to act as mentors to their customers, suppliers, competitors and other relevant stakeholders vis-à-vis their role in protecting biodiversity;
- Take an active role in discussions regarding valuation and market creation such that the interests of the private sector are accounted for, and thus industry has more “buy-in”, in these important decisions;
- Commit to the Secretariat, their national business and biodiversity initiative, or an equivalent body, that they will embrace the ideals and goals of the Convention and will report on their ongoing progress in this regard.

For the Secretariat:

- Continue to facilitate the dialogue between business, government and other relevant stakeholders through ongoing support of the national business and biodiversity initiatives;
 - To this end, continue to act as a global focal point in partnership with other organizations (such as IUCN) to help coordinate activities and meetings and provide information and other services as required;
- Maintain and enhance the Global Platform for Business and Biodiversity website, amongst other means, as a conduit of information for industry on tools and mechanisms as well as case studies and best practices;
 - In addition, continue to disseminate relevant new information through various means including the use of themed newsletters and specific, targeted workshops;
- Continue to work with partners (such as WCMC-UNEP) to further refine the analysis of the various tools and mechanisms and help companies (particularly SMEs) to navigate through the plethora of these items;
- Work with businesses to encourage them to commit to actions designed to support the goals of the Convention, and encourage them to report on their ongoing progress in this regard;
- With national, regional and international partners, work with businesses (particularly SMEs) to help raise awareness and build capacity vis-à-vis the goal of the Convention.

Panel Discussions at the Global Platform for Business and Biodiversity Meeting:

The Global Platform meeting will be divided into seven panel discussions. With each panel, following initial comments and discussion by the panellists, it is intended that the issues be discussed and debated with the wider audience. To this end, the specific issues that each panel session will address are as follows:

1. **Discussion of Existing Business and Biodiversity Initiatives:** This will be an opportunity for the various national initiatives to explain what they are doing and their initiatives and particular challenges. It will also be a good opportunity to share experiences and best practices amongst the initiatives and with the wider audience;
2. **Role of the National Initiatives in Addressing Policy Challenges:** This panel is essentially a continuation of panel #1 in which the representatives of the national initiatives will be led through a guided discussion to look more deeply at the challenges and opportunities facing these councils, and the role that they can play to help further the overall objectives of the Convention;
3. **Views and Perspectives about Industry:** This panel will also explore some of the challenges and opportunities inherent in the creation of markets and the mainstreaming of biodiversity by businesses. The majority of the panellists will be businesses (Japanese and foreign) as well as some governmental representatives;

4. **Perspectives on Thematic Initiatives and Tools/Mechanisms to Integrate Biodiversity into Business:** This panel will essentially present the initial results of research work undertaken by the SCBD and WCMC looking at the assessments and further development of tools and other mechanisms. The broader discussion will then examine what sorts of steps can be taken to help further the development of these tools such that they can be of increasing utility to the private sector;
5. **Review of Actions Post-COP 10 and Initial Recommendations for COP 11:** This final panel of Day #1 will review the discussions in panels 2-4 and present initial findings with regard to the progress of realizing the decision at COP 10 as well as devising some initial ideas for draft policy recommendations for business engagement at COP 11 (including on the Global Platform, Tools and Mechanisms, and Business Engagement, see discussion above). These initial findings will then be examined and debated through discussion with the wider group;
6. **Discussion of Future Business and Biodiversity National Initiatives and Moving the Platform Forward:** This panel will discuss the next steps that can be taken to help encourage and facilitate the establishment of national business and biodiversity initiatives. The future role of the initiatives, particularly with regard to helping realize the Aichi targets, will also be discussed. This panel will include input from the regional business and biodiversity initiatives either in place or being created. This discussion will build upon some of the themes touched on in Panel #2 and Panel #5;
7. **Discussion of COP 11 High Level Conference and Other Events:** This panel will discuss some of the business-related activities that are in the initial stages of planning for both Rio+20 and COP 11. This panel will solicit ideas for activities and themes from the participants as well as making them aware of the importance of these events.

Appendix I:

Text of COP 10 decision on business engagement (X/21)

The Conference of the Parties,

Noting the importance of the values of biodiversity and ecosystem services, including for sustaining businesses and the private sector,

Noting also the progress achieved in engaging businesses and the private sector for integrating biodiversity concerns into corporate strategies and decision-making, in accordance with objective 4.4 of the Strategic Plan for Biodiversity 2011-2020,

Recognizing the progress made in integrating biodiversity conservation and sustainable use in business operations, and commending companies that have demonstrated commitment and leadership in this regard,

Realizing the need to incorporate biodiversity concerns into existing and emerging private sector initiatives and operations,

Emphasizing the interest and capacities of private enterprises, including small and medium-sized enterprises, in the conservation and sustainable use of biodiversity and ecosystem services as a source for future business operations, and as a condition for new business opportunities and markets,

Recognizing the importance of drawing on the capacities of business and private enterprise,

Recognizing the important role of Governments in enhancing the engagement of the business community in achieving the three objectives of the Convention,

Recognizing also the importance of ethical, scientific, social, economic and ecological approaches for addressing biodiversity challenges,

Welcoming the third Biodiversity and Business 2010 Challenge Conference in Jakarta and noting the report provided in the meeting documentation,

Welcoming the Global Business of Biodiversity Symposium organized in London in July 2010,

Noting the potential role of civil society, including non-governmental organizations, scientific organizations, and other stakeholders, in influencing business practices and in facilitating a modification of consumer behaviour as well as of societal expectations,

Building on existing activities and initiatives under the Convention related to business and biodiversity, as well as those of other entities, such as of the private sector itself,

Noting the importance of the findings and recommendations coming from ongoing relevant work on the values of biodiversity and ecosystem services, such as from the Green Economy Initiative of the United Nations Environment Programme, and, *inter alia*, the reports on The Economics of Ecosystems and Biodiversity (TEEB), for further analysis of the issue, for the development of a more common understanding, and for improved and strengthened communication with the private sector as well as within the business community,

Recognizing the relevance of existing developments and work processes under various forums, including relevant international organizations, such as the Green Growth Initiative of the Organisation for Economic Co-operation and Development, the proposed green economics theme for the 2012 United Nations Conference on Sustainable Development, the Marrakech Process on Sustainable Consumption and Production supported by the United Nations Environment Programme and the United Nations Secretariat, the Biotrade Initiative of the United Nations Conference on Trade and Development, as well as existing initiatives that promote corporate social responsibility and the greening of supply chains,

Recognizing the opportunity and need to incorporate biodiversity objectives into emerging new green development initiatives,

Noting also the need for dialogue between Parties, business representatives and other stakeholders, at national, regional and international levels,

1. Invites Parties:

(a) To promote a public policy environment that enables private sector engagement and the mainstreaming of biodiversity into corporate strategies and decision-making in a manner that contributes to the achievement of the three objectives of the Convention;

(b) To create conditions that facilitate private-sector engagement, *inter alia* and as appropriate, for: transparent reporting against which to assess implementation; independent assessments; and terms and conditions for partnership initiation and termination;

(c) To identify a range of options for incorporating biodiversity into business practices that take into account existing developments under various forums, including relevant institutions and non governmental organizations, such as the Business and Biodiversity Offsets Programme, the International Union for Conservation of Nature, the United Nations Environment Programme, the Biotrade Initiative of the United Nations Conference on Trade and Development, the World Business Council for Sustainable Development, the Organisation for Economic Co-operation and Development, Nippon Keidanren, the Business and Biodiversity Initiative initiated at the ninth meeting of the Conference of the Parties;

(d) 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 take note of the Jakarta Charter;

(e) To develop, and report on, national activities that promote and facilitate the mainstreaming of biodiversity by business, such as through regulations and, as appropriate, economically and socially sound incentive measures, national biodiversity strategies and action plans as well as national reports;

(f) To develop ongoing dialogue with the business community in relation to biodiversity considerations and activities;

(g) To encourage involvement of businesses as stakeholders in any future revision and implementation of national biodiversity strategies and action plans;

(h) To adopt, as appropriate, sustainability criteria for government purchases of products of biological resources;

2. Encourages businesses and the private sector:

(a) To contribute to the implementation of the Convention as well as its Strategic Plan for Biodiversity 2011-2020 and its targets, and refer to them, as appropriate, for defining concrete and measurable biodiversity targets for their operations;

(b) To monitor and assess impacts on biodiversity and ecosystem services, including the consideration of related risks and opportunities, and of how this may affect their activities, and to develop and apply processes and production methods that minimize or avoid negative impacts on biodiversity;

(c) To take into account, as appropriate, the Akwé: Kon Voluntary Guidelines for the Conduct of Cultural, Environmental and Social Impact Assessment regarding Developments Proposed to Take Place on, or which are Likely to Impact on, Sacred Sites and on Lands and Waters Traditionally Occupied or Used by Indigenous and Local Communities;⁵⁷

(d) To share and adopt lessons learned between and among business and enterprises, including small and medium-sized enterprises;

(e) To survey available best practice within relevant industries, and to consider how specific skills, expertise and influence can be mobilized and shared in order to minimize and avoid negative impacts on biodiversity;

(f) To participate in voluntary certification schemes that promote the three objectives of the Convention;

(g) To adopt commitments to support the achievement of the three objectives of the Convention, for instance, through the approaches set out in the Jakarta Charter and other initiatives at both national and global levels;

(h) To use clear and measurable criteria or indicators as a means to track implementation of these commitments in a transparent manner, by means of voluntary declaration;

(i) To engage wider efforts to promote business engagement in the achievement of the three objectives of the Convention and its new Strategic Plan, such as the Business and Biodiversity Initiative initiated at the ninth meeting of the Conference of the Parties, and the Jakarta Charter, as a step to highlight their commitment to the three objectives of the Convention on Biological Diversity;

(j) To develop and maintain an ongoing dialogue with Governments on how best to contribute to the achievement of the three objectives of the Convention;

(k) To publicly report on biodiversity conservation and sustainable use of ecosystem services related activities.

3. Requests the Executive Secretary, subject to the availability of resources and in collaboration with relevant organizations and initiatives, such as those mentioned in paragraph 1 (c) above:

(a) To encourage establishment of the national and regional business and biodiversity initiatives by facilitating a forum of dialogue among Parties and other Governments, business, and other stakeholders, with a particular focus on the global level;

(b) To compile information on existing tools that can further facilitate the engagement of businesses in integrating biodiversity concerns into corporate strategies and decision-making, such as, *inter alia*, business-operating principles for biodiversity conservation, indicators of conservation efficiency, and methodologies/techniques/tools for the valuation of biodiversity and

ecosystem services, to analyse the effectiveness of these tools in relevant economic sectors, and to make this compilation and analysis available to national focal points and all relevant stakeholders, through the clearing-house mechanism of the Convention and through other means;

*(c)*To encourage the development and application of tools and mechanisms that can further facilitate the engagement of businesses in integrating biodiversity concerns into their work, such as, consistent and in harmony with the Convention and other relevant international obligations, certification, verification, the valuation of biodiversity and ecosystem services, incentive measures, biodiversity offsets, etc.;

*(d)*To also encourage monitoring of the effects of tools and mechanisms applied in accordance with paragraph 3 (c) above;

*(e)*To disseminate, through the clearing-house mechanism and through other means, tools and examples of best practice for encouraging the participation of business, including small and medium sized enterprises (SMEs);

*(f)*To encourage businesses that endorse the objectives of the Convention and its Strategic Plan for Biodiversity 2011-2020 in communicating their biodiversity-relevant activities to their consumers, customers, and other stakeholders.

Appendix II:

The Aichi Biodiversity Targets

Strategic Goal A: Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society

Target 1

By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably.

Target 2

By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.

Target 3

By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio economic conditions.

Target 4

By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.

Strategic Goal B: Reduce the direct pressures on biodiversity and promote sustainable use

Target 5

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.

Target 6

By 2020 all fish and invertebrate stocks and aquatic plants are managed and harvested sustainably, legally and applying ecosystem based approaches, so that overfishing is avoided, recovery plans and measures are in place for all depleted species, fisheries have no significant adverse impacts on threatened species and vulnerable ecosystems and the impacts of fisheries on stocks, species and ecosystems are within safe ecological limits.

Target 7

By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity.

Target 8

By 2020, pollution, including from excess nutrients, has been brought to levels that are not detrimental to ecosystem function and biodiversity.

Target 9

By 2020, invasive alien species and pathways are identified and prioritized, priority species are controlled or eradicated, and measures are in place to manage pathways to prevent their introduction and establishment.

Target 10

By 2015, the multiple anthropogenic pressures on coral reefs, and other vulnerable ecosystems impacted by climate change or ocean acidification are minimized, so as to maintain their integrity and functioning.

Strategic Goal C: To improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity

Target 11

By 2020, at least 17 per cent of terrestrial and inland water, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected

areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes.

Target 12

By 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained.

Target 13

By 2020, the genetic diversity of cultivated plants and farmed and domesticated animals and of wild relatives, including other socio-economically as well as culturally valuable species, is maintained, and strategies have been developed and implemented for minimizing genetic erosion and safeguarding their genetic diversity.

Strategic Goal D: Enhance the benefits to all from biodiversity and ecosystem services

Target 14

By 2020, ecosystems that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, are restored and safeguarded, taking into account the needs of women, indigenous and local communities, and the poor and vulnerable.

Target 15

By 2020, ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems, thereby contributing to climate change mitigation and adaptation and to combating desertification.

Target 16

By 2015, the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization is in force and operational, consistent with national legislation.

Strategic Goal E: Enhance implementation through participatory planning, knowledge management and capacity building

Target 17

By 2015 each Party has developed, adopted as a policy instrument, and has commenced implementing an effective, participatory and updated national biodiversity strategy and action plan.

Target 18

By 2020, the traditional knowledge, innovations and practices of indigenous and local communities relevant for the conservation and sustainable use of biodiversity, and their customary use of biological resources, are respected, subject to national legislation and relevant international obligations, and fully integrated and reflected in the implementation of the Convention with the full and effective participation of indigenous and local communities, at all relevant levels.

Target 19

By 2020, knowledge, the science base and technologies relating to biodiversity, its values, functioning, status and trends, and the consequences of its loss, are improved, widely shared and transferred, and applied.

Target 20

By 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources, and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization, should increase substantially from the current levels. This target will be subject to changes contingent to resource needs assessments to be developed and reported by Parties.

Appendix III:

Text of COP 9 decision on business engagement (IX/26)

Promoting business engagement

The Conference of the Parties,

Recalling its decision VIII/17,

Noting with appreciation the initiative of the Portuguese Presidency of the Council of the European Union of holding a highlevel conference on business and biodiversity in November 2007,

Welcoming the efforts of Germany, including through its Business and Biodiversity Initiative, to mobilize the business community for the ninth meeting of the Conference of the Parties,

Welcoming the support of the Netherlands for the organization of a third informal "business and the 2010 biodiversity challenge" meeting, to further 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 with appreciation the efforts of the Secretariat to engage the business community, including through the designation of a focal point for business,

Recognizing the potential impacts of business operations on biodiversity and the role that the business community and civil society need to play for the implementation of the three objectives of the Convention, at all levels,

1. *Invites Parties*, as appropriate, to improve actions and cooperation for enhancing the engagement of the business community, including small and medium-sized enterprises, in particular through the development of public-private partnerships, in the implementation of the three objectives of the Convention;
2. *Urges Parties* to continue to raise awareness on the business case for biodiversity;
3. *Encourages* public and private financial institutions to include biodiversity considerations into all investments and to create investment schemes to promote sustainable business activities;
4. *Requests* the Global Environment Facility, and *invites Parties*, other Governments, and relevant organizations to support capacity-building in developing countries, in particular the least developed and the small island developing States among them, and Parties with economies in transition, for engaging the business community in the implementation of the Convention;
5. *Welcomes* the framework for priority actions to be undertaken by the Secretariat contained in the annex to the present decision, subject to the availability of resources, and *requests* the Executive Secretary, where possible and appropriate, to take into account relevant initiatives by Parties and organizations.

Annex

FRAMEWORK OF PRIORITY ACTIONS ON BUSINESS, 2008-2010

1. While there has been notable progress in mobilizing the business community on biodiversity since the eighth meeting of the Conference of the Parties, relatively few companies, in particular small and medium-sized enterprises, are aware of the business and biodiversity linkages or the relevance to business of negotiations carried out under the Convention. With this in mind, and following on from decision VIII/17, the present note sets out the priority actions to be undertaken by the Secretariat in the period 2008-2010:

Priority area 1: Build and promote the business case for biodiversity

2. Continue the compilation and dissemination of information on the business case for biodiversity, including experiences generated in the framework of the UNCTAD Biotrade Initiative, through the clearing-house mechanism, the CBD newsletter on business, and mainstream business forums.
3. Develop options for incorporating biodiversity into course curricula, including through the development of case-studies and other teaching material.

Priority area 2: Disseminate tools and best practice

4. In collaboration with relevant organizations, such as the International Social and Environmental Accreditation and Labelling (ISEAL) Alliance, compile information on the use and impact of international voluntary certification schemes towards the implementation of the objectives of the Convention and develop knowledge sharing and technical assistance tools to encourage the wider uptake of best practice. Activities would further include:

(a) Compile, specifically in relation to small and medium-sized enterprises, experiences and practices that foster the sustainable use of biological resources that have been developed and implemented by Parties;

(b) Make the information available through the clearinghouse mechanism;

5. In collaboration with relevant organizations and initiatives, such as the Business and Biodiversity Offsets Programme (BBOP), compile and/or make available: (a) casestudies; (b) methodologies; tools and guidelines on biodiversity offsets; and (c) relevant national and regional policy frameworks'

6. Disseminate tools and best practice of companies involved in biotrade.

7. Compile and disseminate, including through the clearing-house mechanism and the Convention's newsletter on business, information on procurement policies that are in line with the objectives of the Convention.

Appendix IV:

Text of COP 8 decision on business engagement (VIII/17)

Private-sector engagement

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 the need to enhance voluntary commitments of the private sector to, and strengthen regulation in support of, the objectives of the Convention,

Recognizing that the private sector encompasses a broad range of actors,

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 ongoing and new initiatives to engage businesses in furthering the objectives of the Convention, including dialogue between business leaders and Ministers involved in implementing 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 (UNEP/CBD/COP/8/INF/11) 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;

(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,

Noting that further work on ways and means of supporting small and medium-sized enterprises with environmentally sound products, such as that developed by the UNCTAD BioTrade Initiative, would help to promote good biodiversity practice among business and industry,

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, such as the Finance Initiative of the United Nations Environment Programme, 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, to share information on biodiversity status and trends, 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 three objectives of the Convention and its goals and targets;
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 Ad Hoc Technical Expert Group on Technology Transfer and Scientific and Technical Cooperation to address the role of the private sector in achieving the three objectives of the Convention and to consider the relevance of the present decision for the work of the Expert Group, and to report thereon to the Conference of the Parties;
10. *Encourages* Parties to prioritize the implementation of Article 6(b) of the Convention.

Appendix V:

Jakarta Charter on Business and Biodiversity

We, the participants attending the Third Business and the 2010 Biodiversity Challenge Conference, held in Jakarta from 30 November to 2 December 2009,

Deeply concerned that resilience of ecosystems and their capacity to adapt remain under serious threat worldwide, and noted that climate change is a threat and requires focussed efforts to protect biodiversity,

Stressing that sustainable use and conservation of biodiversity together with ecological restoration offers growing business opportunities while addressing climate change through instruments such as that on reducing emissions from deforestation and forest degradation (REDD plus) under the United Nations Framework Convention on Climate Change,

Emphasizing the need to incorporate biodiversity risks and opportunities into business strategies and mainstream biodiversity and ecosystem services into business policies and practices,

Acknowledging the ongoing work of the UNEP Economics of Ecosystems and Biodiversity (TEEB) study that was presented at the Jakarta Conference,

Recognizing the progress made over the past decade in integrating biodiversity conservation in business strategies and commends companies that have demonstrated commitment and leadership in this regard,

Noting the critical importance of tenth meeting of the Conference of Parties, to be held in Nagoya, Japan, in October 2010, and its objective of setting the global agenda for action for the next decade,

Have agreed as follows:

1. The value of biodiversity and ecosystem services needs to be better reflected in economic models and policies, bearing in mind that sustainable management of biodiversity and ecosystem services are a source for future business operations as well as a condition for new business opportunities and markets;
2. Mainstreaming biodiversity into business needs to be enhanced through voluntary corporate actions as well as market-oriented enabling policies and approaches such as the Green Development Mechanism, international standards and certification systems and related initiatives. In this context, State-owned corporations can also play a leadership role in supporting the three objectives of the Convention on Biological Diversity by incorporating biodiversity into their operations and procurement policies;
3. Integrating biodiversity into business can also contribute to poverty reduction and sustainable development especially through joint ventures with the indigenous and local communities;
4. The concept of no-net-loss of biodiversity and net-positive impact, as articulated by the Business and Biodiversity Offsets Programme, is a practical framework for assessing efforts to implement the Convention on Biological Diversity;
5. Improving the quantity, quality, availability of biodiversity data to facilitate business decision making and action that will support biodiversity conservation and sustainable use;
6. Increasing awareness and education of consumers, investors and small and medium-sized enterprises (SMEs) and other stakeholders regarding biodiversity;
7. To scale up existing innovations and champion good practices, tools, etc., on a comprehensive capacity-building scheme oriented towards competence enhancement for critical decision-making and action-taking, addressing all stakeholders;
8. Supporting the establishment of an intergovernmental science-policy platform on biodiversity and ecosystem services to play an important role in ensuring that biodiversity becomes and remains a priority for public- and private-sector decision makers;
9. It is imperative to work together for creating a public-policy environment that encourages greater private-sector engagement and mainstreaming of biodiversity into corporate strategies and decision-making for achieving the three objectives of the Convention on Biological Diversity and having Governments commit themselves to internalizing sustainable sourcing in their procurement policies, thus demonstrating leadership by example;
10. A visionary and effective *Strategy to Advance the 2020 Business and Biodiversity Agenda*, focusing in particular on the scaling up of successful approaches for mainstreaming biodiversity into business operations to be considered by the Conference of the Parties to the Convention on Biological Diversity at its tenth meeting, to be held in Aichi-Nagoya, Japan, in October 2010;
11. Improving the commitment and leadership of the private sector will be vital for the implementation of the Strategic Plan of the Convention for the period 2011-2020 as well as the post-2010 biodiversity targets;

12. Building on the experience of the last three Biodiversity Challenge Conferences, there is a need for a multi-sectoral global forum on business and biodiversity for promoting dialogue and partnerships between Parties, representatives of business, civil-society representatives and other stakeholders to advance the implementation of the three objectives of the Convention on Biological Diversity and its new Strategic Plan;

13. The first global forum on business and biodiversity may be convened as soon as possible and no later than the eleventh meeting of the Conference of the Parties to the Convention on Biological Diversity;

14. Businesses are encouraged to express their commitment to the three objectives of the Convention on Biological Diversity by endorsing the Jakarta Charter on Business and Biodiversity and participating actively in the tenth meeting of the Conference of the Parties, in conjunction with which a International Business and Ecosystems Day, being coorganized on 26 October 2010 by IUCN, the World Business Council for Sustainable Development and Nippon Keidanren² with the support of the Secretariat of the Convention on Biological Diversity, will provide a further important opportunity for the engagement of business in supporting the core objectives of the Convention;

15. To thank the people and Government of Indonesia for hosting the third Business and the 2010 Biodiversity Challenge Conference.

Jakarta, 2 December 2009

Appendix VI:

Declaration of Biodiversity by Nippon Keidanren

March 17, 2009

Nippon Keidanren
(Japan Business Federation)

Preamble

1. Activities by Nippon Keidanren

Nippon Keidanren is engaged in numerous activities to tackle global environmental problems for future human prosperity. These activities are based on ideas in the "[Global Environment Charter](#)" (announced in 1991), or the "Environment-led growth" in the "[Envisioning A Vibrant and Attractive Nation in the Twenty-First Century](#)" (announced in 2003).

[The Keidanren Nature Conservation Fund \(KNCF\) and its accompanying committee](#) were established in 1992 to link between economic activities and the natural environment in order to bring them closer together in a harmonious way. In the same year, KNCF started supporting for NGO projects for nature conservation mainly in the Asia and Pacific regions. The number of supported projects has now reached about 800. In 2003, Keidanren announced the "[Declaration of Nippon Keidanren on Nature Conservation](#)" (hereafter Nature Conservation Declaration) and has been promoting awareness raising and activities related to the Declaration since then.

2. Biodiversity Crisis

The Convention on Biological Diversity (CBD) was adopted together with the United Nations Framework Convention on Climate Change (UNFCCC) at the United Nations Conference on Environment and Development (UNCED: Earth Summit) held in Rio De Janeiro in 1992. However the recognition of the importance of biodiversity has been insufficient, partly because biodiversity is difficult to measure and the concept is difficult to understand.

Biodiversity provides the gifts of nature to human beings; the loss of biodiversity is thus leading to serious problems for human life and livelihoods by affecting water resources, food security and poverty, among other things. It is necessary to recognize that biodiversity is essential to social and economic activities and that all people and organizations need to draw upon their wisdom and collaborate to face the biodiversity crisis.

3. Our Commitment

Based on the Nature Conservation Declaration, we have been promoting nature conservation activities with a focus on biodiversity. It is time to recognize that biodiversity is an important foundation for a future sustainable society and we are determined to act to contribute to biodiversity in collaboration and cooperation by sharing roles and responsibilities with all people as a member of the international community.

We aim for the conservation of biological diversity, the sustainable use of the components of biological diversity and the fair and equitable sharing of the benefits derived from genetic resources. Herewith we adopt the Declaration of Biodiversity which further develops the actions for biodiversity outlined in the "Nature Conservation Declaration".

We will continue to improve this Declaration and Action Policy as we identify the need based on progress attained.

Declaration

1. Appreciate nature's gifts and aim for corporate activities in harmony with the natural environment

Appreciate that we depend upon nature's gifts (ecosystem services) which are derived from biodiversity. Aim for corporate activities which are in harmony with the natural environment, and which have been evolving since the birth of the earth.

2. Act from a global perspective on the biodiversity crisis

Act for biodiversity conservation from a global perspective and in consideration of local contexts by recognizing that we are benefiting from ecosystem services beyond national borders and by sharing the recognition with all people that biodiversity is being diminished.

In utilizing genetic resources, respect the ideas contained in the Convention on Biological Diversity and make efforts to maintain genetic resources for future generations.

3. Act voluntarily and steadily to contribute to biodiversity

Be aware of one's own social responsibility. Act voluntarily and steadily to reduce impacts on biodiversity, and to promote socially responsible activities that will substantially benefit biodiversity. In implementing actions, individual companies endeavor to use their own managerial resources and apply their creativity according to their management contexts and ideas.

4. Promote corporate management for sustainable resource use

Promote corporate management that will lead to solutions for biodiversity and climate change issues by creating a culture of sustainable resources use and energy saving by utilizing the "3R" approach (reduce, reuse and recycle).

5. Create an industry, lifestyle and culture that will learn from biodiversity

Learn from nature, society's wisdom and traditions regarding nature, and pursue management innovations by promoting the development of environmental technology and operational activities with a low impact on biodiversity, thus leading to sustainable industry, lifestyle and culture.

6. Collaborate with relevant international and national organizations

Collaborate, both in international and national contexts, with stakeholders to develop a better awareness and recognition of the importance of biodiversity and actively promote collaboration and cooperation in order to make the engagement and activities for biodiversity effective.

7. Spearhead activities to build a society that will nurture biodiversity

Based on a deep understanding of biodiversity, contribute to a sustainable global society by spearheading activities which address social responsibility for biodiversity.

We herewith declare that we will respect the seven principles detailed above and will act with firm commitments for biodiversity.

Action Policy

This policy was formed to guide and promote actions to support the implementation of the Declaration. Under the following seven headings examples of actions are explained to illustrate the content of the Declaration in a concrete manner. In implementing these actions, individual companies should use their own managerial resources and apply their creativity. This text does not constitute a code of conduct for the activities of individual companies.

1. Appreciate nature's gifts and aim for corporate activities in harmony with the natural environment

1-1 Recognize the importance of biodiversity and nature's gifts and reflect them in corporate policy.

1-2 Establish a corporate management vision and provide leadership to integrate biodiversity concerns.

2. Act from a global perspective on the biodiversity crisis

2-1 Consider impacts on relevant ecosystems and local communities, both domestic and abroad, when setting out operational plans.

2-2 Make an effort to ensure that the both provider and users of genetic resources will benefit from their utilization.

3. Act voluntarily and steadily to contribute to biodiversity

3-1 Make an effort to improve the identification and analysis of biodiversity impacts and improve business operations on biodiversity.

3-2 Endeavor through the individual company's operations to contribute to substantial conservation of biodiversity and carefully consider implementation of trading or off-setting measures based on an economic evaluation.

3-3 As part of social responsibility activities, engage in biodiversity issues even if they are not directly linked to the operations of the company.

4. Promote corporate management for sustainable resource use

4-1 Continuously implement activities for resource and energy saving related to the use of the "3R" approach (reduce, reuse and recycle) for operations, and the entire lifecycle of products and services while improving upon established practices.

5. Create an industry, lifestyle and culture that will learn from biodiversity

5-1 Promote technical development learning from nature and traditional knowledge, and encourage innovation in lifestyle and culture.

5-2 Promote the development and dissemination of technology that will contribute to the conservation of biodiversity.

5-3 Make efforts to help restore biodiversity when operating in areas where nature has been negatively impacted.

6. Collaborate with relevant international and national organizations

6-1 Promote collaboration by strengthening communication with NGOs, local municipalities and educational, research and other relevant organizations.

6-2 Disseminate and share experiences from activities related to biodiversity.

7. Spearhead activities to build a society that will nurture biodiversity

7-1 Actively carry out environmental education activities for employees in collaboration with local communities, NGOs and other organizations.

7-2 Raise societal awareness of the need to nurture biodiversity.

Appendix VII:

Text of IFC Performance Standard 6 (January, 2012)

Introduction

1. Performance Standard 6 recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development. The requirements set out in this Performance Standard have been guided by the Convention on Biological Diversity, which defines biodiversity as “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems.”

2. Ecosystem services are the benefits that people, including businesses, derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems; and (iv) supporting services, which are the natural processes that maintain the other services.

3. Ecosystem services valued by humans are often underpinned by biodiversity. Impacts on biodiversity can therefore often adversely affect the delivery of ecosystem services. This Performance Standard addresses how clients can sustainably manage and mitigate impacts on biodiversity and ecosystem services throughout the project’s lifecycle.

Objectives

☑ To protect and conserve biodiversity.

☑ To maintain the benefits from ecosystem services.

☑ To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.

Scope of Application

4. The applicability of this Performance Standard is established during the environmental and social risks and impacts identification process. The implementation of the actions necessary to meet the requirements of this Performance Standard is managed through the client’s Environmental and Social Management System (ESMS), the elements of which are outlined in Performance Standard 1.

5. Based on the risks and impacts identification process, the requirements of this Performance Standard are applied to projects (i) located in modified, natural, and critical habitats; (ii) that potentially impact on or are dependent on ecosystem services over which the client has direct management control or significant influence; or (iii) that include the production of living natural resources (e.g., agriculture, animal husbandry, fisheries, forestry).

Requirements

General

6. The risks and impacts identification process as set out in Performance Standard 1 should consider direct and indirect project-related impacts on biodiversity and ecosystem services and identify any significant residual impacts. This process will consider relevant threats to biodiversity and ecosystem services, especially focusing on habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, and pollution. It will also take into account the differing values attached to biodiversity and ecosystem services by Affected Communities and, where appropriate, other stakeholders. Where paragraphs 13–19 are applicable, the client should consider project-related impacts across the potentially affected landscape or seascape.

7. As a matter of priority, the client should seek to avoid impacts on biodiversity and ecosystem services. When avoidance of impacts is not possible, measures to minimize impacts and restore biodiversity and ecosystem services should be implemented. Given the complexity in predicting project impacts on biodiversity and ecosystem services over the long term, the client should adopt a practice of adaptive management in which the implementation of mitigation and management measures are responsive to changing conditions and the results of monitoring throughout the project’s lifecycle.

8. Where paragraphs 13–15 are applicable, the client will retain competent professionals to assist in conducting the risks and impacts identification process. Where paragraphs 16–19 are applicable, the client should retain external experts with appropriate regional experience to assist in the development of a mitigation hierarchy that complies with this Performance Standard and to verify the implementation of those measures.

Protection and Conservation of Biodiversity

9. Habitat is defined as a terrestrial, freshwater, or marine geographical unit or airway that supports assemblages of living organisms and their interactions with the non-living environment. For the purposes of implementation of this Performance Standard, habitats are divided into modified, natural, and critical. Critical habitats are a subset of modified or natural habitats.

10. For the protection and conservation of biodiversity, the mitigation hierarchy includes biodiversity offsets, which may be considered only after appropriate avoidance, minimization, and restoration measures have been applied. A biodiversity offset should be designed and implemented to achieve measurable conservation outcomes³ that can reasonably be expected to result in no net loss and preferably a net gain of biodiversity; however, a net gain is required in critical habitats. The design of a biodiversity offset must adhere to the “like-for-like or better” principle and must be carried out in alignment with best available information and current practices. When a client is considering the development of an offset as part of the mitigation strategy, external experts with knowledge in offset design and implementation must be involved.

Modified Habitat

11. Modified habitats are areas that may contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified an area’s primary ecological functions and species composition.⁵ Modified habitats may include areas managed for agriculture, forest plantations, reclaimed⁶ coastal zones, and reclaimed wetlands.

12. This Performance Standard applies to those areas of modified habitat that include significant biodiversity value, as determined by the risks and impacts identification process required in Performance Standard 1. The client should minimize impacts on such biodiversity and implement mitigation measures as appropriate.

Natural Habitat

13. Natural habitats are areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area’s primary ecological functions and species composition.

14. The client will not significantly convert or degrade⁷ natural habitats, unless all of the following are demonstrated:

- No other viable alternatives within the region exist for development of the project on modified habitat;
- Consultation has established the views of stakeholders, including Affected Communities, with respect to the extent of conversion and degradation;⁸ and
- Any conversion or degradation is mitigated according to the mitigation hierarchy.

15. In areas of natural habitat, mitigation measures will be designed to achieve no net loss⁹ of biodiversity where feasible. Appropriate actions include:

- Avoiding impacts on biodiversity through the identification and protection of set-asides;
- Implementing measures to minimize habitat fragmentation, such as biological corridors;
- Restoring habitats during operations and/or after operations; and
- Implementing biodiversity offsets.

Critical Habitat

16. Critical habitats are areas with high biodiversity value, including (i) habitat of significant importance to Critically Endangered and/or Endangered¹¹ species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species; (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes.

17. In areas of critical habitat, the client will not implement any project activities unless all of the following are demonstrated:

- No other viable alternatives within the region exist for development of the project on modified or natural habitats that are not critical;
- The project does not lead to measurable adverse impacts on those biodiversity values for which the critical habitat was designated, and on the ecological processes supporting those biodiversity values;¹²
- The project does not lead to a net reduction in the global and/or national/regional population¹³ of any Critically Endangered or Endangered species over a reasonable period of time;¹⁴ and
- A robust, appropriately designed, and long-term biodiversity monitoring and evaluation program is integrated into the client’s management program.

18. In such cases where a client is able to meet the requirements defined in paragraph 17, the project's mitigation strategy will be described in a Biodiversity Action Plan and will be designed to achieve net gains¹⁵ of those biodiversity values for which the critical habitat was designated.

19. In instances where biodiversity offsets are proposed as part of the mitigation strategy, the client must demonstrate through an assessment that the project's significant residual impacts on biodiversity will be adequately mitigated to meet the requirements of paragraph 17.

Legally Protected and Internationally Recognized Areas

20. In circumstances where a proposed project is located within a legally protected area¹⁶ or an internationally recognized area, the client will meet the requirements of paragraphs 13 through 19 of this Performance Standard, as applicable. In addition, the client will:

- ☐ Demonstrate that the proposed development in such areas is legally permitted;
- ☐ Act in a manner consistent with any government recognized management plans for such areas;
- ☐ Consult protected area sponsors and managers, Affected Communities, Indigenous Peoples and other stakeholders on the proposed project, as appropriate; and
- ☐ Implement additional programs, as appropriate, to promote and enhance the conservation aims and effective management of the area.

Invasive Alien Species

21. Intentional or accidental introduction of alien, or non-native, species of flora and fauna into areas where they are not normally found can be a significant threat to biodiversity, since some alien species can become invasive, spreading rapidly and out-competing native species.

22. The client will not intentionally introduce any new alien species (not currently established in the country or region of the project) unless this is carried out in accordance with the existing regulatory framework for such introduction. Notwithstanding the above, the client will not deliberately introduce any alien species with a high risk of invasive behavior regardless of whether such introductions are permitted under the existing regulatory framework. All introductions of alien species will be subject to a risk assessment (as part of the client's environmental and social risks and impacts identification process) to determine the potential for invasive behavior. The client will implement measures to avoid the potential for accidental or unintended introductions including the transportation of substrates and vectors (such as soil, ballast, and plant materials) that may harbor alien species.

23. Where alien species are already established in the country or region of the proposed project, the client will exercise diligence in not spreading them into areas in which they have not already been established. As practicable, the client should take measures to eradicate such species from the natural habitats over which they have management control.

Management of Ecosystem Services

24. Where a project is likely to adversely impact ecosystem services, as determined by the risks and impacts identification process, the client will conduct a systematic review to identify priority ecosystem services. Priority ecosystem services are two-fold: (i) those services on which project operations are most likely to have an impact and, therefore, which result in adverse impacts to Affected Communities; and/or (ii) those services on which the project is directly dependent for its operations (e.g., water). When Affected Communities are likely to be impacted, they should participate in the determination of priority ecosystem services in accordance with the stakeholder engagement process as defined in Performance Standard 1.

25. With respect to impacts on priority ecosystem services of relevance to Affected Communities and where the client has direct management control or significant influence over such ecosystem services, adverse impacts should be avoided. If these impacts are unavoidable, the client will minimize them and implement mitigation measures that aim to maintain the value and functionality of priority services. With respect to impacts on priority ecosystem services on which the project depends, clients should minimize impacts on ecosystem services and implement measures that increase resource efficiency of their operations, as described in Performance Standard 3. Additional provisions for ecosystem services are included in Performance Standards 4, 5, 7, and 8.

Sustainable Management of Living Natural Resources

26. Clients who are engaged in the primary production of living natural resources, including natural and plantation forestry, agriculture, animal husbandry, aquaculture, and fisheries, will be subject to the requirements of paragraphs 26 through 30, in addition to the rest of this Performance Standard. Where feasible, the client will locate land-based agribusiness and forestry projects on unforested land or land already converted. Clients who are engaged in such industries will manage living natural

resources in a sustainable manner, through the application of industry-specific good management practices and available technologies. Where such primary production practices are codified in globally, regionally, or nationally recognized standards, the client will implement sustainable management practices to one or more relevant and credible standards as demonstrated by independent verification or certification.

27. Credible globally, regionally, or nationally recognized standards for sustainable management of living natural resources are those which (i) are objective and achievable; (ii) are founded on a multi-stakeholder consultative process; (iii) encourage step-wise and continual improvements; and (iv) provide for independent verification or certification through appropriate accredited bodies for such standards.²⁰

28. Where relevant and credible standard(s) exist, but the client has not yet obtained independent verification or certification to such standard(s), the client will conduct a pre-assessment of its conformity to the applicable standard(s) and take actions to achieve such verification or certification over an appropriate period of time.

29. In the absence of a relevant and credible global, regional, or national standard for the particular living natural resource in the country concerned, the client will:

Commit to applying good international industry operating principles, management practices, and technologies; and

Actively engage and support the development of a national standard, where relevant, including studies that contribute to the definition and demonstration of sustainable practices.

Supply Chain

30. Where a client is purchasing primary production (especially but not exclusively food and fiber commodities) that is known to be produced in regions where there is a risk of significant conversion of natural and/or critical habitats, systems and verification practices will be adopted as part of the client's ESMS to evaluate its primary suppliers.²¹ The systems and verification practices will (i) identify where the supply is coming from and the habitat type of this area; (ii) provide for an ongoing review of the client's primary supply chains; (iii) limit procurement to those suppliers that can demonstrate that they are not contributing to significant conversion of natural and/or critical habitats (this may be demonstrated by delivery of certified product, or progress towards verification or certification under a credible scheme in certain commodities and/or locations); and (iv) where possible, require actions to shift the client's primary supply chain over time to suppliers that can demonstrate that they are not significantly adversely impacting these areas. The ability of the client to fully address these risks will depend upon the client's level of management control or influence over its primary suppliers.