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1. Executive summary

Transforming business practices is key to building a sustainable future. In 2015, the world witnessed historical agreements for sustainable development and climate change, and business – for the first time – played an influential role in securing these global deals.

From the 8,000-plus business members of UN Global Compact to the approximate 180 members of the World Business Council for Sustainable Development (WBCSD), thousands of private companies advocated for stronger global frameworks to deliver greater social, economic and environmental protection and benefits. Fortunately, government leaders heard their call, along with thousands of other civil society organizations, and a pathway to a healthier, greener future is now in sight.

IUCN’s Global Business and Biodiversity Programme scaled up its efforts, working with Fortune 500 companies, small and medium-sized enterprises, farmers’ cooperatives, indigenous groups, government and non-government organisations (NGOs) to create more sustainable approaches, standards and collaborative platforms that safeguard biodiversity, upon which all life depends.

The highlights featured in this report showcase a variety of IUCN’s engagement with business, but it is only a sampling of the outreach underway with its with almost 1,300 government and NGO Members, 15,000 volunteer experts and nearly 1,000 colleagues around the world. Throughout the organisation’s programmes – from protected areas and species conservation to economics and social policy – IUCN recognises that business must be part of the solution.

Promoting innovative approaches

As outlined in its Business Engagement Strategy, IUCN primarily works with industries that have a large footprint on the environment, such as extractives and agriculture, to help reduce their impact and identify new ways of tackling difficult issues. For example, the mining giant Rio Tinto adopted a goal of achieving a Net Positive Impact (NPI) for biodiversity in 2004, and has since tested it at various mining sites. As a result, IUCN and the company have created a new NPI Protocol to share with other sectors. The ambitious goal set by Rio Tinto, and now adopted by other companies, goes beyond the No Net Loss (NNL) target and instead looks at achieving a Net Gain for Biodiversity.

Drawing on its collaborations with the coffee company Nespresso, the forestry company UPM, Shell biofuels, the enzymes company Novozymes, along with conservation experts from IUCN Member organisations, IUCN published a report that found – under certain conditions – applying NNL and NPI approaches to agriculture and forestry landscapes associated with companies’ operations and supply chains could potentially have an even greater impact on reducing global biodiversity loss than in other sectors, such as extractives. The report received a positive response from industry and NGOs alike, and IUCN and Nespresso are now testing the collective design and implementation of an NPI approach through a consortium of organisations in coffee and agricultural landscapes in Minas Gerais state of Brazil. In addition, IUCN and its partners – Rio Tinto, Shell Global Solutions and The Nature Conservancy – have recently published two brief papers that make both the business case and the conservation case for adopting a net gain approach for biodiversity.

Experienced in seeking consensus with industry to support biodiversity conservation goals, IUCN has also managed two independent scientific and technical advisory panels – one concerning the Niger Delta and another the Western Gray Whales off Russia’s Sakhalin Island.
Establishing new standards

Another highlight this past year was the conclusion of a three-year process with the now independent Aluminium Stewardship Initiative. The centrepiece of this effort culminated in a new Performance Standard for the aluminium industry, which was created with equal input from industry leaders and NGOs. In recognition of this successful initiative, IUCN received an award in for its role in facilitating the Standard process. Since then, IUCN has been invited to serve on the ASI Advisory Board.

In a related effort, IUCN, along with Asia Indigenous Peoples Pact and the Forest Peoples Programme, released a report at the UN Business and Human Rights Forum in November. The report, *Mining, the Aluminium Industry and Indigenous Peoples: Enhancing Corporate Respect for Indigenous Peoples’ Rights*, provides a global overview of the laws and challenges with case studies from Australia, Cambodia, Guinea, India and Suriname.

Supporting collaborative platforms

Other milestones in 2015 include the advancement of SUSTAIN-Africa in two economic “growth” corridors in Tanzania and Mozambique. Working in partnership with government and civil society, IUCN’s Global Business and Biodiversity Programme is leading the business outreach for SUSTAIN in these two regions. The aim is to help shape planning processes and investment flows that strengthen climate change resilience, as well as food and water security, in these regions so local communities can prosper. In Tanzania, where IUCN is working with the African Wildlife Foundation and SNV Netherlands Development Organisation, the initiative has received strong support from the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), an inclusive, multi-stakeholder partnership set up to develop the region’s agricultural potential. In Mozambique, the Zambezi Valley Development Agency is lending its support as activities get underway there.

Throughout the year, IUCN also participated in numerous conferences, sharing its latest knowledge products and tools with companies, governments and NGOs alike. In November, IUCN was one of the main supporters of the 2nd World Forum on Natural Capital, which underscored the need for business and governments to invest in biodiversity and ecosystems. IUCN joined other Forum participants in an open letter to government leaders headed to Paris, reminding them that safeguarding natural capital was crucial for addressing the climate crisis. The Natural Capital Coalition, of which IUCN is a founding member, also used the Forum to launch the global consultation on the draft Natural Capital Protocol for business. IUCN, along with the World Business Council for Sustainable Development (WBCSD) and a consortium of partners, spearheaded uptake with more than 50 companies to trial the Protocol. IUCN is also supporting the development of two guides for the apparel and the food and beverage sectors. The Coalition’s Protocol and the sector guides will be released in July 2016.

Finally, in an effort to secure greater private sector commitments for sustainable development, IUCN and WBCSD announced a new five-year partnership that will help businesses address global challenges, such as climate change and ecosystem degradation, by valuing nature and promoting nature-based solutions.

“Today, business – one of the greatest engines of innovation – is increasingly recognised for its central role in helping deliver global goals for sustainable development and climate change. Through IUCN’s Business Engagement Strategy, we mobilise our extensive global network to promote new solutions that value nature and create opportunities for a healthier, more sustainable environment for all of society.”

Inger Andersen  Director General of IUCN
Over the past decade, IUCN has gained considerable experience in business engagements, demonstrating that companies can change the way they operate in a manner that benefits biodiversity and the lives of the people who rely on it.

The IUCN Business Engagement Strategy, which was created in 2012, aims to encourage transformational change at the company, sectoral and cross-sectoral levels in regards to how biodiversity is valued and managed by businesses. Its main objective: to generate benefits for biodiversity and natural resource-dependent livelihoods at a landscape and seascape level.

As such, IUCN takes action in three interconnected areas:

- Help businesses to adopt policies on the ground that avoid and minimize impacts on biodiversity, and seek opportunities for biodiversity conservation and benefits for people who depend on natural resources.
- Promote sustainability standards and safeguards in companies’ sourcing activities that have a positive impact on biodiversity and the livelihoods of local people.
- Support public and financial sector policies that integrate biodiversity and livelihood values in business decision-making.

Going forward, the Global Business and Biodiversity Programme’s implementation of the strategy will be scaled-up to deliver on the new IUCN Programme for 2017-2020, which is directly linked to the global goals for sustainable development and climate change.

Box 1

IUCN’S OPERATIONAL GUIDELINES FOR BUSINESS ENGAGEMENT

In 2015, the IUCN Council endorsed revised guidelines for business engagement, offering critical support to the implementation of the IUCN Business Engagement Strategy and providing a coherent framework for influencing business practices across the organisation. The guidelines are an indicator of the Union’s ambition as it strengthens its business engagement. They recognise that in order for IUCN to have a meaningful impact on the ground, there may be risks associated with engaging high impact sectors and thus, provide guidance on how these risks can be identified and managed.

The guidelines are available to IUCN Members and Partners through the Union Portal.

Otherwise, they are available upon request at: biobiz@iucn.org
IUCN’s engagement with business reflects its global priorities, which are set every four years by its Members at the IUCN World Conservation Congress. The current programme builds upon the organisation’s niche as the world’s authority on biodiversity conservation, nature-based solutions and related environmental governance. As part of its contribution, the Global Business and Biodiversity Programme focuses on three areas – valuing nature, delivering a biodiversity net gain and investing in nature-based solutions.

A. Valuing nature

Throughout 2015, IUCN continued to work with partners interested in making a commitment to transformational change, beginning with valuing nature, and assessing their impacts and dependencies on biodiversity and ecosystems.

Engaging business on the Natural Capital Protocol

IUCN’s Global Business and Biodiversity Programme, along with WBCSD and a consortium of organisations, is leading the business outreach on the new Natural Capital Protocol. Created under the auspices of the Natural Capital Coalition (NCC), the Natural Capital Protocol is a standardized framework for business to measure and value its direct and indirect impacts and dependencies on natural capital.

It aims to be internationally applicable, across all business sectors, geographies and organizational levels.

By harmonizing and leveraging existing approaches, the Protocol does not prescribe or promote the use of one methodology or valuation technique over another. Instead, it informs decision makers in companies on the appropriate measurements and valuation methods they can use, depending on the intended application and context.

In 2015, more than 50 businesses agreed to test the Protocol, and another 10 companies undertook “deep dives” to help ensure it is fit-for-purpose, before it is released in July 2016. IUCN is participating in two extensive tests with Nespresso and Shell, as well as overseeing the development of two sector guides on apparel and food and beverages.
In addition, IUCN is carrying out a pilot project in Colombia to help build the business case for integrating natural capital into decision-making. Supported by the International Finance Corporation, a member of the World Bank Group, and under the leadership of the Natural Capital Coalition, IUCN is partnering with the Cambridge Institute for Sustainability Leadership, Ernst & Young, Trucost, Ecoversa and Nespresso. The project aims to harmonise the country’s various approaches to natural capital, shift corporate behaviour so it values natural capital, and strengthen the enabling environment for businesses to operate, including providing more reliable data. The results of this pilot study will then inform the final development of the Natural Capital Protocol.

For more information, visit: http://www.naturalcapitalcoalition.org/

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**Box 3**

**THE 2ND WORLD FORUM ON NATURAL CAPITAL**

Hosted by the Scottish Wildlife Trust, in partnership with IUCN, NCC, WBCSD and the UNEP Finance Initiative, the 2nd World Forum on Natural Capital, held 23-24 November 2015, attracted more than 600 participants from 45 different countries, representing a broad spectrum of stakeholders: business leaders, policy makers, environmental experts and academics. IUCN Director General Inger Andersen gave a keynote speech in the opening plenary, along with the First Minister of Scotland Nicola Sturgeon. In her speech, Ms Andersen called on the audience to “cherish nature” and recognise the deep and interconnected challenges facing natural capital today. During the Forum, companies openly discussed the barriers that they face in managing and accounting for natural capital, but they also expressed an interest in adopting new tools that would allow them to have a more positive impact on nature.

For more information, visit: http://naturalcapitalforum.com/
Helping Hugo Boss assess its biodiversity risks and opportunities

IUCN and Hugo Boss collaborated to gain a better understanding of the dependence and impacts of the company's main product value chains (apparel and accessories) on biodiversity and ecosystem services. Together, they also identified potential opportunities for mitigating negative impacts on biodiversity and ecosystem services across their value chains.

Following further discussions on lessons learned from this exercise, both parties agreed to publish a report on the findings with recommendations for the fashion industry on how it can take action to improve its conservation impact and overall performance. The report, *Biodiversity Risks and Opportunities in the Apparel Sector*, strongly urges companies to use a risk assessment framework, which will provide a more comprehensive view of where action is needed.

“Assessing the risk to biodiversity in a company’s operations and supply chain is the most effective approach to managing and reducing biodiversity impacts,” said Gerd von Podewils, Senior Vice President of Global Communication for Hugo Boss AG. “There is a growing awareness in the fashion industry about the environmental and social sustainability challenges it faces, and with that awareness comes the responsibility to act.”

Read the report: www.iucn.org/theme/business-and-biodiversity/resources

See the interview on Greening the Fashion Industry with IUCN's Giulia Carbone, Deputy Director, Business and Biodiversity Programme, at: https://www.youtube.com/watch?v=jsMH1xyVmiU

Challenging large footprint industries: the RWE Hambach Mine

In early 2015, IUCN concluded a one-year agreement with RWE. While focused on the RWE Hambach mining site in Germany, it triggered broader company-wide action on biodiversity. IUCN published its findings in a report, *Risks and opportunities in biodiversity management and related stakeholder involvement of the RWE Hambach Lignite Mine*. The report provides a basis for the development of a company-wide strategic approach on the management of biodiversity and related stakeholder needs.

For more information, visit: www.iucn.org/theme/business-and-biodiversity/resources
Box 4

IUCN CONVENES INDEPENDENT SCIENTIFIC & TECHNICAL ADVISORY PANELS

IUCN is a trusted convenor, known for seeking consensus to support biodiversity conservation goals. With 1,300 governments and NGO members, it is well-positioned to respond to the different needs and challenges faced by businesses operating anywhere in the world. Over the years, it has found that the creation of Independent Scientific and Technical Advisory Panels (ISTAPS) provides a constructive vehicle for bringing various stakeholders together to identify solutions. IUCN is successfully implementing this approach in the Niger Delta at the request of Shell to help rehabilitate ecosystems damaged by oil spills there, and in Russia, where scientists are helping Sakhalin Energy to mitigate and monitor its impacts on endangered grey whales. The ISTAP process has been formalised through a set of Guidelines, which are available at the link below.

www.iucn.org/theme/business-and-biodiversity/resources

Working with stakeholders to rehabilitate the Niger Delta

IUCN, at Shell’s request, established a panel of international and local experts in 2012 to address the environmental damage in the Niger Delta following more than 25 years of oil spills and pollution caused by several sources including crude oil theft, sabotage and illegal refining. In 2013, the Independent Advisory Panel for the Niger Delta delivered detailed recommendations to Shell Petroleum Development Corporation of Nigeria Ltd. (SPDC), a subsidiary of Shell. The recommendations outline steps for assessing oil spills in specific eco-zones of the Niger Delta, as well as measures for remediation and rehabilitation of biodiversity and habitats in the oil spill sites.

Since then, the company has adopted a number of these recommendations and is testing a number of remedial techniques suggested by the panel. In addition, IUCN has since hosted a multi-stakeholder workshop in the region to share the panel’s findings and supported the panel’s next task to develop a Biodiversity Action Plan for the region, which goes beyond the company. This work will be unveiled and shared with the company and local communities in 2016.
Using science to save the critically endangered Western Gray Whales

Since 2004, IUCN has been working with Sakhalin Energy – an oil and gas company with Gazprom, Shell, Mitsui and Mitsubishi as shareholders – and other actors, including IUCN Members active in the region, to ensure the long-term conservation of these cetaceans, listed as Critically Endangered on the IUCN Red List of Threatened Species™. As a result, the scientists now have a much better understanding of the population and have recently reported a slow but steady increase in numbers.

Over the years – under the guidance of the IUCN’s Western Gray Whale Advisory Panel (WGWAP) – the company has put in place several measures to reduce the impact of their operations on the whales. In 2015, Sakhalin Energy was the only energy company operating at Sakhalin and conducting seismic surveys near the whale’s feeding areas that accepted the inclusion of an IUCN’s Independent Observer as part of its seismic survey monitoring and mitigation programme, and it sought advice from the Advisory Panel on its development. The findings will inform future monitoring and mitigation plans at Sakhalin and elsewhere.

Also in 2015, the Panel held its 16th meeting in Moscow, where it agreed its 2016 work plan, including special Task Forces on underwater noise and seismic survey issues, implementation of the IFC Performance Standard 6 by the company, and a review of the Joint Sakhalin Energy/Exxon Neftegas Limited (ENL) Monitoring and Research Programme on Western Gray Whales. In addition to the company representatives and panel members, the meeting was attended by the largest number of observers, including NGOs, lenders, government officials and other companies operating in the region.

www.iucn.org/wgwap
Setting new standards: IUCN wins award for facilitating ASI Performance Standard

In 2015, following the adoption of the Aluminium Stewardship Initiative (ASI) Performance Standard, IUCN received a Gold Facilitation Impact Award from the International Association of Facilitators for leading the multi-stakeholder process to launch the industry’s first Performance Standard.

The award celebrates the outcome of the ASI initiative – the first of its kind for the aluminium industry – led by IUCN’s Global Business and Biodiversity Programme, with support from Bright Green Learning.

In addition, the Global Business and Biodiversity Programme collaborated with Asia Indigenous Peoples Pact and the Forest Peoples Programme to produce a report that further informs the new ASI Standard by providing a global overview and case studies of the challenges facing indigenous peoples in mining areas. The report, Mining, the Aluminium Industry and Indigenous Peoples: Enhancing Corporate Respect for Indigenous Peoples’ Rights, was released in conjunction with the UN Business and Human Rights Forum, which was held in November in Geneva.

Supporting biodiversity reporting and indicators from Aichi targets to corporate reporting

In France, companies are required by law to report on biodiversity. However, these reports vary in content, form and method, and some companies admit that they have difficulty in writing their biodiversity reports. Therefore, to improve companies’ biodiversity reporting methodologies and approaches, the IUCN French National Committee worked with its business partners to develop a study, which includes recommendations based on international and national frameworks. Released in late 2014, the study was translated in English in order to contextualize and make it applicable to other countries, legal contexts and industry sectors, and include a range of biodiversity reporting documents as well as topics that should be covered.

The report is available in both English and French at: www.iucn.org/theme/business-and-biodiversity/resources

What donors are saying...

“Successful value chains depend on the willingness of all chain actors to communicate, coordinate and collaborate.”

Judith Rodin President of Rockefeller Foundation
B. Delivering a net gain for biodiversity

As there is increasing recognition that conservation and development need to go hand in hand, the Global Business and Biodiversity Programme promotes landscape planning that incorporates the mitigation hierarchy approach with a net gain target for biodiversity. Moreover, it is working with governments, business and NGOs to produce new research, tools and case studies that can help inform these efforts.

Making the case for Net Positive Impact on biodiversity

Exploring how a Net Positive Impact (NPI) approach on biodiversity can enable the private sector to better manage biodiversity and contribute to global conservation was the focus of the NPI Alliance. The Alliance brought together IUCN, Rio Tinto, Shell Global Solutions and The Nature Conservancy with advisory support from the International Finance Corporation. The two-year effort confirmed companies adopting an NPI approach need to take a systematic and scientific approach to evaluate their biodiversity impacts, establish biodiversity conservation goals and implement actions to achieve a biodiversity net gain over time.

The Alliance produced two papers on the business case and the conservation case for an NPI approach. For example, it found that private sector commitments to NPI were growing, in part due to government regulations on biodiversity offsets and new standards by financial institutions such as the IFC’s Performance Standard 6, which specifically urges companies to set an NPI goal. It also underscored that any benefits largely depend on the quality of its implementation and the enabling environments in which it is applied.

Read the reports: www.iucn.org/theme/business-and-biodiversity/resources
What governments are saying…

“There is no room for complacency – losing biodiversity means losing our life-support system. We can’t afford that, and neither can our economy.”

Karmenu Vella  European Commissioner for Environment, Maritime Affairs and Fisheries

Testing NPI in the forestry and agriculture sectors

Earlier in 2015, IUCN published a study on how commercial agriculture and forestry sectors could reduce global biodiversity loss by applying an NPI approach. The report, No Net Loss and Net Positive Impact Approaches for Biodiversity: exploring application in commercial agriculture and forestry sectors, finds that under certain conditions, implementing an NPI approach in some agriculture and forestry landscapes associated with companies’ operations and supply chains could have a greater impact in reducing biodiversity loss than in other sectors.

According to the IUCN Red List of Threatened Species™, agriculture impacts 8,482 threatened species globally, while forestry impacts 7,953 threatened species, compared to the infrastructure and extractive sectors, which impact up to 4,688 and 1,692 threatened species respectively (2015 data).

Adopting an NPI approach in relevant situations would require companies in the agriculture and forestry sectors to take a systematic and scientific approach to evaluate important biodiversity values and trends, their biodiversity impacts, establish biodiversity conservation goals and implement actions to realise these goals, according to the report (see the figure below).

What are the main stages typically required to implement an NPI approach?

1. Identify priority biodiversity values in the region and define NPI goal
2. Map locations, compile trends, and establish a baseline of the biodiversity values
3. Overlay project plan to biodiversity data and apply the mitigation hierarchy
4. Implement the resulting project plan
5. Monitor progress towards the NPI goal and feed back into updating the project plan

The report applies this five-stage process to three hypothetical landscape scenarios in agriculture and forestry: a) Existing managed land, b) Using ecologically degraded land, and c) Expanding into new legally authorised concessions.
Leading a global consultation on biodiversity offsets

In an effort to reconcile conservation and development, many public and private sector projects are exploring how to mitigate impacts on biodiversity. Offsets are often considered a last resort by those adhering to the mitigation hierarchy framework, which first seeks to avoid and minimize adverse impacts on biodiversity, then restore impacted landscapes or species, and finally, where necessary, offset any significant residual impacts on biodiversity. However, despite the potential of offsets to enhance conservation and create new protected areas of high conservation value – and the fact that more than 40 governments now have policies promoting offsets – they still have several potential pitfalls. Moreover, if offsetting grows in acceptance and is translated into corporate, financial and regulatory policy with unresolved but fundamental knowledge gaps, it could undermine established approaches to managing biodiversity risk. So there is a pressing need for authoritative, balanced guidance that can help governments, companies and conservation organisations reach common ground on the associated risks and opportunities. As a response, IUCN has facilitated the development of a draft policy on biodiversity offsets, which will be considered at the IUCN Congress in September 2016. The draft policy is the result of an extensive global consultation process conducted throughout 2015, following a year-long review by a technical working group, and it reflects input from more than 100 organisations and individuals.

Read the draft policy: www.iucn.org/theme/business-and-biodiversity/resources

Building a collective approach for sustainable landscapes in Brazil

In December 2015, coffee growers and producers, researchers and NGOs working in one of Brazil’s most threatened biomes – the Cerrado – convened in south west Minas Gerais to launch the Cerrado das Aguas (Waters of the Cerrado) Consortium, pledging to work together to deliver positive conservation and socio-economic impacts at a landscape level in priority areas of the state’s Cerrado region. The Consortium’s founding members – IUCN, Nespresso, the Institute of Agricultural and Forest Management and Certification (Imaflora), the Institute of Ecological Research (IPÊ), the Federation of coffee producers of the Cerrado Mineiro, and Brazil’s largest coffee cooperative COOXUPÉ – have agreed to a two-year action plan and financing strategy. Other institutions have expressed interest in joining the Consortium, including the standards organisation UTZ Certified, the State Forest Institute (IEF), and the National Center of Flora Conservation from the Botanic Garden of Rio de Janeiro (CNCFlora/JBRJ). The Consortium is one of several outcomes resulting from a project started in 2013, when IUCN, Nespresso and IPÊ began collaborating to identify the environmental impacts of the company’s coffee supply chain in Brazil and its dependencies on ecosystem services in the Cerrado biome.

“It will be important to share the new policy with both governments and investors, and ask them to bring their legislation, policies and codes of conduct into line.”

Ariel Brunner of Birdlife Europe
Companies honour “no-go” commitments in World Heritage sites

In 2015, IUCN and UNESCO’s World Heritage Centre welcomed a new commitment by British company Tullow Oil plc to stay out of World Heritage sites. The firm had received a licence to explore for oil in an area overlapping Kenya’s World Heritage-listed Lake Turkana National Parks, which contradicts the globally accepted principle that World Heritage sites are off limit for the oil, gas and mining sector. Tullow now joins leading oil-and-gas firms Shell and Total, as well as the International Council on Mining and Metals (ICMM), comprising of 23 leading mining companies, which have also made commitments not to carry out extractive operations within World Heritage properties. The “no-go” principle has also been endorsed by a number of financial companies, including BNP Paribas, HSBC and JP Morgan, which have committed to not support activities affecting World Heritage sites. Another World Heritage site under threat is Virunga National Park in the Democratic Republic of Congo, which has been on the endangered list for more than 20 years. During this time, Africa’s oldest national park has faced numerous threats, including armed conflict, poaching and the discovery and exploration of oil. The IUCN National Committee of The Netherlands has been working with civil society organizations there to empower local communities to safeguard the unique ecosystems, which provide – among other benefits – freshwater and fishery resources to millions of people.

http://www.slideshare.net/IUCNworldheritage/man-and-nature-in-virunga-national-park
C. Investing in nature-based solutions

Building momentum for SUSTAIN-Africa in Tanzania and Mozambique

Many African countries, including Mozambique and Tanzania, have created growth corridors to attract investment that will stimulate economic development, job creation, public revenue, and ultimately, contribute to poverty alleviation. Through an innovative programme called the Sustainability and Inclusion Strategy for Growth Corridors in Africa (SUSTAIN-Africa), IUCN and its partners are working with local, national and international partners to demonstrate the benefits of inclusive green growth strategies using a landscape approach. Spearheaded by the IUCN Water Programme, the goal is to catalyse new flows of investment into land, water and ecosystem management in the growth corridors, which are aligned with the countries’ growth policies. The model for change combines action on the ground and consensus building among stakeholders with policy framing to help strengthen institutions, rules and implementation incentives.

In 2015, the Global Business and Biodiversity Programme and its local implementation partners, the African Wildlife Foundation and SNV, put in place the foundations for a SUSTAIN business engagement programme. The project mapped businesses active in the two corridors to gain a better understanding of the impacts and dependencies on ecosystems, as well as the innovative business practices that could be scaled up there. It also reached out to key businesses and initiatives to identify new partners and opportunities. For example, a business roundtable organized in Maputo, Mozambique, highlighted some of the important challenges linked to improving business practices in the country and facilitated a deeper understanding of the capacity needs. Participation in the Annual Forum of the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) supported relationship building with this key partner and enabled a greater understanding of business priorities in the corridor. In 2016, IUCN will continue implementing the business programme with a focus on three thematic areas: natural capital management; collective impacts in supply chains; and, responsible investments.

In addition, a new Green Guarantee Facility is being established to assist micro-entrepreneurs in Tanzania gain access to finance for projects that contribute to the SUSTAIN programme. The IUCN National Committee of The Netherlands, which is leading this effort, has selected a financial partner in the Ihemi-Kilombero region to administer the Facility and a Tanzanian micro-finance bank to become a SUSTAIN Partner Lending Institution.

Mainstreaming conservation finance

An IUCN-backed report developed in 2015 and released in early 2016 identifies three new investment structures that could help catalyse finance to meet the world’s pressing environmental challenges and sustainable development goals. The report, Conservation finance from niche to mainstream: The building of an institutional asset class, highlights the need for new investment structures to overcome key market barriers and enable the conservation market to flourish.

“Currently, there is a lack of conservation deals available at the scale required to meet the world’s environmental challenges and institutional investors’ interest. Moreover, these deals need to be ‘fit-for-purpose’ to deliver a good return on investment for biodiversity and conservation.”

Gerard Bos Director of IUCN Business and Biodiversity Programme
Collaboration between the conservation and financial communities is critical for developing innovative solutions that will protect biodiversity and natural resources, says the report, which outlines a pathway for building a new asset class around conservation benefits.

Conservation finance combines real assets, like tropical forests and wetlands, with cash flows from operations in fields such as sustainable timber, agriculture and ecotourism. Produced by Credit Suisse and McKinsey’s Center for Environment and Business, with support from IUCN, the Gordon and Betty Moore Foundation and the Rockefeller Foundation, the report builds on a 2014 study that estimates the unmet demand for conservation funding is US$ 200-300 billion per year. Currently, conservation spending is estimated at about US$ 52 billion per year.

www.iucn.org/theme/business-and-biodiversity/resources

Creating greener investment projects

Banks and companies are increasingly showing their interest in financing green development projects. To tap into this new source of investment, the Green Finance Academy was launched to train project managers to design their green project based on business model thinking. The Green Finance Academy is an initiative of IUCN National Committee of The Netherlands, Alterra Wageningen UR and Nyenrode Business University.

In 2015, the Academy offered a five-day masterclass with experts in business development, marketing and private sector finance. Participants were challenged to transform current or new projects into bankable projects that generated financial returns for investors. The most promising bankable projects were then considered by an IUCN start-up fund for climate adaptation projects. Another masterclass is planned for 2016.

Box 7

GREEN BOND PRINCIPLES PROVIDE ASSURANCE

Green bonds are an important financial instrument increasingly used to catalyze the transition to a low carbon economy by financing green property, renewable energy, new and efficient factories, and clean cars. The Green Bond Principles are a set of voluntary guidelines, which drafted by several large financial institutions and environmental groups to provide assurance to investors about the quality of the green projects being funded. In early 2015, the IUCN National Committee of the Netherlands received observer status to this independent body, which will allow it to provide further input and oversight as the Principles develop.

What business is saying…

“By investing in nature-based solutions, such as natural infrastructure, business can improve its resilience to climate risks while harvesting other environmental and social benefits.”

Peter Bakker  President and CEO of WBCSD
At the World Parks Congress in Sydney, Australia, in November 2014, IUCN’s Global Business and Biodiversity Programme showcased how IUCN Members and partners were engaging with business across several industries. During more than 30 events, they debated the latest opportunities and challenges, as well as the need to accelerate progress.

An independent review of the International Council of Mining and Metals (ICMM) member companies’ biodiversity performance was released at the Congress. Jointly commissioned by IUCN and ICMM, the report looked at company progress between the period of 2003-2013, and identified examples of good practice, emerging issues and areas for further action.

Read the Executive Summary: http://www.icmm.com/document/8043

At the World Conservation Congress in September 2016, executives from ICMM, BHP Billiton, De Beers Group and Rio Tinto will join the debate on how the extractives industry can help deliver sustainable development, especially in some of the world’s most biodiversity-rich but economically vulnerable countries, where mining takes place. Building bridges between the public and private sector, and creating the right enabling environments, is one of the aims of the quadrennial event being hosted this time by the US State of Hawai’i.

The need for more scientific research and tools to help build sustainable business models is expected to be another common theme between the two global events. For example, the 2014 IUCN Commission on Environmental, Economic and Social Policy (CEESP) Biofuels Task Force report, A Global Assessment of the Environmental and Social Impacts Caused by the Production and Use of Biofuel, found current biofuels policies and practices run the risk of undermining food security and healthy ecosystems from deforestation and agrochemical pollution, as well as from the introduction of invasive species and genetically modified feedstock. It confirms that although the volume and quality of research evidence has grown significantly in the past years, gaps still remain.

Read the report: www.iucn.org/theme/business-and-biodiversity/resources

These challenges are more relevant today than ever before, as is evidenced by the IUCN Congress Programme. The need for sustainable food, water and energy – and the impacts on landscapes and seascapes when alternative solutions are not available – will be featured in a number of sessions. In addition, a high-level Roundtable on Agriculture will examine how business can strengthen agricultural value chains and food security; and, a high-level debate on Conservation Finance will address the estimated US$ 200-300 million annual funding gap needed to save the planet’s biodiversity.

Overall, the IUCN Congress will host more than 100 business-related sessions and consider adopting several new global policies, including on natural capital and biodiversity offsets, which have a direct link to business. In addition, the Business and Biodiversity Pavilion at the Congress will showcase examples of best practice and innovative partnerships, demonstrating the impact of nature-based solutions.

See the 2016 Congress Programme: http://www.iucnworldconservationcongress.org/programme
Addressing climate change and sustainable development

IUCN will use its 2017-2020 Programme to put nature-based solutions at the centre of strategies for implementing the SDGs and taking action under the Paris Agreement on Climate Change. Within the Global Business and Biodiversity Programme, there will be a strong focus on providing business and innovative decision support tools and knowledge to advance these goals. For example, under the IUCN-WBCSD partnership, the agreement aims to deliver joint solutions for conservation and business by scaling up resilience to climate risks through the delivery of nature-based solutions, promoting a net-positive gain for biodiversity, and creating more systematic measurements, valuation and reporting. It will also contribute to the implementation of the WBCSD-led Action2020 agenda and IUCN’s Global Programme, as well as to the Aichi Targets under the Convention on Biological Diversity and the global Sustainable Development Goals.

Under the auspices of the Natural Capital Coalition, both IUCN and WBCSD are leading consortiums to develop the Natural Capital Protocol for business. When the Protocol is released in July 2016, it will signal the start of a new opportunity and equip companies with the tools needed to embark on a business transformation in harmony with nature.

Ensuring responsible governance

Another project that the Global Business and Biodiversity team is currently working on aims to identify a common framework for business to operate in Key Biodiversity Areas (KBAs).

A new global standard for the identification of KBAs was recently approved by the IUCN Council following an extensive consultative process with its partners. In light of this new standard, the business community is now asking for further guidance on how they can responsibly manage their operations and supply chains that are in close proximity or directly impacting KBAs.

With support from the Tiffany & Co. Foundation, the Global Business and Biodiversity Programme plans to produce “Guiding Principle and Business Management Objectives” for conducting business in KBAs, as well as technical guidance for the mining sector. IUCN will also focus on promoting the adoption of these tools among key leaders in the business sector.

Investing in nature based solutions

Drawing on expertise throughout the global organisation, IUCN’s Global Business and Biodiversity Programme will also carry out a partnership in 2016 with the International Olympic Committee, which aims to ensure conservation and sustainability are integrated into the bids of the four candidate cities competing to hold the 2024 Olympic Games. Under the agreement, IUCN is reviewing the environmental information supplied by the four cities – Los Angeles (United States), Rome (Italy), Budapest (Hungary), and Paris (France) – as part of their proposals to provide a positive legacy for the Games.

Finally, to achieve the sustainable development agenda, future conservation finance must be aligned with environmental, social and economic returns – the so-called triple bottom line. New strategies that rely on market-based mechanisms to stimulate positive environmental and social outcomes, as well as financial returns, are emerging. These strategies complement traditional funding models – at the global and local levels – and IUCN plans to scale up its participation and help shift current investment to deliver these goals.

4. Looking forward
Conclusion

These examples of IUCN’s new agreements, and the achievements presented in the 2015 Highlights report illustrate the depth and breadth of IUCN’s business engagements worldwide. In Africa, Asia, Europe, the Americas, Oceania, West Asia and the Middle East, IUCN’s Regional Offices, National Committees and Commissions regularly partner with business, governments, communities, financial lenders and global institutions to drive sustainable practices that value nature, deliver a net gain for biodiversity and invest in nature-based solutions.

The challenges facing our planet are immense. Therefore, action needs to be taken at all levels and by all actors. Halting the current trends in biodiversity loss, species extinction and ecosystem degradation is critical for human society to survive and prosper, and this includes business, which also depends on these resources.

The 2016 IUCN World Conservation Congress in September will feature new commitments and partnerships, which promise to contribute not only to IUCN’s Programme for 2017-2020, but to the historic global agreements signed in 2015 on sustainable development and climate change.

IUCN’s Global Business and Biodiversity Programme will continue to work with its Members and business partners to develop, test and promote new models of best practice that will assist companies, sectors, communities and countries on their sustainable journey. By working together in partnership, we can build momentum for an inclusive and sustainable future.

What IUCN members are saying…

“Worldwide, innovative collaborations are being forged between diverse players – businesses, financial institutions, governments, intergovernmental organisations, NGOs and local communities – to meet biodiversity challenges head-on.”

Pippa Howard  Fauna & Flora International
Annex: IUCN’s business engagement in numbers

In 2015, IUCN’s business engagement worldwide was equivalent to CHF 3.5 million or 2.6% of the organisation’s total funding.

IUCN’s Global Business and Biodiversity Programme had 27 active engagements. Collaborating partners included:

- Aluminium Stewardship Initiative (ASI) and its supporting companies: Aleris, Audi, Ball Corporation, BMW Group, Constantia Flexibles/AMAG, Constellium, IGORA, Jaguar Land Rover, Nespresso, Norsk Hydro, Rexam, Novelis, Rio Tinto Alcan and Tetra Pak
- Hugo Boss
- International Council for Mining and Metals (ICMM)
- International Finance Corporation (IFC)
- International Olympic Committee (IOC)
- Natural Capital Coalition (NCC)
- Nespresso
- Rio Tinto
- Rheinisch-Westfälisches Elektrizitätswerk AG (RWE)
- Sakhalin Energy Investment Company Ltd.
- Shell Global Solutions Ltd
- Shell Petroleum Development Corporation Nigeria
- World Business Council for Sustainable Development (WBCSD)

In addition, through its many projects, the Global Business and Biodiversity Programme collaborated with IUCN Members and Commissions as well as other civil society organisations, companies and foundations including:

- African Wildlife Foundation (AWF)
- Asia Indigenous Peoples Pact
- Bright Green Learning
- Business & Biodiversity Offsets Programme (BBOP)
- Conservation International
- Fauna & Flora International
- Forest Peoples Programme
- Cerrado das Águas Consortium
- Credit Suisse Group AG
- Ecoversa
- Institute of Agricultural and Forest Management and Certification (IMAFLORA)
- Natural Capital Coalition (NCC)
- SNV Netherlands Development Organisation
- Southern Agricultural Growth Corridor of Tanzania (SAGCOT)
- The Gordon and Betty Moore Foundation
- The McKinsey Center for Business and Environment
- The Nature Conservancy (TNC)
- UN CBD Global Platform on Business & Biodiversity
- UN Sustainable Energy for All
- UPM-Kymenene
- WWF International
- Zambezi Valley Development Agency
About IUCN

IUCN is a membership Union uniquely composed of both government and civil society organisations. It provides public, private and non-governmental organisations with the knowledge and tools that enable human progress, economic development and nature conservation to take place together.

Created in 1948, IUCN is now the world’s largest and most diverse environmental network, harnessing the knowledge, resources and reach of 1,300 Member organisations and some 15,000 experts. It is a leading provider of conservation data, assessments and analysis. Its broad membership enables IUCN to fill the role of incubator and trusted repository of best practices, tools and international standards.

IUCN provides a neutral space in which diverse stakeholders including governments, NGOs, scientists, businesses, local communities, indigenous peoples organisations and others can work together to forge and implement solutions to environmental challenges and achieve sustainable development.

Working with many partners and supporters, IUCN implements a large and diverse portfolio of conservation projects worldwide. Combining the latest science with the traditional knowledge of local communities, these projects work to reverse habitat loss, restore ecosystems and improve people’s well-being.

www.iucn.org

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