

---

**External review of the IUCN-Rio Tinto  
Relationship, 2013**

**S.D. Turner**

**20 March, 2014.**

---

## Preface

Three years after signing their formal relationship agreement, and ten years after they began to work together, IUCN and Rio Tinto continue to respect each other as partners. The years since 2010 that are covered by this review have been a time of progress and challenges, framed by a shrinking operating budget for Rio Tinto but growing confidence in relations between IUCN and the private sector. At the 2012 World Conservation Congress, Rio Tinto was well represented and there was a generally more positive feeling about what conservation organisations and business can do together in their mutual interest.

As the report points out, it is hard to find documentation about the last three years' work. I have tried to pull together an accurate summary.

Like other such reviews, this report includes a number of recommendations. These are listed together at the end of the summary. It has been difficult to formulate these recommendations without knowing what the relationship will look like after 2014. But there are a number of useful things that should be done soon, and various general recommendations that are likely to be valid whatever form the future collaboration takes. They are my recommendations as external evaluator. It is for IUCN and Rio Tinto to decide whether to accept and adopt them. I anticipate that, as is normal IUCN practice, a matrix of responses will be developed to show readers what the partners think about each of them.

I submitted a draft of this report on 27 November 2013 and received comments on 20 February 2014. By that time, other work pressures made it difficult to expedite finalisation of the report, for which I apologise. Readers should note that the findings presented here are drawn from the period before the draft report was submitted.

The timing of this review in 2013 did not allow it to be a formal input to decisions about whether to renew the Rio Tinto – IUCN relationship. Those choices have already been made, at least for the short term. Within the constraints of tighter budgets, they are positive – although modes of collaboration may evolve substantially during and beyond the one year extension that the partners have agreed for 2014.

Despite the timing, I hope that this review will serve a useful purpose in assessing performance to date and suggesting ways to strengthen it in the future.

I am grateful to IUCN and Rio Tinto for this opportunity to work briefly with them and learn about their work together. I thank those in IUCN, particularly, who have steered the assignment: Rachel Asante Owusu, Mariska van der Linden, Steve Edwards and Alex Moiseev. Special thanks to all those who found time for an interview with me, and to those who endured the online questionnaire survey and provided so much useful commentary – some of which is reproduced, anonymously, in the report.

Stephen Turner

Manchester

20 March, 2014.

## Contents

Preface	ii
Tables	v
Figures	v
Abbreviations	vi
Summary and recommendations	vii
1. Introduction	1
1.1. Background	1
1.2. Objectives and scope of the relationship	1
1.3. Activities to date	2
1.3.1. Net positive impact	3
1.3.2. Natural capital	4
1.3.3. Other activities	4
1.4. Review terms of reference	5
1.5. Review methods	5
2. Relevance	7
2.1. The rationale for the relationship	7
2.2. Relevance for IUCN	8
2.3. Relevance for Rio Tinto	8
2.4. Relevance from an external perspective	9
3. Effectiveness	11
3.1. Fulfilment of partnership objectives	11
3.2. A business-focused relationship	11
3.3. Fulfilment of objectives for IUCN	12
3.4. Fulfilment of objectives for Rio Tinto	14
3.5. Achievement of joint objectives	16
3.6. Achievement of other benefits	19
3.7. The value of the relationship	20
3.7.1. Innovation and best practice	20
3.7.2. Use of the products and services of the relationship	21
3.7.3. The value of the relationship overall: views from IUCN and Rio Tinto	21
3.7.4. Improving the value of the relationship	22
4. Efficiency	24
4.1. Introduction	24

4.2. Delivery of outputs	24
4.3. Monitoring and reporting	25
4.4. Governance	26
4.5. Transparency, confidentiality and communications	26
4.6. Funding arrangements and performance	27
4.7. Organisational arrangements and performance	28
4.7.1. The Relationship Managers	28
4.7.2. Financial administration	29
4.8. Enhancing efficiency	29
5. Conclusions	31
5.1. Performance to date	31
5.2. A partnership assessment tool	31
5.3. Building a successful relationship	34
5.4. The future of the relationship	35
References	37
Annex 1. Terms of reference	39
Annex 2. Review matrix	43
Annex 3. Persons interviewed	48
Annex 4. Questionnaire survey for IUCN and related respondents	49
Annex 5. Questionnaire survey for Rio Tinto and related respondents	60

## Tables

Table 1. Summary partnership assessment	32
---	----

## Figures

1 IUCN’s business engagement strategy	7
2 IUCN respondents: “relationship still strategically relevant for IUCN’s Vision and Programme”	8
3 Rio Tinto respondents: “relationship still strategically significant for Rio Tinto”	9
4 To what extent is the IUCN-Rio Tinto relationship business-focused?	11
5 Improvement of understanding throughout IUCN of challenges facing resources setor	12
6 Extent to which relationship strengthened IUCN capacity for market-based approaches	13
7 Extent to which relationship has gained recognition for IUCN as a leader in its field	13
8 Improvement of RT environmental management, delivery of conservation outcomes	14
9 Strengthening of RT capacity for environmental management and conservation	15
10 Extent to which relationship has gained recognition for Rio Tinto as leader in its field	15
11 Extent to which relationship enabled joint contributions to sector-wide improvements	16
12 Extent of progress with NPI verification	17
13 Extent of progress with natural capital accounting	18
14 Extent of collaborative work in other fields	19
15 “Products and services of relationship represent innovative solutions and/or best practice”	20
16 How specific to the IUCN-Rio Tinto relationship are the products and services achieved?	21
17 “The relationship has been valuable for IUCN/Rio Tinto”	21
18 “In my own professional opinion, work done through relationship has been valuable”	22
19 “The Relationship Management Committee has been effective”	26
20 “Principles of transparency and confidentiality have been applied effectively”	27
21 “The budget has been adequate”	28
22 “The Relationship Managers have been effective”	28
23 “IUCN has been efficient in the financial management of the relationship”	29

## Abbreviations

BAP	Biodiversity Action Plan
BBOP	Business and Biodiversity Offsets Programme
BBP	Business and Biodiversity Programme
CBD	Convention on Biological Diversity
CI	Conservation International
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CSR	corporate social responsibility
FFI	Fauna and Flora International
IBAT	Integrated Biodiversity Assessment Tool
IFC	International Finance Corporation
HSEC	Health, Safety, Environment and Communities
ICMM	International Council on Mining and Metals
IUCN	International Union for Conservation of Nature
KBA	key biodiversity area
LLC	limited liability company
NA	not applicable
nd	not dated
NPI	net positive impact
NPIP&RPT	Net Positive Impact Protocol and Review Panel Team
OECD	Organisation for Economic Co-operation and Development
OT	Oyu Tolgoi
QIT	Quebec Iron and Titanium
QMM	QIT Madagascar Minerals
REDD	Reducing Emissions from Deforestation and Degradation
RM	Relationship Manager
SC	Steering Committee
TNC	The Nature Conservancy
TOR	terms of reference
WRI	World Resources Institute
WWF	World Wide Fund for Nature

## Summary and recommendations

### Background

1. IUCN and Rio Tinto have been collaborating for more than a decade. The mining company stated at the World Conservation Congress in 2004 that it “aims to have a net positive impact [NPI] on biodiversity by minimising the negative impacts of its activities and by making appropriate contributions to conservation in the regions in which it operates”. Following a number of joint activities and a detailed due diligence process by IUCN that helped to build acceptance of the idea across its constituencies, the two organisations signed a three-year relationship agreement in July 2010. This report reviews the extent to which the objectives of the agreement have been fulfilled; the value of the partnership to Rio Tinto and IUCN; the efficiency of relationship organisation, management and governance; and what lessons might inform a potential future relationship.
2. The principal activity undertaken under the relationship has been further development of the NPI concept and verification procedures. This work has mainly been done by a Net Positive Impact Protocol and Review Panel Team (NPIP&RPT) that IUCN convened in 2010. It has produced an NPI review protocol that is now in final draft, after piloting it at two Rio Tinto mining operations. In 2012, IUCN and Rio Tinto formed the NPI Alliance along with the International Finance Corporation, Shell and The Nature Conservancy.
3. Rio Tinto and IUCN have also collaborated in the valuation of natural capital and ecosystem services. The core of this work has been valuation of the ecosystem impacts of water use options associated with dewatering at an extension of a Rio Tinto iron ore mine in the Pilbara region of Australia. Final reporting on this exercise is now imminent.
4. The two organisations have collaborated on several other activities and events, including Rio Tinto support for IUCN’s work developing standards on key biodiversity areas (KBAs). Rio Tinto’s experience with the concept of NPI, and IUCN’s work with Rio Tinto in starting to operationalise it, were important inputs to the development by the International Finance Corporation (IFC) of its 2012 Performance Standard 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources.

## Relevance

5. There are two ways to structure the rationale for the IUCN - Rio Tinto relationship. Both can be seen as theories of change. The first, in line with entry point 1 of IUCN's Business Engagement Strategy, is that IUCN and Rio Tinto apply their multiple skills, resources and networks through a series of activities to achieve direct and indirect conservation benefits. The second, matching a dominant private sector paradigm, focuses on risk. It identifies the steps necessary to achieve the reduction or elimination of risks to nature, to society and to the more conventional business parameters like profit.
6. *Ex ante*, the Rio Tinto – IUCN relationship appears to be strongly relevant to organisations with the objectives identified above. Both these rationales apply. The findings of a survey and numerous interviews undertaken for this review confirm that, from an IUCN perspective, the relationship with Rio Tinto is strongly relevant. In Rio Tinto, current funding constraints mean there is new focus on the relevance of relationships with conservation organisations. Nevertheless, the company sees the IUCN relationship as still highly relevant to its objectives and strategy. External observers, too, confirm the relevance of this relationship to the broader conservation and extractives sectors, as well as the international regulation of the environmental impacts of the extractive industries.

## Effectiveness

7. The effectiveness of the relationship is assessed in terms of whether it has achieved its stated objectives.
8. The objective of **achieving a business-focused relationship** reflects the purpose of IUCN's Business Engagement Strategy. There has been progress in this regard. There is plenty more for the two sides to learn about each other's attitudes, motivations and practices, but the results to date are a vindication of the Strategy and of the view in some parts of Rio Tinto that working with IUCN can reduce risk, enhance reputation and increase profits in the medium to long term.
9. The relationship agreement specified **three objectives for IUCN**.
  - For **"improving understanding throughout IUCN of the conservation and business challenges facing the resources sector"**, communication within the Union is vital, given its diversity and the differing views on such relationships that are to be found in its various constituencies. This



communication has been inadequate, although the due diligence process helped and overall understanding has grown.

- With regard to **strengthening IUCN’s capacity for market-based approaches to environmental management and conservation**, it is too early to expect a radical transformation of IUCN capacity for such approaches through this relationship. But useful foundations have been laid, including the launch of the NPI Alliance.
- The relationship is also seen as having **gained recognition for IUCN as a leader in its field**. Work on NPI with Rio Tinto is seen as having given IUCN a better opportunity to act as a convener, linking the private and conservation sectors. However, a broader lesson from this relationship is that IUCN has no comparative advantage as a technical service provider, delivering consultancy inputs to the private sector. What IUCN can do, and sometimes does well, is to push the scientific, institutional and political boundaries in pursuit of its mission.

10. The relationship agreement also specified **three objectives for Rio Tinto**.

- The first, **to enable Rio Tinto to improve its environmental management and delivery of conservation outcomes**, is at the core of the relationship’s rationale. Across and beyond both organisations, the consensus is that progress has been made in this regard. However, funding conditions for achieving this objective have not been ideal in Rio Tinto recently; and only limited traction has been achieved so far at the operations level in the company, which is what really counts.
- There has been only limited progress so far in **strengthening Rio Tinto capacity for market-based approaches to environmental management and conservation**. Such change takes time to achieve, and the crucial breakthrough to the operations level has yet to be achieved at scale. As one company respondent put it, “the argument for market-based solutions around conservation has not been secured internally in Rio Tinto”.
- This theme of modest progress and more uphill ahead is continued with regard to the third objective: **gaining recognition for the company as a leader in its field**. Compared with private sector peers, Rio Tinto had a leadership position with regard to conservation commitment before the relationship. This has been consolidated since. But, in the current climate and for the current

leadership, this objective may no longer seem so appropriate. There are signs that Rio Tinto may wish to retreat from the cutting edge and the sort of exposure that a leadership position may bring.

11. There have also been **three joint objectives for IUCN and Rio Tinto**, including two focused on taking the main joint work areas forward.

- With regard to **joint contributions to sector-wide improvements in the mining and closely related sectors**, there has again been modest progress. Useful foundations have been laid with the NPI Alliance, but although there may have been good reasons for limiting its membership at the outset, progress will remain modest if the group does not expand. Engagement in the Business and Biodiversity Offsets Programme was less productive. But the work that IUCN and Rio Tinto have done together has significantly reinforced the development and application of the IFC's Performance Standard 6 and related international measures to regulate extractive industries' environmental performance.
- Progress in the dominant work programme, on **NPI verification**, has been slower than planned. Developing, applying and validating the various operational aspects of the NPI concept is the work of decades. Much remains to be done to enhance and streamline them. While IUCN has only a limited role in this enormous enterprise – convening and facilitating the launch of a verification system – it has proved to be an important role, taking the core idea of an independent structure and process forward to the pilot implementation stage. At this stage, however, there is still much to be done, much to be proved, and many sceptics to be won over. Despite its central prominence in the relationship between IUCN and Rio Tinto, neither organisation has been able to give the NPI work the focused attention it needed. So far, the NPI venture has barely achieved the critical mass and momentum it needs to move forward towards application at scale. It could fall back if it is not pushed forward.
- The **natural capital accounting** work has run significantly behind schedule and has been frustrated by slow and inadequate service provision by IUCN's excessively academic subcontractors in Australia. Given that the objective was "the identification and quantification of the biodiversity and ecosystem service values in key regions where Rio Tinto operates, under business as usual and conservation scenarios", the work done since has been only partially effective. But it is made more valuable by its direct engagement with Rio Tinto at operations level in an iron ore mine, rather than just at the analytical and strategic levels where the NPI work is done. The work done at Pilbara has

had valuable methodological outcomes of more general application, as well as generating useful practical outputs for the Pilbara operation itself.

12. The diversity of activities has contracted over the three years in an increasingly 'deep and narrow' relationship, for several probable reasons. Managers on both sides may have lacked the time to promote a broader range of engagements. Just achieving adequate momentum for the complex NPI effort may have absorbed most of the time and interest that the parties could devote to the relationship. As belts were tightened at Rio Tinto, activities viewed as marginal were the first to lose funding. A related reason was a shifting attitude in Rio Tinto to work with conservation organisations, defining it more tightly in terms of risk management for the firm and closing out the space that previously existed for a broader, more exploratory interaction.

13. The **value of the relationship** for IUCN and Rio Tinto is assessed from several perspectives.

- The products and services of the agreement are generally seen to represent **innovative solutions and/or best practice** – although Rio Tinto now wants to focus on internal buy-in and linking innovation to delivery at sites, rather than pushing the innovation envelope further.
- The products and services of the relationship are **being used** – although not yet practically, at scale, in Rio Tinto mining operations. So far, the 'uses' to which the work has been put are mainly in the realm of ideas, approaches and methods. This is why Rio Tinto now wishes to focus more on application of these products and services at sites.
- The consensus in both organisations (and beyond them) is that their relationship has been valuable. To enhance this value, a core task is to improve communications within and between them, and to build a broader platform of action. More proactive communications are also needed across the mining and extractives sectors, notably by building the membership of the NPI Alliance, engaging more actively through other industry bodies such as ICMM, or stimulating direct collaboration in this field between Rio Tinto and other miners.

### **Efficiency**

14. In a conventional evaluation, a review of efficiency would assess and explain the extent to which a programme had delivered its intended outputs. The IUCN – Rio Tinto relationship was not so tightly structured or specified. There is no list of planned outputs against which to check performance. The

review therefore cannot be very specific about the relationship's efficiency in delivering its intended outputs.

15. In addition to the fact that the delivery of outputs from the relationship has mostly consisted of internal reports so far, the other key aspect of delivery has been delay. Both the relationship's major work streams have proved to be more complex than expected. Both parties have faced challenges in assembling the human resources needed. Two sets of academic proclivities have also hindered prompt delivery. Some Rio Tinto observers feel that process sometimes seems to be the purpose in IUCN, rather than outputs. And technical consultants employed for the Pilbara valuation work appear to have taken these academic inclinations to the extreme, with little sense of deadlines.
16. **Monitoring and reporting** of the Rio Tinto – IUCN relationship have been weak, for two reasons. At the start of the relationship, no logical framework or other specification of activities, outputs and outcomes was set out to provide a structure for monitoring and reporting. Specification of performance targets has been too loose. And due partly but not wholly to staff turnover, record keeping on the relationship in IUCN has been poor. Of all IUCN's private sector partnerships, the one with Rio Tinto is the least well documented. Assessment of its performance must rely heavily on verbal reports. The organisation's website is out of date.
17. **Governance** through the Relationship Management Committee has been satisfactory. Despite discontinuities, the two parties' **Relationship Managers** have performed adequately. **Financial administration** by IUCN has gone smoothly. Issues of **transparency and confidentiality** have been well handled. But **communications** from this relationship have been poor. The joint communications strategy and annual communications plans envisaged by the relationship agreement do not appear to have been produced or used.
18. Overall, the **budget** allocation for the Rio Tinto – IUCN relationship has been adequate for delivering the objectives and specific areas of co-operation that were envisaged in the relationship agreement. In fact it has been underspent, which is not necessarily a sign of efficiency.
19. A core/periphery analogy helps to explain the **organisational context** for implementation of activities by IUCN and Rio Tinto. The relationship is central to the work of the small Business and Biodiversity team in the IUCN Secretariat, and to that of an even smaller group of biodiversity and Health, Safety, Environment and Communities staff in Rio Tinto. For everyone else, it is peripheral. In Rio Tinto, the constraints are more severe. Many people, even if they had heard of the relationship, would have to be

convinced that working on it was worthwhile. Even for those who support the rationale of the relationship, it is one among many programmes to which they must try to give attention.

## Conclusions

20. The overall performance of the Rio Tinto – IUCN relationship has been characterised, *inter alia*, by growing technical and institutional trust between the two organisations, and important progress in the two main areas of collaboration. But performance has been slower than planned. There is confidence, nevertheless, that both these fields of work have been valuable and that there is significantly more value to add. There has been poor communication within each organisation about relationship activities, and inadequate communication with the broader conservation and extractives sectors about what is being achieved and why it matters. Partly because of inadequate communication, there have been challenges in gaining traction for the relationship's work and approaches at the operational level in Rio Tinto. There is an emerging realisation that changing business priorities within Rio Tinto may significantly alter the relationship, but consensus that there are ways to build useful progress with a different and/or reduced funding model.
21. This review concludes by identifying a number of the building blocks for further success through the IUCN – Rio Tinto relationship. Decisions have already been taken about the immediate future of the relationship during a bridging year in 2014. This will provide time to complete, consolidate and communicate the current phases of work on NPI and natural capital accounting. Both parties believe that their relationship should go on beyond next year. This review endorses that conclusion.
22. Practice, not paper, should be the basic guideline for determining the content of the relationship after 2014.
  - Work on **NPI** after 2014 should be devoted to applying the concept and system to a greater number of Rio Tinto (and potentially other companies') operations. There should be more outputs and less process, focusing on application rather than further innovation – although the approach is still new enough to make its application to each additional mine a significant learning curve.
  - If resources permit, there is much more to be done on **natural capital accounting** too. Following a further pilot away from the Pilbara, an integration exercise could be undertaken to summarise and

harmonise the approaches that have been developed and tested as a mature package of methods ready for more general use.

23. IUCN and Rio Tinto have begun to think out of the box about **future ways to structure and fund** the sort of work done over the last three years through their bilateral relationship. This is appropriate. Rio Tinto is unlikely to be ready or able to revert to its 2010 mode of planning and funding a multiannual work package with IUCN in 2015. Two innovations could be rewarding and should be explored.

- **The stakeholder base could be expanded** beyond the current bilateral mode. IUCN could involve more of its Secretariat offices and Commissions, with specific roles for selected Members. IUCN and Rio Tinto might broaden participation to include one or more other mining companies, possibly by channelling certain activities through the NPI Alliance.
- **The funding base could be expanded** in a similar way. Private sector and multilateral stakeholders would be expected to make a financial contribution. Particularly if the programme does have this wider range of stakeholders suggested above, it should also be possible to attract funding from bilateral government agencies, some of which have a long history of supporting IUCN activities.

## Recommendations

Based on the review presented in chapters 2 - 5 of the report, the evaluator makes the following recommendations for consideration by IUCN and Rio Tinto.

**1** (see paragraph 9 above and section 3.3, page 14)

In future collaboration with Rio Tinto and other private sector partners, IUCN should maintain the distinction between its roles and those of technical service providers, avoiding consultancy-type activities that others are better placed and equipped to provide.

**2** (see paragraph 10 above and section 3.4, pages 14 - 16)

Despite current funding constraints, Rio Tinto management should ensure that progress with the group's approaches to and capacity for biodiversity conservation is consolidated and taken forward, so that the relevant risks are reduced at a growing number of Rio Tinto operations around the world.

**3** (see paragraph 11 above and section 3.5, pages 16 - 17)

IUCN, Rio Tinto and other members of the NPI Alliance should now work to expand the membership, activities and impact of this body.

**4** (see paragraph 11 above and section 3.5, pages 17 - 18)

Through a renewed relationship agreement, Rio Tinto and IUCN should reaffirm their commitment to making NPI planning and verification a working part of the group's design and management of mining operations, and to developing the global and local systems and resources required for this purpose.

**5** (see paragraph 11 above and section 3.5, pages 18 - 19)

IUCN and Rio Tinto should consolidate, complete and communicate the natural capital accounting work they have undertaken before and during the 2010 – 2013 relationship and generate and publish a detailed set of scientific and procedural lessons that can be applied at other Rio Tinto operations and in the extractives sector more generally.

**6** (see paragraphs 12 - 13 above and section 3.6, page 20)

As far as resources permit, Rio Tinto and IUCN should strive to maintain a broad partnership that identifies multiple opportunities to explore, collaborate, advocate and exchange ideas.

**7** (see paragraph 13 above and section 3.7.4, pages 22 - 23)

IUCN and Rio Tinto should develop and implement a strategy to communicate the purpose, character, content and outcomes of their relationship more effectively at all levels in their respective organisations, as well as to the conservation sector and the extractive industries in general. This strategy should begin with a plan for 2014, leading up to and including the World Parks Congress, and include a mid-term plan for the following three years, to be updated annually. These plans should incorporate plans for the NPIP&RPT, specifying outputs and dates.

**8** (see paragraph 13 above and section 3.7.4, pages 22 - 23)

Rio Tinto and IUCN should build and monitor a structure of multiple interactions between their organisations, at global, regional and site levels.

**9** (see paragraph 13 above and section 3.7.4, pages 22 - 23)

Rio Tinto should ensure that it maintains an adequate staff presence at global level to fulfil the objectives of an extended relationship and ensure adequate interaction with IUCN at that level.

**10** (see paragraph 16 above and section 4.3, page 25)

IUCN should ensure that full records and reports of work done through the relationship with Rio Tinto are maintained and readily available.

**11** (see paragraph 16 above and section 4.3, page 25)

Rio Tinto and IUCN should ensure that there is clear specification of the results they intend to achieve in 2014, and how their achievement will be measured.

**12** (see paragraph 16 above and section 4.3, page 25)

For the relationship beyond 2014, IUCN and Rio Tinto should develop a simple but thorough results monitoring framework, and use it. This framework should be based on an agreed statement of the benefits that should derive from fulfilment of the relationship's objectives.

**13** (see paragraph 16 above and section 4.5, page 27)

IUCN should ensure regularly updated, comprehensive coverage of its activities with Rio Tinto on the relevant pages of its website.

**14** (see paragraph 21 above and section 5.3, pages 34 - 35)

Building on the technical and institutional trust that has developed between them, IUCN and Rio Tinto should continue their relationship – probably on restructured terms – beyond the bridging year of 2014.

**15** (see paragraph 22 above and section 5.4, page 35)

If resources permit, Rio Tinto and IUCN should continue their collaboration on both NPI and natural capital accounting beyond 2014: taking consolidated NPI procedures to practical application at more Rio Tinto (and potentially other) sites, and developing a generic set of natural capital accounting guidelines, based on further practical application, that will be ready for general use by the extractive industries.

**16** (see paragraph 23 above and section 5.4, pages 35 - 36)

IUCN and Rio Tinto should consider the replacement of their bilateral relationship after 2014 with a broader collaboration that involves multiple conservation and business partners supported by multiple sources of funding.



## 1. Introduction

### 1.1. Background

IUCN established a Business and Biodiversity Initiative in 2001. Its current Business and Biodiversity Programme (BBP) was founded two years later. Also in 2003, Rio Tinto, a major global mining and metals company, attended the IUCN World Parks Congress in Durban. It played a major role in the presentation there by the International Council on Mining and Metals (ICMM) on mining and biodiversity (Richards and Houston, 2004). At the third World Conservation Congress that IUCN convened in Bangkok in 2004, IUCN reaffirmed its resolve to engage the private sector in pursuit of its mission (Turner, 2006: vi). The Bangkok Congress was also notable for the launch by Rio Tinto of its biodiversity strategy. One of the seven guiding principles set out in this strategy was that

*Rio Tinto aims to have a net positive impact on biodiversity by minimising the negative impacts of its activities and by making appropriate contributions to conservation in the regions in which it operates.*

Rio Tinto, 2004: 5.

Through that decade, interactions between IUCN and Rio Tinto steadily expanded. For example, IUCN, Rio Tinto and Shell participated in the Business and Biodiversity Offsets Programme (BBOP) that Forest Trends launched in 2004. Rio Tinto made inputs to IUCN's 'Building Biodiversity Business' process and report (Bishop *et al.*, 2008), and was active at the 2008 World Conservation Congress that IUCN convened in Barcelona. Rio Tinto invited IUCN participation in its first global conference of health, safety and environment specialists. As IUCN developed formal partnerships with some other major companies, the idea of such a link with Rio Tinto took shape as well.

The IUCN-Rio Tinto relationship took time to develop. Preparations were slowed by controversy around the 2008 Barcelona Congress, where there was strong criticism of IUCN's partnership with Shell. IUCN instituted a thorough due diligence process that included visits by selected senior Council and Commission personnel to four Rio Tinto sites around the world and a meeting of all parties in London to review the issues, opportunities and challenges. This intensive and transparent process meant that the eventual announcement of the launch of the relationship in 2010 did not meet significant opposition in IUCN's diverse constituency.

IUCN and Rio Tinto both have a number of other structured relationships with the private and environmental sectors respectively. IUCN has had partnerships, *inter alia*, with Holcim (Turner, 2010b) and Shell (Turner, 2010a; Quail *et al.*, 2012). Rio Tinto has relationships with the Royal Botanic Gardens at Kew, UK; Fauna and Flora International; and BirdLife International. The two organisations naturally assess and develop their mutual relationship in the context of these broader links. IUCN's overall approach in this regard is now framed by its Business Engagement Strategy (IUCN 2012a) and by its ongoing assessment of the environmental politics of interaction with the private sector. Especially in a time of reduced turnover and tightened budgets, Rio Tinto must view such partnerships in terms of the contribution they can make to reducing business and environmental risk, as well as transforming operating attitudes and practice to achieve the net positive impact to which it is committed.

### 1.2. Objectives and scope of the relationship

Following the extensive preparations outlined above, IUCN and Rio Tinto signed a collaboration agreement on 12 July 2010. It stated that the objectives of the relationship would be to:

- *build a business focused relationship that enables Rio Tinto to improve its environmental management and delivery of conservation outcomes;*
- *increase awareness and understanding throughout the IUCN of the conservation and business challenges facing the resources sector;*
- *strengthen Rio Tinto and IUCN capacities for market based approaches to environmental management and conservation;*
- *jointly contribute to sector-wide improvements in the mining and closely related sectors; and*
- *gain recognition for both organisations as leaders in their respective fields and committed to environmental management and delivering sustainable development outcomes.*

IUCN and Rio Tinto, 2010: 10.

As a collaboration between two global organisations, this relationship potentially has global scope and a wide range of themes on which to work. There were two ways in which focus was achieved.

First, the relationship agreement stated that “the Programme will focus on innovative and ground-breaking biodiversity conservation activities”. The concept for the two parties, building on their previous interactions, was to push the boundaries of effective collaboration between conservation interests and the private sector, developing approaches and procedures that would make a practical and positive difference to the environmental performance of Rio Tinto specifically and mining companies in general.

Secondly, as Schedule 1 to the agreement recognised, two areas of collaboration had already been identified.

- *Verification of Rio Tinto’s biodiversity Net Positive Impact (NPI) commitment – develop, test and implement an independent verification process to assess Rio Tinto’s compliance against its NPI target.*
- *Environmental economics capacity and natural capital projects – identify and quantify the biodiversity and ecosystem service values in key regions where Rio Tinto operates, under business-as-usual and conservation scenarios. This work will build on the on-going collaboration between Rio Tinto and the IUCN Environmental Economics Programme.*

In addition, the Schedule identified:

- *General collaboration – benefit from each organisation’s specialist skill sets, experience and networks by working collaboratively or providing input into each other’s projects as identified.*

IUCN and Rio Tinto, 2010: 37.

Described in the Schedule as “the initial focus for the three year agreement”, these three items are described in the terms of reference (TOR) for this review (see Annex 1) as the “programme objectives”. They have constituted the thematic framework for the relationship throughout its first three years.

### **1.3. Activities to date**

Documentation of the activities undertaken through the IUCN-Rio Tinto relationship has been uneven and incomplete. The sections below present a brief summary of available information.

### 1.3.1. Net positive impact

Further development of the NPI concept and procedures has been at the core of the IUCN-Rio Tinto relationship, building on Rio Tinto's existing commitment and the ideas and activities that had been shared with IUCN before the relationship agreement was signed. Putting the NPI concept into practice is a complex, long-term challenge. Within this relationship, the key element that has been tackled concerns assessment of whether a particular operation has instituted feasible measures to achieve NPI – and whether an appropriate monitoring programme has been established for the typically extended period over which progress must be measured. On that basis, NPI can eventually be verified.

- In 2010, IUCN convened a Net Positive Impact Protocol and Review Panel Team (NPIP&RPT) comprising specialists from IUCN Members and Commissions and from Rio Tinto. The box shows extracts from this team's TOR. It currently comprises eight IUCN and seven Rio Tinto members,

#### Extracts from 2010 TOR for NPIP&RPT

*IUCN and Rio Tinto have determined that the process of development, testing, and implementation of independent verification of Rio Tinto's compliance towards its NPI target should be structured through three processes:*

- *The development of scientifically rigorous measures of site level biodiversity conservation significance... The output... will be an independent 'yardstick' of measures of conservation significance for species and habitats at the site level.*
- *The establishment of a protocol for verification of Rio Tinto compliance relative to NPI as measured by the 'yardstick'... The NPI Protocol and Review Panel Team will produce a document detailing the protocol to be used by NPI review panels in reviewing Rio Tinto sites as measured by the Rio Tinto NPI targets. The NPI Protocol and Review Panel Team will also nominate independent scientific experts to serve on regional NPI Review Panels.*
- *The region-by-region verification of Rio Tinto compliance relative to NPI as measured by the 'yardstick'. These processes will be implemented by panels of independent scientific experts in each of the regions in which Rio Tinto operates. As noted above, these panels will be convened by the NPI Protocol and Review Panel Team. The panels are intended to deliver initial evaluation within the timeframe of the three year IUCN-Rio Tinto agreement.*

although not all participate in each of its activities. It has held a series of meetings to develop a method of checking the integrity and feasibility of Rio Tinto operation's proposals for achieving NPI from any individual operation, once its Biodiversity Action Plan (BAP) and NPI forecast have been developed. Progress has been slower than intended. For example, the regional NPI teams have not yet been started. The NPI protocol is now in final draft. It has been piloted twice:

- at the long established Dampier Salt operation in Western Australia, in August 2012;
- at the new Oyu Tolgoi (OT) copper mine in Mongolia, in August 2013.
- Before the relationship agreement had been signed, NPI analysis and exploration of methods had been launched at Rio Tinto's QMM (QIT Madagascar Minerals) ilmenite mine by Rio Tinto and The Biodiversity Consultancy, with advisory inputs from IUCN (Temple *et al.*, 2012). A third and final pilot of the NPI protocol is likely at QMM in 2014.
- In 2012, IUCN and Rio Tinto formed the NPI Alliance along with the International Finance Corporation (IFC), Shell and The Nature Conservancy (TNC). This new body is intended to help its members share and build their current or emerging NPI commitment, approaches and methods. It has held two meetings so far. Members have signed a Memorandum of Understanding and begun work on concept papers, e.g. on the business and conservation cases for NPI.

### 1.3.2. Natural capital

As in the related NPI field, IUCN and Rio Tinto had been collaborating in the valuation of natural capital and ecosystem services before they formalised their relationship in 2010. In 2009, Rio Tinto sponsored an IUCN paper on the cost of Reducing Emissions from Deforestation and Degradation (REDD) (Olsen and Bishop, 2009). Also In 2009, Rio Tinto commissioned IUCN to undertake a preliminary desk assessment of the biodiversity value of forest conservation projects in Madagascar. This led to a technical publication under the auspices of the relationship two years later (Olsen *et al.*, 2011), and fed in to the initial NPI analysis at QMM (section 1.3.1 above).

These activities led to what has since been the core of the natural capital work within the relationship: valuation of the ecosystem impacts of water use options associated with dewatering at an extension of the Marandoo mine, part of Rio Tinto's major iron ore operations in the Pilbara area of West Australia. The focus of the study is assessment of the ecosystem benefits of using water extracted from the mine for fodder production that would feed livestock currently using degraded rangelands on the company's properties in the Pilbara. IUCN commissioned the Australian Commonwealth Scientific and Industrial Research Organisation (CSIRO) to carry out much of the research and analysis under the supervision of the IUCN Economics Programme. The first phase of the study looked at the biophysical impacts of dewatering, leading to a report in April 2013. A second phase report, presenting valuation of various dewatering strategies and impacts, was completed in October this year. A final report will present an overall cost-benefit analysis. This programme is methodologically innovative and potentially valuable for wider application, aiming to produce decision-making tools that mines can use in assessing environmental and economic costs and benefits of various strategies that could help achieve NPI. However, it has run behind schedule, primarily because of delays by CSIRO.

### 1.3.3. Other activities

IUCN and Rio Tinto have done some other work to "benefit from each organisation's specialist skill sets, experience and networks" under the so-called programme of general collaboration.

- They worked together at the tenth Conference of the Parties of the Convention on Biological Diversity (CBD) in 2010 to communicate the role of the private sector in delivering CBD biodiversity targets.
- The first IUCN Relationship Manager was a member of the Biodiversity Advisory Group for Rio Tinto's Simandou iron ore operation in Guinea, and attended a Simandou biodiversity workshop in February 2011.
- Through the relationship, Rio Tinto supported IUCN's work developing standards on key biodiversity areas (KBAs), notably through funding for a workshop held in Virginia in 2012.

Over and above the relatively few specific elements of the 'general collaboration' programme that are cited above, IUCN and Rio Tinto have had several interactions in work not directly organised or funded through their relationship.

- Both organisations have supported development of the Integrated Biodiversity Assessment Tool (IBAT).
- Rio Tinto's experience with the concept of NPI, and IUCN's work with Rio Tinto in starting to operationalise it, were important inputs to the IFC's development of its 2012 Performance Standard 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources.

- Rio Tinto and IUCN have both interacted with the Business and Biodiversity Offsets Programme (BBOP), although neither is actively engaged with it and IUCN is no longer listed as a member of its Advisory Group.

#### **1.4. Review terms of reference**

The IUCN-Rio Tinto relationship agreement envisaged that an independent reviewer might be appointed annually “to review and evaluate the performance of the Relationship and/or the Programme Activities...” (IUCN and Rio Tinto, 2010: 18 – 19). In fact, the parties have adopted the more usual practice of IUCN and its private sector partners, appointing a reviewer after almost three years as the overall experience is assessed and they consider whether to renew the relationship.

The TOR for this review are shown at Annex 1. They state that the specific objectives of the review are:

1. *To assess the extent to which the objectives of the Agreement have been fulfilled and to propose an ex ante vision of partnership benefits as well as establish a results monitoring framework as an input to the Relationship Management Committee*
2. *To assess the value of the partnership to IUCN and Rio Tinto*
3. *To assess the extent to which the organizational arrangements, management and governance of the partnership was effective and still appropriate and provides a model for the next phase of the partnership*
4. *To determine what lessons can be learned from the relationship and how these can inform a potential future relationship and be used to drive good practice across the extractives sector.*

The wording of objective 1 above reflects the fact that IUCN and Rio Tinto did not develop a monitoring framework or indicators for the relationship. They therefore hoped that this review would develop an analytical and monitoring framework for its own purposes and for potential future use.

IUCN was mindful that the same evaluator had previously carried out reviews of its partnerships with Holcim and Shell. The TOR for this review therefore requested that a comparable approach and questions be used to provide a degree of standardisation in the Business and Biodiversity Programme’s assessment of its private sector relationships.

The TOR also stated that

*As set out in clause 8 of the IUCN-Rio Tinto agreement, this review to evaluate the relationship and the programme is commissioned by both IUCN and Rio Tinto. The review will be coordinated independently by the IUCN Planning, Monitoring and Evaluation Unit on behalf of the Parties to the Agreement.*

#### **1.5. Review methods**

The review has been carried out as envisaged in the section of the TOR just quoted above. For initial familiarisation, the reviewer was able to attend the meeting of the Relationship Management Committee held in Gland on 12 April 2013. He presented initial findings to the following meeting of the Committee in London on 9 October. Between those dates, the methods adopted were as envisaged in the TOR:

- In consultation with the IUCN Planning, Monitoring and Evaluation Unit and the BBP, a review matrix was prepared. It is reproduced at Annex 2. It helped to convert the overarching questions

set out in the TOR into a more detailed list of points keyed to the standard evaluation criteria of relevance, effectiveness and efficiency, as well as the TOR's questions about a potential future relationship and ways to drive good practice across the extractives sector. It thus helped to establish the "ex ante vision of partnership benefits" for which the TOR called.

- Documentation in IUCN on the activities carried out under the relationship was limited compared to that on other private sector partnerships. What could be found from IUCN, Rio Tinto and other sources was reviewed.
- Confidential interviews were held (mostly by telephone and Skype) with 22 informants in Rio Tinto, IUCN and other organisations. Both parties provided initial suggestions about whom to contact. Some of the interviews suggested new names. Not all of those recommended for interview ended up being available, despite efforts to contact them. But most of the key individuals did find time to talk.
- A confidential web-based questionnaire survey was developed in two slightly different versions: one for respondents working with IUCN or related organisations (Annex 4) and one for those in Rio Tinto or other private sector organisations (Annex 5). The first went to 22 people, of whom 14 (64%) responded. The second was sent to 13 people, of whom nine (69%) responded. Both questionnaires comprised questions seeking standardised views on Likert scales ("strongly agree, agree, disagree" etc.) and spaces for comments and more general statements of opinion.
- This report attempts an analysis of the relationship on the basis of evidence from the three sets of sources outlined above, structured according to the framework set out in the review matrix.

## 2. Relevance

### 2.1. The rationale for the relationship

There are two ways to structure the rationale for the IUCN-Rio Tinto relationship. Both can be seen as theories of change.

The first rationale is the more conventional from a sustainable development perspective: a theory of change that sets out a chain of causality expected to achieve an improvement in specified target conditions. IUCN's Business Engagement Strategy (IUCN, 2012a) can be viewed as an overarching theory of change from this perspective. As

can be seen in Figure 1, one of the three 'entry points' for achieving its conservation-focused objective is that "businesses adopt policies to manage biodiversity risks so as to avoid and minimise biodiversity impacts and seek opportunities for biodiversity conservation and benefits for natural resource-dependent people". From this perspective, the theory of change is that IUCN and Rio Tinto apply their multiple skills, resources and networks through a series of relationship activities (such as work on NPI and natural capital valuation) to achieve direct and indirect conservation benefits. The direct benefits should emerge, eventually, in the

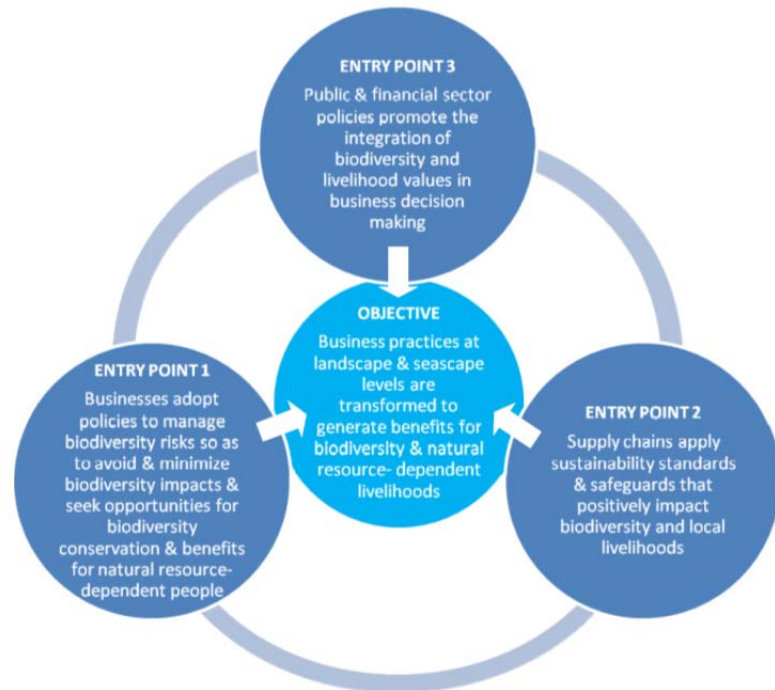


Figure 1. IUCN's business engagement strategy

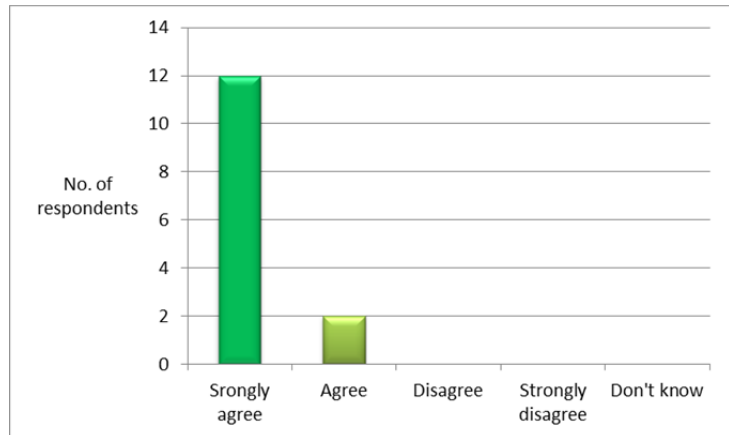
landscapes and among the species affected – negatively or positively – by Rio Tinto's mining operations and the associated Biodiversity Action Plans. The indirect benefits, which are more immediately apparent, are manifested in enhanced policies, procedure and practice by Rio Tinto, the mining sector generally and the governments and multilateral agencies that work with it.

The second rationale, using a concept more familiar in the private sector, focuses on risk. Businesses increasingly build strategy around the reduction of risks to their operations and profits. But for a relationship like that between Rio Tinto and IUCN, the theory of change can identify the steps necessary to achieve the reduction or elimination of risks to nature, to society and to the more conventional business parameters like profit. As the Business Engagement Strategy points out, business impacts on biodiversity pose multiple risks to corporate performance (IUCN, 2012a: 6). From this perspective, the theory of change is that Rio Tinto and IUCN apply their multiple skills, resources and networks through the relationship activities to achieve multiple risk reduction objectives and exploit corresponding opportunities in mining operations, marketing, regulatory compliance, maintenance and enhancement of reputation (which can link to market value) and access to capital, particularly where this is influenced by national or multilateral financing policy.

There are thus two clear and overlapping ways to construct a rationale for the relationship between IUCN and Rio Tinto. *Ex ante*, the relationship appears to be strongly relevant to organisations with the organisational and corporate objectives identified above. The following sections focus on how this relevance is seen from the perspectives of the two organisations.

## 2.2. Relevance for IUCN

From an IUCN perspective, the relationship with Rio Tinto is strongly relevant. Although there are those in the organisation who remain wary of any engagement with the private sector – and particularly with the extractive industries – the steadily strengthening consensus is that relationships like this are very relevant to the achievement of IUCN’s vision. As one senior IUCN interviewee put it, the organisation has to engage with the major drivers of biodiversity loss. The relationship with Rio Tinto is an example of how to do this.



**Figure 2. IUCN respondents: “relationship still strategically relevant for IUCN’s Vision and Programme”**

More specifically, there is widespread recognition in IUCN that the NPI work with Rio Tinto has strong potential for broader achievement in the Union’s engagement with the private sector (Figure 2<sup>1</sup>). One questionnaire respondent said that “Rio Tinto is recognised as an ‘early mover’ and the most technically advanced in terms of science-based approaches to planning, measuring and delivering Net Positive Impact. It has set precedents that are guiding others in the mining, energy and finance sectors. This ties well to the IUCN vision to guide and harness the private sector as a force for global conservation, as well as setting international standards for good practice.”

Other respondents argued that IUCN can explore how to make the NPI concept work at the landscape level, as well as at individual project sites. It has built on its work in this field with Rio Tinto to engage in broader policy and regulatory discussions, notably with the IFC and the European Union – and without the Rio Tinto relationship, it could have made less progress in this regard. An additional dimension of relevance for IUCN is that this relationship has begun to engage with a mining operator at the operational level, rather than just in formulating policies and documents. As this review will point out, achieving effective, mainstreamed change at the operational level is a far bigger challenge than reaching agreement with a mining company’s top management and environmental staff. At least the relationship with Rio Tinto has shown IUCN that a start can be made.

## 2.3. Relevance for Rio Tinto

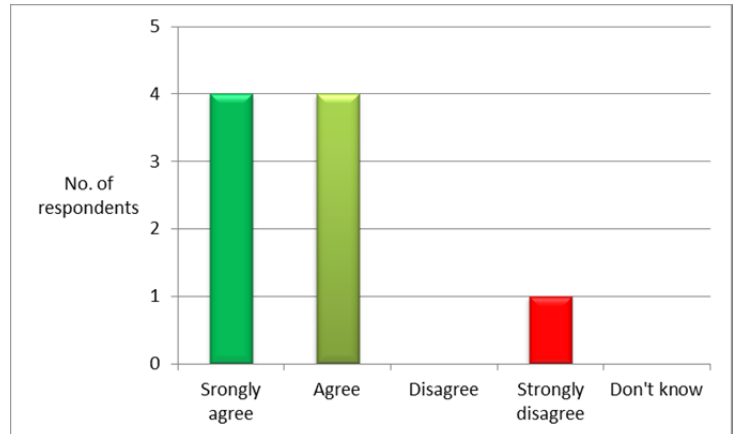
In Rio Tinto, current funding constraints mean there is new focus on the relevance of relationships with conservation organisations. The old model of sponsorship certainly no longer applies; indeed, it was never the framework for the link with IUCN. Nor does Rio Tinto see the purpose of the relationship as the

<sup>1</sup> Chart captions abbreviate the wording of survey questions, the full text of which can be found at Annexes 4 and 5. ‘IUCN respondents’ refers to people working in IUCN and related conservation organisations. ‘Rio Tinto respondents’ refers to those working in Rio Tinto and related private sector organisations.



provision of consultancy services. Activities with IUCN are meant to be at a higher, strategic level. Overall, the rationale for the relationship is now seen in terms of improved business advantage and reduced business risk – much as IUCN’s Business Engagement Strategy would envisage. Reputational benefits are seen as significant too. One survey respondent pointed out that “biodiversity risk will grow significantly over the lifetime of Rio Tinto’s projects”. Another said that “as resources are becoming more scarce it is important for Rio Tinto to have credible partners who can help us understand our impacts and set us up as miners of choice.” According to a third, “Rio Tinto’s relationship with the IUCN has served to place it in a position of leadership within the mining industry. The company is well regarded by both its mining peers and those in NGOs and civil society. It certainly has a much higher profile than others that do not have this relationship”.

Figure 3 shows that there was one dissenting voice about relevance among the small group of Rio Tinto and related private sector respondents to the questionnaire survey. In general, however, the relationship is seen as highly relevant to the company’s objectives and strategy. Whereas conservation partnerships were previously handled by an external affairs department, they were transferred to Health, Safety, Environment and Communities (HSEC) as the focus shifted from reputational development to the management and mitigation of risk.



**Figure 3. Rio Tinto respondents: “relationship still strategically significant for Rio Tinto”**

Views in Rio Tinto about the IUCN relationship remain diverse, in two ways. First, there are still many in this mining company who are sceptical or even hostile about the notion of working with conservation organisations. It is generally more difficult to persuade those working at the operational level about the merit of such links. Secondly, there is a change of mood in the company at present. Partly but not only because of the need to cut costs, Rio Tinto is stepping back from leadership and the cutting edge in environmental matters. Tighter questions are being asked about the value for shareholders of such work, and of links with conservation organisations. Where direct relevance to mining operations can be shown, this will be particularly significant. But meanwhile, one interviewee pointed out, “the risks haven’t gone away, in both OECD and non-OECD countries. There are threats in the US and Australia if Rio Tinto can’t show that it has the knowledge, programmes and systems to address the environmental impacts of its work. If other companies don’t follow Rio Tinto’s lead on issues like NPI, they may find it hard to get IFC funding. International financial institutions will demand the kind of action and competence that Rio Tinto have been developing.” The bottom line, represented by the majority view in Figure 3 above, is that the relevance of the relationship with IUCN must be found in the pragmatic ways it contributes to business-focused progress. Most of those in the company who are aware of the relationship continue to see this relevance as high.

#### **2.4. Relevance from an external perspective**

Primarily because of the efforts to develop and apply the NPI concept, Rio Tinto and its partnership with IUCN have attracted considerable external interest. Rio Tinto’s initial NPI commitment – rather like Shell’s announcement that it would not operate in natural World Heritage Sites – was seen in some quarters as admirable, in some as risky and certainly not to be emulated. Since the company began to work with IUCN to develop NPI principles and procedures for application to specific operations, the interest has intensified

– to the extent that some other firms are now committed at least to cause no net loss of biodiversity by their operations, which is not the same as NPI.

From the external perspective, the Rio Tinto-IUCN relationship is most relevant because of the influence its work has had on the development of IFC Performance Standard 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources (section 1.3.3 above). This set of requirements, like similar principles applied by other multilateral agencies such as the World Bank, reflects the approaches that the IUCN-Rio Tinto work on NPI has helped to pilot. It is increasingly recognised that the application of appropriate environmental principles is not simply a matter of government enforcement and private sector compliance. In many jurisdictions around the world, the international community must rely on the private sector to show environmental responsibility, since governments are unable or unwilling to enforce it. Broader collaboration between governments, multilateral agencies, the private sector and conservation organisations is necessary. The IUCN-Rio Tinto relationship and the way it is networked into other forums, programmes and agencies (for example through the Cross-Sector Biodiversity Initiative) is highly relevant from this perspective, and some external informants contacted for this review emphasised the need for it to continue.

### 3. Effectiveness

#### 3.1. Fulfilment of partnership objectives

The core task of any review like this is to try and establish how far the work or programme being assessed has managed to achieve its objectives. In conventional evaluation terms, this is a question of effectiveness. Whether activities have been carried out as planned, delivering the intended outputs, is a question of efficiency. That is addressed in chapter 4 below. In a well-designed programme, delivering the outputs (efficiency) makes it highly likely that the objectives, or outcomes, can be achieved (effectiveness). However, a range of contextual factors, not directly under the control of the programme, can also influence effectiveness.

The objectives of the IUCN-Rio Tinto relationship were quoted in section 1.2 above and are reflected in the review matrix that guides this assessment (Annex 2). This chapter looks at the progress made towards each objective, and then concludes with some overall questions about the value of the relationship so far.

#### 3.2. A business-focused relationship

Reference to building ‘a business-focused relationship’ might raise eyebrows in some quarters. Why not a conservation-focused relationship? Reading the rest of the wording for this objective shows that the intention is to influence the performance of Rio Tinto, “to improve its environmental management and delivery of conservation outcomes”. This wording in fact reflects the whole purpose of IUCN’s Business Engagement Strategy. As one respondent in the conservation sector pointed out, it does not mean ‘business-dominated’. There was a twin intention in specifying this objective, as two informants for this review explained.

*One of the biggest challenges for people like IUCN is that because corporations often have lots of money, they think the corporations should be acting as big donors to environmental issues. But IUCN needs to work better with the private sector, understanding what the overlaps in the mutual Venn diagram are – find the sweet spot and focus on it. ‘Business focused’ means incorporating conservation approaches into corporates’ business practices as means to better profit, access to finance etc.*

*There was an idea that IUCN lacked business acumen, and in some situations would try to apply conservation expertise but struggle to do so in a form that would resonate with the private sector. Get on same page and wavelength as business so as to take key messages, learnings, so that they’d fit the language of the private sector.*

As can be seen from Figure 4, survey respondents in both groups generally felt that the relationship is strongly or moderately business-focused – although the assertion was stronger in the conservation community than among private sector

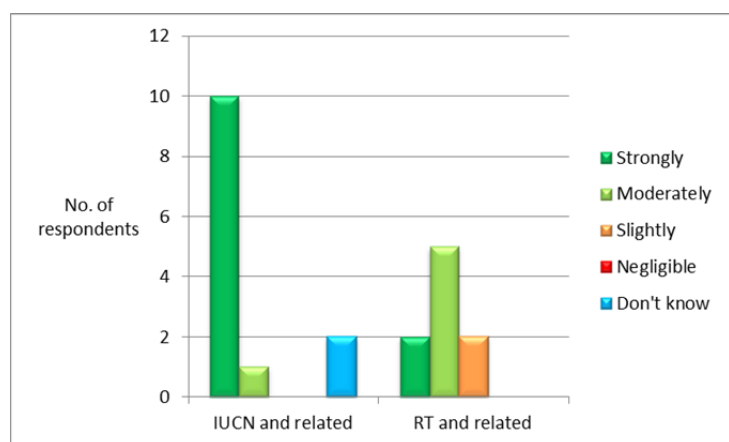


Figure 4. "To what extent is the IUCN-Rio Tinto relationship business-focused?"

respondents. As one respondent put it,

*Yes, it is structured to help Rio Tinto manage and reduce business risk from the biodiversity impact of their operations - but at the same time, it is conservation-focused, in ensuring that this reduction in business risk is generated in lock-step with reduction in actual impacts on biodiversity.*

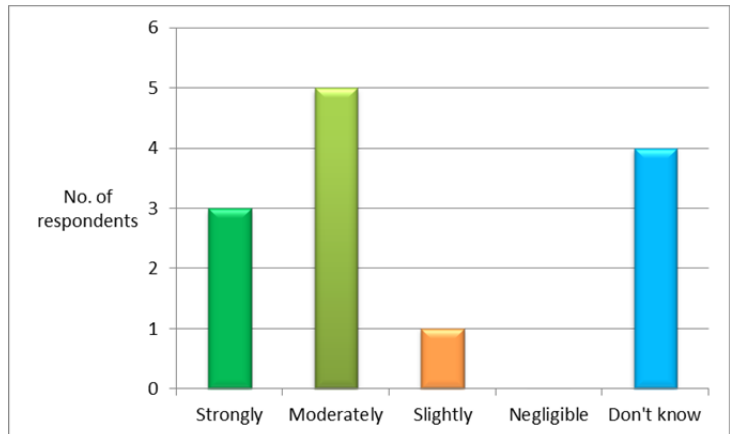
Overall, there has been progress towards building the Rio Tinto-IUCN link as a business-focused relationship. There is plenty more for the two sides to learn about each other's attitudes, motivations and practices, but the results to date are a vindication of IUCN's Business Engagement Strategy and of the view in some parts of Rio Tinto that working with IUCN can reduce risk, enhance reputation and increase profits in the medium to long term.

### 3.3. Fulfilment of objectives for IUCN

The review matrix at Annex 2 shows that, from an IUCN perspective, the objectives of the relationship with Rio Tinto have been:

- to improve the understanding throughout IUCN of the conservation and business challenges facing the resources sector;
- to strengthen IUCN capacity for market-based approaches to environmental management and conservation;
- to gain recognition for IUCN as a leader in its field, committed to environmental management and delivering sustainable development outcomes.

The consensus among IUCN and related respondents and interviewees, while not overwhelmingly positive, is that there has been substantial progress towards these objectives. With regard to **“improving understanding throughout IUCN of the conservation and business challenges facing the resources sector”** (Figure 5), *throughout* is the key word, doubtless included intentionally by the drafters of the relationship agreement to address the diversity of the Union and the differing views on such relationships that are to be found in its various constituencies. Here, that standard weakness of most organisations – communication – is vital. While those in the Secretariat who are variously engaged with the relationship may benefit and learn about the challenges facing the resources sector, others in the Commissions and the membership may be much less aware. One survey respondent said that



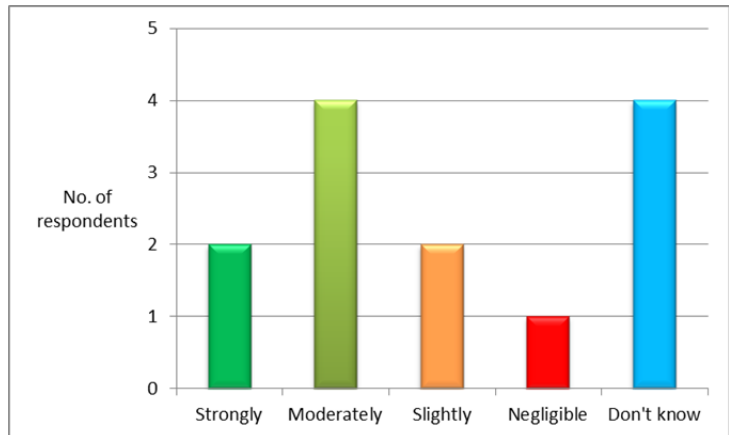
**Figure 5. Improvement of understanding throughout IUCN of challenges facing resources sector**

*The relationship has touched a number of people, but perhaps not too broadly. More could be done in sharing information. That said, there are a number of key internal stakeholders that are generally aware of the relationship and see it in a positive light.*

Another commended the detailed due diligence process undertaken before the relationship was finalised. This was a useful first step in building a broader understanding about how a major mining business views its conservation challenges, and how IUCN can engage constructively with such a partner. The stronger representation of the private sector at the 2012 World Conservation Congress, and the more constructive reaction to it, could be attributed in part to the work done in the Rio Tinto-IUCN relationship over the preceding two years.

How far has the relationship **strengthened IUCN’s capacity for market-based approaches to environmental management and conservation** (Figure 6)? One respondent said that

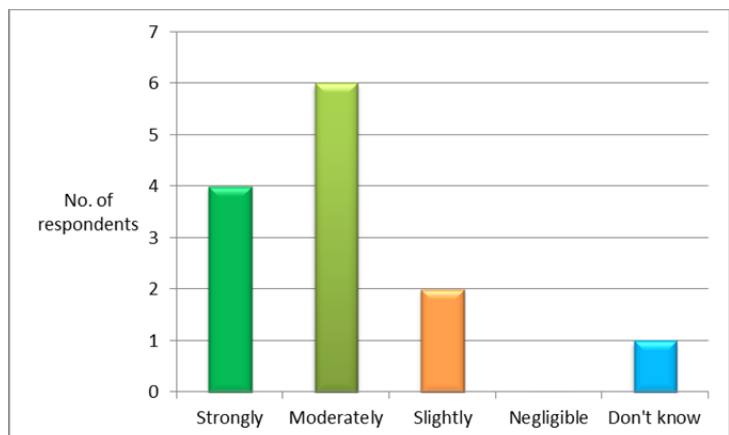
*IUCN (and many NGOs in general) are relatively strong on the theory and concept of environmental management in the private sector. IUCN's business stream is also relatively small and lacking experience with private sector issues found in some other NGOs (e.g. WRI, CI, FFI). The partnership with Rio Tinto has however allowed these concepts to be refined by actual field testing and exposed IUCN staff and partners to the real-life constraints and working environments faced by companies trying to improve management and conservation. This learning will help IUCN better apply, develop and share guidance, tools and data that will be used by companies at an operational level.*



**Figure 6. Extent to which relationship strengthened IUCN capacity for market-based approaches**

It is too early to expect a radical transformation of IUCN capacity for market-based approaches through this relationship. But useful foundations have been laid, including the launch of the NPI Alliance.

Again without unanimously strong endorsement, the relationship is seen as having **gained recognition for IUCN as a leader in its field** (Figure 7). There is some feeling that this recognition has been built more strongly in the private sector than in the conservation sector, where it was already strong. One respondent said that “IUCN has the potential to take up a leadership role, but it’s not there yet”. Work on NPI with Rio Tinto is seen as having given IUCN a better opportunity to act as a convener, linking the private and conservation sectors.



**Figure 7. Extent to which relationship has gained recognition for IUCN as a leader in its field**

Overall, the IUCN image and recognition that this relationship has strengthened lie in its role as an international convener and facilitator, rather than as a source of technical expertise. This is not the place to

debate the role of IUCN’s Commissions, and their undoubted technical expertise, in the Union’s relations with the private sector. There is a special case for an IUCN role in technical innovation, which presumably is where the Commissions have a major contribution to make. There have been two such instances in the relationship with Rio Tinto. But the broader lesson from this relationship is that IUCN has no comparative advantage as a technical service provider, delivering consultancy inputs to the private sector. What IUCN can do, and sometimes does well, is to push the scientific, institutional and political boundaries in pursuit of its mission. While it has done this usefully in its work with Rio Tinto, the experience has also yielded new instances of complacency: assumption, rather than demonstration, that IUCN leads the field as a global conservation convener and facilitator. This claim is announced more often than it is demonstrated. In the relationship with Rio Tinto, IUCN has at least made some substantive progress towards leadership in enhancing the environmental performance of the extractive industries.

**Recommendation**

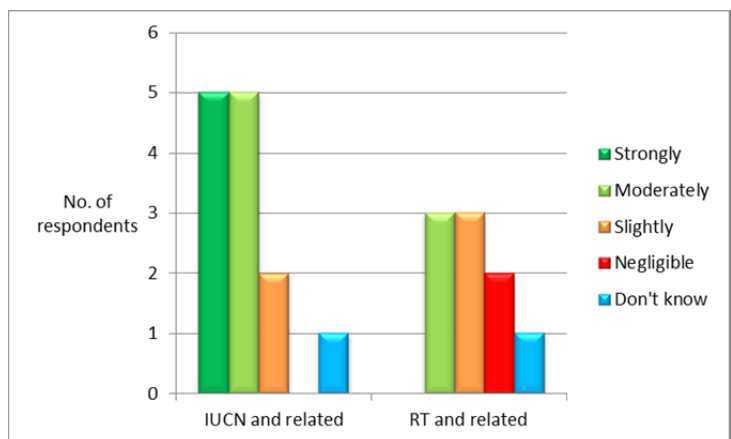
1. In future collaboration with Rio Tinto and other private sector partners, IUCN should maintain the distinction between its roles and those of technical service providers, avoiding consultancy-type activities that others are better placed and equipped to provide.

**3.4. Fulfilment of objectives for Rio Tinto**

For Rio Tinto, according to the relationship agreement, the objectives of the link with IUCN have been:

- to enable Rio Tinto to improve its environmental management and delivery of conservation outcomes;
- to strengthen Rio Tinto capacity for market-based approaches to environmental management and conservation;
- to gain recognition for Rio Tinto as a leader in its field, committed to environmental management and delivering sustainable development outcomes.

In fact, the first of these objectives is arguably the core purpose of the relationship for IUCN too. For this reason, survey respondents in both the IUCN and the Rio Tinto groups were asked how far they felt it had been achieved. Although opinions were more positive among IUCN and related respondents than in the Rio Tinto and other private sector group (Figure 8), the consensus is that progress has been made. Conditions for achieving this objective have not been ideal in Rio Tinto recently, with budget cutbacks, retrenchments and a feeling of instability making this sort of innovation difficult. As ever, the key to unlocking major success in this regard is to persuade the operations level in the various Rio Tinto mining companies to accept the enhanced environmental and conservation approaches. This takes time, and is more of an uphill effort in financially straitened times. But opportunities have not always been fully used. For example, the recent NPIP&RPT visit to the OT mine in

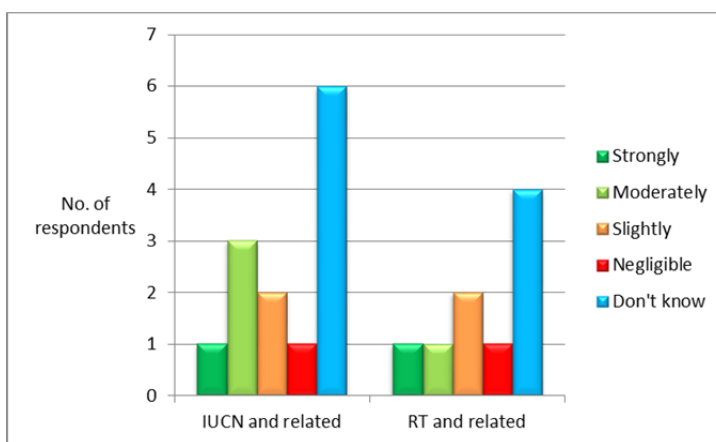


**Figure 8. Improvement of RT environmental management, delivery of conservation outcomes**

Mongolia is reported not to have spent as much time with operations staff as it should. At least, pointed out one IUCN respondent, the relationship’s work on NPI and natural capital accounting is central to Rio Tinto’s biodiversity strategy. A Rio Tinto respondent struck a cautionary note, arguing that in practical terms Rio Tinto (perhaps like other big extractive industries) has more direct experience and relevant expertise than IUCN, which works more at policy and strategic levels - although it should be noted that IUCN strengthens its expertise on the NPIP&RPT by including technical specialists from its Commissions and Members. Another in this group summed up the preliminary nature of achievements to date.

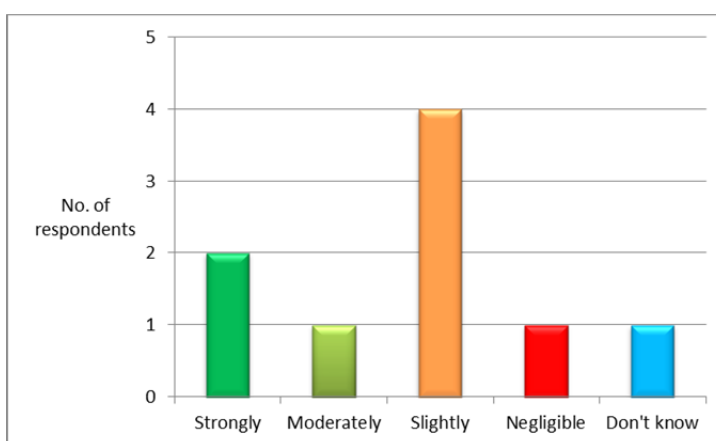
*I think the jury is still out on this. Does IUCN's input add credibility and bring expertise to our conservation efforts? Yes. Has the company embraced this value and expertise in its operations? Not yet.*

Because so much of this relationship is about **strengthening Rio Tinto approaches and capacity**, the IUCN group of respondents were also asked about progress with the second objective. Substantial numbers in both groups felt unable to express an opinion. Those who could felt overall that some progress had been made. But, as Figure 9 shows, few felt that there has been a strong improvement so far. The reasons for this modest progress are similar to those outlined above: in an organisation like Rio Tinto, such change takes time to achieve, and the crucial breakthrough to the operations level has yet to be achieved at scale. Again, one argument is that Rio Tinto has more practical conservation capacity in relevant areas than IUCN does – although that probably depends what part of the Union one is looking at. The broader view is that, as one company respondent put it, “the argument for market based solutions around conservation has not been secured internally in Rio Tinto”. Another respondent summed up the technical situation.



**Figure 9. Strengthening of RT capacity for environmental management and conservation**

*Rio Tinto has access to a strong network of consultants, partners and staff resources, and has a substantially higher awareness, experience and capacity as regards biodiversity issues than most of their peers. The IUCN relationship has allowed them to focus on the most innovative aspects of their market-based approaches (e.g. verifying achievement of NPI) and so while they have been strengthened through work with IUCN it must be acknowledged that they began with a very strong starting point thanks to years of work with previous partners (Birdlife, FFI, Conservation*



**Figure 10. Extent to which relationship has gained recognition for Rio Tinto as leader in its field**

*International, Earthwatch etc.).*

This theme of modest progress and more uphill ahead is continued in Rio Tinto and related respondents' views about the third objective quoted above: **gaining recognition for the company as a leader in its field** (Figure 10). Again, it can be argued that, with its 2004 NPI commitment and subsequent efforts, Rio Tinto had achieved a leadership position before it signed the relationship agreement with IUCN in 2010, and that there has just been modest consolidation of that position since. As a survey respondent said,

*the relationship has been a valuable form of 'verification' and credibility for RT's efforts. However, the proof has to be in the internal delivery that supports the rhetoric. Without evidence of this then this reputation will fail. This has to be the focus.*

Furthermore, in the current climate and for the current leadership, this objective may no longer seem so appropriate. There are signs that Rio Tinto may wish to retreat from the cutting edge and the sort of exposure that a leadership position may bring.

### Recommendation

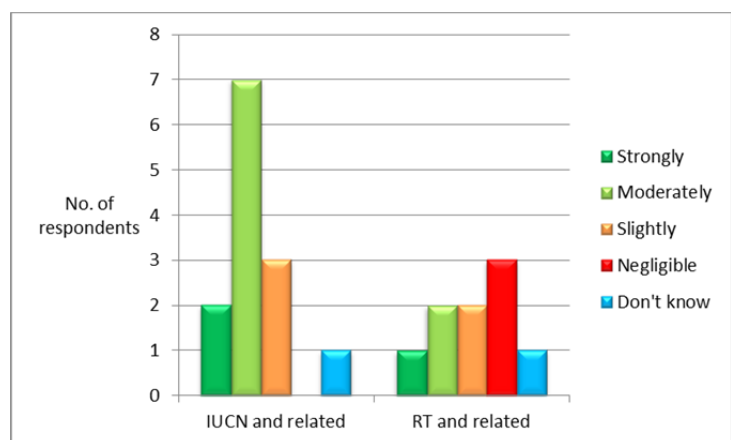
2. Despite current funding constraints, Rio Tinto management should ensure that progress with the group's approaches to and capacity for biodiversity conservation is consolidated and taken forward, so that the relevant risks are reduced at a growing number of Rio Tinto operations around the world.

### 3.5. Achievement of joint objectives

The review matrix at Annex 2 identifies three joint objectives from the Rio Tinto-IUCN relationship. One was stated as an objective in the relationship agreement. The other two are derived from the areas of collaboration set out in Schedule 1 to the agreement:

- jointly to contribute to sector-wide improvements in the mining and closely related sectors;
- the development, testing and implementation of an independent verification process to assess Rio Tinto's compliance against its NPI commitment;
- the identification and quantification of the biodiversity and ecosystem service values in key regions where Rio Tinto operates, under business as usual and conservation scenarios.

With regard to **joint contributions to sector-wide improvements**, survey respondents felt that some progress had been made, although the view was brighter among those on the IUCN side than among Rio Tinto and related respondents. Overall, the theme once again is of modest progress. One view is that IUCN caught Rio Tinto's moving train and helped it to go faster and to pick up more passengers. Useful foundations have been laid with the NPI Alliance, but although there may have been good reasons for limiting its membership at the outset, progress will remain modest if the group



**Figure 11. Extent to which relationship enabled joint contributions to sector-wide improvements**



does not expand. Another, broader grouping has been more controversial: the Business and Biodiversity Offsets Programme (BBOP) helped to develop and spread the concepts and techniques on which NPI has been built, but has not had an easy relationship with the private sector. Indeed, some firms have found engaging with BBOP an arduous and alienating experience. Rio Tinto is one of those that have left and, as noted in section 1.3.3, IUCN is no longer part of the BBOP Advisory Group. For this relationship, BBOP is no longer a vehicle for joint contributions by Rio Tinto and IUCN to sector-wide improvements in the mining and related sectors. On the other hand, as argued in section 2.4 above, the work that IUCN and Rio Tinto have done together has significantly reinforced the development and application of the IFC’s Performance Standard 6 and related international measures to regulate extractive industries’ environmental performance. Overall, said one observer, Rio Tinto set the bar, and has gradually dragged various other companies up behind it. Conversely, said another who attended the World Conservation Congress, it was striking to see the continuing level of distrust there around the NPI concept, and it is uncertain how much support Rio Tinto would get for it. “There is lots of work to do to align people around the idea of collaboration between business and conservation, with similar objectives”.

### Recommendation

- IUCN, Rio Tinto and other members of the NPI Alliance should now work to expand the membership, activities and impact of this body.

Work on **NPI verification** has dominated the IUCN-Rio Tinto relationship to date. While it could be argued that other areas of work should have been given more attention, there is merit in the decision that the two parties reportedly took to ‘go deep and narrow’ and work towards substantive progress in this major area. The work done was summarised in section 1.3.1 above. Overall, as noted there, progress has been slower than planned. While the NPI concept is a prominent part of Rio Tinto’s environmental profile, the work to operationalise it and develop the verification protocol is detailed, technical and slow, potentially strengthening the arguments of those who claim that it is an excessive burden for the company and that being at the cutting edge is too risky in the current climate. Developing, applying and validating the various operational aspects of the NPI concept is the work of decades. Much remains to be done to enhance and streamline them. While IUCN has only a limited role in this enormous enterprise – convening and facilitating the launch of a verification system – it has proved to be an important role, taking the core idea of an independent structure and process forward to the pilot implementation stage.

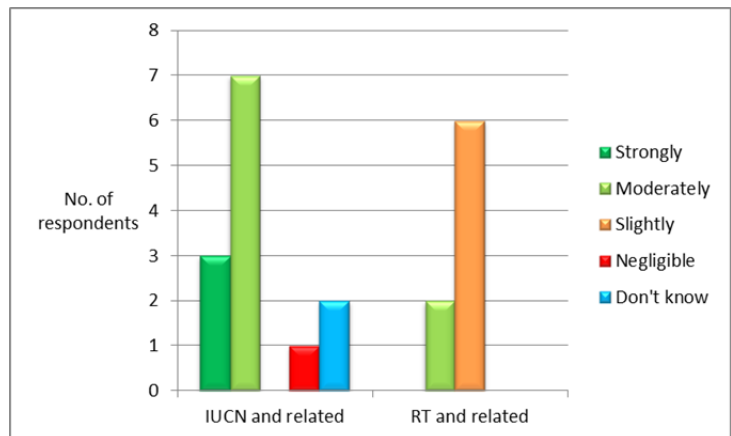


Figure 12. Extent of progress with NPI verification

At this stage, however, there is still much to be done, much to be proved, and many sceptics to be won over. It remains to be seen how NPI verification systems could be set up at the scale that the global mining industry’s operations would demand. The regional structures that IUCN and Rio Tinto envisaged would lay the foundations for this are not yet in place. Indeed, the IUCN Council has pointed out that the Union itself needs to fill a policy gap on offsets (IUCN, 2012b: 161-162). Ideally, a uniformly structured set of NPI standards would apply to all mining operations, helping to achieve entry point 3 of IUCN’s Business Engagement Strategy (Figure 1 on page 7). But there is a long way to go.

Overall, as can be seen from Figure 12 above (full question wording in Annexes 4 and 5), survey respondents felt that the NPI work promoted through the relationship achieved some progress. Predictably, the outlook is more positive on the IUCN side than in Rio Tinto, where the doubts summarised above are reflected in the predominant view that progress has only been slight. A more optimistic conclusion might come from observation of Rio Tinto’s profile, and the influence of its NPI work with IUCN, in forums like the IFC sustainability summit held in June 2013 – where the firm had multiple speaking slots.

The Rio Tinto-IUCN relationship has been partially effective in the development, testing and implementation of an independent verification process to assess Rio Tinto’s compliance against its NPI commitment. The effectiveness of this work has been hindered by funding constraints and some opposition to the concept within Rio Tinto, by delays in arranging the pilot verification exercises and by the technical complexities of developing a broadly applicable verification protocol. Despite its central prominence in the relationship between IUCN and Rio Tinto, neither organisation has been able to give the NPI work the focused attention it needed. Across Rio Tinto as a whole, NPI remains a marginal and poorly known concept. IUCN, as ever, struggles with the challenges of bringing busy professionals together to do field work and write reports. So far, the NPI venture has barely achieved the critical mass and momentum it needs to move forward towards application at scale. It could fall back if it is not pushed forwards.

### Recommendation

4. Through a renewed relationship agreement, Rio Tinto and IUCN should reaffirm their commitment to making NPI planning and verification a working part of the group’s design and management of mining operations, and to developing the global and local systems and resources required for this purpose.

The **natural capital accounting** work that IUCN has done with Rio Tinto – primarily in the Pilbara area of Western Australia (section 1.3.2) – may appear to have a lower profile than the NPI effort, to have achieved less and to be more marginal to the relationship. It has not lacked frustrations, due primarily to slow and inadequate service provision by IUCN’s excessively academic subcontractors in Australia. But the required technical outputs and methodological advances are now close to being delivered. The outcome intended when the relationship was launched in 2010 was “the identification and quantification of the biodiversity and ecosystem service values in key regions where Rio Tinto operates, under business as usual and conservation scenarios”. In these terms, the work done since has been only partially effective, having focused since 2010 only on the one operation in the Pilbara and on one (key) aspect of that operation’s environmental impact.

But the natural capital work has been more than it seems. This may be why, when the former Rio Tinto chief executive met the IUCN Director General, his one specific mention of the work the two organisations were doing together is reported to have been the Pilbara study. There have been those in Rio Tinto who argued that it was necessary to keep this work low profile. The methodologies were still at pilot stage, there were many in the company ready to criticise the activity as unnecessary, and great care had to be taken not to publish inaccurate or premature findings. There can be taxation implications for extractive industries that

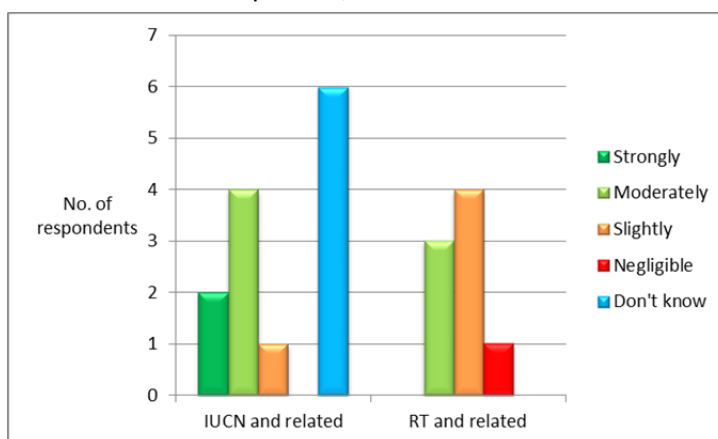


Figure 13. Extent of progress with natural capital accounting

announce resource values. Nevertheless, the effectiveness of this part of the relationship is enhanced by its direct engagement with Rio Tinto at operations level, rather than just at the analytical and strategic levels where the NPI work is done. Furthermore, the engagement in the Pilbara has been with a Rio Tinto iron ore mine. Iron ore operations are central to Rio Tinto. If enhanced environmental approaches can make headway in the iron ore sector of the business, there is a realistic prospect that they can be mainstreamed across the group as a whole. For the same reasons, this mode of engagement poses real challenges. Mining operations, and iron ore specifically, are heavily populated with sceptics where any kind of environmental initiative is concerned.

Again, as Figure 13 above shows, survey respondents were mostly lukewarm or uncertain about the progress made by the IUCN-Rio Tinto relationship in this area. The work done at Pilbara has had valuable methodological outcomes of more general application. It has generated useful practical outputs for the Pilbara operation itself. Rio Tinto may be reluctant to take such work much further at present because of the perceived risk that the various mining operations may resist adopting it in the current climate, and that such resistance could lower the overall credibility within the group of the environmental initiatives it is trying to pursue.

For IUCN, there has been a different challenge. While it has appropriately stimulated methodological advances through this effort, it has also appeared as a technical service provider to the Pilbara operation – and, partly for reasons outside its control, as a not very effective one. The experience of the Rio Tinto relationship has demonstrated what IUCN already knew: that it has no comparative advantage as a consultancy service provider and should take care not to set itself up as one. This was not a reason to avoid the Pilbara task. But that experience does underline the need for IUCN to maintain the boundary between being a scientific pioneer and being a consultant.

### Recommendation

- IUCN and Rio Tinto should consolidate, complete and communicate the natural capital accounting work they have undertaken before and during the 2010 – 2013 relationship and generate and publish a detailed set of scientific and procedural lessons that can be applied at other Rio Tinto operations and in the extractives sector more generally.

### 3.6. Achievement of other benefits

As was shown in section 1.3.3 above, there have been relatively few activities in which Rio Tinto and IUCN worked collaboratively or provided input into each other’s projects in other fields, over and above the NPI and natural capital work. Although ‘relationship’ has been the official word in use since 2010, this intention to work more broadly required the organisations to behave as partners, with a general supportive interest in each other’s challenges and priorities. Such a partnership had in fact been developing for some years before 2010. It remained in place for some time after signature of the relationship agreement, but has dwindled since. Most of the activities outlined in section 1.3.3 took place in the early part of the relationship period. Since then, the focus has

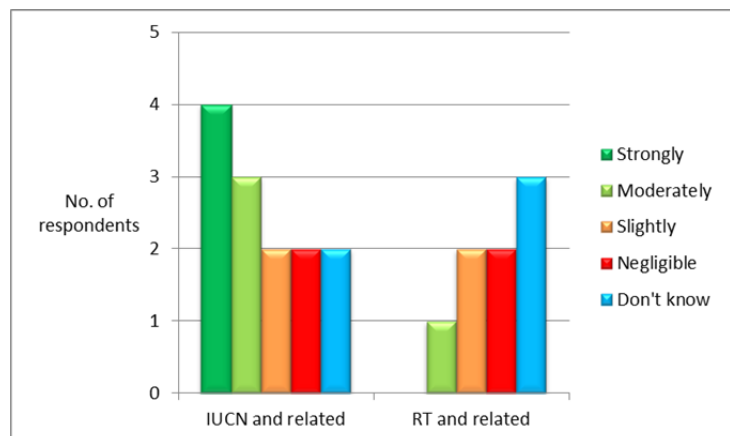


Figure 14. Extent of collaborative work in other fields

Since then, the focus has

increasingly been on the two main work areas: NPI and the natural capital accounting effort in the Pilbara. But one IUCN respondent did emphasise that

*The Rio Tinto involvement in the development of the IUCN Key Biodiversity Areas standard has been one good example of such a benefit beyond the immediate scope of the relationship.*

Perhaps because of this early, broader collaboration, the reaction to the survey question about the extent of collaborative work in other fields yielded reasonably positive replies – although there is a noticeable difference between the IUCN and Rio Tinto groups in this case (Figure 14 above). For one thing, the IUCN respondents may have had longer memories, recalling the wider range of activities in 2010 – 2011.

There are probably several reasons why the relationship has contracted, going ‘deep and narrow’. First, a broader partnership requires more proactive management. Managers on both sides may have lacked the time to provide this. Secondly, just achieving adequate momentum for the complex NPI effort may have absorbed most of the time and interest that the parties could devote to the relationship. Thirdly, as belts were tightened at Rio Tinto, activities viewed as marginal were the first to lose funding. A related, final reason was a shifting attitude in Rio Tinto to work with conservation organisations, defining it more tightly in terms of risk management for the firm and closing out the space that previously existed for a broader, more exploratory interaction.

### Recommendation

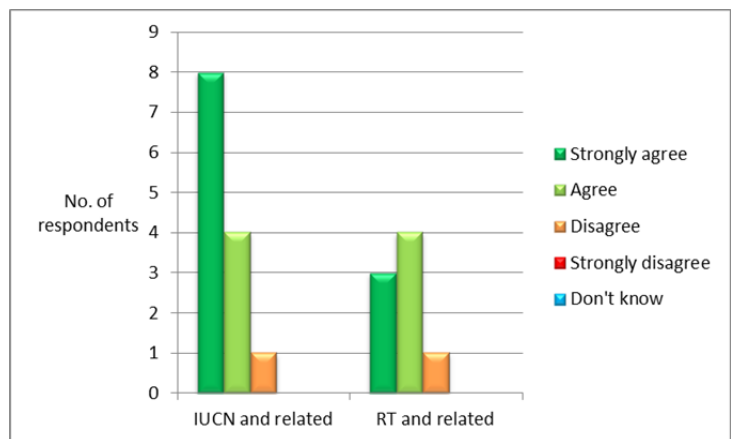
- As far as resources permit, Rio Tinto and IUCN should strive to maintain a broad partnership that identifies multiple opportunities to explore, collaborate, advocate and exchange ideas.

### 3.7. The value of the relationship

The TOR for this review ask what, overall, has been the value of the relationship to IUCN and Rio Tinto. Annex 2 shows that this question has been broken down into five sub-questions.

#### 3.7.1. Innovation and best practice

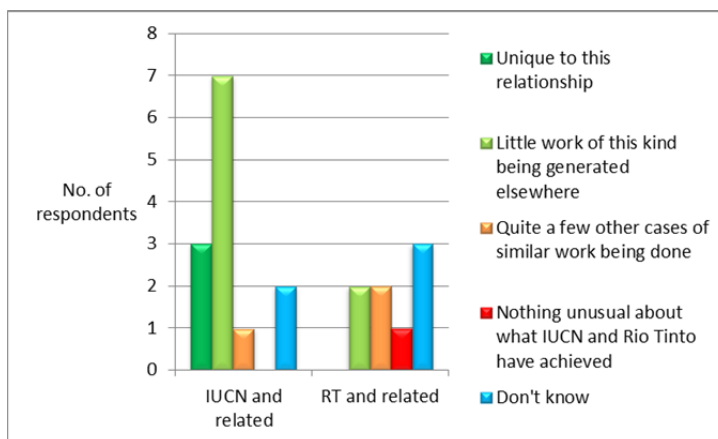
One way to assess the value of the relationship is to establish whether the products and services of the relationship represent innovative solutions and/or best practice. The review encountered mostly positive answers to this question, although – as with several other questions – they were more strongly positive from IUCN and related respondents than from the other group. One recurring argument is that much of the innovation, particularly on NPI, had been launched by Rio Tinto before the relationship agreement was signed. Figure 16 shows that there are those who believe that there is nothing that different or unique about what has been done through this relationship – although the majority emphasise that the NPI work is special. Some in Rio Tinto are also concerned – as pointed out above – that the cutting edge is a riskily exposed place to be.



**Figure 15. "Products and services of relationship represent innovative solutions and/or best practice"**

*This is obviously a strength, but can also be seen as a weakness in the current Rio Tinto business context where we have to avoid being seen as ‘innovating’ too far ahead of what the business considers to be the risk-based requirements – i.e. we cannot stretch the business too far into the industry-leading space.*

In other words, innovation and best practice are not always as valuable as they might seem in IUCN’s relationships with the private sector. This is another version of the ‘level playing field’ argument that has arisen, for example, in some extractive industries’ commitment not to operate in natural World Heritage Sites. For the value of innovation and best practice to be maximised, they must be vigorously communicated and promoted so that the rest of the private sector is stimulated to adopt them too. In the IUCN-Rio Tinto relationship, this has not yet been achieved.



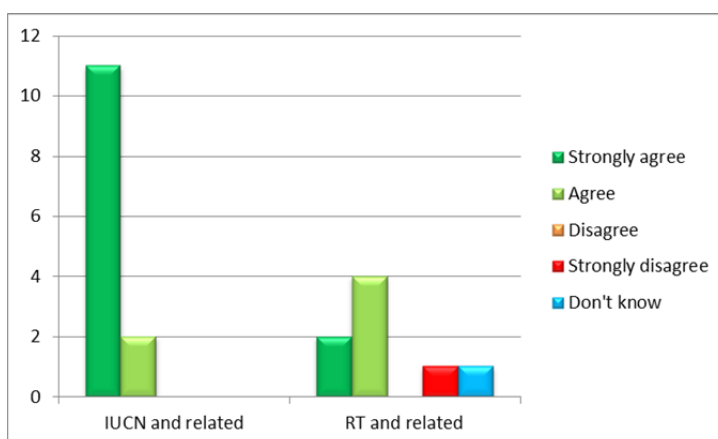
**Figure 16. How specific to the IUCN-Rio Tinto relationship are the products and services achieved?**

**3.7.2. Use of the products and services of the relationship**

Another way to assess the value of the relationship is to see what uses have been made of its products and services. Eleven out of 21 people who answered a survey question about this said that they did not know. The ten who could think of something – all on the IUCN side – referred in rather general terms to building on the initial NPI experience and what has been learned from that so far, to refine approaches and spread the concept. In other words, the ‘uses’ to which the work has been put are mainly in the realm of ideas, approaches and methods. There were references, for example, to building the NPI concept beyond the extractives sector, and to creating the NPI Alliance. This kind of benefit is likely to be more meaningful to those in IUCN than to people in Rio Tinto.

**3.7.3. The value of the relationship overall: views from IUCN and Rio Tinto**

Overall, survey respondents in both groups feel that the IUCN-Rio Tinto relationship has been valuable for their respective organisations. Figure 17 combines responses to two questions: “the relationship has been valuable for IUCN” (put to IUCN and related respondents) and “the relationship has been valuable for Rio Tinto” (put to the private sector group). Figure 18 takes a similar approach. One of the Rio Tinto group clearly feels that the firm has not gained anything from the relationship. As so often, the IUCN responses are more positive than the Rio Tinto ones overall. IUCN people tend to feel that, through this relationship, they are making significant headway with their Business Engagement Strategy (although they



**Figure 17. "The relationship has been valuable for IUCN/Rio Tinto"**

may not put it in those terms). “Very valuable, stable, and a great space to learn and earn credibility”, said one. Rio Tinto people are more often uncertain about exactly what sort of headway they are making, although one said “I believe that IUCN balances a critical conservation perspective with an appreciation and understanding of the business realities. This gives IUCN a credibility internally in RT that a pure NGO might not have. This makes the relationship more credible, and hence more valuable.” And an external observer concluded:

*We’ve come an enormous way in these four to five years. Extraordinary how by opening up discussion as we have, allowing the private sector to be at the table, have a voice in conservation, the results have taken everyone by surprise.*

#### 3.7.4. Improving the value of the relationship

Finally, what can be done to improve the value of this relationship for each party? The short answer is that, from the IUCN perspective, relatively little needs to be done beyond enhancing communication of the joint activities so as to accelerate the mainstreaming of the concepts and techniques being developed. For Rio Tinto, on the other hand, aspirations and the definition of a valuable relationship are shifting. To remain worthwhile – and worth spending money on – a relationship with IUCN must help the company to address the environmental and related risks it faces in tangible ways. In particular, it must help Rio Tinto to develop feasible means to honour its NPI commitment. These factors mean that IUCN, too, must think creatively about how to restructure the relationship and carry it forward. While the basic tenets of its Business Engagement Strategy remain valid, it must tailor the implementation of the strategy to match the current climate and mood in Rio Tinto. These changes will help make IUCN more effective in other engagements with the extractive industries, too.

Many of the more detailed responses that this review elicited about enhancing the value of the relationship focused on improving communications and building a broader platform of action. There are several aspects to this.

- The purpose, character and content of the relationship should be communicated more widely and effectively within IUCN. This can help engage more skills, pick up more ideas and attract more commitment from Commissions and Member organisations (including governments).
- Similar enhancements to communication are needed within Rio Tinto – in particular to build awareness and commitment beyond the small corners of the organisation that focus on biodiversity and environmental impacts, and convince those at operations level that working with IUCN can reduce risk. One respondent on the Rio Tinto side said that they had heard very little since the relationship agreement was signed. Another said

*I would urge both parties to communicate the products of their work more, including their partnership model (generic structure and process would be very useful to the growing cross-sector community).*

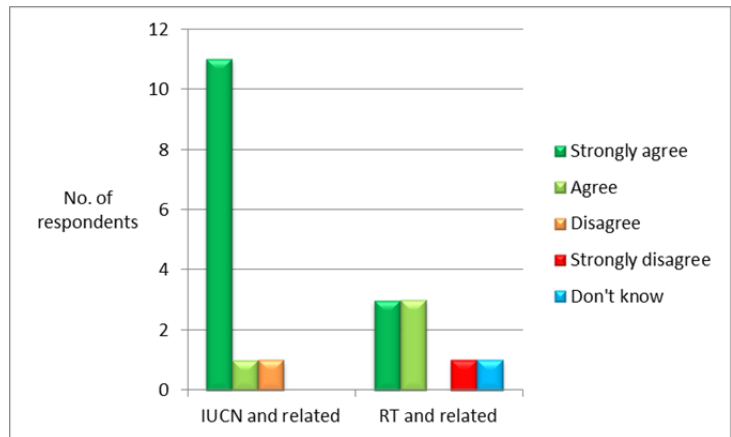


Figure 18. "In my own professional opinion, work done through relationship has been valuable"

- More points of communication and interaction should be developed between IUCN and Rio Tinto: for example, between IUCN regional or country offices or Member organisations in various parts of the world, and individual Rio Tinto mining operations. A key challenge to Rio Tinto in this regard, both globally and at specific operational sites, is to find the staff who are able and willing to engage in such communication. During its first three years, the relationship has increasingly felt the lack of Rio Tinto staff presence. As one respondent put it:
  - *sharing guidance or information as formal reports or peer-reviewed papers;*
  - *IUCN should be invited to industry conferences to present on outputs with Rio Tinto;*
  - *IUCN should leverage its role as convener of others (NGOs, experts and governments) to address issues of interest, rather than try to do it all in-house;*
  - *Rio Tinto should re-establish greater senior-level commitment (recent changes in CEO have reduced this).*
- More proactive communications are needed across the mining and extractives sectors, notably by building the membership of the NPI Alliance, engaging more actively through other industry bodies such as ICMM, or stimulating direct partnership between Rio Tinto and other miners. One respondent suggested

*more attempts to share information with other industry leaders, but not necessarily under the auspices of ICMM. I think that close work between, e.g. BHP Billiton and Rio Tinto would be fascinating. It would have to be somewhat controlled for information sharing, but the potential to make major strides is high if you have two to three sector leaders co-operating on something.*

## **Recommendations**

7. IUCN and Rio Tinto should develop and implement a strategy to communicate the purpose, character, content and outcomes of their relationship more effectively at all levels in their respective organisations, as well as to the conservation sector and the extractive industries in general. This strategy should begin with a plan for 2014, leading up to and including the World Parks Congress, and include a mid-term plan for the following three years, to be updated annually. These plans should incorporate plans for the NPIP&RPT, specifying outputs and dates.
8. Rio Tinto and IUCN should build and monitor a structure of multiple interactions between their organisations, at global, regional and site levels.
9. Rio Tinto should ensure that it maintains an adequate staff presence at global level to fulfil the objectives of an extended relationship and ensure adequate interaction with IUCN at that level.

## 4. Efficiency

### 4.1. Introduction

In a conventional evaluation, a review of efficiency would assess and explain the extent to which a programme had delivered its intended outputs. The IUCN – Rio Tinto relationship was not so tightly structured or specified. There is no list of planned outputs against which to check performance. Nevertheless, it is useful to examine the underlying factors and concerns that affected the level of activity in the relationship and how much it has delivered. This should meet the third of the objectives set for this review (Annex 1):

*to assess the extent to which the organizational arrangements, management and governance of the partnership was effective and still appropriate and provides a model for the next phase of the partnership.*

For this purpose, the review matrix (Annex 2) sets out a number of questions, broadly matching those asked in IUCN's previous reviews of its programmes with private sector partners.

### 4.2. Delivery of outputs

For the reasons just outlined, this review cannot be very specific about the relationship's efficiency in delivering its intended outputs. The relationship agreement does have a section on 'deliverables' expected from each party (IUCN and Rio Tinto, 2010: 11-14), but these are things like programme administration, record keeping and funding rather than technical outputs.

What tangible technical outputs there have been consist of a limited number of reports, some of which are quoted in section 1.3 above. But only two reports have been put in the public domain in the 'IUCN and Rio Tinto Technical Series', and these are based mainly on work done before the relationship agreement was signed. There have been internal reports on the pilot NPI verification processes and on the ecosystem valuation work (section 3.5), but there are no reports on the IUCN website pages devoted to the relationship – indeed, nothing seems to have been posted there at all in the last 12 months. The intention to publish the report of the 2012 NPI verification pilot at the Dampier salt operation on the IUCN website, along with a management response (IUCN and Rio Tinto, nd), has not been fulfilled.

The significance of the NPI and natural capital accounting outputs is not wholly diminished by the fact that they are internal. The emerging NPI verification protocol, which has now been through several drafts, is a particularly important product of the relationship. These outputs are the foundation for important outcomes, in the form of enhanced understanding and procedures in both the key fields on which the relationship has focused. The Pilbara reporting, now nearing completion, should be of great value to that particular Rio Tinto operation. But, while they remain internal, the relationship's outputs cannot contribute much to the broader intended outcomes across the extractives and conservation sectors.

In addition to the fact that the delivery of outputs from the relationship has been mostly internal so far, the other key aspect of delivery has been delay. There are three basic reasons for this.

- Both the relationship's major work streams have proved to be more complex than expected. Many scientific and procedural obstacles have slowed progress.
- Both parties have faced challenges in assembling the human resources needed. Particularly for the NPI work, IUCN is relying on a scattered group of global experts who must fit it into their busy



schedules. Rio Tinto has fewer and fewer staff available for environmental work, and the company's profile in relationship activities has been shrinking. However, within that dwindling Rio Tinto group, there has been less turnover than there has been on the IUCN side. There, numbers have been maintained somewhat better, but most of the faces have changed since the relationship was signed.

- Two sets of academic proclivities have hindered prompt delivery. First, some Rio Tinto observers note an inclination to hold workshops, debate and hone documents among IUCN scientists – the opposite of the tight and snappy delivery that the private sector prefers. As one informant put it, process sometimes seems to be seen as the purpose, rather than outputs. Secondly, technical consultants employed for the Pilbara valuation work appear to have taken these academic inclinations to the extreme, with little sense of deadlines.

### **4.3. Monitoring and reporting**

Monitoring and reporting of the Rio Tinto – IUCN relationship have been weak, for the following reasons.

- At the start of the relationship, no logical framework or other specification of activities, outputs and outcomes was set out to provide a structure for monitoring and reporting. The relationship agreement did call for annual programme plans and associated budgets and for reporting against these. But this process was used only for high-level, managerial monitoring and planning by the Relationship Management Committee (RMC) – not for any tighter checks on progress against an overall plan.
- Due partly but not wholly to staff turnover, record keeping on the relationship in IUCN has been poor. Of all IUCN's private sector partnerships, the one with Rio Tinto is the least well documented. Assessment of its performance must rely heavily on verbal reports. Since 2010, IUCN seems to have lost track of the basic administrative requirement to report regularly and systematically on the relationship's progress against targets. As noted above, the organisation's website is little help in this regard. Meanwhile, there has been little capacity on the Rio Tinto side to fill the gap with more efficient monitoring and reporting systems.

The TOR for this review call for it to propose an *ex ante* vision of partnership benefits. In theory, such a vision would form the basis for planning, monitoring and evaluating the performance of the relationship. Section 2.1 above identified two theories of change that describe, from IUCN and Rio Tinto standpoints, what benefits the relationship should deliver, and how. An overall vision of partnership benefits would combine these perspectives into a model of combined conservation and business benefits: the achievement of biodiversity and conservation goals together with the reduction of risk. If the relationship is renewed beyond the one year extension that was recently agreed for 2014, the parties should agree a structure and method for assessing and reporting progress towards this vision.

That structure and method should be the upper level of a results monitoring framework for the relationship. Until there is greater clarity about the content and intended results of the relationship beyond 2014, it is premature to suggest the detail of such a framework. But the structure and style of the review matrix shown at Annex 2 could guide its development in due course: identifying the types of results that the parties aim to achieve at the levels of impact, outcome and output and what the indicators of desired performance should be.

## Recommendations

10. IUCN should ensure that full records and reports of work done through the relationship with Rio Tinto are maintained and readily available.
11. Rio Tinto and IUCN should ensure that there is clear specification of the results they intend to achieve in 2014, and how their achievement will be measured.
12. For the relationship beyond 2014, IUCN and Rio Tinto should develop a simple but thorough results monitoring framework, and use it. This framework should be based on an agreed statement of the benefits that should derive from fulfilment of the relationship's objectives.

### 4.4. Governance

As in IUCN's other private sector partnerships, the governance of this relationship with Rio Tinto has been delivered through a Relationship Management Committee. According to the relationship agreement, this was to have three members from each side. As noted above, there has been substantial turnover on the IUCN side, and Rio Tinto has often struggled to send three people to RMC meetings.

However, the RMC has generally managed to meet, as intended, twice a year – and, to the extent that they knew anything about it, survey respondents for this review were reasonably positive about the committee's performance. It is viewed by some as having been more business-like than some other IUCN partnership management bodies, despite the lack of continuity in IUCN representation. One informant described the relationship in the RMC as "very open and constructive", but another described it as a "very light structure (too light)". This RMC is appreciated as a place where the parties can have open discussions, disagree where necessary and identify mutually acceptable ways forward. As one interviewee said,

*The Rio Tinto RMC did take decisions, was fairly functional, short, effective, reviewed projects, identified issues, didn't just make lists of things for others to do. Certainly some focus on budget and its management, but a lot of looking forward about where to go next.*

### 4.5. Transparency, confidentiality and communications

Issues of confidentiality and transparency are always sensitive in IUCN's relations with the private sector. The latter is constantly cautious about the perceived risk of communicating its activities and, especially, its progress – even when such progress is laudable and could have reputational benefits for the company in question. The fall-back position is not to communicate unless absolutely necessary. IUCN, meanwhile, exists largely to communicate and advocate on the basis of its scientific knowledge – although its performance as a communicator has often given cause for concern, and what one interviewee described as its "slow and democratic approach" to transparency and participation may frustrate the private sector.

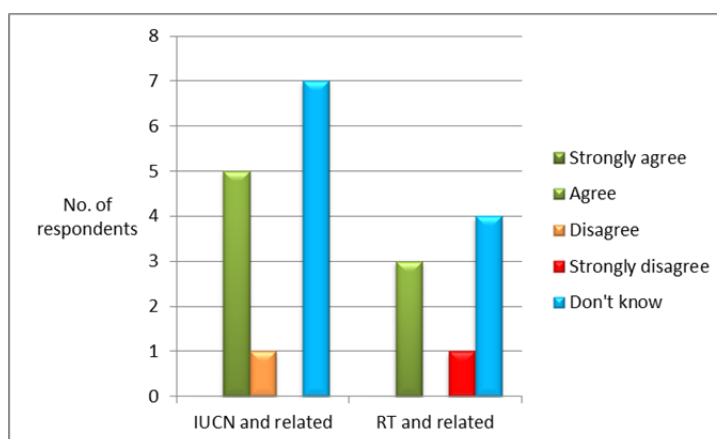
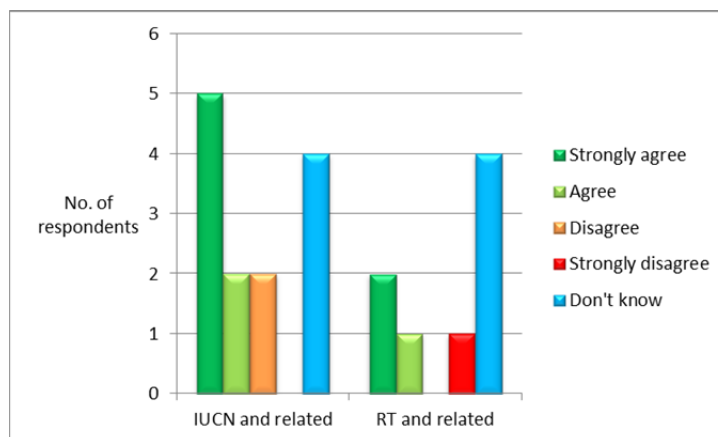


Figure 19. "The Relationship Management Committee has been effective."

IUCN has come to be respected in the private sector as acting responsibly with regard to commercially sensitive information, while also maintaining its principles of transparency where appropriate and sustaining its commitment to communication. Both sides seem reasonably satisfied with performance in these areas in the relationship with Rio Tinto, although significant numbers within these small groups of survey respondents did not feel they knew enough to comment (Figure 20).



**Figure 20. "Principles of transparency and confidentiality have been applied effectively."**

As this report has already indicated, communications from this relationship have been poor. The joint communications

strategy and annual communications plans envisaged by the relationship agreement do not appear to have been produced or used. One external reader of the two technical reports that have been published in the joint Rio Tinto – IUCN ‘series’ praised their content but pointed out that they had to be sourced through private research and were not sent to his office by either party. There is a feeling, particularly within IUCN, that much more should be done to communicate the NPI work and achievements. After all, IUCN hopes that the procedures and protocol will be adopted and applied across the extractives sector. The NPI findings and recommendations at Dampier, for example, are a good news story about creating valuable new habitat. But that lamp remains firmly under a bushel.

Meanwhile, partly as a result of budget cuts, IUCN’s website provides limited and outdated communications about the relationship with Rio Tinto. For an organisation where communications are of such central importance, this is a major weakness. It creates a particular vulnerability for the Business and Biodiversity Programme, which still has to contend with significant levels of criticism within and beyond the Union for its stance towards firms like Rio Tinto. If the positive outcomes of the relationship are not effectively and vigorously communicated, the arguments cannot be clearly pursued and that vulnerability may grow. On the Rio Tinto relationship and more generally, the BBP needs to be proactive about communications. Rio Tinto should also recognise that more vigorous communications, especially on NPI, are in its interest too. At the October 2013 RMC, it was agreed that the NPIP&RPT should draft a communications plan; that the November 2014 World Parks Congress in Sydney would be a target date for communications efforts; and that internal communications in Rio Tinto on the NPI work should be intensified. These are all steps in the right direction.

## Recommendations

- IUCN should ensure regularly updated, comprehensive coverage of its activities with Rio Tinto on the relevant pages of its website.

## 4.6. Funding arrangements and performance

Overall, the budget allocation for the Rio Tinto – IUCN relationship has been adequate for delivering the objectives and specific areas of co-operation that were envisaged in the relationship agreement. This was the view of those survey respondents who felt they knew enough to judge (Figure 21). It is borne out by the underspend that had accumulated by 2013 and that will facilitate the continuation of some activities in 2014 without negotiation of a new agreement.

Incomplete use of a budget is not always a positive sign, of course. It may denote limited implementation capacity and/or delays in organising the activities that should have used the money. There is certainly an element of this in the relationship's financial performance. The implementation constraints outlined above reduced the efficiency of the joint work programmes and their budget burn rate.

There is little evidence to support analysis of how cost-effectively relationship funds have been used. There are no complaints about wastage or extravagance. Time efficiency, rather than cost efficiency, has been the principal concern, and cost effectiveness should arguably not be the highest priority in pilot work of the sort undertaken since 2010. Overall, the budget has been, in the words of one respondent, more than adequate for what the two organisations were trying to do. This provided welcome flexibility as the programme developed at an exploratory level. To scale NPI systems up across the whole of Rio Tinto's operations would of course be a vastly more expensive exercise.

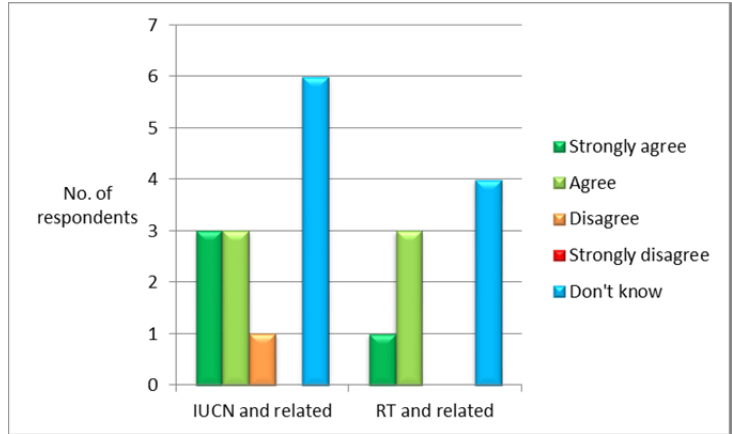


Figure 21. "The budget has been adequate."

#### 4.7. Organisational arrangements and performance

A core/periphery analogy helps to explain the organisational context for implementation of activities by IUCN and Rio Tinto. The relationship is central to the work of the small Business and Biodiversity team in the IUCN Secretariat, and to that of an even smaller group of biodiversity and HSEC staff in Rio Tinto. For everyone else, it is peripheral. However important they make think the science of NPI and natural capital accounting to be, the many IUCN and other specialists on whom the advancement of such science depends have to fit it in among many other tasks and priorities. In Rio Tinto, the constraints are more severe. Many people, even if they had heard of the relationship, would have to be convinced that working on it was worthwhile. Even for those who support the rationale of the relationship, it is one among many programmes to which they must try to give attention. At the operations level, in particular, the types of work promoted by the relationship remain peripheral, if they are known at all. In sum: the relationship gets too little attention from too few people.

##### 4.7.1. The Relationship Managers

The Relationship Managers (RMs), of course, have had to give plenty of attention to the joint Rio Tinto – IUCN programme. There have been two on the IUCN side, with central administrative responsibility for the relationship within the BBP. After the first left in 2012 (and found employment later in the year with Rio Tinto), there was a substantial gap until his replacement was appointed in May 2013. During this time the head of the BBP (himself new in post) took responsibility, with support from a BBP colleague. There have been shifts in responsibility on the Rio Tinto side too, and the current RM in fact co-

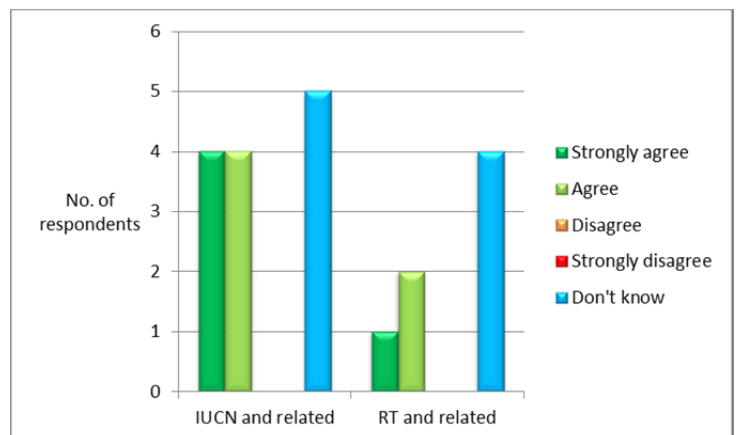


Figure 22. "The Relationship Managers have been effective."

ordinates all of the company’s partnerships with biodiversity and conservation organisations.

Despite the discontinuities, survey respondents who felt they could offer an opinion were positive about the effectiveness of the RMs (Figure 22) – even if in rather vague terms:

*I agree, simply due to the fact that the relationship seems to be on a good and solid footing. Someone must have been doing something right. That said, there should be greater involvement certainly of more key personnel in Rio Tinto, and perhaps the same should be said of IUCN.*

*However the personnel changes in 2012-2013 disrupted the process but also opened up the relationship to others at least within IUCN.*

And another respondent qualified the endorsement:

*Not if communicating the partnership externally was an objective.*

Overall, these comments hint again at the relatively low profile of this relationship in the two organisations. Observers seem not to have noticed very much about what the RMs were doing, so concluded that they must be doing well – or else responded that they could not answer the question.

#### 4.7.2. Financial administration

In terms of the relationship agreement, IUCN is responsible for the administration and proper accounting of the funds provided by Rio Tinto for the implementation of the joint activities. This appears to have gone smoothly, as might be expected given IUCN’s experience in managing funds from external sources. With one exception who alleged inefficiency on IUCN’s part, the few survey respondents who could express an opinion believed that IUCN was managing the finances of the relationship efficiently. There appear to have been no complaints from Rio Tinto in this regard. Financial management issues did not constrain the efficiency of the joint programme’s implementation.

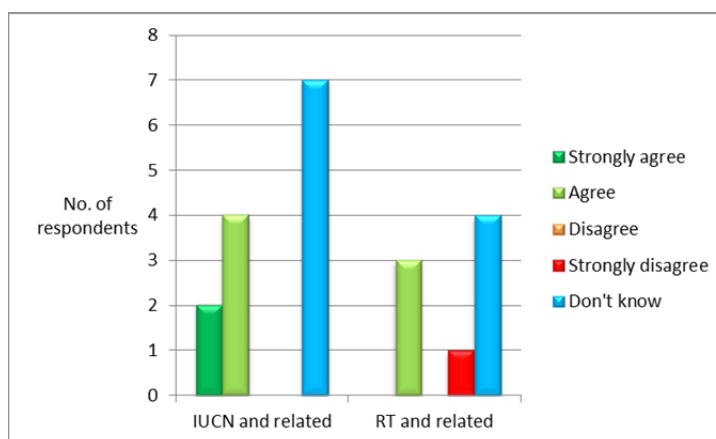


Figure 23. "IUCN has been efficient in the financial management of the relationship."

#### 4.8. Enhancing efficiency

One of the questions in the survey for this review asked what organisational measures would aid implementation of the agreement. Here are some of the ideas that were submitted.

*Slightly longer and more definite planning horizons, combined with a clearer strategic sense of where the relationship will be heading after this initial phase.*

*Stronger contacts throughout both organizations would be beneficial.*

*More precision on the delivery of programme outcomes by IUCN (as well as their uptake and testing by Rio Tinto). Opportunity for exchange between senior Rio Tinto staff and IUCN Council.*

*More structured work plan and better documentation of the partnership meetings on agreed deliverables and action log over time.*

*Stronger internal communication about the activities (planned and delivered).*

*Make success factors and metrics more transparent - communicate them more broadly, and report progress on a regular basis.*

The conclusion to be drawn from such comments, and from the analysis above, is that it is time to tighten and specify what so far has been a loosely structured collaboration. An initial period of exploration and *ad hoc* planning was justifiable. With that experience behind them, Rio Tinto and IUCN now owe it to each other to plan, deliver and – above all – communicate their relationship more rigorously.

## 5. Conclusions

### 5.1. Performance to date

The performance of the IUCN – Rio Tinto relationship to date has been characterised by the following features:

- growing technical and institutional trust between the two organisations – each feels the other is someone they can do business with, technically competent and institutionally reliable;
- valuable links into evolving international standards for assessing and addressing the environmental impact of the extractive industries;
- slower than expected performance in the two main areas of collaboration;
- confidence, nevertheless, that both these fields of work have been valuable and that there is significantly more value to add (especially in the case of NPI);
- poor communication within each organisation about these joint activities, and inadequate communication with the broader conservation and extractives sectors about what is being achieved and why it matters;
- consequent challenges in gaining traction for the relationship's work and approaches at the operational level in Rio Tinto;
- difficulties for Rio Tinto to keep the collaboration adequately staffed, and for IUCN to maintain staff continuity on its side of the relationship;
- loosely framed and planned activities, inadequate record keeping and poor monitoring;
- linked to poor internal communication: continuing marginality of the joint effort in each organisation, which hinders progress and effectiveness;
- an emerging realisation that Rio Tinto budget constraints may significantly change the relationship, but consensus that there are ways to build useful progress with a different and/or reduced funding model.

### 5.2. A partnership assessment tool

Various methods have been developed for the structured assessment of partnerships. A partnership assessment tool developed for the United Kingdom government offers a useful way of summarising the status of the partnerships through which IUCN engages with the private sector (Hardy *et al.*, 2003). It was also used in reviews of IUCN's partnerships with Shell and Holcim (Turner, 2010a: 29; 2010b: 31). The tool was designed for use, much like the survey questionnaires used for this study, as a series of statements that participants would score on the basis of agreement or disagreement. These statements are grouped under six 'partnership principles'. Rather than offering a score on an agreement/disagreement scale, Table 1 below shows each of the normative statements presented by the UK government tool, and offers a summary statement about the IUCN-Rio Tinto relationship. Not all the statements are directly applicable to this relationship, of course, as they were developed for partnerships involving public sector agencies. As a possible stimulus to critical reading of the table, the reviewer's summary judgment is shown in colour in the

right hand column. Bright green is a strongly positive assessment; bright red the opposite. No colour is inserted for criteria judged not applicable to this partnership.

The assessment in Table 1, based on the findings of this review, is broadly positive. The main challenges concern the broader mainstreaming and deeper rooting of the relationship in and beyond the two organisations; the rigour with which the joint activities are planned and monitored; and communication outside the relationship.

**Table 1. Summary partnership assessment**

<b>Principle 1: recognise and accept the need for partnership</b>		
<i>There have been substantial past achievements within the partnership.</i>	Promising progress towards achievements, which are still at a preliminary stage.	
<i>The factors associated with successful working are known and understood.</i>	The last three years of the relationship have helped to clarify these factors.	
<i>The principal barriers to successful partnership working are known and understood.</i>	The last three years of the relationship have helped to clarify these barriers.	
<i>The extent to which partners engage in partnership working voluntarily or under pressure/mandation [sic] is recognised and understood.</i>	There is clear commitment at management level in the two organisations to work together, but institutional complexities and politics dilute this commitment at other levels.	
<i>There is a clear understanding of partners' interdependence in achieving some of their goals.</i>	Among participants in the relationship, this understanding is clear.	
<i>There is mutual understanding of those areas of activity where partners can achieve some goals by working independently of each other.</i>	Yes – it is clear to both parties that most of their work is independent of the relationship.	
<b>Principle 2: develop clarity and realism of purpose</b>		
<i>The partnership has a clear vision, shared values and agreed service principles</i>	Vision and values have been shared since 2010, but may have to be reappraised in a future, restructured relationship. Agreed service principles not applicable (NA).	
<i>The partners have clearly defined joint aims and objectives.</i>	As above. The joint aims and objectives were clearly defined in 2010, but may have to be reappraised now.	
<i>These joint aims and objectives are realistic.</i>	Experience since 2010 shows that they were not fully realistic.	
<i>The partnership has defined clear service outcomes.</i>	NA.	
<i>The reason why each partner is engaged in the partnership is understood and accepted.</i>	Reasons fully understood and accepted at management level and among those directly involved in the relationship. Less unanimity in some other parts of each organisation.	
<i>The partners have identified where early partnership success is most likely.</i>	'Quick wins' were not the intention in this relationship; rather, a continuation and development of ongoing shared efforts. This goal is considered not applicable to this relationship.	
<b>Principle 3: ensure commitment and ownership</b>		
<i>There is a clear commitment to partnership working from the most senior levels of each partnership organisation.</i>	Yes.	
<i>There is widespread ownership of the partnership across and within all partners.</i>	Ownership is growing, but incomplete, across IUCN. It remains limited in Rio Tinto.	
<i>Commitment to partnership working is sufficiently robust to withstand most threats to its working.</i>	Commitment is weaker on the Rio Tinto side than in IUCN. In Rio Tinto, funding and policy threats could	



	conceivably terminate the relationship, although this is not currently likely.	
<i>The partnership recognises and encourages networking skills.</i>	Little attention has been given to networking, although engagement at the World Conservation Congress was a positive development.	
<i>The partnership is not dependent for its success solely upon individuals with these skills.</i>	Not solely dependent on such people.	
<i>Not working in partnership is discouraged and dealt with.</i>	The scope of the relationship is too limited, in both organisations, for this to be significant.	
<b>Principle 4: develop and maintain trust</b>		
<i>The way the partnership is structured recognises and values each partner's contribution.</i>	Yes.	
<i>The way the partnership's work is conducted appropriately recognises each partner's contribution.</i>	Yes.	
<i>Benefits derived from the partnership are fairly distributed among all partners.</i>	Benefits are accruing to IUCN and Rio Tinto, although still at a preliminary stage.	
<i>There is sufficient trust within the partnership to survive any mistrust that arises elsewhere.</i>	Yes.	
<i>Levels of trust within the partnership are sufficient to encourage significant risk-taking</i>	Yes. The innovatory nature of the joint activities has made risk-taking inevitable.	
<i>The partnership has succeeded in having the right people in the right place at the right time to promote partnership working.</i>	There have been problems on both sides. IUCN has not always been able to mobilise experts promptly or get the right technical support; Rio Tinto has sometimes been under represented in joint activities.	
<b>Principle 5: create clear and robust partnership agreements</b>		
<i>It is clear what financial resources each partner brings to the partnership.</i>	Yes.	
<i>The resources, other than finance, that each partner brings to the partnership are understood and appreciated.</i>	Largely true, but some misunderstandings about what each party could or should offer.	
<i>Each partner's areas of responsibility are clear and understood.</i>	Yes.	
<i>There are clear lines of accountability for the performance of the partnership as a whole.</i>	Yes.	
<i>Operational partnership arrangements are simple, time-limited and task-oriented.</i>	Relationship arrangements for the NPI work are, by their nature, not simple.	
<i>The partnership's principal focus is on process, outcomes and innovation.</i>	Yes.	
<b>Principle 6: monitor, measure and learn</b>		
<i>The partnership has clear success criteria in terms of both service goals and the partnership itself.</i>	Participants had a good understanding of what would constitute success, but intended results and performance indicators were not clearly specified.	
<i>The partnership has clear arrangements effectively to monitor and review how successfully its service aims and objectives are being met.</i>	These arrangements have been mostly lacking, although RMC meetings played a monitoring role and this review should contribute.	
<i>There are clear arrangements effectively to monitor and review how the partnership itself is working.</i>	Monitoring arrangements largely absent, but RMC meetings and this review partly serve the purpose.	
<i>There are clear arrangements to ensure that monitoring and review findings are, or will be, widely shared and disseminated among the partners.</i>	These arrangements are in place, at least for RMC deliberations and this review report.	
<i>Partnership successes are well communicated outside of the partnership.</i>	External communications have been inadequate.	

<p><i>There are clear arrangements to ensure that partnership aims, objectives and working arrangements are reconsidered and, where necessary, revised in the light of monitoring and review findings.</i></p>	<p>That process is ongoing as the first relationship agreement period comes to an end and future engagement is considered.</p>	
--	--	--

Table criteria and format based on Hardy *et al.* (2003).

### 5.3. Building a successful relationship

Given the progress that has been made and the issues that have been identified by this review, what are the building blocks of a successful relationship between Rio Tinto and IUCN over the coming years?

- Whatever the terminology used, the interaction between IUCN and Rio Tinto should be in the spirit of mutually beneficial partnership, not sponsorship by the private sector of a conservation organisation.
- The two organisations' collaboration through this relationship should reduce business risk for Rio Tinto and, by helping to implement IUCN's Business Engagement Strategy, build the scientific and institutional credibility of the Union as it works towards its vision.
- The relationship should be based on technically sound approaches, methods and tools that are relevant to both organisations and to the broader conservation and extractives sectors.
- There should be ongoing commitment and resources to continue the development and use of these instruments, even at times of restricted funding.
- The approaches, methods and tools that are developed through the relationship should be communicated and accepted beyond Rio Tinto, elsewhere in the extractives sector. One vehicle for this wider impact should be an expanded NPI Alliance.
- Beyond understanding and acceptance, Rio Tinto and other extractive companies should apply and use these approaches, methods and tools.
- This means that the approaches, methods and tools being developed through the relationship should be explained, understood and adopted at the operations level in Rio Tinto and other companies, and not just among global management and biodiversity staff.
- While reducing risk for Rio Tinto and other operators in this way, the relationship should be generating internationally credible IUCN knowledge products that the Union actively communicates.
- IUCN's contribution to the relationship should be delivered not only from the global Secretariat, but by regional and local offices of the Secretariat, as well as by Commissions and Member organisations.
- IUCN's contribution to the relationship should be one of institutional and scientific innovation and co-ordination, rather than the direct delivery of technical services.
- The relationship and its activities should be vigorously and effectively communicated within and between Rio Tinto and IUCN and to the conservation sector and extractive industries in general.

- Work done through this relationship should be effectively interfaced with, and mainstreamed into, global regulatory systems and standards.
- The two parties should be open to broader implementation and funding arrangements for the work they have engaged in together, potentially involving a number of IUCN Members, other companies or industry bodies, and budgetary contributions from several sources.

### **Recommendation**

14. Building on the technical and institutional trust that has developed between them, IUCN and Rio Tinto should continue their relationship – probably on restructured terms – beyond the bridging year of 2014.

### **5.4. The future of the relationship**

*As long as IUCN remains committed to work with the private sector and Rio Tinto stays committed to its biodiversity strategy of NPI, there is lots more mileage left in the partnership. There's a lot more to realise out of this.*

This review has reached the same conclusion as the external observer quoted above. Decisions have already been taken about the immediate future of the relationship. This will provide time to complete, consolidate and communicate the current phases of work on NPI and natural capital accounting. The year will end with the World Parks Congress in Australia, to which Rio Tinto will make a financial contribution and where there should be useful opportunities to link both strands of relationship activity to the promotion and conservation of protected areas.

Both parties believe that their relationship should go on beyond 2014. This review has reached the same conclusion. There are two sets of questions about that medium-term future. They concern the content of collaboration; and the way it is structured and funded.

Practice, not paper, should be the basic guideline for determining the content of the relationship after 2014. That content should continue to span both NPI and natural capital accounting, but in different ways.

- Given that the current NPI pilot phase and related protocol preparation should be finalised in 2014, the subsequent years should be devoted to applying the concept and system to a greater number of Rio Tinto (and potentially other companies') operations. There should be more outputs and less process, focusing on application rather than further innovation – although the approach is still new enough to make its application to each additional mine a significant learning curve.
- It is tempting to recommend that the natural capital work be rounded off in 2014 with production of an overview report on the methodology developed and how it can be applied more generally. If resources permit, however, there is much more to be done. Because the Pilbara exercise involved direct and detailed interaction with a single Rio Tinto operation (drawing partly on pre-2010 work elsewhere), it would be beneficial to undertake a further learning or pilot exercise in which natural capital accounting approaches are applied to the reduction of risk at two or three additional Rio Tinto operations. A further integration exercise could then be undertaken to summarise and harmonise the approaches that have been developed and tested as a mature package of methods ready for more general use.

IUCN and Rio Tinto have begun to think out of the box about future ways to structure and fund the sort of work done over the last three years through their bilateral relationship. This is appropriate. Rio Tinto is

unlikely to be ready or able to revert to in 2015 to its 2010 mode of planning and funding a multiannual work package with IUCN. Two innovations could be rewarding and should be explored.

- The stakeholder base could be expanded beyond the current bilateral mode. IUCN could explicitly structure its participation by specifying roles for the global Secretariat, for selected regional or country Secretariat offices, for some Commissions and for certain Member organisations. IUCN and Rio Tinto might broaden participation to include one or more other mining companies, possibly by channelling certain activities through the NPI Alliance. They could also explore the involvement of the IFC or of other financial institutions. The overall rationale for such a federated effort, in which Rio Tinto and IUCN might remain the core partners, would be the reduction of risk to business, nature and society.
- The funding base could be expanded in a similar way. Private sector and multilateral stakeholders would be expected to make a financial contribution. Particularly if the programme does have this wider range of stakeholders suggested above, it should also be possible to attract funding from bilateral government agencies, some of which have a long history of supporting IUCN activities.

There is time to consider these strategies over the next six months. To maintain continuity, the shape of a revised way of working should become clear by mid-2014, so that arrangements – and above all funding – can be confirmed during the second half of the year. IUCN, in particular, should consider these options while also asking whether its years of formal bilateral partnerships with selected companies may be coming to a close. Given the trust that exists between them, Rio Tinto and IUCN could lead the way into a new phase of collaboration between the Union and business.

### **Recommendations**

15. If resources permit, Rio Tinto and IUCN should continue their collaboration on both NPI and natural capital accounting beyond 2014: taking consolidated NPI procedures to practical application at more Rio Tinto (and potentially other) sites, and developing a generic set of natural capital accounting guidelines, based on further practical application, that will be ready for general use by the extractive industries.
16. IUCN and Rio Tinto should consider the replacement of their bilateral relationship after 2014 with a broader collaboration that involves multiple conservation and business partners supported by multiple sources of funding.

## References

- Bishop, J., Kapila, S., Hicks, F., Mitchell, P. and Vorhies, F., 2008. *Building biodiversity business*. London and Gland: Shell International Ltd. and IUCN.
- Hardy, B., Hudson, B. and Waddington, E., 2003. *Assessing strategic partnership: the partnership assessment tool*. London: Strategic Partnering Taskforce, Office of the Deputy Prime Minister.
- IUCN, 2012a. *IUCN business engagement strategy*. Gland: IUCN. <http://data.iucn.org/dbtw-wpd/edocs/Rep-2012-001.pdf> [accessed 28 October, 2013]
- IUCN, 2012b. *Resolutions and recommendations: World Conservation Congress: Jeju, Republic of Korea, 6-15 September 2012*. Gland: IUCN.
- IUCN and Rio Tinto, nd. *Achieving a net positive impact on biodiversity at DSL*. Gland and Melbourne: IUCN and Rio Tinto.
- IUCN and Rio Tinto, 2010. *Collaboration agreement*. Gland and London: IUCN and Rio Tinto.
- Olsen, N. and Bishop, J., 2009. *The financial costs of REDD: evidence from Brazil and Indonesia*. Gland: IUCN. <https://portals.iucn.org/library/efiles/edocs/2009-047.pdf> [accessed 10 November 2013]
- Olsen, N., Bishop, J. and Anstee, S., 2011. *Exploring ecosystem valuation to move towards net positive impact on biodiversity in the mining sector*. Gland and London: *IUCN and Rio Tinto Technical Series 1*.
- Quaile, D., Carbone, G. and Kapila, S., 2012. *IUCN/Shell partnership agreement: end-of-term review*. Gland and The Hague: IUCN and Shell. [https://cmsdata.iucn.org/downloads/iucn\\_shell\\_partnership\\_review\\_june\\_2012\\_2.pdf](https://cmsdata.iucn.org/downloads/iucn_shell_partnership_review_june_2012_2.pdf) [accessed 28 October, 2013]
- Richards, D. and Houston, 2004. *Mining and biodiversity: observations and reflections from ICMM on the 5th IUCN World Parks Congress*. *Parks 14*: 2: 45-49.
- Rio Tinto, 2004. *Rio Tinto's biodiversity strategy: sustaining a natural balance*. London: Rio Tinto PLC. <http://www.riotinto.com/SustainableReview/Landaccess/programmes/Biodiversity/pdf/BiodiversityStrategy.pdf> [accessed 28 October, 2013]
- Temple, H., Anstee, S., Ekstrom, J., Pilgrim, J.D., Rabenantoandro, J., Ramanamanjato, J-B., Randriatafika, F. and Vincelette, M., 2012. *Forecasting the path towards a net positive impact on biodiversity for Rio Tinto QMM*. Gland and London: *IUCN and Rio Tinto Technical Series 2*.
- Turner, S.D., 2006. *IUCN and the private sector: experience and lessons learned*. Gland: IUCN. [http://cmsdata.iucn.org/downloads/iucn\\_ps\\_experiences\\_final\\_report.pdf](http://cmsdata.iucn.org/downloads/iucn_ps_experiences_final_report.pdf) [accessed 28 October, 2013]
- Turner, S.D., 2010a. *Review of the collaborative partnership agreement between Shell International and IUCN*. Gland: IUCN. [http://cmsdata.iucn.org/downloads/review\\_of\\_shell\\_iucn\\_partnership\\_june\\_2010\\_2.pdf](http://cmsdata.iucn.org/downloads/review_of_shell_iucn_partnership_june_2010_2.pdf) [accessed 28 October, 2010]

Turner, S.D., 2010b. *External review of the IUCN-Holcim partnership agreement*.  
[https://cmsdata.iucn.org/downloads/review\\_of\\_iucn\\_holcim\\_partnership\\_nov\\_10.pdf](https://cmsdata.iucn.org/downloads/review_of_iucn_holcim_partnership_nov_10.pdf) [accessed 28 October, 2010]

## **Annex 1. Terms of reference**

### **Background**

IUCN entered into a three-year agreement with Rio Tinto, a multi-national business focusing on metal and mineral extraction, in July 2010. The strategic objectives of the relationship are five-fold:

1. To build a business-focused relationship that enables Rio Tinto to improve its environmental management and delivery of conservation outcomes
2. To increase awareness and understanding throughout the IUCN of the conservation and business challenges facing the resources sector
3. Strengthen the Rio Tinto and IUCN capacities for market-based approaches to environmental management and conservation
4. To jointly contribute to sector-wide improvements in the mining and closely related sectors
5. To gain recognition for both organizations as leaders in their respective fields and committed to environmental management and delivering sustainable development outcomes.

The agreement is implemented on an annual basis through a programme comprising an annual work plan and budget. Dedicated relationship managers in both Rio Tinto and IUCN lead programme implementation. Programme objectives focus on:

1. Developing, testing and implementing an independent verification process to assess Rio Tinto's compliance against its Net Positive Impact commitment
2. Identifying and quantifying the biodiversity and ecosystem service values in key regions where Rio Tinto operates, under business-as-usual and conservation scenarios
3. Benefiting from each organization's specialist skill sets, experience and networks by working collaboratively or providing input into each other's projects as identified.

A Relationship Management Committee, composed of both IUCN and Rio Tinto representatives, oversees the programme as a whole.

### **Purpose of the review**

The relationship is nearing the end of the agreement. The review is intended to evaluate the results and value of the relationship and programme so far. The review will also look at what lessons can be learned from the relationship so far, and how these can be used to drive best partnership practices in the wider metal and mineral sector, thereby clearly establishing both IUCN and Rio Tinto as leaders in their field, as per the relationship agreement.

It is intended that the review will inform discussions on whether a future agreement will generate value for both organizations and if so, what its nature and scope should be.

The scope of the review covers all aspects of the relationship agreement between IUCN and Rio Tinto. The specific objectives of the review are:

1. To assess the extent to which the objectives of the Agreement have been fulfilled and to propose an *ex ante* vision of partnership benefits as well as establish a results monitoring framework as an input to the Relationship Management Committee
2. To assess the value of the partnership to IUCN and Rio Tinto
3. To assess the extent to which the organizational arrangements, management and governance of the partnership was effective and still appropriate and provides a model for the next phase of the partnership
4. To determine what lessons can be learned from the relationship and how these can inform a potential future relationship and be used to drive good practice across the extractives sector.

### **Commissioning Authority**

As set out in clause 8 of the IUCN-Rio Tinto agreement, this review to evaluate the relationship and the programme is commissioned by both IUCN and Rio Tinto. The review will be coordinated independently by the IUCN Planning, Monitoring and Evaluation Unit on behalf of the Parties to the Agreement.

### **Intended users and audience**

The intended users of the review include the IUCN Director General, Rio Tinto's Global Head of Health, Safety, Environment and Communities (HSEC), the Relationship Management Committee, the Relationship Managers for both IUCN and Rio Tinto and the IUCN Nature Based Solutions Group (which includes the Business and biodiversity Programme –BBP and Economics Programme).

As per the IUCN Evaluation Policy the review will be publicly available on IUCN's website.

### **Evaluation stakeholders**

Major stakeholders include; IUCN's Nature-Based Solutions Group, the IUCN-Rio Tinto Relationship Committee, Rio Tinto's HSEC team and Rio Tinto operational management teams that were involved in the implementation of this agreement. Further stakeholders may be added by mutual agreement of IUCN and Rio Tinto.



## **Evaluation methods and questions**

The review will encompass:

- A short survey of IUCN and Rio Tinto stakeholders
- A short survey of external stakeholders, including ICMM
- Interviews with 20-30 stakeholders, including several biodiversity and NGO-corporate relationship experts
- Document and data analysis (e.g. relationship management papers and data from sites)
- The review will be supported by a proposed matrix of issues, questions, indicators and data sources to aid the reviewer(s) in his/her/their data collection and analysis, but will not serve as a limit to their investigation. The reviewer(s) will use survey and interview questions used in the Holcim and Shell reviews where possible to ensure consistency and allow comparison. A proposed evaluation matrix can be found in the annex [not included here, replaced by the revised matrix at Annex 2].

## **Qualifications of evaluators**

We are looking for (an) experienced evaluator(s) with a track record in evaluating NGO-corporate relationships that focus on environmental Corporate Social Responsibility. The evaluator must be able to demonstrate sound judgment and ideally have a good understanding of IUCN's way of working with large corporate organizations. The evaluator(s) must have significant experience in both qualitative and quantitative social research and possess the necessary software to carry out statistical analysis. Strong communication skills, both written and spoken, are a must, as are highly-developed interpersonal skills.

## **Schedule**

Subject to agreement, the milestones for this review include:

- Development of the Review Inception Note (the review team's reaction to the Terms of Reference, methodology, evaluation matrix and detailed budget) and work plan by the review team (March-April)
- Data collection and analysis (May-June)
- Provision of the draft report (July)
- Discussion and finalization of the review report (September)

### **Outputs and deliverables**

- Draft and final report
- A presentation of the findings and recommendations to relevant IUCN and Rio Tinto stakeholders, including the relationship management committee. The evaluator(s) will facilitate a discussion on the recommendations after the presentation.

### **Budget**

The available budget for this exercise shall not exceed CHF 25,000; the budget for this review process has already been incorporated into the Rio Tinto- IUCN relationship budget. This amount does not include travel expenses. Reasonable travel expenses will be reimbursed by IUCN.

## Annex 2. Review matrix

Review area	Question	Sub-question	Indicator(s)	Data source/collection method
Relevance	To what extent is the relationship still relevant for IUCN?	Is the relationship strategically relevant for IUCN?	Degree of relevance perceived by participants	Interviews Questionnaire
		Is the relationship operationally relevant for IUCN?	Extent to which IUCN using outputs of relationship	Interviews Questionnaire Review of documentation
	To what extent is the relationship still relevant for Rio Tinto?	Is the relationship strategically relevant for Rio Tinto?	Degree of relevance perceived by participants	Interviews Questionnaire
		Is the relationship operationally relevant for Rio Tinto?	Extent to which Rio Tinto using outputs of relationship	Interviews Questionnaire Review of documentation
	Is the rationale for the relationship valid from an external perspective?		Validity as assessed by external stakeholders	Interviews Questionnaire
			Validity as assessed by reviewer	Relationship records Interviews Questionnaire
Effectiveness	To what extent have the objectives of the relationship been fulfilled?	To what extent is the relationship business-focused?	Degree of business focus perceived by participants and external observers (if available and informed)	Interviews Questionnaire
		To what extent has the relationship enabled Rio Tinto to improve its environmental management and delivery of conservation outcomes?	Degree of improvement perceived by participants and external observers (if available and informed)	Interviews Questionnaire
		To what extent has the relationship improved the understanding throughout IUCN of the conservation and business challenges facing the resources sector?	Degree of improvement perceived by participants and external observers (if available and informed)	Interviews Questionnaire

Review area	Question	Sub-question	Indicator(s)	Data source/collection method
		To what extent has the relationship strengthened Rio Tinto capacity for market-based approaches to environmental management and conservation?	Degree of capacity strengthening perceived by participants and external observers (if available and informed)	Interviews Questionnaire
		To what extent has the relationship strengthened IUCN capacity for market-based approaches to environmental management and conservation?	Degree of capacity strengthening perceived by participants and external observers (if available and informed)	Interviews Questionnaire
		To what extent has the relationship enabled Rio Tinto and IUCN to jointly contribute to sector-wide improvements in the mining and closely related sectors?	Extent of joint contribution perceived by participants and external observers (if available and informed)	Interviews Questionnaire
		To what extent has the relationship gained recognition for Rio Tinto as a leader in its field, committed to environmental management and delivering sustainable development outcomes?	Extent to which Rio Tinto so perceived by participants and external observers (if available and informed)	Interviews Questionnaire
		To what extent has the relationship gained recognition for IUCN as a leader in its field, committed to environmental management and delivering sustainable development outcomes?	Extent to which IUCN so perceived by participants and external observers (if available and informed)	Interviews Questionnaire
		To what extent has the relationship achieved the development, testing and implementation of an independent verification process to assess Rio Tinto's compliance against its Net Positive Impact commitment?	Extent to which process achieved, as perceived by participants and external observers (if available and informed)	Interviews Questionnaire
		To what extent has the relationship achieved the identification and quantification of the biodiversity and ecosystem service values in key regions where Rio Tinto operates, under business as usual and conservation scenarios?	Extent to which this achieved, as perceived by participants and external observers (if available and informed)	Interviews Questionnaire
		To what extent have Rio Tinto and IUCN	Extent to which this achieved, as perceived	Interviews

Review area	Question	Sub-question	Indicator(s)	Data source/collection method
		worked collaboratively or provided input into each other's projects in other fields?	by participants and external observers (if available and informed)	Questionnaire
	What has the value of the relationship been?	Do the products and services of the relationship represent innovative solutions and/or best practice?	Judgement of relationship participants and other observers (if available)	Interviews Questionnaire
		What use has been made of products or services generated by the relationship?	Reported uses	IUCN and Rio Tinto participants' reports
		What has the value of the relationship been for IUCN?	Judgement of IUCN participants	Interviews Questionnaire
		What has the value of the relationship been for Rio Tinto?	Judgement of Rio Tinto participants	Interviews Questionnaire
		What measures could IUCN or Rio Tinto take to improve the value of the relationship for each party?	Judgement of IUCN and Rio Tinto participants	Interviews Questionnaire
Efficiency	Have relationship outputs been delivered efficiently?	Have relationship outputs been delivered as planned?	Comparison of relationship outputs with relationship planning	Relationship records
		Have relationship outputs been delivered on time?	Comparison of relationship outputs with relationship planning	Relationship records
		Have relationship outputs been delivered on budget?	Comparison of relationship financial reports with budgets	Relationship records
		Have relationship outputs been delivered cost effectively?	Comparison of relationship outputs with financial reports	Relationship records
		Have relationship activities, expenditures and outputs been efficiently monitored?	Timing and content of relationship reports	Relationship records
		Have relationship activities, expenditures and outputs been reported comprehensively and punctually to partners and stakeholders?	Timing and content of relationship reports	Relationship records
	What is the influence of governance arrangements and	What has been the role of the Relationship Management Committee? Has the Relationship Management Committee been effective in	Judgement of relationship participants	Interviews Questionnaire Relationship records

Review area	Question	Sub-question	Indicator(s)	Data source/collection method
	performance on the efficiency of the relationship?	supporting and guiding implementation of the relationship agreement?		
	How effectively have the principles of transparency and confidentiality been applied?	How effectively have the principles of transparency and confidentiality been applied in the relationship overall?	Judgement of relationship participants	Interviews Questionnaire
	What is the influence of funding arrangements and performance on the efficiency of the relationship?	Has the budget allocation been adequate for delivering the objectives and specific areas of co-operation of the relationship agreement?	Judgement of relationship participants, relationship financial reports	Interviews Questionnaire Relationship records
	What is the influence of organisational arrangements and performance on the efficiency of the relationship?	How effective have the Relationship Managers been in contributing to the implementation of the relationship agreement?	Judgement of relationship participants	Interviews Questionnaire
		How efficiently has the agreement been administered and managed financially by IUCN?	Judgement of relationship participants	Interviews Questionnaire
		What other organisational measures would aid implementation of the agreement?	Judgement of relationship participants	Interviews Questionnaire
Potential future relationship	How should experience to date be used to inform a potential future relationship?	What lessons have emerged about optimising the relevance of a Rio Tinto – IUCN relationship?	Judgement of relationship participants	Interviews Questionnaire
		What lessons have emerged about optimising the effectiveness of a Rio Tinto – IUCN relationship?	Judgement of relationship participants	Interviews Questionnaire
		What lessons have emerged about optimising	Judgement of relationship participants	Interviews

<b>Review area</b>	<b>Question</b>	<b>Sub-question</b>	<b>Indicator(s)</b>	<b>Data source/collection method</b>
		the efficiency of a Rio Tinto – IUCN relationship?		Questionnaire
Driving good practice across the extractives sector	How should experience to date be used to drive good practice across the extractives sector?	What strategic lessons have emerged from this relationship that can help drive good practice across the extractives sector?	Judgement of relationship participants and external observers (if available)	Interviews Questionnaire
		What technical lessons have emerged from this relationship that can help drive good practice across the extractives sector?	Judgement of relationship participants and external observers (if available)	Interviews Questionnaire

### Annex 3. Persons interviewed

S. Anstee	Chief Adviser, Biodiversity and Ecosystem Services, Rio Tinto
R. Asante Owusu	Programme Officer, Global Business and Biodiversity Programme, IUCN
M. Bateson	Global Practice Leader, Energy, Environment and Climate Change, Rio Tinto
J. Bishop	National Manager, Markets, Sustainability and Business Partnerships, WWF Australia
G. Bos	Head, Global Business and Biodiversity Programme, IUCN
T. Brooks	Head, Science and Knowledge, IUCN
T. Burke	Founding Director, E3G
L.A. Conzo	Environment, Social and Governance Department, IFC
P. Cunningham	Global Head, HSEC, Rio Tinto
S. Edwards	Programme Officer, Global Business and Biodiversity Programme, IUCN
J. Ekstrom	Director, The Biodiversity Consultancy
J. Hopkins	Adviser, Economic and Environmental Policy, Rio Tinto
D. Hosack	Principal Adviser, Biodiversity Offsets, Environment, Oyu Tolgoi LLC
M. van der Linden	Evaluation Officer, Planning, Monitoring and Evaluation Unit, IUCN
S. Maginnis	Global Director, Nature-Based Solutions Group, IUCN
A. Neville	Senior Adviser, Biological Resources, Rio Tinto Kennecott Utah Copper LLC
N. Olsen	Economics and Environment Programme, IUCN
S. Samaraweera	Principal Environmental Scientist, Climate Change, Water and Environment, Iron Ore, Rio Tinto
C. Savy	Chair, NPIP&RPT
J. Smart	Global Director, Biodiversity Conservation Group, IUCN
R. Thomas	Manager, Environment and Climate Change, ICMM
P. Wit	Chair, IUCN Commission on Ecosystem Management



## **Annex 4. Questionnaire survey for IUCN and related respondents**

### **1. INTRODUCTION**

Thank you for contributing to this external review of the relationship between IUCN and Rio Tinto that was launched in July 2010. It is intended to evaluate the results and value of the relationship so far, and look at the lessons that can be learned from them. The draft review report will be submitted to the partners in October 2013.

I am an independent consultant based in the UK and contracted by IUCN, on behalf of both partners, to carry out this review.

I will interview as many people as possible in the course of the review, but aim to send this questionnaire to the full list of informants and stakeholders that I have developed in consultation with IUCN and Rio Tinto. This version of the questionnaire is being sent to all those involved with the relationship in IUCN and other relevant environmental organisations. A similar questionnaire is being sent to informants on the Rio Tinto side.

Even if I have been able to talk with you about the partnership, please do still complete this questionnaire. It is very helpful to be able to summarise views in this way.

Depending on the extent of your involvement in the relationship, you may not be able to answer some of the questions. Please feel free to respond 'don't know' where appropriate.

I would be grateful if you would complete the survey no later than 31 August, 2013.

Your response is anonymous, and all inputs received during this review will be treated in strict confidence.

If you have any questions, please contact me. And if you feel that you do not know enough about the relationship even to start on the questionnaire, do please let me know. That in itself would be significant for the review!

Thanks again,

Stephen Turner.

[sdturner@iafrica.com](mailto:sdturner@iafrica.com)

**1. Please indicate the nature of your involvement in the relationship. You can choose more than one box if appropriate**

- IUCN Secretariat, Headquarters
- IUCN Secretariat, regional or country office
- Member of an IUCN Commission
- Employee of an IUCN Member organisation
- Other

**2. RELEVANCE**

Please answer these two questions about the strategic and operational relevance of the IUCN-Rio Tinto relationship.

**1. The IUCN-Rio Tinto relationship is still strategically relevant for IUCN's Vision and Programme**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**2. To what extent is IUCN making operational use of outputs from the IUCN-Rio Tinto relationship?**

- Extensive use
- Moderate use
- A little use
- Negligible use
- Don't know

Comment:

### 3. EFFECTIVENESS: STRATEGIC OBJECTIVES

The IUCN-Rio Tinto relationship has five strategic objectives. Please answer these questions about the extent to which you think these objectives have been fulfilled. The questions quote the wording of the objectives as specified by the IUCN-Rio Tinto agreement.

#### 1. To what extent is the IUCN-Rio Tinto relationship business-focused?

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

#### 2. To what extent has the IUCN-Rio Tinto relationship enabled Rio Tinto to improve its environmental management and delivery of conservation outcomes?

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

#### 3. To what extent has the IUCN-Rio Tinto relationship improved the understanding throughout IUCN of the conservation and business challenges facing the resources sector?

- Strongly
- Moderately
- Slightly
- Negligible

- Don't know

Comment:

**4. To what extent has the IUCN-Rio Tinto relationship strengthened Rio Tinto capacity for market-based approaches to environmental management and conservation?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**5. To what extent has the IUCN-Rio Tinto relationship strengthened IUCN capacity for market-based approaches to environmental management and conservation?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**6. To what extent has the relationship enabled Rio Tinto and IUCN jointly to contribute to sector-wide improvements in the mining and closely related sectors?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**7. To what extent has the relationship gained recognition for IUCN as a leader in its field, committed to environmental management and delivering sustainable development outcomes?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**4. EFFECTIVENESS: PROGRAMME OBJECTIVES**

In addition to its strategic objectives, the IUCN-Rio Tinto relationship has three programme objectives. Please answer these questions about the extent to which you think these objectives have been fulfilled. The questions quote the wording of the objectives as specified by the IUCN-Rio Tinto agreement.

This section ends with some questions about the overall quality and value of the relationship and its outputs.

**1. To what extent has the relationship achieved the development, testing and implementation of an independent verification process to assess Rio Tinto's compliance against its Net Positive Impact commitment?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

---

**2. To what extent has the relationship achieved the identification and quantification of the biodiversity and ecosystem values in key regions where Rio Tinto operates, under business as usual and conservation scenarios?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**3. To what extent have Rio Tinto and IUCN worked collaboratively or provided input into each other's projects in other fields?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**4. The products and services of the relationship represent innovative solutions and/or best practice.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**5. What use has been made of products or services generated by the relationship?**

- Don't know
- I am aware of the following uses:

**6. How specific to the IUCN-Rio Tinto relationship are the products and services that have been achieved?**

- Unique to this relationship
- Little work of this kind being generated elsewhere
- Quite a few other cases of similar work being done
- Nothing unusual about what IUCN and Rio Tinto have achieved
- Don't know

Comment:

**7. The relationship has been valuable for IUCN.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**8. In my own professional opinion, the work done through this relationship has been valuable.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree

- Don't know

Comment:

**9. What measures could IUCN or Rio Tinto take to improve the value of the relationship for each party?**

- Don't know
- I suggest the following measures:

**5. EFFICIENCY**

**1. The Relationship Management Committee has been effective in supporting and guiding implementation of the relationship agreement**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**2. The principles of transparency and confidentiality have been applied effectively in the relationship overall.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:



**3. The budget has been adequate for delivering the objectives and specific areas of co-operation of the relationship agreement.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**4. The Relationship Managers have been effective in contributing to the implementation of the relationship agreement.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**5. IUCN has been efficient in the financial management of the relationship.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**6. What other organisational measures would aid implementation of the agreement?**

- Don't know

- I suggest the following measures:

## 6. LESSONS

Overall, what lessons have emerged that might inform a potential future relationship between IUCN and Rio Tinto or help to drive good practice across the extractives sector?

### 1. What lessons have emerged about optimising the relevance of a Rio Tinto-IUCN relationship?

- Don't know
- The following lessons have emerged:

### 2. What lessons have emerged about optimising the effectiveness of a Rio Tinto-IUCN relationship?

- Don't know
- The following lessons have emerged:

### 3. What lessons have emerged about optimising the efficiency of a Rio Tinto – IUCN relationship?

- Don't know
- The following lessons have emerged:

### 4. What strategic lessons have emerged from this relationship that can help drive good practice across the extractives sector?

- Don't know
- The following lessons have emerged:

**5. What technical lessons have emerged from this relationship that can help drive good practice across the extractives sector?**

- Don't know
- The following lessons have emerged:

## **7. CONCLUSION**

**1. Thank you once again for your co-operation and support in completing this survey. If there is anything that you would like to check or change, please do so now, as it is not possible to return to the survey once you have completed and submitted it.**

**Are there any other comments or recommendations you would like to make about this relationship and the way it has performed?**

## **Annex 5. Questionnaire survey for Rio Tinto and related respondents**

### **1. INTRODUCTION**

Thank you for contributing to this external review of the relationship between IUCN and Rio Tinto that was launched in July 2010. It is intended to evaluate the results and value of the relationship so far, and look at the lessons that can be learned from them. The draft review report will be submitted to the partners in October 2013.

I am an independent consultant based in the UK and contracted by IUCN, on behalf of both partners, to carry out this review.

I will interview as many people as possible in the course of the review, but aim to send this questionnaire to the full list of informants and stakeholders that I have developed in consultation with IUCN and Rio Tinto. This version of the questionnaire is being sent to all those involved with the relationship on the Rio Tinto side, as well as other informants in the private sector. A similar questionnaire is being sent to informants on the IUCN side.

Even if I have been able to talk with you about the partnership, please do still complete this questionnaire. It is very helpful to be able to summarise views in this way.

Depending on the extent of your involvement in the relationship, you may not be able to answer some of the questions. Please feel free to respond 'don't know' where appropriate.

I would be grateful if you would complete the survey no later than 31 August, 2013.

Your response is anonymous, and all inputs received during this review will be treated in strict confidence.

If you have any questions, please contact me. And if you feel that you do not know enough about the relationship even to start on the questionnaire, do please let me know. That in itself would be significant for the review!

Thanks again,

Stephen Turner.

[sdturner@iafrica.com](mailto:sdturner@iafrica.com)

**1. Please indicate the nature of your involvement in the relationship. You can choose more than one box if appropriate**

- Rio Tinto employee
- Employee of another company
- Employee of an industry representative body
- Other

**2. RELEVANCE**

Please answer these two questions about the strategic and operational relevance of the IUCN-Rio Tinto relationship.

**1. The IUCN-Rio Tinto relationship is still strategically relevant for Rio Tinto**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**2. To what extent is Rio Tinto making operational use of outputs from the IUCN-Rio Tinto relationship?**

- Extensive use
- Moderate use
- A little use
- Negligible use
- Don't know

Comment:

**3. EFFECTIVENESS: STRATEGIC OBJECTIVES**

---

The IUCN-Rio Tinto relationship has five strategic objectives. Please answer these questions about the extent to which you think these objectives have been fulfilled. The questions quote the wording of the objectives as specified by the IUCN-Rio Tinto agreement.

**1. To what extent is the IUCN-Rio Tinto relationship business-focused?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**2. To what extent has the IUCN-Rio Tinto relationship enabled Rio Tinto to improve its environmental management and delivery of conservation outcomes?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**3. To what extent has the IUCN-Rio Tinto relationship strengthened Rio Tinto capacity for market-based approaches to environmental management and conservation?**

- Strongly
- Moderately
- Slightly
- Negligible

- Don't know

Comment:

**4. To what extent has the relationship enabled Rio Tinto and IUCN jointly to contribute to sector-wide improvements in the mining and closely related sectors?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**5. To what extent has the relationship gained recognition for Rio Tinto as a leader in its field, committed to environmental management and delivering sustainable development outcomes?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**4. EFFECTIVENESS: PROGRAMME OBJECTIVES**

In addition to its strategic objectives, the IUCN-Rio Tinto relationship has three programme objectives. Please answer these questions about the extent to which you think these objectives have been fulfilled. The questions quote the wording of the objectives as specified by the IUCN-Rio Tinto agreement.

This section ends with some questions about the overall quality and value of the relationship and its outputs.

**1. To what extent has the relationship achieved the development, testing and implementation of an independent verification process to assess Rio Tinto's compliance against its Net Positive Impact commitment?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**2. To what extent has the relationship achieved the identification and quantification of the biodiversity and ecosystem values in key regions where Rio Tinto operates, under business as usual and conservation scenarios?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:

**3. To what extent have Rio Tinto and IUCN worked collaboratively or provided input into each other's projects in other fields?**

- Strongly
- Moderately
- Slightly
- Negligible
- Don't know

Comment:



**4. The products and services of the relationship represent innovative solutions and/or best practice.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**5. What use has been made of products or services generated by the relationship?**

- Don't know
- I am aware of the following uses:

**6. How specific to the IUCN-Rio Tinto relationship are the products and services that have been achieved?**

- Unique to this relationship
- Little work of this kind being generated elsewhere
- Quite a few other cases of similar work being done
- Nothing unusual about what IUCN and Rio Tinto have achieved
- Don't know

Comment:

**7. The relationship has been valuable for Rio Tinto.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree

- Don't know

Comment:

**8. In my own professional opinion, the work done through this relationship has been valuable.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**9. What measures could IUCN or Rio Tinto take to improve the value of the relationship for each party?**

- Don't know
- I suggest the following measures:

**5. EFFICIENCY**

**1. The Relationship Management Committee has been effective in supporting and guiding implementation of the relationship agreement**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**2. The principles of transparency and confidentiality have been applied effectively in the relationship overall.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**3. The budget has been adequate for delivering the objectives and specific areas of co-operation of the relationship agreement.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**4. The Relationship Managers have been effective in contributing to the implementation of the relationship agreement.**

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**5. IUCN has been efficient in the financial management of the relationship.**

---

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Comment:

**6. What other organisational measures would aid implementation of the agreement?**

- Don't know
- I suggest the following measures:

**6. LESSONS**

Overall, what lessons have emerged that might inform a potential future relationship between IUCN and Rio Tinto or help to drive good practice across the extractives sector?

**1. What lessons have emerged about optimising the relevance of a Rio Tinto-IUCN relationship?**

- Don't know
- The following lessons have emerged:

**2. What lessons have emerged about optimising the effectiveness of a Rio Tinto-IUCN relationship?**

- Don't know
- The following lessons have emerged:

**3. What lessons have emerged about optimising the efficiency of a Rio Tinto – IUCN relationship?**

- Don't know
- The following lessons have emerged:

**4. What strategic lessons have emerged from this relationship that can help drive good practice across the extractives sector?**

- Don't know
- The following lessons have emerged:

**5. What technical lessons have emerged from this relationship that can help drive good practice across the extractives sector?**

- Don't know
- The following lessons have emerged:

**7. CONCLUSION**

**1. Thank you once again for your co-operation and support in completing this survey. If there is anything that you would like to check or change, please do so now, as it is not possible to return to the survey once you have completed and submitted it.**

**Are there any other comments or recommendations you would like to make about this relationship and the way it has performed?**