



Scaling Up

Global Business and Biodiversity Programme
Annual Report 2010



About IUCN

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

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

IUCN is the world's oldest and largest global environmental organization, with more than 1,000 government and NGO members and almost 11,000 volunteer experts in some 160 countries. IUCN's work is supported by over 1,000 staff in 60 offices and hundreds of partners in public, NGO and private sectors around the world.

About the Global Business and Biodiversity Programme (BBP)

- Seeks to catalyze the private sector and IUCN networks to reduce the business footprint on nature, and to enhance the private sector's contribution to nature conservation
- Four focus areas: large-footprint industries, biodiversity-dependent industries, green enterprises, the finance sector
- Vision: "A sustainable global economy in which the private sector and the conservation community are committed and effective partners in achieving a just world that values and conserves nature"

About this report

This report reflects the progress made by BBP in 2010. The stories are selected to present a fair and balanced representation of BBP's results in terms of delivering the planned programme activities. The current programme of IUCN runs from 2009–2012. Conserving biodiversity – stopping the extinction of animal and plant species, and stopping the destruction of natural places – is the core of IUCN's work. Profoundly linked to biodiversity are four of humankind's greatest challenges: climate change, energy, livelihoods and economic. The structure of the report reflects these five areas: (1) Conserving the Diversity of Life, (2) Changing the Climate Forecast, (3) Naturally Energizing the Future, (4) Managing Ecosystems for Human Well-Being, and (5) Greening the World Economy. Although BBP contributed to all the five key areas, the focus of the work has been on Thematic Programme Areas (TPA) 3 and 5.

“Stepping Up to the Challenge”



JULIA MARTON-LEFÈVRE
Director General IUCN

Designated the International Year of Biodiversity by the United Nations, 2010 was a landmark year for charting the way forward on how we value, protect and respect nature. A new “Big Plan” for nature, which aims to steer public and private decision making around 20 targets for 2020, was adopted by nearly 200 governments during the 10th meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD COP 10) in Nagoya, Japan in October. Thanks to the groundbreaking study on The Economics of Ecosystems and Biodiversity (TEEB), we are beginning to realize the full economic impacts of biodiversity loss, and the significant business value of conserving nature.

Unfortunately, 2010 will not only be remembered as a year of biodiversity achievements but also biodiversity-related disasters. The April 20th Deepwater Horizon explosion in the Gulf of Mexico led to the loss of 11 lives and the contamination of approximately 180,000 km² of biodiversity-rich marine and coastal ecosystems. This tragedy serves as a stark reminder of the kind of impact business activities can have on our environment.

It is therefore understandable that engagement with the private sector

continues to generate passionate debate among IUCN’s diverse constituency. A considered and transparent approach to encourage and help companies realize transformative change within their business practices is paramount. It is in this spirit that IUCN engages with the private sector, and I am grateful to all our staff, Members, Commissions and partners for their continued enthusiasm and commitment to the conservation cause.

This report outlines the advances made by IUCN’s Global Business and Biodiversity Programme in working with business to further global conservation goals – from helping develop Holcim’s Biodiversity Management System to bringing the business voice to CBD negotiations. IUCN also scaled up its influence with the private sector through new engagements with Nespresso, Rio Tinto and Tata Steel Thailand.

Looking ahead, 2011 offers opportunities for IUCN to further strengthen collaboration with business as part of the development of IUCN’s new Programme for 2013–2016. Being the first year in the UN Decade of Biodiversity, 2011 is the year for stepping up to the conservation challenge.



“Exploring New Frontiers”



JUAN MARCO ALVAREZ
Global Director,
Economy and Environmental
Governance Group

Director, Global Business and
Biodiversity Programme

For the Global Business and Biodiversity Programme, the year 2010 will be remembered as the year when we scaled up our efforts. In cooperation with the World Business Council for Sustainable Development (WBCSD), we brought the voice of business to the CBD Conference of the Parties in Nagoya. We also completed independent reviews of our Holcim and Shell partnerships and we signed a new agreement with Rio Tinto for some very innovative work; and we recruited key expertise to deal with the biofuels sector.

During the year, the IUCN-Shell partnership commenced a number of projects tackling issues such as sustainable biofuel production and cross-sector impact assessment for future Arctic development. To demonstrate progress made with Shell, we have included in this report a special feature related to key aspects of the collaboration. A major highlight was convening a dialogue between Shell, several civil society representatives

and IUCN, with the aim of improving the social and environmental elements of Shell’s business strategy. As a result of this dialogue, IUCN was able to provide Shell with a number of recommendations.

We were also involved in various initiatives which aimed to reduce the gap between how natural resources are used and valued. In particular, our work with WBCSD on the Ecosystem Valuation Initiative has provided business with a valuable tool that will improve decision making around biodiversity and ecosystems.

We definitely see many opportunities for scaling up engagement with business in 2011, including a renewed relationship with Holcim and a new engagement with Kuoni, as well as additional areas of work with our current private sector partners such as Nespresso, Shell and Rio Tinto. We also aim to continue influencing the policy agenda as we bring the business and conservation communities closer together.

Conserving the Diversity of Life

Ensuring sustainable and equitable management of biodiversity from local to global levels

IUCN and Rio Tinto working together towards a sustainable mining industry

After more than four years of negotiation, including a thorough due diligence process, 2010 saw IUCN sign a collaborative agreement with Rio Tinto, a leading multinational involved in all stages of metal and mineral production. The three-year agreement will focus on the following primary objectives:

- To jointly contribute to sector-wide transformational change within the mining and other closely related sectors;
- To build a business-focused relationship that enables Rio Tinto to improve its environmental management and delivery of conservation outcomes;
- To increase awareness and understanding throughout IUCN of the conservation and business challenges facing the resources sector;
- To deepen understanding, within IUCN, of how the resource sector works and where opportunities lie to influence this sector;
- To strengthen Rio Tinto and IUCN capacities for market-based approaches to environmental management and conservation;
- To gain recognition for both organizations as leaders in their respective fields and committed to

environmental management and delivering sustainable development outcomes; and

- To increase IUCN's reputation within the resource sector as a leading partner in the drive for sustainable development.

The agreement incorporates three work programmes:

- The Net Positive Impact (NPI) Verification Programme will result in a cutting-edge tool that enables Rio Tinto to measure, monitor, and, eventually, verify site-based efforts at achieving a net positive impact at a specific operation;
- The Natural Capital Project seeks to identify and quantify biodiversity and ecosystem values in key regions where Rio Tinto operates, modelling

how these values may change under “business-as-usual” and “conservation” scenarios; and

- The General Collaboration Programme aims to foster mutual collaboration between IUCN and Rio Tinto, drawing explicitly on each organization's specialist skill sets, experience and networks.

At the conclusion of this three-year agreement, both parties anticipate that there will be additional opportunities for extending the engagement and collaboration on the work programmes described above.

Relevant link:
http://www.iucn.org/about/work/programmes/business/bbp_our_work/rio_tinto/

“We look forward to working with IUCN and developing innovative solutions to biodiversity and other sustainable development issues that are an important component of our operations. Through our collaborative efforts, we hope to develop programmes and actions that will contribute to enhanced environmental performance – both for Rio Tinto and the broader resources sector.”

Tom Albanese
 Chief Executive Officer, Rio Tinto





IUCN and Nespresso enter into a four-year partnership

As a follow-up to the successful stakeholder forum organized in 2009 by IUCN, which mapped out opportunities to promote sustainability in the aluminium value chain (from bauxite mining to post-consumer recycling), in 2010, IUCN and Nespresso signed a four-year agreement that has the following objectives:

- To promote market differentiation for sustainability performance through the aluminium value chain;
- To measure and strengthen the ecological outcomes of the Nespresso Ecolaboration commitment;
- To explore new business models to minimize Nespresso's footprint on the environment.

Following the agreement, IUCN and Nespresso have worked to increase the recycling rate of used capsules in Europe and to establish an independently verifiable responsible aluminium scheme.

Nespresso and IUCN are among the founding members of the "Responsible Aluminium Working Group" that convenes representatives of the aluminium value chain from mining to

end products. The Group, coordinated by the Eden Project, commits to "...evaluate a range of options to develop a credible and independently verifiable aluminium scheme that seeks to minimize impact and improve performance throughout the aluminium value chain, recognized by the industry and external stakeholders".

One key output of the Working Group is a study that highlighted that a verifiable aluminium scheme would provide value chain contributors with the opportunity to broaden the debate beyond the industry's primary sustainability issue of climate change to include other issues of importance such as land use, biodiversity, human rights, business ethics and transparency.

Based on the recommendations made in the scoping study, the Working Group will convene in early 2011 to decide how to take the process forward.

Relevant links:

http://www.iucn.org/about/work/programmes/business/bbp_our_work/nespresso/
<http://www.trackrecordglobal.com/files/RA%20Scoping%20Phase%20-%20Main%20Report%20v2.pdf>

Investigating the biodiversity outcomes of coffee farms

In the context of the agreement, Nespresso invited IUCN to discuss potential collaboration in designing a monitoring programme to determine the biodiversity, water and carbon outcomes of farms from which Nespresso sources coffee.

To facilitate the development of a biodiversity monitoring project on farms that supply coffee to Nespresso, IUCN convened a workshop in November 2010 allowing potential project participants to outline the scope of the project and identify key requirements for implementation.

One of the main conclusions from the meeting was the need to increase the knowledge base regarding all aspects of monitoring. To this end, a literature review was undertaken with the following objectives:

- Review published literature and other related documents as well as current research relating to coffee farm monitoring with a focus on Colombia and Brazil;
- Increase the knowledge base leading to the development of the most appropriate methodology for monitoring coffee farms in the selected countries and hence inform the monitoring activities.

The review will be completed in early 2011 after which Nespresso and IUCN will determine how to proceed with the project.



Business @ CBD COP 10

Designated the International Year of Biodiversity by the United Nations, 2010 provided an important opportunity for raising awareness about biodiversity loss, ecosystem degradation and the immense value of the earth's natural capital. This important year culminated with CBD COP 10 which took place in Nagoya, Japan from 18 to 29 October.

During CBD COP 10, nearly 200 governments came together to discuss, negotiate and decide on a global plan of action for biodiversity conservation.

Together with WBCSD, IUCN promoted closer engagement between the CBD and business to encourage the adoption of this new plan for nature by all sectors of society.



Engaging business in the CBD

Throughout 2010, IUCN, in partnership with WBCSD, engaged with businesses to bring their voice to the CBD negotiations. In particular, business was co-opted into drafting IUCN position papers for COP 10 on business-relevant topics such as business engagement, incentive measures, resource mobilization, and access and benefit sharing. The consultation with business also resulted in an information paper outlining the priorities for business engagement in the CBD's agenda post-2010.

The International Business and Ecosystem Dialogue

This all-day event was organized by IUCN, WBCSD and the Keidanren Committee on Nature Conservation (KCNC), with the following objectives:

- To inform delegates about business action on biodiversity and ecosystems;

- To identify how to leverage market forces and business capacity for biodiversity conservation.

The dialogue brought together around 150 participants from companies, NGOs, international governmental organizations and governments, and reached the following conclusions:

- There is increasing evidence of major losses of business and societal value as a result of biodiversity loss and ecosystem degradation;
- Lack of business-relevant Biodiversity and Ecosystem Service metrics leads to infrequent and inconsistent reporting;
- Ambitious target setting by business drives innovation;
- “SMART” policies are required to reduce adverse impacts and promote positive action by business;
- Business-NGO partnerships bring multiple benefits.

In a joint statement of intent, IUCN, WBCSD and KCNC outlined the intention to work together to encourage, influence and assist their respective members and partners to scale up the importance of biodiversity and

ecosystems in public and private decision making, thereby building a shared vision of a sustainable economy that conserves biodiversity, builds business value and enhances human wellbeing.





BBP side-events at CBD COP 10

Integrating biodiversity management into the building materials sector
 The event was centred on the risks and opportunities for biodiversity in the building materials sector. The Biodiversity Management System, developed by the IUCN-Holcim Independent Expert Panel for Holcim, was presented. An interactive discussion on the role of the public sector in providing an enabling environment for effective implementation then took place. The role of partnerships between business and conservation communities to ensure the long-term effectiveness of such management systems on conservation was also discussed.

Biofuel Sustainability Initiatives: Opportunities for the CBD to build on existing work
 This side-event was co-organized by IUCN, UNEP, Roundtable on Sustainable Biofuels (RSB), WWF International, Conservation International and High Conservation Value Network. The event included an overview of existing standards and processes of biofuel sustainability initiatives and their linkages with broader land-use planning. Discussions addressed how to engage the CBD and Parties to the CBD in existing bodies of work.

Exploring options for a Global Platform on Business and Biodiversity
 This event, co-organized by IUCN, the CBD Secretariat and KCNC, had the objective of bringing together existing business and biodiversity initiatives to discuss the possibility of setting up a Global Platform on Business and Biodiversity. The Global Reporting Initiative set the scene by calling for such initiatives to add value and go beyond sharing experiences. Presentations followed from the Japanese, Canadian, German and European Initiatives.



Naturally Energizing the Future

Implementing ecologically sustainable, equitable and efficient energy systems

Towards an IUCN strategy for sustainable bioenergy

In November 2010, BBP, in cooperation with the IUCN Energy Network Coordinator, convened a group of colleagues and partners to guide the future direction of IUCN's work on biomass-based energy systems – from global markets for liquid transport fuels to local production and consumption of biomass for heating and cooking.

The workshop agenda consisted of three parts: 1) an internal reflection of IUCN's bioenergy work and linkages across IUCN; 2) an assessment of bioenergy strategies and lessons learned from our external partners as well as the value proposition that IUCN provides; and 3) an internal discussion on the elements of a bioenergy strategy, including a working vision statement.

An overall conclusion from the workshop was that IUCN's role in addressing bioenergy sustainability concerns should include influencing

policy and standards, providing practical tools to decision-makers and communicating successful case studies. External partners identified the important role IUCN can play in facilitating the use of effective land-use planning tools, and communicating examples of bioenergy projects from across the Union that are contributing positively to environmental and social dimensions. Future work should have more emphasis on reaching out to the regional and country offices and Members working on bioenergy projects, to make local to global connections.

Advice and insights from the workshop will be built into a strategy for IUCN's work on bioenergy in the short to medium term.

i Relevant link:
<http://www.iucn.org/about/work/programmes/business/?6523/towardsiucnbioenergystrategy>

"I greatly appreciated being part of this process. As both a Commission member (CEESP) and part of a member NGO, I found the discussions very helpful for understanding the perspectives of others and what they are doing. Having staff from different sections of IUCN made it possible for us to come up with realistic ideas of what else they might do."

Doris Cellarius
Sierra Club

"It's impressive the way that IUCN has worked with so many other partners on biofuels. Their support in this area, for example, convening a session on biofuels and biodiversity at the recent CBD COP10 in Nagoya, is much appreciated."

Sébastien Haye
Roundtable on Sustainable Biofuels





IUCN brings sustainability discussions to member conference on biofuels

In February 2010, IUCN participated in the 7th International Biofuels Conference in New Delhi, India, organized by Winrock International India, an IUCN Member.

The conference brought together experts from a range of sectors including government, private sector, academia and NGOs to discuss biofuel-related issues, policies and potential solutions. The discussions were also influenced by the declaration of the Biofuels Policy for India.

IUCN President, Dr Ashok Khosla, gave the inaugural address. He highlighted the need to consider biofuel policy,

not in isolation, but in the context of population growth, urbanization, consumption patterns and new developments in technology.

IUCN's Energy Network Coordinator, Nadine McCormick, introduced a new sustainability issue of Indirect Land Use Change (ILUC) to the audience and



detailed how the risk can be reduced by taking a landscape approach i.e., through engaging local stakeholders on prioritization of use of land.

Overall, the conference highlighted on-going biofuel-related activities in India and other countries. There are many IUCN members in India and it is hoped that IUCN can help to build on their work and share valuable experiences more widely in the region and help inform Indian biofuel policy.

i Relevant link:
http://www.iucn.org/about/union/secretariat/offices/asia/working_together/asia_members/?4764/iucnwinrockbiofuelsconference

Improving performance of offshore renewable energy

In the relatively rapid development of offshore renewable energy, the issue of marine biodiversity is often not considered. IUCN in collaboration with the multinational energy corporation E.ON and the Swedish International Development Cooperation Agency (SIDA) have developed best practice guidance to improve the environmental performance of offshore renewable energy projects.

Greening Blue Energy is the most comprehensive guide to date for assessing the impact of offshore wind energy installations on marine ecosystems and biodiversity. It gives governments, policy makers and industry the tools to enhance the environmental performance of offshore renewable energy.

Potential negative impacts of badly planned offshore wind farms include habitat loss for birds and sea creatures, collisions with wind turbines, deviation

from the migratory routes of birds and whales, noise and electromagnetic disturbance, and navigational hazards for ships.

Avoiding sensitive sites, integrating the development of wind farms in marine management decisions, using clever designs and offsetting residual impacts will minimize adverse impacts and maximize the benefits for biodiversity, the report says. It will also help reduce the time spent on consenting processes for wind farm development, which currently takes around five years.



“Moving away from oil, gas and coal is vital to avoid the worse impacts of climate change, in this context on marine ecosystems. At the same time, we need to make sure that what we call blue energy, which includes the offshore renewable sources, is also green and doesn't exacerbate existing stresses on the marine environment.”

Dan Wilhelmsson
 Scientific Coordinator, IUCN's Global Marine Programme, and first author of the report

Electricity produced from wind farms helps combat climate change by avoiding greenhouse gas emissions and toxic pollutants associated with fossil fuels. Offshore wind farms can also provide advantages for local wildlife through the establishment of “no fishing zones” and the creation of artificial reefs where marine species can thrive.

i Relevant link:
<http://www.iucn.org/what/tpas/energy/key/renewables/?5510/Offshore-wind-farms--green-energy-or-biodiversity-threat>

Managing Ecosystems for Human Well-Being

Improving livelihoods, reducing poverty and vulnerability, and enhancing environmental and human security through sustainable resource management

Promoting ecotourism businesses

Since 2008, BBP has worked with private sector partners in the tourism industry to provide a range of business skills to conservation organizations developing ecotourism projects. The aim of this work is to ensure that such businesses succeed in the market and hence achieve their conservation outcomes, but also to enhance the market share of biodiversity-friendly businesses and therefore influence the supply.

2010 kicked off with a training course on Integrating business skills into ecotourism operations which took place outside Phnom Penh in Cambodia. The course was aimed at NGOs in the Mekong Region.

The workshop addressed themes associated with improving business skills in ecotourism operations, specifically:

1. Making the most of the market context – aiming to provide participants with a better understanding of the tourism industry in the region and how it is set up;
2. Health, safety and customer care – drawing upon the regulatory environment of the tourism industry as concerns health and safety to better inform tourism product design;
3. Exploring the ecotourism potential of a site – providing conservation organizations with a better understanding of the market requirements that make a destination interesting and a product commercially viable;
4. Marketing your ecotourism business – offering an overview of the marketing process.

The event was co-developed by BBP and the IUCN Netherlands Committee

with support from several tourism partners including Exotissimo Travel, Lonely Planet, Marsh and the Mekong Tourism Office.

Due to the success of this event, another project was initiated in 2010 between BBP, the Swiss Federal Office for the Environment and Kuoni Travel Holding Ltd to develop the capacity of conservation organizations in East Africa to integrate local, national and international tourism markets. This project will run until the end of 2011 with many activities planned both prior to and after the training workshop.

i Relevant link:
http://www.iucn.org/about/work/programmes/business/bbp_our_work/tourism/ecotourism/





Greening the World Economy

Integrating ecosystem conservation values in economic policy, finance and markets

Successful conclusion of the first phase of the IUCN-Holcim engagement

The IUCN-Holcim engagement reached a climax in 2010 when the Panel issued its final recommendations, summarized in the document Biodiversity Management System. Proposal for the integrated management of biodiversity at Holcim sites. These have been used by Holcim to revise their environmental policy, to develop a new Biodiversity Directive, and to establish a new biodiversity target calling for the implementation of biodiversity action plans in 80 percent of the quarries in sensitive sites by 2013. In addition, Holcim built the recommendations into all relevant tools (from feasibility questionnaires, to rehabilitation guidelines, and Holcim's Environmental and Social Impact Assessment). The adoption of the revised environmental policy by

Holcim's Executive Committee defined the conclusion of this first four-year phase of the engagement.

In 2010, IUCN and Holcim also worked together on a number of other fronts. An event on the role of the various stakeholder groups was organized during the CBD COP 10 in Nagoya (October 2010). At this event, IUCN and Holcim launched a joint publication, Partnership for biodiversity, highlighting the main aspects of this collaboration. Holcim and IUCN also engaged in China where rapid biodiversity assessments were conducted on two quarries based on the terms of reference developed by the Panel. Furthermore, Holcim worked with IUCN to "road test" the methodology on corporate ecosystem valuation being developed by WBCSD.

An external review was also conducted firstly to review the progress made in the four years of the engagement and secondly to highlight any particular areas of work that could be picked up by a second-phase engagement. The review was undertaken on the basis of observation of partnership meetings, review of documentation, interviews with key partnership participants and a questionnaire distributed to a broader group of informants. According to

the external reviewer, despite some deviations from the original objectives and shortcomings, the IUCN-Holcim partnership has performed well for both parties.

The Steering Committee then gave the green light to IUCN and Holcim to develop a second-phase agreement. The teams worked together and identified four areas of work for the new three-year engagement (2011–2013):

- Implementation of the Biodiversity Management System (BMS): In this component, IUCN and Holcim will develop tools, build capacities and establish indicators for ensuring the effective uptake of the BMS by Holcim's operations on the ground.
- Influencing policy: Through this component, IUCN and Holcim will influence national policies and legal instruments to enable the building material sector to deliver better biodiversity conservation outcomes.
- Sector-wide engagement: This is a crucial element of the second phase which aims to influence the development of sector-wide standards for biodiversity conservation.
- Water Management Programme: This programme will equip Holcim with better tools for measuring and mitigating water risk.

The second-phase agreement will also be coordinated by BBP and will be signed in early 2011.

- i** Relevant links:
- http://www.iucn.org/about/work/programmes/business/bbp_our_work/bbp_holcim/
 - http://cmsdata.iucn.org/downloads/iucn_holcim_partnership_biodiversity_2010.pdf
 - http://cmsdata.iucn.org/downloads/biodiversity_management_system_final.pdf
 - http://cmsdata.iucn.org/downloads/review_of_iucn_holcim_partnership_nov_10.pdf

"IUCN's engagement with Holcim has helped us move a step closer to our vision of a sustainable global economy in which businesses are committed and effective partners in achieving a just world that values and conserves nature."

Julia Marton-Lefèvre
IUCN



Integrating biodiversity into the hotel sector in the Caribbean

Impacts of Hotel Siting and Design on Biodiversity in the Insular Caribbean: a Situation Analysis was drafted in late 2010 as a stepping stone for future activities, with the aim of better integrating biodiversity considerations into the Caribbean hotel sector. The project has the following objectives:

1. To assess the impact on biodiversity from the siting and design of hotels in the region;
2. To develop tools for the Caribbean hospitality industry for integrating biodiversity conservation considerations during construction and operational phases;
3. To create greater awareness of the risks and opportunities linked to the construction and operations of hotels among all key stakeholders.

The project outputs will include:

- A situation analysis of biodiversity and the hotel sector in the Caribbean;

- Biodiversity Principles for siting and design of hotels in the Caribbean;
- A Caribbean Supplement to complement the guide Biodiversity: My Hotel in Action and a self-assessment check list to accompany the guide.

The Biodiversity Principles will be circulated to key stakeholders in the Caribbean region, including business leaders in the hotel and resort industry and in the development and financial sectors, as well as representatives from governments and civil society. The aim is to establish a commonly agreed set of principles that can inform future public and private policies on the siting and design of new tourism facilities.

i Relevant link:

http://www.iucn.org/about/work/programmes/business/bbp_our_work/tourism/#1



Towards a renewed IUCN-ICMM Dialogue

In November 2010, IUCN and the International Council on Mining and Metals (ICMM) convened a planning meeting in Gland, Switzerland. The objectives of the meeting were to assess the value of continuing the IUCN-ICMM Dialogue process on conservation and mining, identifying new opportunities, challenges, and other areas of common interest. A final decision as to whether the Dialogue should continue will not be taken prior to a wider consultation process with both organizations' constituents.

Participants agreed that the IUCN-ICMM Dialogue offered significant advantages above bilateral relationships between IUCN and ICMM membership organizations, to justify its continuation.

Three priority areas were highlighted for inclusion in a future work programme:

1. Developing a strategic communications plan;
2. Better understanding ecosystem services in the context of mining; and
3. Looking at regional landscape scenarios (including possible pilots) and better planning and adaptive management tools.

The respective Secretariats will develop options for a potential work programme that will be offered for consultation to IUCN and ICMM constituencies in early 2011. This will also include options for a statement of aims and objectives reflecting the next stage of the relationship, which will also be released for further consultation.

i Relevant link:

http://www.iucn.org/about/work/programmes/business/bbp_our_work/bbp_mining/





Engaging with the tourism sector

During 2010, BBP furthered its engagement with the tourism sector through consultations with tourism stakeholders and participation at various tourism events. BBP also provided support to IUCN regional and country offices in the identification of regional tourism fora for profiling IUCN's work.

An important component of the work was to develop an IUCN-wide Strategic Action Plan for tourism. This document outlines a vision for IUCN's engagement with the tourism sector and contains recommendations on areas of work with the tourism sector that are best suited to IUCN's strengths. As part of this exercise, BBP consulted more than 30 tourism stakeholders, 14 of which were

businesses such as TUI Travel, Royal Caribbean and Kuoni. The purpose for such a consultation was to understand which elements of IUCN's work most appeal to the tourism sector.

BBP continued to participate in tourism events and fora. To celebrate the International Year of Biodiversity, BBP, in collaboration with the Tourism and Protected Areas Specialist Group of the IUCN World Commission on Protected Areas, organized a session during the World Travel Market entitled Nature conservation and tourism: How to make it work. This session brought together representatives from hotels, tour operators and developers to recognize achievements and debate future solutions for tourism and conservation. In addition, the relationship developed

with the International Hotel and Restaurant Association (IH&RA), during the creation of the guide Biodiversity: My hotel in action enabled BBP to achieve increased visibility with IH&RA members. BBP was invited to present IUCN's work on tourism at IH&RA events in Bulgaria and Serbia. These events brought together regional and international hoteliers to discuss relevant topics for the sector including climate change and biodiversity. A feature on Biodiversity: My hotel in action was also placed on the IH&RA website.

i Relevant links:

http://www.iucn.org/about/work/programmes/business/bbp_our_work/tourism/other_activities/wtm_2010/
<http://www.ih-ra.com/vision-of-future/biodiversity/>



IUCN-Shell Partnership

Background to agreement

In October 2007, Shell and IUCN signed a five-year agreement enabling greater collaboration at all levels between both organizations globally. Shell and IUCN had collaborated since 2002 in a more informal way; however, with the signing of the agreement, both organizations agreed to work together in developing projects that responded to specific conservation challenges. Various initiatives developed through the Shell-IUCN agreement have gone on to be implemented by IUCN Thematic Programmes; some of these projects are highlighted in this feature.

The overall objective of the collaboration is to enhance biodiversity conservation performance by Shell and its affiliates within sustained profitable operations, which in turn will lead to increased biodiversity performance standards within the energy sector.

The agreement also highlights, as an additional objective, increasing IUCN's capacity for leadership in the business and biodiversity area. Three specific areas of cooperation were identified:

1. Development of conservation and related policies, approaches and tools that have potential sector-wide influence and application;
2. IUCN providing technical assistance and advice in respect of biodiversity conservation to the Shell Group on some of its key projects; and
3. Shell providing institutional and project support to IUCN in the areas of business engagement, business skills and business process development.



Relevant link:

http://www.iucn.org/about/work/programmes/business/bbp_our_work/bbp_shell/

Project highlights

A cross-sector strategic assessment for future Arctic development

IUCN and Shell are working together on a cross-sector strategic assessment of the Arctic region. The aim of this collaboration is to build consensus among interested partners and stakeholders around best practices for future activities in the region, within the key sectors of oil and gas, mining, shipping, fishing and tourism. This project is divided into four phases with the long-term aspirations of developing an integrated, cross-sector strategic management plan which could lead to agreed multi-sector regulation and best practices of environmental and social aspects in support of sustainable development in the Arctic. Phase 1, the feasibility and scoping study phase, which also involved inputs from a multi-stakeholder workshop held in December, was successfully concluded leading to the next phase of project structuring and resourcing through involving interested parties.

The Arctic is generally considered one of the last pristine areas on earth

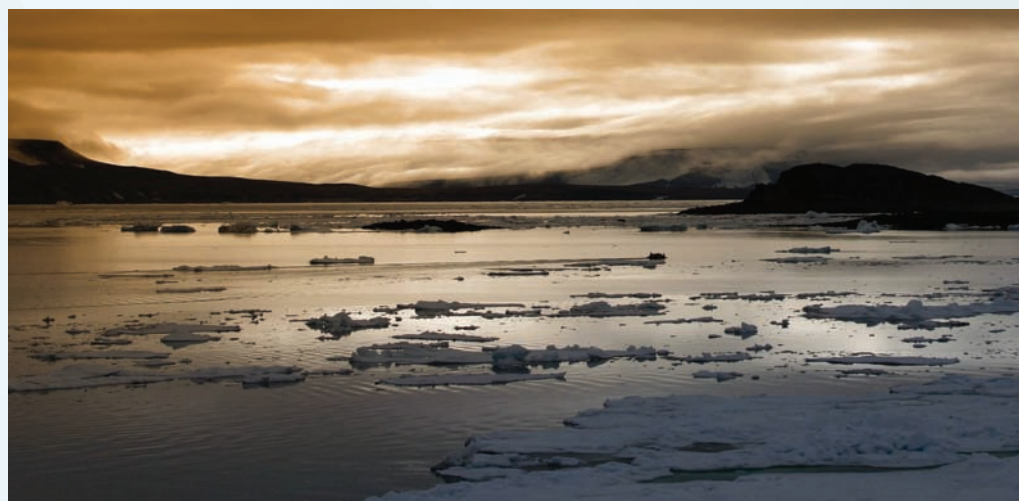
and protecting its biodiversity is of the highest importance. Balancing the numerous development pressures, socio-economic and cultural effects, and environmental protection in such an area is a significant challenge. This project calls for integrated and long-term ocean management measures to be developed across sectors, as it has

become apparent that local or sector-by-sector management plans are no longer adequate.



Relevant link:

http://www.iucn.org/about/work/programmes/business/bbp_our_work/bbp_shell/update/





Project highlights

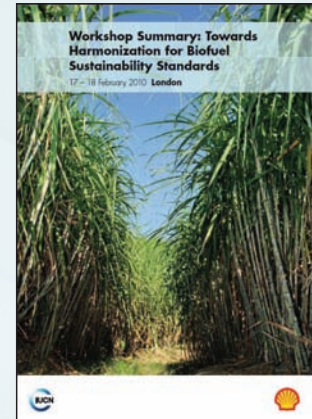
Harmonizing standards and certification schemes for biofuel production

UCN and Shell continue to work together with a wide range of stakeholders towards achieving biofuel production that contributes to a sustainable energy future while providing opportunities for landscape management, and rural livelihoods development.

In February 2010, IUCN and Shell, working with ProForest and The Packard Foundation, convened a multi-stakeholder workshop that included representatives from a number of certification schemes, industry and civil society, and the IUCN Secretariat, to discuss areas of synergy and opportunities for harmonization of

standards and certification schemes that apply to biofuels.

While certification is a key tool for ensuring the sustainability of biofuel value chains, there are multiple sustainability schemes that apply to the numerous potential feedstocks for biofuel. These schemes have diverse objectives and criteria to address common issues – creating confusion and barriers for biofuel producers that are voluntarily trying to implement them. The workshop agreed to identify steps that would support cost effectiveness, reduce complexity and help facilitate wider adoption of certified products throughout the biofuels value chain.



Relevant link:
<http://www.iucn.org/what/tpas/energy/key/biofuels/?5828/biofuelstandardsreport>

Mitigating the impacts of biofuel production

UCN and Shell are working with a wide range of stakeholders to gain a shared understanding of how to mitigate the impacts of biofuel production that may give rise to Indirect Land Use Change (ILUC). ILUC refers to changes in land use that indirectly arise from the risk of a new land use displacing an existing land use to areas

of high carbon stock or biodiversity value. This can occur at the local level with the displacement of human uses of a given resource or ecosystem service; or at the global level via increased demand for agricultural commodities which then triggers the need for increased supplies in national, regional or global markets.

IUCN and Shell organized a multi-stakeholder workshop in London in September 2010 with the aim of gaining a shared understanding of how to effectively mitigate against ILUC risks in biofuel production. Participants included regulators, agricultural commodity producers, biofuel producers and suppliers, research institutes and environmental NGOs.

The workshop concluded that whilst viable options to mitigate ILUC risks currently exist for feedstock producers, appropriate policy frameworks are still required to ensure that these opportunities are realized and ILUC issues are addressed on the ground. Workshop outcomes also contributed to IUCN's policy position submitted to the European Commission's public consultation on the issue.

Relevant link:
http://www.iucn.org/about/work/programmes/economics/econ_stayinformed/?6428/iucnecilucsubmission



Project highlights

Deepwater Horizon oil spill dialogue between IUCN and Shell

Following the catastrophic oil spill on the Deepwater Horizon oil rig operated by Transocean for British Petroleum in the Gulf of Mexico, Bill Jackson, IUCN Deputy Director General, questioned whether current technology for dealing with oil spills had kept up with the exploration and production developments. In response, BBP organized a dialogue session between Shell and IUCN Secretariat staff along with representatives from selected IUCN Commissions.

Whilst noting that the response to the BP oil spill remained inadequate, Shell stated that they, along with three other

oil majors, had initiated an immediate programme to enhance their deepwater oil spill response although it was already deemed to be best in class. Shell also felt that the way forward was not to stop exploration or transport of oil but rather that more careful selection was required of those deemed eligible for licences to operate in deepwater conditions.

IUCN voiced concerns that the impetus for lessons to be learnt from the oil spill would diminish over time and asked what more could be done to stimulate discussion on regulatory frameworks and changes in operating environments.

IUCN Red List training for the business sector

In late 2010, IUCN and Shell initiated a project to increase the general understanding and use of the IUCN Red List within the business sector and specifically to address Shell's biodiversity data requirements.

- how the spatial data is developed;
- how it is being used and how it can be used; and
- IUCN's requirements for commercial use of the data.

After acquiring software for creating e-courses and having received training, the Red List Unit is now starting to explore course design. It is expected that production of e-learning courses will begin in early 2011 with the first version of the course predicted to be online by mid-2011.

It is hoped that this project will build IUCN's capacity as a leader in biodiversity knowledge and training, as well as reinforce the IUCN Red List as an authoritative source of biodiversity data and a tool for objective monitoring.

Relevant link:
http://www.iucn.org/about/work/programmes/business/bbp_our_work/bbp_shell/update/

Project review

In 2010, in accordance with the requirements of the Shell-IUCN agreement, an independent mid-term review of the agreement was jointly commissioned. Dr Stephen Turner, an independent consultant, was selected by the Shell-IUCN Steering Committee to carry out the review, to determine the extent to which the objectives of the agreement are being met and to provide recommendations for any corrections or improvements. The review, which included interviews with both IUCN and Shell staff, reported on the successes of the partnership including tangible progress in some joint activities: notably biofuels work and a review of Shell Biodiversity Action Plans by the IUCN secondee.

Fourteen recommendations for improvements, one specific to each of IUCN and Shell, the remaining 12 to be addressed jointly, were identified.

Among the challenges noted was the need for partners to develop performance indicators that allow for measurement and reporting of performance in the short, medium and long term at both output and outcome levels. While recognizing the political necessity of ensuring demonstrable beneficial outputs by 2012, the review highlighted the need to intensify external communications on the partnership, stressing the long-term challenges and opportunities implicit in building joint programmes that meet the two organizations' objectives.

Relevant link:
http://www.iucn.org/about/work/programmes/business/bbp_our_work/bbp_shell/update/



Several possible options for the business element of the training proposal have been discussed, the most useful of which may be a handbook or online course that outlines how Red List data can be used by the business sector. This could include:

- a description of what the Red List spatial data is;



Implementing the IUCN Programme

Action on the IUCN Programme

BBP continues to support the IUCN constituency in building collaborations with the private sector to tackle conservation issues.

Represented by BBP, IUCN is an active member of the International Standards Committee (ISC) of the Sustainable Agriculture Network (SAN), and in 2010 contributed to the development of a new standard for sustainable cattle production systems. As part of the Rainforest Alliance label, this new standard pertains to cattle allowed access to pasture, and the criteria cover issues such as land and waste management, infrastructure, and the treatment and transport of the animals. In addition, the ISC finalized the SAN Voluntary Climate Module, focused on mitigation and adaptation to climate change.

Furthermore, many BBP projects have been implemented with IUCN Members, especially Commission members such as the SSC. Both the Chairs of the Holcim Panel and the Rio Tinto NPI Programme are SSC members. Some of our Members have

also engaged directly with Holcim at country level for project development, i.e., India. As part of the engagement with Nespresso, the IUCN Spanish and Swiss National Committees were involved in the discussion about aluminium recycling opportunities. Members of various Commissions were also invited to provide input to IUCN's bioenergy strategy and the future of the IUCN-ICMM Dialogue. Capacity-building activities were also designed specifically targeting Members, such as the Integrating business skills into ecotourism operations training event in Cambodia which brought together about 20 conservation organizations from the Mekong region.

In support to other Component Programmes, BBP visited the Regional Office for West Asia (ROWA) in Amman (Jordan) in April 2010. With ROWA staff, BBP met a number of leading businesses in the region and co-organized a high-level event which counted on the presence of the Jordan Minister of Environment. BBP was also successful in raising funds for a new Business and Biodiversity focal point

for the IUCN Eastern and Southern African Regional Office (ESARO). Furthermore, BBP has also been active in "incubating" new ideas and engagements which are then taken over by other programmes, such as the engagement with Cadbury and a number of projects with Shell.

To support cross learning on business and biodiversity issues among Programmes, a study was developed on IUCN Independent Advice for Biodiversity Conservation in Business. Seven IUCN-led processes that generated independent advice on biodiversity-related challenges for businesses were reviewed and common lessons were collected. Finally, to promote greater and more effective engagement with the tourism sector, a Strategic Action Plan for Tourism was developed, based on input received from key representatives of the tourism sector and IUCN Programmes involved in tourism projects. Two more sectoral plans, one focusing on mining and one on agriculture, have been initiated and are expected to be completed in 2011.

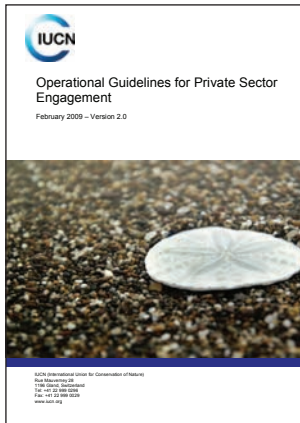


Online tool – progress in implementing private sector guidelines across the Union

The revised Operational Guidelines for Private Sector Engagement were adopted by the IUCN Council in February 2009. The document provides a common framework for IUCN Component Programmes and Commissions on how to engage with the private sector. Uptake on using the tool was slow at first but, as practitioners become more

acquainted with the process, more use is being made. To date, 38 entries have been initiated for 38 entities spread across eight of the Thematic Programmes and two Regions.

To support the implementation of the Operational Guidelines, BBP has developed two tools which are currently used for internal guidance and application:



A web-based online system

The online tool guides the user through the Operational Guidelines and ensures that the delegated manager signs off on the engagement. It includes an interface with IUCN membership to share information and, when uploaded, a database of all IUCN's private sector engagements world-wide.

A companion handbook

The companion handbook provides further guidance on the different

aspects of the engagement process. It includes more detailed “how to” information, templates and examples. The handbook is accessible through the online tool, directly by clicking on Companion Handbook in the menu on the left of any displayed page or through the relevant hyperlinks in each of the five Operational Guideline steps.

Relevant link:
http://cmsdata.iucn.org/downloads/ps_20guidelines.pdf

IUCN Private Sector Coordination Group

The Private Sector Coordination Group (PSCG) provides a mechanism to engage and coordinate private sector engagements by the Secretariat.

The PSCG was established under the authority of the Deputy Director General (DDG) to provide a coordination role at the Secretariat level and advice to the DDG and the Economy and Environmental Governance Group (EEGG) Director, and to the Global Management Team (GMT).

PSCG has the following objectives:

1. To ensure coherence and coordination within the IUCN Programme on matters related to private sector engagement;
2. To review potential engagement opportunities and risk (its value to IUCN, its match to programme results, resource implications – staff and funding, etc);
3. To provide a mechanism to manage conflict between parties within the secretariat in relation to private sector engagements;

4. To provide advice to the focal point of the Council Private Sector Task Force (EEGG Director) in relation to complex and difficult issues.

Meetings take place monthly, with additional meetings called by the Coordinator if required. BBP provides support for the operations of the Group. The Group reports to the DDG monthly and to the GMT at least twice per year. In addition to meeting notes, the Group may submit to the DDG any issue-specific or general reports in relation to its work.

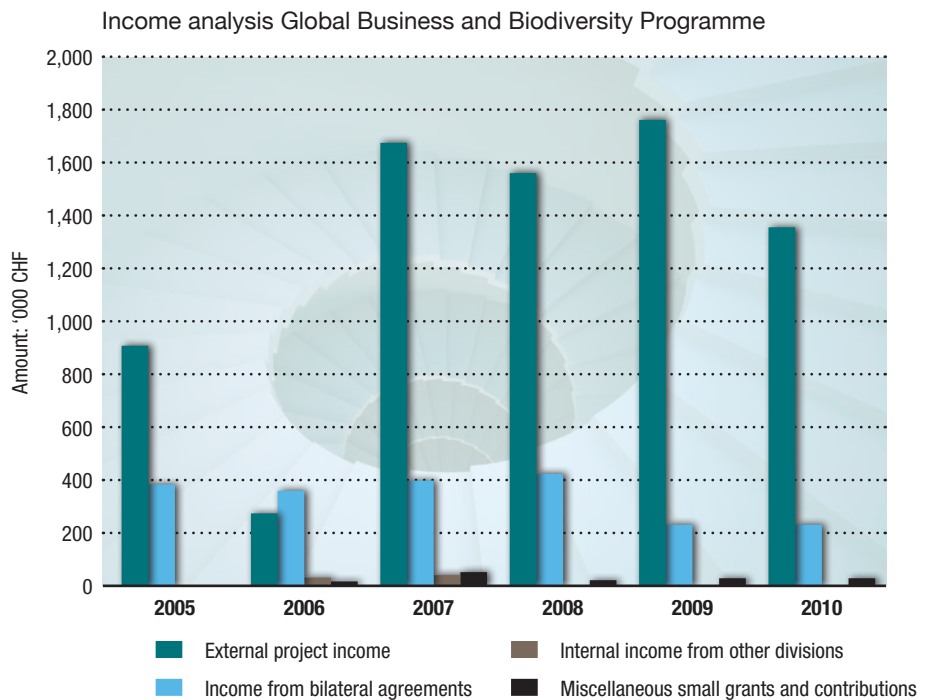


Programme Management

Finance

Total income for the programme received during the year 2010 amounts to CHF 1,617,000 – 83% of this income comes from projects, 16% from bilateral donors and 1% comes from miscellaneous small grants. Additionally, more than CHF 900,000 was carried over from the financial year 2009, thus making a total of more than CHF 2.5 million available for activities in 2010. Total expenditures of the programme amount to approximately CHF 1,985,000 for 2010 and the unspent balance will be carried forward to 2011 for continued project activities.

Please note that more detailed financial information about IUCN can be obtained from the audited consolidated financial statements (available upon request) as well as the annual programme report.



Staffing

2010 saw major changes in terms of staffing. BBP welcomed new staff members Deviah Aiama as project officer and Rachel Asante-Owusu as administrative assistant. Saskia de Koning was replaced as Shell secondment by Deric Quaile. Andrea Athanas left BBP to take up a new role as Senior Program Design Officer at the African Wildlife Foundation based in Tanzania. The other BBP staff members are Juan Marco Alvarez, Maria Ana Borges, Giulia Carbone, Evelyne Clarke and Dennis Hosack.



Environmental footprint

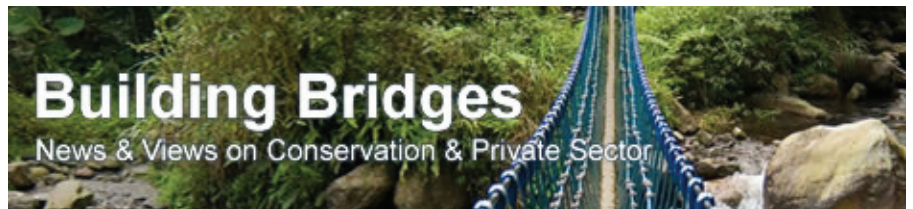
In comparison with 2009, the team's green house gas emissions have decreased by over 30 percent from the relatively high emission recorded last year. While we welcome this positive result, BBP will continue to strive for greater reductions in its footprint by promoting virtual meetings, conference calls and minimizing the use of paper and other materials. BBP will also continue to support IUCN-wide greening efforts through My Green IUCN and other sustainability initiatives.

| Year | Average number of team members | Total emissions (tonnes) | Total offsets (22CHF per tonne) | Average emissions per team member |
|------|--------------------------------|--------------------------|---------------------------------|-----------------------------------|
| 2008 | 7 | 32.20 | 708.40 | 4.6 |
| 2009 | 7 | 48.11 | 1058.40 | 6.9 |
| 2010 | 7 | 33.64 | 740.1 | 4.8 |



Communications

BBP continued to communicate news and views on private sector collaboration in the conservation arena with its quarterly electronic newsletter Building Bridges. The newsletter has also proved to be a valuable tool to showcase private sector engagements throughout the IUCN network. BBP continues to manage IUCN's Grievance Procedure, which receives records and responds to grievances related to IUCN's engagement with the private sector.



For more information and to sign up to the Building Bridges e-newsletter:

<http://www.iucn.org/about/work/programmes/business/newsletter/>

Contact us:

For up-to-date contact information, please refer to the BBP pages on the IUCN web site. The BBP team is based at IUCN HQ in Switzerland. You can contact us at:

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Looking Ahead

2011 offers BBP a unique opportunity to strengthen the role of business in addressing conservation challenges. The focus next year will be on implementation of current relationships and to develop innovative projects that address the drivers of biodiversity loss and capitalize on the enhancement of biodiversity.

The renewal of the Holcim relationship will enable us to roll out an integrated approach to biodiversity management

as well as to influence the wider building materials sector to address its impacts. The work with Nespresso will allow BBP to promote good practice in the aluminium supply chain. We also look forward to the results of our projects focusing on the development of biodiversity indicators with Rio Tinto and Holcim. In the coming year we aim to strengthen our role in delivering on IUCN's climate change programme area, and in particular on REDD+. We plan to expand our reach to other

sectors including biodiversity dependent sectors such as agri-food.

Throughout the year, consultations with IUCN members on the 2013–2016 quadrennial programme and preparations for the 2012 IUCN Congress will provide an opportunity for BBP to raise awareness of the importance of business engagement as a tool to further conservation goals.



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