



## **IUCN – Private sector relations 2009-2012**

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## Executive summary

IUCN recognizes that conservation can only succeed if attention is given to the underlying causes of biodiversity loss, and actions are taken to influence the direct drivers of this loss. The global economy is a particularly potent driver of biodiversity loss.

This paper is IUCN's response to Resolution 3.060 from the 3<sup>rd</sup> World Conservation Congress, which invited the Director General to submit a detailed proposal for IUCN-private sector relations to the 4<sup>th</sup> World Conservation Congress.

More and more people and organizations see business engagement as a conservation imperative. The Strategy and Operational guidelines for work with the private sector that have been agreed and published in 2004 and 2006 respectively enable IUCN to respond to this challenge while protecting its credibility against the risk of "greenwashing". Within the conservation community, IUCN is now at the forefront of influencing the private sector to contain its environmental footprint and to mainstream sustainability.

The strength of its membership, scientific networks and technical capacity makes IUCN a credible and authoritative source of environmental information. This credibility enables IUCN to instil confidence between the conservation community and business, by providing assurances that environmental and social issues affecting business will be addressed in a thorough and professional manner, based on sound science and wide participation of relevant stakeholders.

In its relations with the private sector, as outlined in its private sector strategy, IUCN's Vision is: *A sustainable global economy in which businesses are committed and effective partners in achieving a just world that values and conserves nature.* The goals guiding IUCN's private sector relations are:

- (a) A conservation community that is well informed about market mechanisms and understands their potential and limitations to achieve biodiversity conservation.
- (b) A more accountable private sector which contributes to sustainable development including conservation and social equity.
- (c) Effective dialogue and collaboration between IUCN and the private sector which helps to achieve conservation through, and alongside, sustainable development.

The overall IUCN programme plan for 2009-2012 provides the framework for private sector work in the future. The programme plan is premised on the need and urgency to promote biodiversity conservation with the private sector as well as with governments and civil society. All thematic areas will require a significantly increased engagement with the private sector if the programme objectives are to be realized. This proposal brings together the results specifically related to the private sector identified by the various component programmes.

The following table summarizes the proposed focus of IUCN's work with the private sector in support of the ten Global Results of the IUCN 2009-2012 Programme.

<b>Focus on the Private Sector in IUCN's Global Programme</b>		
<b>Global Result</b>	<b>Private Sector Focus</b>	<b>Component Programmes</b>
1.1 Biodiversity-related policies and governance systems enable action towards the achievement of biodiversity conservation	Policy reform in 4 countries.	Business and Biodiversity
	International business-related policies and laws internalized in 6 countries.	
	Biodiversity offsets policies in 4 countries.	
	Voluntary Partnership Agreements in 4 countries.	Forests
	New regional agreement addressing poverty, climate change, green commerce and multilateral agreements.	ORMA
	Influence of the private sector for improved biodiversity management in 5 countries.	BRACO
	Policies of financial agencies incorporate environmental and social criteria.	SUR
1.2 IUCN standards, tools and knowledge for sustainable natural resource management are available, and actions are taken for biodiversity conservation, including effective management of global and regional common natural resources	IUCN standards used in at least 3 industry sectors.	Business and Biodiversity
	Best practice guidelines govern at least 2 forest-based commodities in at least 3 countries.	Forests
	Awareness, policy and practice of marine managers, policy-makers, industry and donors to marine alien invasive species are enhanced.	Marine
2.1 Climate change mitigation and adaptation policies and practice include biodiversity concerns from local to global level	Five companies using guidelines for biodiversity conservation for offsetting carbon emissions.	Business and Biodiversity
	Potential for carbon offset and sequestration for providing sustainable financing demonstrated in one Caribbean state.	Caribbean
	Carbon offset schemes are guided by policies that incorporate invasive species concerns.	Invasive Species
2.2 Natural resource management policies and strategies to adapt to the impacts of climate change are adopted and implemented	One or more industry groups understand, adopt and follow climate change adaptation policy/strategy which takes into account the role of sustainable ecosystem management.	Business and Biodiversity
	At least 3 financial institutions include biodiversity / ecosystem management in their climate change risk management strategies.	
3.1 Energy policies and strategies mitigate the impact of the growing energy demand on biodiversity	Ecologically sustainable, efficient, cleaner and affordable energy options in at least 3 pilot sites.	Asia
	Three corporate and industry partners address their energy demands to reduce their overall impacts on the environment.	Business and Biodiversity
	At least 2 renewable energy investment schemes incorporate biodiversity and ecosystem services.	Caribbean
	Binding measures for energy and fossil fuel companies incorporate socio-ecological concerns and standards.	CEESP
	Multinational companies and/or energy agencies adopt best practices.	ESARO
	Oil/gas and mining (for energy) sectors incorporate best practice in prevention of invasive species.	Invasive Species
	At least 3 private partners develop and implement initiatives that mitigate the impacts of their activities on biodiversity and security.	Mediterranean Cooperation Centre
	Development policies for biofuels, mining and hydro-electric projects	ORMA

	include environmental criteria.	
3.2 Ecosystem services that underpin sustainable and equitable energy are incorporated in energy policies and strategies	At least 4 companies investing in the maintenance of ecosystem services.	Business and Biodiversity
	At least 2 renewable energy investment schemes incorporate biodiversity and ecosystem services.	Caribbean
	Private sector and State companies active in the alternative energy sector are engaged in the development of best environmental practice and innovative impact mitigation strategies.	Europe
	At least 4 companies investing in the maintenance of ecosystem services.	
	At least 2 renewable energy investment schemes incorporate a Forest Landscape Restoration framework.	Forests
	Impact management tools and methods are incorporated into national energy policy and/or energy development initiatives in at least 2 countries.	Mediterranean Cooperation Centre
	Energy policies and strategies in 3 countries address ecosystem services.	ORMA
	Policies for the development of biofuels respect environmental norms.	BRACO
	Businesses adopt good practices for energy efficiency in at least 5 countries.	
	Methods for re-operating dams are used to improve environmental performance and environmental flows.	Water
4.1 Development policies and strategies support vulnerable and poor stakeholders, especially women, to sustainably manage ecosystems for improved livelihoods	Global markets for 5 locally produced products that support sustainable livelihoods are created.	Business and Biodiversity
	At least 4 companies incorporate sustainable ecosystem management in their policies and practices.	
	Legal basis for applying rights-based approaches in conservation by a range of actors developed and applied in selected landscapes.	ELC / CEL
	Ecosystem goods and services contribute to improved livelihoods and wealth creation.	ESARO
	Aquaculture and fishing activities in 4 pilot sites developed to emphasize sustainability and gender equity of benefits.	Mediterranean Cooperation Centre
	Key actors, including the private sector, recognize the knowledge contribution of traditional practices.	SUR
4.2 Sustainable environmental management reduces vulnerability to natural hazards and conflicts	One insurance company is requesting policy holders to apply environmental management practices to reduce risks to natural hazards.	Business and Biodiversity
5.1 Economic, trade and investment policies better integrate biodiversity values	Finance sector companies address biodiversity conservation risks and opportunities in their portfolios.	Business and Biodiversity
	Strategic approaches to reducing the adverse impacts of trade and investment on biodiversity and livelihoods.	Caribbean
	Environmental valuation in macroeconomic systems supports.	CEESP
	Incorporation of biodiversity and ecosystem values in planning and measuring performance in water infrastructure, tourism, and forest sectors.	ESARO
	Government agencies, donors, and foreign investors make investments in ecosystem conservation.	
	Specific organic certification and NTFP schemes better support sustainable use of biodiversity in specific instances (e.g. Serbia, Russia, etc.).	Europe
	Integration of biodiversity and ecosystem services' valuation into economic policy and market mechanisms.	
	Community-company arrangements established and operational for the benefit of the rural poor.	Forests
	Aquaculture policy and practice better incorporates cost-benefit analysis with risk assessments of invasive species.	Invasive Species
	Public and private investments in water management and ecosystem services promoted.	WAME
5.2 Companies,	At least 5 private sector companies integrate Corporate Social and	Asia

industry associations, and consumer groups incorporate ecosystem values into planning and action	Environmental Responsibility principles.	
	At least 4 multinational agri-food companies implement procurement policies for 5 food products that reward sustainable ecosystems management.	Business and Biodiversity
	Five or more hotel chains include biodiversity conservation standards in their siting decisions and operations.	
	Five tourism operators offer community-run tourism services that have conservation benefits.	
	Markets for payments for ecosystem services are pilot tested in 4 ecosystems/landscapes.	
	At least 5 companies in large footprint industries are effectively managing their impacts on ecosystems.	
	At least 20 partner government institutions, businesses or conservation organizations have enhanced capacity in addressing business and biodiversity challenges.	
	Biodiversity conservation and ecosystem values integrated in corporate social and environmental responsibility policies and practices.	Caribbean
	New biodiversity business opportunities that generate sustainable economic, social and ecosystem benefits.	
	Environmental and social accountability of major private and public operations.	CEESP
	The valuation and sustainability of ecosystem functions mainstreamed.	
	Methods, tools and guidelines developed for industries working in an ecosystem context.	Ecosystem Management
	Forestry, tourism and protected area industries adopt sustainably and equitably produced ecosystem services.	ESARO
	Small-scale local biodiversity-based businesses generate increased benefits from sustainable management of biodiversity.	
	Companies adopt and adhere to environmental standards and management systems in forestry, tourism and protected area industries.	
	Partnerships are developed with the private sector and consumer groups through the European Business network for CSR.	Europe
	European consumer groups are informed and facilitated to influence CSR.	
	At least one set of best practice guidelines adopted by a major investor and promoted as a recognized industry standard.	Forests
	Companies, industry associations and consumer groups incorporate gender criteria into planning and action.	Gender
	At least one major shipping association manages invasive species as part of their practice and policy.	Invasive Species
	Conservation and sustainable use principles for the marine environment in selected industry policies and practices.	Marine
	Five major businesses clearly incorporate environmental concerns into their operations, plans and strategies.	Mediterranean Cooperation Centre
	Conservation financing pursued and supported through local green businesses.	
	National policies and strategies for private sector entities.	Oceania
	Improved environmental standards, systems and practices in tourism, fisheries, forestry and mining.	
	Business groups adopt environmental CSR concepts and indicators.	ORMA
	Rural small and medium enterprises in 3 areas increase use of green businesses and fair trade.	
	The private sector adopts principles and practices to minimize impacts on biodiversity of the use of natural resources.	BRACO
	Businesses incorporate the value of environmental goods and services in their calculation of production costs.	
	Enhanced contribution of trans-national private sector policies and practice to the conservation of ecosystems that support the livelihoods of the poor.	Poverty Initiative
Tools and methods available to assist decision makers in managing	Species / SSC	

	natural resources sustainably.	
	Decisions on use of natural resources increasingly based on recommendations provided by SSC.	
	At least 4 economic sectors implement good practices for the valuation of environmental goods and services.	SUR
	Regional model of “Waqf” endowment for sustainable environmental financing is established and adopted by IUCN.	WAME
	The private sector incorporates ecosystem friendly policies in their business development strategies in key countries.	
	New approaches of trading systems favouring small and local producers – in particular women entrepreneurs – are developed and adopted in at least 3 countries.	
	Investments in and incentives for sustainable use of watershed services and the equitable distribution of derived benefits.	Water

Private sector engagement is a relatively new approach to delivering conservation outcomes, and is still being tested and debated. IUCN has a critical role to play in bringing the lessons of private sector engagement to its membership and its partners to enable them to take informed decisions about working with the private sector.

## **Introduction**

In a world increasingly characterized by a global market economy, there are growing opportunities for IUCN to harness the power of business to help deliver its Programme.

Since the creation of IUCN, through more than two hundred resolutions and recommendations, members have been raising a variety of private sector related issues for the Union to address. Resolution 1.81 from the IUCN 1<sup>st</sup> World Conservation Congress (WCC) held in 1996 at Montreal, in particular urged IUCN members and the Director General, based on the need to influence private sector policies in support of the Mission of IUCN, to expand dialogue and productive relationships with the private sector and find new ways to interact with members of the business community. Pursuant to this call, efforts over the ensuing years lead to approval by the Council of an IUCN private sector strategy in early 2004. Later the same year, at the 3<sup>rd</sup> World Conservation Congress in Bangkok, Thailand (17-25 November 2004), members passed several other resolutions, notably Resolutions 0.3.60 and 03.61, providing further guidance for IUCN private sector work.

Most of the actions called for in these resolutions have been implemented. This paper completes the outstanding work on the last remaining action called for in paragraph 4 of Resolution 3.060 that invited the Director General to submit a detailed proposal for IUCN-private sector relations to the 4<sup>th</sup> World Conservation Congress. In consideration of the fact private sector work transcends the boundaries of its different programmes; IUCN has sought to address this call by embodying private sector related results in its (draft) overall programme plan for the 2009-2012 as well as in the draft plans of the different component programmes, notably of the Business and Biodiversity Programme. This paper synthesizes the different private sector related provisions into one consolidated proposal as called for in the Resolution.

## **Rationale and approach**

IUCN recognizes that conservation can only succeed if attention is given to the underlying causes of biodiversity loss, and actions are taken to influence the direct drivers of this loss. Pressure on ecosystems will increase over the foreseeable future. The threats to the health and future of Planet Earth demand new policy approaches and urgent action, strategically targeting the key drivers of biodiversity loss. The global economy is a particularly potent driver of biodiversity loss.

Although some leading companies are now exploring the competitive dimensions of markets and ecosystems, acknowledgement of the dependency of the private sector on ecosystems and of the business case for biodiversity conservation remains limited in the business world in general.

The ever-growing threat to environmental support systems and the continuing lack of progress toward sustainability are ringing alarm bells. As a result, environmental issues have surged to the forefront of public consciousness, and are rewriting the rules for business, investors and consumers. Some of the rising pillars of a sustainable future include: environmental economics, environmental markets, new ways of measuring environmental impact, renewable energy technologies, eco-technologies, payments for ecosystem services, biodiversity offset schemes, innovative approaches to applied ecology in industry, and new action networks for sustainability. IUCN believes that private enterprise has a strong interest and an important role to play in securing our natural heritage and using it sustainably for human benefit.

IUCN private sector relations now build on a strong foundation laid over the past several years. After decades of issue-specific involvement, IUCN, in 1996, embarked upon a more comprehensive approach, creating an Economics Unit, which has evolved into today's Business and Biodiversity Programme (BBP). Since its re-organization in late 2003, the BBP has significantly grown in both funding and size, and has established its viability as a key global programme.

Highlights of the past quadrennium include:

- Adoption and implementation of the **strategy for enhancing IUCN's interaction with the private sector: *Part of the Solution – Business, Biodiversity and Sustainable Development*** (2004), as reflected in the various private sector relationships, big and small, developed and tested in different parts of the world.
- Publication and promotion of ***Operational Guidelines for Private Sector Engagement*** (2006)
- An external review of IUCN's work with the private sector: ***IUCN and the private sector: experience and lessons learned*** (2006)
- Steadily **expanding skill levels and capacity** for private sector engagement in IUCN's various global thematic and regional programmes
- **Mainstreaming of *Business and Biodiversity*** in the draft overall IUCN programme plan as well as in the draft plans of the component programmes, in addition to the development of a dedicated plan for private sector engagement for 2009-2012 under the auspices of Business and Biodiversity Programme.

IUCN's Private Sector Strategy groups businesses in four broad categories mainly on the basis of relationship of the sectors to the natural environment: large foot print industries, biodiversity dependent industries, green enterprise, and the finance sector. These categories do not necessarily define the limits of IUCN work or exclude some sectors from its purview. The categorization is more to enable a structured approach to addressing the challenges of biodiversity conservation in different sectors of the economy.

**Large footprint industries**, such as oil, gas mining, dams, ports and others, traditionally require large amounts of land. Areas of operation often intersect with habitats harbouring high levels of biodiversity. Operations disrupt the functioning of local ecosystems and communities. Ill planned and inadequately managed operations result in costly conflicts among stakeholders. The number and intensity of such conflicts is likely to grow, as ever more remote and pristine areas are targeted for resource extraction and development. The pre-eminent driver linking the operations of large footprint industries with ecosystems continues to be operational and regulatory license to operate, in addition to the need to create, maintain or regain trust with key stakeholders. An increasing number of companies have subscribed to some level of minimum standards for the identification and management of biodiversity no-go zones, and are seeking to capitalize on their leadership in protecting biodiversity both for their own business and for raising industry standards. These innovative companies, through participation in voluntary markets, are creating new forms of financial value from ecosystem protection.

**Biodiversity dependent industries** such as agribusiness, fisheries, and forest operations that rely on nature for sourcing raw material are similarly driven by government regulations pertaining to land and other resource use. These industries are increasingly motivated by consumer demand for "green" products (e.g. organics, fair-trade, recycled products). Large retailers in Europe and North America are aiming to satisfy their already saturated markets for consumer goods by exceeding market expectations, and the "environment" is becoming an increasingly hot selling point.

In **green enterprises**, frustration with ineffective governmental and multilateral approaches to biodiversity and business has led to a search for new ways to align private and public interests in ecosystem conservation. New ventures such as eco-tourism, market-based conservation mechanisms, and bio-prospecting are emerging as new business models attracting interest and investment from socially responsible investors, both individual and corporate. Green entrepreneurs are principally driven by rapidly growing consumer demand in developed countries for healthy and environmentally-friendly goods and services.

In the **finance sector**, biodiversity issues have worked their way up the ladder of importance in recent years. A 2004 report by F&C Asset Management Plc. argues “that there is increasing evidence that environmental and related issues affect long-term shareholder value, and that in some cases those effects may be acute.”<sup>1</sup> About 51 banks, including some of the largest industry players, are now signatories to the Equator Principles, a set of principles that seek to decrease social and environmental risks in project lending. A number of these financial institutions have also developed additional detailed investment screens to govern other types of lending, and several have biodiversity-specific criteria. The growth of the Socially Responsible Investment (SRI) movement is also notable. While SRI funds still account for a minority of investments, their growth over the past five years has been substantial. A significant achievement is the increase in SRI activism, with socially responsible shareholders influencing major corporations.

For the purpose of IUCN engagement with business, the “private sector” is broadly defined to include commercial enterprise of any size, in any country, whether privately held, publicly quoted, wholly or majority owned by the state or by local communities. The private sector covers both legally registered (formal) and unregistered (informal) enterprises – in short, any entity that has as its primary activity some form of commercial enterprise. The terms business and private sector are used interchangeably.

Likewise, “engagement” includes any substantive and significant interaction between IUCN and the private sector which is covered by a formal agreement or MoU, and which seeks to influence the behaviour of business in ways that contribute to the IUCN Mission. Such interaction may take different forms, including carrying out joint projects, receiving private sector financial support, mutual capacity building, and IUCN providing advice, carrying out scientific assessments, and convening independent scientific reviews.

IUCN works with both individual enterprises and business associations. Cooperation with individual firms can be especially valuable for the development and testing of innovative approaches to conservation and sustainable development. Engagement with trade associations, on the other hand, is helpful when establishing industry-wide standards and benchmarks, or communicating general conservation messages to a wide business audience.

In carrying out its private sector work, IUCN will be guided by the principles set out in its private sector strategy and later reinforced in its operational guidelines for private sector engagement. These principles are listed in Annex 1. IUCN will also pay attention to assessing and managing business or reputation risks associated with private sector relationships as provided for in the operational guidelines. The relevant excerpts from the guidelines are provided in Annex 2.

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<sup>1</sup> ISIS Asset Management. 2004. *Is biodiversity a material risk for companies?* (p4)

## **Lessons and trends**

Alongside enhanced institutional capacity, understanding and implementation experience described above, IUCN private sector work in the future will also benefit from past learning and evolving trends both within and outside IUCN.

In 2006 the Business and Biodiversity Programme commissioned an independent review of IUCN's work with the private sector, highlighting experience and lessons learned. Key findings from this review included the need to:

- Broaden the focus of IUCN's private sector relations beyond the extractive industries
- Make a greater effort to work with small and medium-sized enterprises
- More tightly link private sector projects with IUCN's Programme
- Improve monitoring and evaluation
- Reinforce collaboration across the Union in working with the private sector, encouraging the Secretariat, Commissions and Members to better learn from each others' experience
- Enhance the skill sets of IUCN staff to work more constructively with industry
- Undertake a more proactive strategy, focusing on enhancing the execution of IUCN's Programme
- Emphasize IUCN's convening and facilitation roles, linking the private sector with civil society and governments in action for sustainable development
- Invest adequate time and resources to tackle work with the private sector convincingly.

In the broader context, slow and modest as these might be, society is experiencing changes in corporate behaviour prompted by the growing expectations of consumers, investors, governments and NGOs that businesses should improve their social and environmental performance. Increasing public awareness about private sector operations and accountability is causing leading companies to engage with NGOs to build trust with civil society.

Private sector engagement is a relatively new approach to delivering conservation outcomes, and is still being tested and debated. IUCN has a critical role to play in bringing the lessons of private sector engagement to its membership and its partners to enable them to take informed decisions about working with the private sector.

Although IUCN can be at the forefront in providing objective science and intelligence for informed trade-offs, partnering with others will continue to be ever more necessary. In addition, the nature and composition of these partnerships will also need to change, moving from bilateral collaborations to more multi-stakeholder partnerships.

As pressures on the environment and natural resources continue to intensify, armed conflicts over resources such as fresh water are increasingly common, especially in some of the more threatened and unstable regions in Africa, the Middle East and South Asia. Equitable ecosystem markets are an instrument that can bring transparency and greater certainty and efficiency to the private sector, as well as to governments and civil society.

The nature of the relationship between business and ecosystems will evolve over the next decade, depending on a number of factors such as: economic growth and the emergence of major players such as China and India; ever increasing connectivity across the planet; security; demographics; and health.

## IUCN private sector relations, 2009-2012

Based on the afore mentioned background and rationale, and its private sector strategy, the overall IUCN programme plan for 2009-2012 (draft) provides the framework for the private sector work in the future. The programme plan is premised on the need and urgency to promote biodiversity conservation with the private sector as well as with governments and civil society. It identifies 'Conserving Biodiversity as the core programme area of IUCN work that is underpinned by four thematic programme areas: Changing the Climate Forecast; Naturally Energising the Future, Managing Ecosystems for Human Well-being; and Greening the World Economy. While the last thematic area directly speaks to the issues of markets and private sector, the others too will require significantly increased engagement with the private sector if the programme objectives are to be realized. This consideration inspires the definition of ensuing vision, objectives and results for the IUCN private sector work and relations.

### **Vision**

In 2004, IUCN adopted an overall strategy to enhance its interaction with the private sector (*Part of the Solution – Business, Biodiversity and Sustainable Development*) that defines IUCN vision for its private sector work:

***A sustainable global economy in which businesses are committed and effective partners in achieving a just world that values and conserves nature.***

### **Overall goals**

The promise of a vibrant economy that meets human needs depends in large part on society's ability to sustain the biodiversity that underpins all economies. There is a need for stronger action on the part of governments, business and consumers to make environmental protection and poverty reduction integral to the pursuit of individual, corporate or national prosperity.

Three overall goals guide IUCN's relations with the private sector:

1. A conservation community that is well informed about market mechanisms and understands their potential and limitations to achieve biodiversity conservation.
2. A more accountable private sector which contributes to sustainable development including conservation and social equity.
3. Effective dialogue and collaboration between IUCN and the private sector which helps to achieve conservation through, and alongside, sustainable development.

### **Approach**

IUCN strives to ensure effective links between knowledge, practice and policy. In influencing the private sector, the theory of change is that empowering people to use relevant knowledge can influence decisions that will result in change. Learning from experience and demonstrating success is the key to generating and adopting best practices, thus influencing the behaviour of a wide range of private sector actors.

IUCN is a knowledge-based organization that emphasizes empowerment and governance in the full spectrum of its value proposition. IUCN's work with the private sector is designed to purposely deliver the complete value chain of IUCN influence – through partnerships, networks and a global constituency – in order to achieve greater strategic impact at multiple scales.

The key elements of IUCN approach for its private sector work include:

- (a) Producing cutting-edge knowledge and know-how through applied research, and bringing objective science to bear on policies
- (b) Solving real-life problems by experimenting with pilot projects and demonstrations to apply new knowledge to specific situations and needs
- (c) Fostering new approaches to empower constituencies to develop and put in practice solutions for sustainability
- (d) Establishing common standards for approaches, services and products to enable quality control, adaptation and scaling up
- (e) Developing tools for the conservation and sustainable use of ecosystems
- (f) Promoting more enlightened decision-making by enabling the use of these standards and tools in different geographies and across different scales.

IUCN will seek to deliver its results of influencing the private sector through a multi-faceted strategy, drawing on the strengths of the entire Union. The Business and Biodiversity Programme will provide the overall substantive coordination, as well the space and support for initiating and nurturing new relationships. Work with the private sector will be carried out broadly in the IUCN Global Thematic Programmes, Regional and Country Offices and Commissions, often jointly, and preferably involving the relevant and interested parts of the Union's Membership. The IUCN Secretariat in general, and the Business and Biodiversity Programme in particular, have a vital role to play in making this happen. The Business and Biodiversity Programme will liaise closely with the Strategic Partnerships Unit, but will maintain its focus on substantive engagement of business for the delivery of IUCN Mission, distinct from corporate fund-raising, which will remain the responsibility of Strategic Partnerships Unit.

IUCN will seek to further expand the interface and trust between the business and conservation communities, as a fundamental approach for delivering IUCN's mission. A partnership approach, premised on reaching out to others and building their capacity for effectively linking business and biodiversity will remain key to the success of the Programme.

Effective delivery will demand a focus on achieving results, but will also require adaptive management, flexibility and innovation. Innovation is particularly important in work with the private sector, and space for innovation will be included in annual work plans.

Learning and effective knowledge management is another cornerstone of IUCN's approach for influencing the private sector. IUCN is at the centre of an emerging body of knowledge on effectively engaging the private sector for delivering conservation outcomes. Knowledge, information and data about private sector engagement will be strategically managed, shared and communicated.

In terms of financing, past private sector engagement has shown that programme income can be substantially increased through targeted collaboration with the private sector. The IUCN Business and Biodiversity Programme has become a model of financial sustainability, diversity, and viability. In pursuing programmatic links with the private sector, the agreed joint activities and projects have often been fully resourced from the private sector entity. This funding model will be extended to private sector work in other component programmes. IUCN seeks to protect its credibility by maintaining efficient, robust and transparent financial management, especially when working with the private sector, and by undertaking due diligence.

Finally, IUCN contemplates to further strengthen its operational systems and standards – essential to maintain its reputation as an organization that is ethical, fair and transparent in meeting international standards for corporate social responsibility and accountability. Linkages with the private sector will continue to enrich IUCN's experience in corporate social responsibility practices.

It is within this policy and programme framework, that different IUCN's component programmes have identified specific activities with regard to its work with the private sector for them to pursue during 2009-2012. These are detailed later in this document.

**Box: IUCN Business and Biodiversity Programme**

The Business and Biodiversity Programme of IUCN has the specific responsibility for coordinating and facilitating IUCN engagement with the private sector. In keeping with this role, the programme will 'seek to catalyse the private sector and IUCN networks to reduce the business footprint on nature, and to enhance the private sector's contribution to nature conservation, thus creating the conditions for achieving the organization's vision for private sector engagement'. To this end, the programme has set the following objectives for its work in 2009-2012:

- (a) Improve public and corporate policies and standards as the essentials of environmentally responsible business
- (b) Enhance stakeholders' capacities for effective implementation of business and biodiversity related policies and standards
- (c) Increase mutual trust and engagement among stakeholders, notably the business and conservation communities, enabling collective efforts for addressing the shared and mounting challenges of biodiversity loss and ecosystem degradation.

The specific sub-results envisaged in support of these objectives are listed under 'Programme results' below along with the sub-results of other component programmes.

**Programme results**

In keeping with IUCN global standards, work with the private sector will be results-based, with clear indicators and measures of success, which are critical for effective programme monitoring, evaluation and reporting. Work with the private sector is a cross-cutting slice of the overall Global Programme, and as such, it ensures policy consistency in all results, including rights-based approaches, gender equity and cultural sensitivity.

The IUCN Programme 2009-2012 is articulated around ten global results. For each of these major global results, the various component programmes have defined a number of component results aimed at achieving the global target. One global result (5.2) focuses particularly on business and industry; but all others too have business aspects. Therefore, and with a view to steadily mainstream private sector engagement as a useful measure of delivering IUCN Mission, IUCN's engagement with the private sector (2009-2012) is envisaged to be broader and deeper. This, in the true spirit of the Montreal WCC Resolution, will span private sector related activities across the full spectrum of the ten global results, implemented by the different component programmes.

The tables below detail the private sector-related results for each of IUCN's ten global results, envisaged for implementation by the different component programmes.

**Global result 1.1**

Public policy for engaging business in nature conservation is receiving increasing attention. IUCN can add to this process by drawing on its existing relationships in the public and private sectors, and by developing new ones. For the conservation movement to succeed, it is essential to create a supportive

policy environment in which businesses can not only fulfill their obligations for nature conservation, but can also find the motivation and encouragement for positive contributions to the environment. To this end, IUCN can usefully collaborate with others to develop relevant policy advice, and to create, adapt and disseminate tools required for policy implementation. The convening ability of IUCN, its extensive network, and its wealth of conservation knowledge will be useful means to deliver on this promise.

<b>1.1 Biodiversity-related policies and governance systems enable action towards the achievement of biodiversity conservation: Private sector-related results</b>	<b>Component Programme</b>	<b>Result Code</b>
Relevant policies in 4 countries are reformed to enable companies to deliver their conservation commitments.	Business and Biodiversity	BB-1.1.1
Business-related international policies and laws for biodiversity conservation are supported and internalized in 6 countries or country clusters.	Business and Biodiversity	BB-1.1.2
Biodiversity offsets policies in at least 4 countries are developed to create an enabling framework and incentives for private sector investment in conservation.	Business and Biodiversity	BB-1.1.3
Voluntary Partnership Agreements or similar forest-sector reform processes that explicitly address illegal activities in a fair and equitable manner, and incorporate provision for both local and global biodiversity concerns, concluded in at least 4 countries where IUCN is active.	Forests	FO-1.1.1
La capacidad de incidencia ambiental de los grupos interesados se fortalece para influir en la aplicación de un nuevo acuerdo regional sobre el medio ambiente que incorpore nuevos temas prioritarios (pobreza, cambio climático, mercados verdes y acuerdos multilaterales).	ORMA	OR-1.1.1
L'influence des élus, du secteur privé et de la société civile (en particulier des femmes et des populations vulnérables) est accrue pour améliorer la gestion de la biodiversité dans cinq pays d'Afrique Centrale et Occidentale et dans la gestion de 5 complexes d'aires protégées et 3 bassins fluviaux transfrontaliers.	BRACO	PA-1.1.1
Las políticas de las agencias financieras (por ejemplo BID, CAF y Bancos regionales) y políticas de integración regional incorporan criterios de gestión ambiental eficaz, con particular atención a la equidad social.	SUR	SU-1.1.1

## Global result 1.2

Companies and industry associations are increasingly driven – by consumer pressure, local community expectations, government requirements, lending practices, and supply chain requirements – to address biodiversity in the context of their operations. IUCN's standards and tools have been developed over the sixty year history of the organization, and represent and embody some of the best conservation knowledge and practice available.

<b>1.2 IUCN standards, tools and knowledge for sustainable natural resource management are available, and actions are taken for biodiversity conservation, including effective management of global and regional common natural resources: Private sector-related results</b>	<b>Component Programme</b>	<b>Result Code</b>
IUCN standards (Red List, Protected Area Categories, others) are being used by at least 3 industry sectors to improve biodiversity management practices.	Business and Biodiversity	BB-1.2.1
The means of production of at least 2 forest-based commodities (goods or services), covering at least 3 countries, governed by best practice guidelines that are consistent with internationally recognized principles or verification standards.	Forests	FO-1.2.2
Awareness, policy and practice of marine managers, policy-makers, industry and donors to marine alien invasive species are enhanced.	Marine	MA-1.2.4

## Global result 2.1

Companies are preparing for a carbon constrained future in which they will be obliged to offset those greenhouse gas emissions which they cannot otherwise avoid. Simultaneously companies are being asked to take action on biodiversity issues. Many are thus interested in combining carbon and biodiversity strategies through "conservation carbon offsets". As a result, a number of entrepreneurial approaches have recently emerged on the market, but these approaches generally do not come with assurances of either carbon sequestered, or biodiversity conserved. IUCN can play a role in setting standards for credible conservation carbon offsets, and in guiding companies and industry associations to credible providers of conservation carbon offsets.

<b>2.1 Climate change mitigation and adaptation policies and practice include biodiversity concerns from local to global level: Private sector results</b>	<b>Component Programme</b>	<b>Result Code</b>
Five companies are using best practices that include guidelines for biodiversity conservation for offsetting carbon emissions.	Business and Biodiversity	BB-2.1.1
Potential for carbon offset and sequestration for providing sustainable financing for activities such as SFM, sustainable agriculture and eco-tourism demonstrated in one Caribbean state.	Caribbean	CA-2.1.3
Carbon offset schemes are guided by policies that incorporate invasive species concerns.	Invasive Species	IS-2.1.1

## Global result 2.2

A variety of business associations and partnerships have demonstrated leadership in mobilizing the corporate sector to take action on climate change. However, until recently, most of the current strategies have largely remained focused on climate change mitigation, and do not take notice of the role of sustainable ecosystem management in climate change adaptation strategies. IUCN is interested in promoting sustainable ecosystem management as an adaptation strategy, but governments may not be quick on the uptake of this issue, particularly with their energies focused on a post 2012 international agreement. Exploring the issue with high-profile companies and business associations would help IUCN raise the profile of this issue with governments, and create the conditions for more expedient translation from policy to action.

In particular, financial institutions leverage a significant amount of influence over the corporate sector and are increasingly concerned about both climate change and biodiversity risks to their lending portfolios, their investment portfolios, and their insurance policy holders. They are already developing tools for managing these risks. This presents IUCN with an opportunity for promoting ecosystem management approaches to reducing climate change risks. At the same time, working with financial institutions such as banks and insurance companies would help IUCN better understand risk, and develop useful risk management approaches that reduce environmental impacts from corporate operations.

<b>2.2 Natural resource management policies and strategies to adapt to the impacts of climate change are adopted and implemented: Private sector-related results</b>	<b>Component Programme</b>	<b>Result Code</b>
One or more industry groups understand, adopt and follow climate change adaptation policy/strategy which takes into account the role of sustainable ecosystem management.	Business and Biodiversity	BB-2.2.1
At least 3 financial institutions (banks or insurance companies) include biodiversity/ecosystem management in their climate change risk management strategies.	Business and Biodiversity	BB-2.2.2

### Global result 3.1

The world is at a point of transition in terms of energy futures. In developed countries, aging energy infrastructure is due for change. In developing countries burgeoning demand is driving investments in energy capital. The companies providing energy solutions for today and the future are being asked to manage their impacts on biodiversity. This has long been the case for the oil and gas sector, which has developed sophisticated tools for managing biodiversity issues. These tools now need to be driven down throughout operations – bridging the gap between rhetoric and reality – and expanded out to companies emerging from new global players such as China, Russia and India. But as the world moves away from fossil fuels to alternative energy options, the conservation community must be prepared to act to ensure that biodiversity and ecosystems are not undermined by alternatives coming on the market. Here the need is to raise understanding and awareness of biodiversity risks, and work with companies to develop management strategies and tools.

<b>3.1 Energy policies and strategies mitigate the impact of the growing energy demand on biodiversity: Private sector-related results</b>	<b>Component Programme</b>	<b>Result Code</b>
Knowledge on ecologically sustainable, efficient, cleaner and affordable energy options available and used in at least 3 pilot sites.	Asia	AS-3.1.2
Three corporate and industry partners of IUCN address their energy demands to reduce their overall impacts on the environment.	Business and Biodiversity	BB-3.1.1
Wind power promoted in appropriate locations, notably outside important bird areas and migratory corridors of the Caribbean.	Caribbean	CA-3.1.2
Energy policies and norms incorporate biodiversity conservation, and mitigate or prevent loss of biodiversity and livelihood security; binding measures for energy and fossil fuel companies incorporate socio-ecological concerns and standards.	CEESP	CS-3.1.1
Multinational companies and/or energy agencies adopt best practices to mitigate the impact of their activities on biodiversity.	ESARO	ES-3.1.1
Exploration and development of oil/gas and mining (for energy) sectors incorporate best practice in prevention of invasive species as a matter of policy and practice.	Invasive Species	IS-3.1.1
At least 3 private partners develop and implement initiatives that mitigate the impacts of their activities on biodiversity and security.	Mediterranean Cooperation Centre	ME-3.1.1
Las políticas de desarrollo de agro-combustibles, minería y los nuevos proyectos hidro-eléctricos contemplan los criterios ambientales internacionales desarrollados por la IUCN.	ORMA	OR-3.1.1

### Global result 3.2

Ecosystems and the services they provide underpin many energy options, for example water flows from well managed watersheds for hydropower, or soil fertility from sustainably managed ecosystems for bioenergy feed-stocks. Yet companies developing and providing energy services may not recognize or value the ecosystem services upon which they depend. IUCN aims to raise awareness of the value of ecosystem services to energy providers, and to develop means for those values to be captured and sustained in order to ensure the ongoing provisioning of ecosystem services.

<b>3.2 Ecosystem services that underpin sustainable and equitable energy are incorporated in energy policies and strategies: Private sector-related results</b>	<b>Component Programme</b>	<b>Result Code</b>
At least 4 companies which rely on ecosystem services for energy	Business and	BB-3.2.1

provisioning are investing in the maintenance of those ecosystem services.	Biodiversity	
At least 2 renewable energy investment schemes incorporate biodiversity and ecosystem services (in close cooperation with the IUCN Energy initiative).	Caribbean	CA-3.2.3
Private sector and State companies active in the alternative energy sector are engaged in the development of best environmental practice and innovative impact mitigation strategies.	Europe	EU-3.2.1
At least 4 companies which rely on ecosystem services for energy provisioning are investing in the maintenance of those ecosystem services.	Europe	EU-3.2.2
At least 2 renewable energy investment schemes incorporate a Forest Landscape Restoration framework particularly with respect to watershed management.	Forests	FO-3.2.1
Impact management tools and methods (avoidance / mitigation / offsets) are incorporated into national energy policy and/or energy development initiatives in at least 2 countries in the Mediterranean.	Mediterranean Cooperation Centre	ME-3.2.1
Las políticas y estrategias energéticas contemplan los servicios ecosistémicos en 3 países y empresas del sector privado.	ORMA	OR-3.2.1
Les politiques de développement des espèces à fort potentiel bioénergétique respectent les normes environnementales dans les pays de l'Afrique Centrale et Occidentale.	BRACO	PA-3.2.1
Les entreprises adoptent des bonnes pratiques et des lignes directrices/outils en matière d'utilisation efficiente d'énergie dans au moins 5 pays.	BRACO	PA-3.2.2
Methods for re-operating dams are used in existing hydropower facilities to improve environmental performance and environmental flows.	Water	WT-3.2.1

#### Global result 4.1

The lack of professional marketing – from product development to distribution through mainstream channels – is one of the major reasons for failure of many businesses developed and run by conservation organizations or community based organizations. This failure has impacts on the long-term sustainability of many of these projects. Means and mechanisms are needed to bring community based organizations engaged in developing products and services with conservation benefits, together with global, regional and local markets.

Companies invest substantial amounts of money in social programmes, such as housing, schools, medical facilities and business development facilities. These social investments often have significant implications for ecosystems and biodiversity. In addition, the well-being of ecosystems and biodiversity may have bearing on the overall success (or failure) of social investment programmes. IUCN has a role to play in bringing its knowledge and experience of enhancing livelihoods through sustainable ecosystem management to the corporate social investment community.

In developing strategies to sustainably manage ecosystems for improved livelihoods, IUCN emphasizes the importance of equitable solutions, and supporting vulnerable and poor stakeholders, especially women. To this end, IUCN will explore rights-based approaches in a variety of development contexts.

<b>4.1 Development policies and strategies support vulnerable and poor stakeholders, especially women, to sustainably manage ecosystems for improved livelihoods: Private sector-related results</b>	<b>Component Programme</b>	<b>Result Code</b>
Global markets for 5 locally produced products that support sustainable livelihoods are created.	Business and Biodiversity	BB-4.1.1
At least 4 companies incorporate sustainable ecosystem management in their social investment policies and practices.	Business and Biodiversity	BB-4.1.2

Legal basis for applying rights-based approaches in conservation by a range of actors developed and applied in selected landscapes under LLS and WANI and/or with BBP's partners (e.g. Shell, Holcim, Rio Tinto, etc).	ELC / CEL	EL-4.1.1
Ecosystem goods and services contribute directly, sustainably and equitably to improved livelihoods and wealth creation.	ESARO	ES-4.1.2
Aquaculture and fishing activities in 4 pilot sites developed to emphasize sustainability and gender equity of benefits.	Mediterranean Cooperation Centre	ME-4.1.1
Actores claves (gobiernos, sector privado, acuerdos internacionales) reconocen las contribuciones de los conocimientos y de las prácticas tradicionales en el desarrollo sostenible en la región.	SUR	SU-4.1.4

## Global result 4.2

Natural hazards are increasing both in frequency and intensity, and so are the resulting losses to human life and property. In part, the damages are aggravated by the degradation of ecosystems that offered natural defence and insurance. Insurance companies have had to pay large amounts in insurance claims from natural disasters. This offers an opportunity to mobilize market based instruments for the conservation and rehabilitation of degraded ecosystems, especially in coastal areas

<b>4.2 Sustainable environmental management reduces vulnerability to natural hazards and conflicts: Private sector-related results</b>	<b>Component Programme</b>	<b>Result Code</b>
One insurance company is requesting policy holders to apply environmental management practices to reduce risks to natural hazards.	Business and Biodiversity	BB-4.2.1

## Global result 5.1

Virtually all environmental problems have an economic component, and many are driven by market imperfections. IUCN seeks to better inform market decisions, helping to ensure that the full impacts of economic decisions on ecosystems are well understood and quantified wherever possible. If decision makers are better informed about the full implications of their decisions, and the public is well informed about these implications, then economic policies are more likely to support sustainable development and the biodiversity upon which human well-being depends.

The starting point is to build capacity within government agencies and private business to assess and reduce adverse environmental impacts. Further steps typically involve efforts to internalize environmental values in economic policy and markets through the use of economic incentives.

One opportunity is with the financial sector, which faces a number of risks from poorly managing biodiversity issues. IUCN and its partners have worked at length over the last five years with the extractive sectors to develop tools for managing biodiversity risks and opportunities. This experience places IUCN in the position to help the financial industry with a similar exercise.

Growth in global economic output, driven in large part by the globalization of trade and investment, is putting increasing pressure on natural resources everywhere. IUCN will help by providing information and analytical tools for assessing the impacts of trade and investment flows on natural resource use. IUCN will work to support full integration of biodiversity values into economic, trade and investment policies.

<b>5.1 Economic, trade and investment policies better integrate biodiversity values: Private sector-related results</b>	<b>Component Programme</b>	<b>Result Code</b>
Finance sector companies address biodiversity conservation risks and opportunities in their portfolios.	Business and Biodiversity	BB-5.1.1
Strategic approaches to reducing the adverse impacts of trade and investment on biodiversity and livelihoods developed and promoted within the insular Caribbean.	Caribbean	CA-5.1.1
Environmental valuation in macroeconomic systems supports environmental conservation and social equity across trade laws and systems, financial markets and investment systems.	CEESP	CS-5.1.2
Investment promotion centres, ministries of finance and/or planning incorporate biodiversity and ecosystem values in planning and measuring development and economic performance in water infrastructure, tourism, and forest sectors.	ESARO	ES-5.1.1
Government agencies, multilateral and bilateral donors, and foreign investors make investments in ecosystem conservation as part of their trade or investment projects and programmes for water infrastructure, tourism, and forest sectors.	ESARO	ES-5.1.3
Specific organic certification and NTFP schemes better support sustainable use of biodiversity in specific instances throughout Pan-Europe (e.g. Serbia, Russia, etc.).	Europe	EU-5.1.1
The integration of biodiversity and ecosystem services' valuation into economic policy and market mechanisms is advanced (e.g. insurance sector, PES schemes, etc).	Europe	EU-5.1.3
Community-company arrangements that provide improved access to international and national markets for sustainably produced forest goods and services are established and operational for the benefit of the rural poor (including marginalized households) in at least three countries where IUCN has activities.	Forests	FO-5.1.1
Aquaculture policy and practice better incorporates cost-benefit (monetary, non-monetary) analysis with risk assessments of invasive species.	Invasive Species	IS-5.1.2
Public and private investments in water management and ecosystem services promoted across the region through robust economic and financial analysis and appropriate incentives.	WAME	WA-5.1.1

## Global result 5.2

Modern economies consume vast quantities of energy and raw materials, and produce high volumes of wastes and polluting emissions. Emerging economies, especially China and India, will have a significant and increasing influence on biodiversity globally in the coming decades.

To a large extent the continuing loss of biodiversity is attributable to society's failure to accurately value ecosystem services, and internalize these values in market prices. The debate on how to value ecosystem services continues, but many tools are already available. The need now is to promote wider understanding of payment for ecosystem services, to give it greater currency, and to scale up efforts by creating and replicating more real life examples.

Continued globalization of capital markets and supply chains, combined with mounting regulatory pressure from governments and increasingly effective NGO campaigns, is likely to foster wider environmental awareness by companies throughout the world, and corporate social and environmental responsibility strategies are one of the results of this growing awareness. The challenge for IUCN is to hasten this trend by mobilizing public and political opinion, strengthening government regulatory capacity and policy frameworks, and assisting companies and industry associations that demonstrate

a real commitment to change in mainstreaming the environment in their activities. IUCN will work to support full integration of biodiversity concerns and opportunities into business planning at all scales.

<b>5.2 Companies, industry associations, and consumer groups incorporate ecosystem values into planning and action: Private sector-related results</b>	<b>Component Programme</b>	<b>Result Code</b>
At least 5 private sector companies in Asia integrate Corporate Social and Environmental Responsibility principles, including Green Equity Criteria in their business practices.	Asia	AS-5.2.1
At least 4 multinational agri-food companies implement procurement policies for 5 food products that prioritize and reward micro, small and medium enterprises (with a special focus on those with a community link) for sustainable ecosystems management.	Business and Biodiversity	BB-5.2.1
Five or more hotel chains include biodiversity conservation standards in their siting decisions and operations.	Business and Biodiversity	BB-5.2.2
Five tourism operators include in their tourism offers community-run tourism services that have conservation benefits.	Business and Biodiversity	BB-5.2.3
Markets for payments for ecosystem services are pilot tested in 4 ecosystems/landscapes.	Business and Biodiversity	BB-5.2.4
At least 5 companies in large footprint industries are effectively managing the impacts from their operations on ecosystems.	Business and Biodiversity	BB-5.2.5
At least 20 partner government institutions, businesses or conservation organizations have enhanced capacity in addressing business and biodiversity challenges.	Business and Biodiversity	BB-5.2.6
Biodiversity conservation and ecosystem values integrated in corporate social and environmental responsibility policies and practices in selected companies, industry associations and consumer groups in the insular Caribbean.	Caribbean	CA-5.2.1.
New biodiversity business opportunities that generate sustainable economic, social and ecosystem benefits identified and promoted in selected countries of the Caribbean.	Caribbean	CA-5.2.2
Environmental and social accountability of major private and public operations is promoted and monitored by civil society.	CEESP	CS-5.2.1
The valuation and sustainability of ecosystem functions is mainstreamed in planning and actions of public and private companies, NGOs, CSOs, IPOS, social movements.	CEESP	CS-5.2.2
Methods, tools and guidelines developed for industries working in an ecosystem context.	Ecosystem Management	EM-5.2.1
Forestry, tourism and protected area industries adopt sustainably and equitably produced ecosystem services.	ESARO	ES-5.2.1
Small-scale local biodiversity-based businesses associated with forestry, tourism and protected areas generate increased benefits from sustainable management of biodiversity.	ESARO	ES-5.2.2
Local, national and/or international companies adopt and adhere to environmental standards and management systems in their operations in the region in forestry, tourism and protected area industries.	ESARO	ES-5.2.3
Partnerships are developed with the private sector and consumer groups through the European Business network for CSR to promote the conservation of biodiversity as an integral part of corporate social responsibility.	Europe	EU-5.2.1
European consumer groups are informed and facilitated to influence CSR on the relationship between specific products and biodiversity conservation.	Europe	EU-5.2.2
At least one set of best practice guidelines for the investment in, and management of, a forest-related commodity adopted by a major multinational corporation or other investor and promoted as a recognized industry standard or investment criteria.	Forests	FO-5.2.1

Companies, industry associations and consumer groups incorporate gender criteria into planning and action.	Gender	GE-5.2.1
At least one major shipping association (airline industry, marine freight, road transport, etc.) manages invasive species as part of their practice and policy.	Invasive Species	IS-5.2.1
Conservation and sustainable use principles for the marine environment developed and incorporated into selected industry policies and practices.	Marine	MA-5.2.1
Five major businesses clearly incorporate environmental concerns into their operations, plans and strategies.	Mediterranean Cooperation Centre	ME-5.2.1
Conservation financing is pursued and supported through the development of local green businesses.	Mediterranean Cooperation Centre	ME-5.2.2
National policies and strategies encourage private sector entities to adopt and adhere to environmental standards and management systems in key sectors.	Oceania	OC-5.2.1
IUCN engagement with private sector leads to improved environmental standards, systems and practices in key sectors, including tourism, fisheries, forestry and mining.	Oceania	OC-5.2.2
Cámaras y grupos empresariales interesados aplican conceptos, herramientas e indicadores de Responsabilidad Social Empresarial mediante la adopción de medidas voluntarias ejemplares en materia de gestión ambiental.	ORMA	OR-5.2.1
Pequeñas y Medianas Empresas (PyMEs) rurales de Mesoamérica, en 3 áreas de concentración geográficas, incrementan su uso de mercados verdes y de comercio justo.	ORMA	OR-5.2.2
Le secteur privé adopte des principes et des pratiques d'atténuation des impacts de l'exploitation des ressources naturelles sur la biodiversité (pétrole, bois, minerais,...).	BRACO	PA-5.2.1
Les entreprises nationales, régionales intègrent la valeur des biens et services environnementaux dans le calcul des coûts de la production des biens et services industriels.	BRACO	PA-5.2.1
Enhanced contribution of trans-national private sector policies and practice to the conservation of ecosystems that support the livelihoods of the poor.	Poverty Initiative	SO-5.2.1
Tools and methods available to assist decision makers in managing natural resources sustainably.	Species / SSC	SP-5.2.1
Decisions on use of natural resources increasingly based on sound scientific information, policy advice, analysis and recommendations provided by SSC.	Species / SSC	SP-5.2.2
Al menos cuatro sectores económicos implementan buenas prácticas para la valoración de bienes y servicios de los ecosistemas.	SUR	SU-5.2.1
Regional model Waqf for sustainable environmental financing is established and adopted by IUCN.	WAME	WA-5.2.1
The private sector within the region incorporates ecosystem friendly policies in their business development strategies in key countries of the region.	WAME	WA-5.2.2
New approaches of trading systems favouring small and local producers – in particular women entrepreneurs – are developed and adopted in at least 3 countries of the region.	WAME	WA-5.2.3
Capacities developed are used to promote and implement investments in and incentives for sustainable use of watershed services and the equitable distribution of derived benefits.	Water	WT-521

### ***Monitoring, reporting and evaluation***

Each component programme is responsible for monitoring progress with respect to each of its programme results. In addition, the Business and Biodiversity Programme will take responsibility for monitoring and reporting on IUCN's overall work with the private sector, and will arrange for programme evaluations and independent reviews to provide feedback on performance and to capture lessons learned.

At the start of the intersessional period, a baseline will be established against which progress can be measured. Monitoring will be decentralized and continuous throughout the four-year period. Two years into implementation, the BBP will arrange for an independent review to track progress and change, to synthesize lessons learned, and to make recommendations to improve performance for the remaining two years of the quadrennium. A final evaluation will be carried out at the end of the intersessional period to gauge performance and enhance institutional learning.

## Annex 1. IUCN principles for engagement with the private sector

(source: *Strategy for Enhancing IUCN's Interaction with the Private Sector*, March 2004 and subsequently *IUCN Operational Guidelines for Private Sector Engagement*, 2006)

Any interaction between IUCN and the private sector, as well as any interaction with other organizations and any internal operations, should be:

1. **Relevant** to the IUCN vision and mission.
2. **Consistent** with the official policy of IUCN.
3. **Responsive** to the aspirations of the membership and the needs of potential partner organizations.
4. **Empowering** of IUCN to implement the Global Programme and of IUCN members to conserve nature.
5. **Effective** and results-based with concrete outcomes that can be measured.
6. **Efficient** in the use of IUCN resources as compared to alternative actions.
7. **Transparent** in the sense of ensuring public access to information, while respecting individual privacy and institutional confidentiality, as appropriate.
8. **Participatory** in the sense of creating opportunities for involvement by affected stakeholders, especially vulnerable groups, while respecting legitimate decision-making mechanisms.
9. **Enhancing** the credibility and autonomy of IUCN.
10. **Promoting** consideration and further development of the principle of Free Prior and Informed Consent.
11. **Building on** commitment at the highest level within the company – including to sustainable development and social and environmental best practice.
12. **Ensuring** independence of IUCN from the company / industry group.

## Annex 2. Managing risk

(source: IUCN, *Operational Guidelines for Private Sector Engagement*, 2006)

Risk assessment helps identify threats, problems or abnormal circumstances before engagement, and enables IUCN to take appropriate measures for managing these risks. The main risks of engaging with business are damage to the reputation of IUCN, financial loss, loss of integrity by compromising on IUCN's principles, values, and staff independence, and the potential drain on management resources if things go wrong. Documenting this process is important to assist decision making, and for subsequent review and updating.

### **Step 1 – Risk identification:**

1. Basic information about the private sector entity (e.g. the sector in which it works, its role in the sector, its subsidiaries and their activities);
2. Information about environmental, social and sustainable development policies and standards (of the private sector entity and subsidiaries);
3. Information about public commitments on environment and sustainable development;
4. Assessment of the seriousness with which environmental issues are taken in the private sector entity (e.g. the level of responsibility for environmental performance and biodiversity in particular), including:
  - o Information on the private sector entity's actual on-the-ground environmental performance, including elimination of on-site and off-site air, water, and soil pollution, implementation of biodiversity protection and/or ecological restoration, etc.
  - o Commitment to external processes and standards (e.g. involvement in recognized processes aimed at raising corporate standards);
  - o Track record on local community involvement. Local community views and involvement should be sought (either directly or through IUCN members, where in a position to represent them), on any IUCN private sector engagement which might impact them directly.
  - o Reputation and presence in the media (e.g. the private sector entity's media coverage, as well as coverage of its subsidiaries and of the sector as a whole; other criteria might include: Does the private sector entity report publicly? Is it prominent in sector trade associations? Media searches? Has it been the subject of shareholder resolutions? Also see whether a company or sector is not being seen to try to undermine or avoid environmental and other legislation);
  - o Documented sensitivity among the IUCN's membership (e.g. sectors or companies which members have expressed concerns or issues about in the past or are likely to have issue with).

### **Step 2 – Managing Risk**

Once risks have been identified and assessed, they can be managed. Such management may range from deciding not to engage, to defining pre-conditions for engagement through to putting in place specific safeguards during implementation of the engagement. Measures that contribute to effective risk management include transparency, inclusiveness, open communications, and ongoing monitoring and external verification.