Briefing note

IUCN's World Conservation Congress 2016: what the decisions mean for business

Implications and relevance

BIODIVERSITY CONSULTANCY

- IUCN World Congress decisions are endorsed by both governments and civil society. They influence the direction and agenda for biodiversity conservation both globally and nationally.

- At least 18 of the decisions taken in 2016 are highly relevant to the private sector, as well as to large-scale public developments.

The International Union for Conservation of Nature (<u>IUCN</u>) brings together government and civil society organisations around the world with a shared goal of nature conservation. Every four years IUCN members meet at the IUCN World Congress to debate and adopt motions on pressing conservation issues.¹

These IUCN decisions have no legal force and are not binding even on IUCN members. Nevertheless they frame the conservation community's aims and expectations, and can be widely influential on policy and practice.



Conference delegates in discussion, IUCN WCC Hawai'i 2016

^{1.} Once adopted, IUCN World Congress motions are called *resolutions* if directed internally to IUCN and *recommendations* if directed externally to third parties. For simplicity, they are all termed 'decisions' here.

At a glance

Taken collectively, decisions taken by IUCN members in 2016 make a strong call for **businesses** to:

- Embed biodiversity and ecosystem (BES) issues in decision-making, and adopt current good practice for project impact assessment, mitigation and offset
- Achieve a step-change in the quality and consistency of corporate biodiversity reporting;

and for **governments** to:

- Tighten constraints on industrial development in areas already protected, or considered important for conservation
- Ambitiously expand the marine protected areas network – both within and outside areas of national jurisdiction.

These developments further strengthen the business case for effective BES management.

What do the key IUCN decisions say?

Of the 112 resolutions and recommendations adopted this year by IUCN members, at least 18 have direct relevance to business (<u>Table 1</u>). These are indicators of future trends in regulation and safeguards, and of societal expectations. Although the motions are diverse, there are several recurrent themes:

- 1. good practice in industrial-scale development
- 2. an ambitious expansion of the marine protected areas network
- 3. tightening up 'no go' for industry in protected areas
- 4. strengthening corporate reporting
- 5. further emphasis on invasive species impacts
- 6. a potential endorsement of natural capital assessment.

1. Good practice for industrial-scale development

Private or public industrial-scale development across a range of sectors, including agriculture, infrastructure, extractives and energy, can cause significant loss, fragmentation and degradation of natural habitats. This has led to an increasing emphasis on 'no net loss' approaches for biodiversity and ecosystem services (key elements of the 'stock' and 'flow' of natural capital, respectively) in lender safeguards, corporate policies and government regulation. IUCN members are particularly concerned about industrial development that may damage protected areas and other important sites for biodiversity conservation.

At least 12 decisions address this issue, illustrating both deep concern in the conservation community and recognition of the opportunities for promoting good practice. Collectively, these decisions call for:

- The scaling up of existing good practice by industry, to support achievement of the <u>Aichi Targets</u> for biodiversity² and the <u>Sustainable Development Goals</u> (SDGs) (decisions 73 and 75)
- Sound project impact assessment, mitigation and compensation (quoting principles familiar from, for example, IFC's Performance Standard 6)
- Proactive efforts by industry to improve biodiversity management, through (among others) action plans, training and awareness raising, partnerships and investment
- Regulation by governments to penalise poor, and encourage good, practice
- Strengthening of lenders' safeguard frameworks and their implementation
- Strengthening of IUCN members' capacity to monitor project performance
- Robust and transparent reporting of business impacts and actions (see also decision 74)
- Implementation of specific sectoral/thematic recommendations related to energy infrastructure (to prevent bird mortality), mining waste in marine and coastal environments, oil palm, karst landscapes and indigenous lands, territories and resources (decisions 4, 56, 66, 67, 68).

As a specific example of some of these issues, Decision 57 is a call to stop proposed large-scale mining, including the Pebble Mine, in Bristol Bay, Alaska – so as to protect biodiversity, an economically important salmon fishery, and indigenous peoples' rights.

Decision 64, importantly, adopts a Biodiversity Offset Policy for IUCN. The policy had wide consultative input from IUCN members and others during its development, and adopts accepted good practice principles. It goes beyond these however in asserting that any project impacts on Protected Areas cannot be offset – in line with <u>decision 26</u>.



^{2.} The 20 Aichi Targets were agreed globally in 2010 under the Convention for Biological Diversity.

2. Expanding marine Protected Area networks

Decisions 30, 49 and 53 address a number of Protected Areas issues. A common strand is an emphasis on creating and effectively managing new marine Protected Areas, both within and outside areas of national jurisdiction. Aichi Target 11 sets a goal of protecting 7% of the marine realm globally by 2020; decision 53 calls for 30% of each marine habitat to be protected. This is especially significant in light of the 'no go' approach in <u>decision 26</u>.



Several IUCN decisions concerned the creation and management of new marine Protected Areas

3. 'No go' for industry in Protected Areas

Decision 26 calls for a hard 'no go' for industrial development in all categories of Protected Areas. This would seem to rule out more flexible, case-by-case approaches that aim to achieve no net loss or net gain overall. Instead, industry is asked to withdraw from activities in PAs, and not to undertake such activities in future.³

^{3.} A more detailed TBC interpretation of this IUCN decision can be found in our <u>first IUCN WCC briefing note</u>, (originally released as an email).



The decision also strongly discourages activities outside the boundaries of a protected area, if these might have a negative impact on the site, and activities that could damage important unprotected sites (which might include Indigenous and Community Conserved Areas and Key Biodiversity Areas).

This strict approach is reinforced in decision 33, which calls for strengthening the "widespread recognition that key areas such as World Heritage Sites and other protected areas should be off limits to and not impacted by harmful industrial activities".

4. Strengthening corporate reporting

Echoing and expanding on <u>decisions 73 and 75</u>, decision 74 is a call to strengthen corporate measurement, valuation and reporting on biodiversity and ecosystem services.

Assessing and attributing changes in biodiversity and ecosystem services has proved a serious challenge even for NGOs and government departments that are focused entirely on conservation. It is a difficult ask for business to attempt this across the board. However, many businesses are now trialling approaches to natural capital assessment (NCA, see below). Though the decision does not refer directly to NCA, the reporting called for would provide the essential elements for this.



An increased focus on corporate measurement, valuation and reporting on biodiversity and ecosystem services is a likely future trend.

5. Invasive species impacts

The IUCN decision draws attention to and calls for wider use of the recently published Environmental Impact Classification for Alien Taxa (EICAT). This is an important technical development that can assist business in impact assessment and mitigation. IFC's Performance Standard 6 and other lender safeguards require specific attention to invasive alien species, which pose a major conservation threat in many places.



Hawai'i is no stranger to invasive species - this Cane Toad (*Rhinella marina*) was originally introduced to control pests, but many others arrive accidentally via new industry and agriculture.

6. Natural capital assessment

Over the last few years, practical frameworks for natural capital assessment (NCA) have been developed and are now being trialled by companies, banks and governments. Some IUCN members are enthusiastic about NCA, while others have misgivings. Decision 63 calls for a process to examine the issues and develop an agreed IUCN policy (the IUCN Biodiversity Offsets Policy provides a good model of how this can be done).

This largely internal IUCN process may have little immediate implication for business, though there is a risk (likely small) that an agreed IUCN policy would be inconsistent with approaches already being implemented. On the other hand, an IUCN policy endorsing those approaches would be positive for early-adopting businesses.

Theme	No. ⁴	Decision	Key elements⁵
Industrial development / Protected Areas	026	Protected areas and other areas important for biodiversity in relation to environmentally damaging industrial activities and infrastructure development	Governments to ban industrial development in all categories of PAs and severely restrict in unprotected areas important for biodiversity; companies to withdraw existing operations from PAs
Industrial development / Protected Areas	033	Safeguarding space for nature and securing our future – developing a post-2020 strategy	"Strengthen widespread recognition that key areas such as World Heritage Sites and other protected areas should be off limits to and not impacted by harmful industrial activities"
Industrial development / Protected Areas	064	IUCN Policy on Biodiversity Offsets	Adoption of offset policy for IUCN, with offsetability in line with decision 026 (damage in all categories of Protected Area is non-offsetable)
Industrial development	003	Preventing electrocution and collision impacts of power infrastructure on birds	Governments, companies and lenders to ensure that new power infrastructure is bird-safe, and to remediate existing infrastructure

Table 1. Summary of IUCN 2016 decisions relevant to the private sector, and to large-scale development projects

^{4.} Decisions will be renumbered by IUCN in due course. These are the numbers of the original motions: the final versions of these can be found on the IUCN World Congress website at <u>https://portals.iucn.org/congress/assembly/motions</u>

^{5.} Many decisions include multiple elements, with requests often addressed to a range of audiences. The table summarises only the most significant elements relevant to business and large-scale development.



Theme	No.	Decision	Key elements
Industrial development	056	Protecting coastal and marine environments from mining waste	Governments and companies to stop marine disposal of mine tailings
Industrial development	057	Protecting the world's greatest salmon fishery in Bristol Bay, Alaska from large-scale mining	Prevent large-scale mining, such as the Pebble Mine, in Bristol Bay, Alaska
Industrial development	066	Mitigating the impacts of oil palm expansion and operations on biodiversity	Companies to follow 'quality voluntary standards' with robust criteria
Industrial development	068	Avoiding extinction in limestone karst areas	Cement and limestone industry to lead in the protection of caves
Industrial development	073	Strengthening business engagement in biodiversity preservation	Businesses to mainstream biodiversity in their operations through a broad range of actions
Industrial development	075	Best practice for industrial-scale development projects	Calls on members, governments and lenders to promote best practice, including application of the mitigation hierarchy to mitigate and compensate for impacts on biodiversity
Industrial development	081	Investments of development finance institutions – socio-environmental impacts and respect for rights	Support and build capacity for IUCN members to monitor socio-environmental impacts of largescale projects financed by development finance institutions
Industrial development	097	Safeguarding indigenous lands, territories and resources from unsustainable developments	Governments to recognise and protect indigenous people's rights and avoid biodiversity loss and ecosystem degradation from unsustainable developments
Protected Areas	030	World Parks Congress 2014 – The Promise of Sydney	Members and governments to take forward the 'Promise of Sydney', emphasising new marine PAs within and outside areas of national jurisdiction
Protected Areas	049	Advancing conservation and sustainable use of biological diversity in areas beyond national jurisdiction	Rapid identification, designation and effective management of a system of MPAs including reserves, in areas beyond national jurisdiction
Protected Areas	053	Increasing marine protected area coverage for effective marine biodiversity conservation	Governments to protect at least 30% of each marine habitat in a network of MPAs
Natural Capital	063	Natural Capital	Establish working group to develop IUCN policy and contribute to wider development of natural capital approaches
Invasive Species	014	Toward an IUCN standard classification of the impact of invasive alien species	Promote adoption and use of the new IUCN Environmental Impact Classification for Alien Taxa (EICAT)
Reporting	074	Strengthening corporate biodiversity measurement, valuation and reporting	All sizes and sectors of business to strengthen measurement, valuation and reporting on impacts on biodiversity; governments to require this through legal frameworks.



What are the implications for business?

Governments do not usually rush to regulate in response to IUCN recommendations⁶. Nevertheless, the general thrust of these decisions (more so than the detail) will likely be influential. It would be advisable for forward-looking businesses to consider the implications and opportunities.

In TBC's view, these decisions **further strengthen the business case** for effective biodiversity management. There is a clear push from the conservation community, across both government and NGOs, to:

- Rapidly broaden and deepen adoption of current good practice in (a) embedding biodiversity and ecosystem issues in decision-making, and (b) project impact assessment, mitigation and offset, to meet a raised level of societal expectation
- Further constrain industrial development in areas already protected, or considered important for conservation

- Substantially raise ambitions for expanding the network of marine protected areas
- Achieve a step-change in the quality and consistency of corporate biodiversity reporting.

This means that businesses currently leading in biodiversity management cannot rest on their laurels. They will need to invest in a process of continuous improvement to retain competitive advantage as preferred partners and operators. Businesses that are lagging in this arena will face a real risk of losing their social 'license to operate', as well as increased costs, delays and operational difficulties, unless they adopt at least the basic elements of good practice.

^{6.} All IUCN World Congress decisions must be approved by both the non-government and government 'houses'. However, government IUCN members are typically departments involved in nature conservation, and do not necessarily represent the collective view across different ministries. As IUCN decisions are only advisory, they are not negotiated by government as rigorously as, for instance, decisions under multilateral environmental agreements.

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