



# Integrating ecosystem services and development in big business

Matthew Lynch

World Business Council for Sustainable Development  
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# What is the WBCSD?



A CEO-led coalition of some 200 companies with a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress.



# Why business action on ecosystems

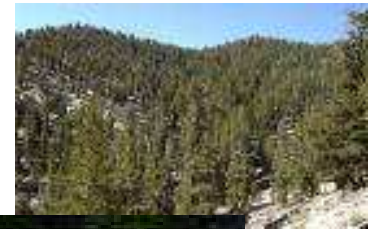
Businesses impact on ecosystems and ecosystem services



Ecosystem change creates business **risks** and **opportunities**



Businesses rely and depend on ecosystems and ecosystem services





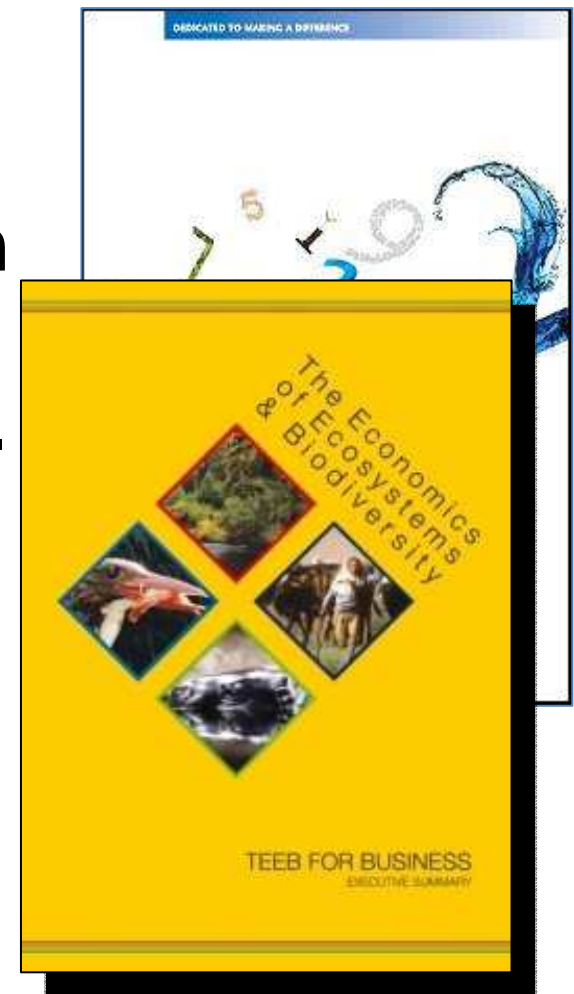
# Ecosystems: key tools & publications

- Ecosystem Services Review
- Effective Biodiversity and Ecosystem Policy and Regulation
- Corporate Ecosystem Valuation Guide (*to be released April 2011*)



# Corporate Ecosystem Valuation (CEV) Guide

- A process to make better-informed **business decisions** by explicitly **valuing** both **ecosystem degradation** and the **benefits** provided by **ecosystem services**.
- The **business contribution** towards **operationalizing** the key elements of TEEB.
- Key **poverty and development** linkages.





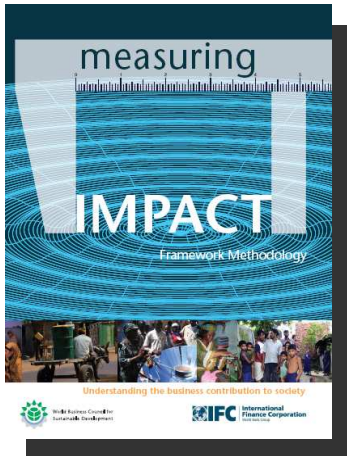
# Development

- **Development Focus Area objectives:**
  - business role
  - risks and opportunities
  - enabling frameworks
  - promoting business-led action on the ground
- **Inclusive business:** Sustainable business solutions that **expand access to goods, services, and livelihood opportunities** for low-income communities in **commercially-viable** ways.





# Development: Measuring Impact Framework



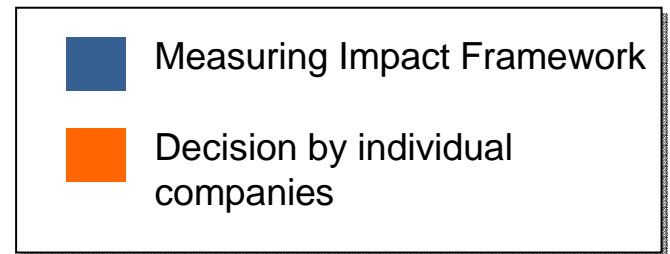
**Step 1 - Set boundaries**

**Step 2 – Measure direct and indirect impacts**



**Step 3 – Assess contribution to development**

**Step 4 – Prioritize management response**







# The business case

- Supply chain management & security of supply.
- Social license to operate.
- Brand and reputation.
- New products, services and markets.





# Benefits & opportunities for poor communities

- **Economic opportunity**
  - direct & indirect
  - diversification
  - infrastructure
- **Skills, knowledge & capacity**
  - improved productivity & return on natural capital
  - sustainable production practices
- **Advocacy for good governance & natural resource management**





# Aligning business interests with contributions to development & BES

## CORE BUSINESS



- *Procurement standards*
- *Supply chain development*
- *New products and services*
- *Benefit sharing models*

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## SOCIAL INVESTMENT



- *Sustainable livelihoods*
- *Community capacity building*
- *Natural resource management*

## POLICY & GOVERNMENT ENGAGEMENT



- *Policy advocacy*
- *Key public goods*
- *Capacity building support*
- *Property rights*

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## PARTNERSHIPS & DIALOGUE



- *Industry standards*
- *Capacity building partnerships*
- *Issue dialogues/roundtables*

# Case studies

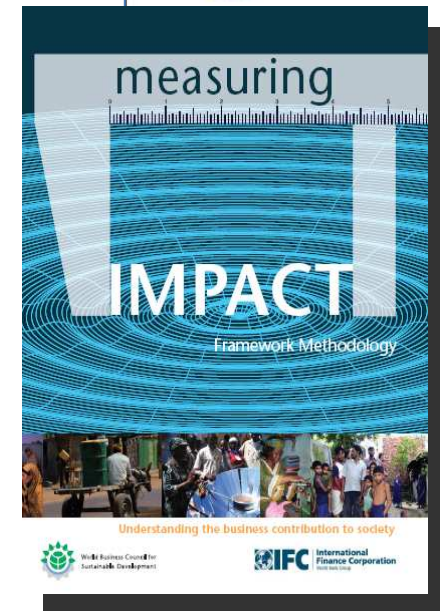
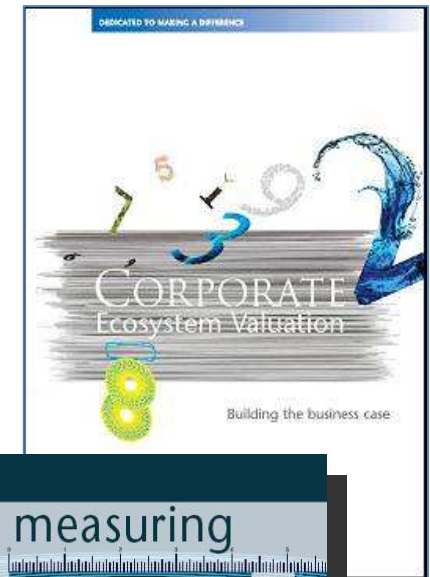
- **Unilever *Allanblackia*** – new product line.
- **Natura Ekos** – local management capacity and benefit sharing.
- **Jain Irrigation Systems** – improving farmer productivity and incomes with significant reduction in water consumption.
- **Alcoa Juruti/BP Tangguh** – Investing in local sustainable livelihoods and management capacity.





# Operationalizing in business: key aspects

- **Business drivers**
- More informed and integrated **decision-making**
  - Development impacts
  - Ecosystems services
  - Valuation





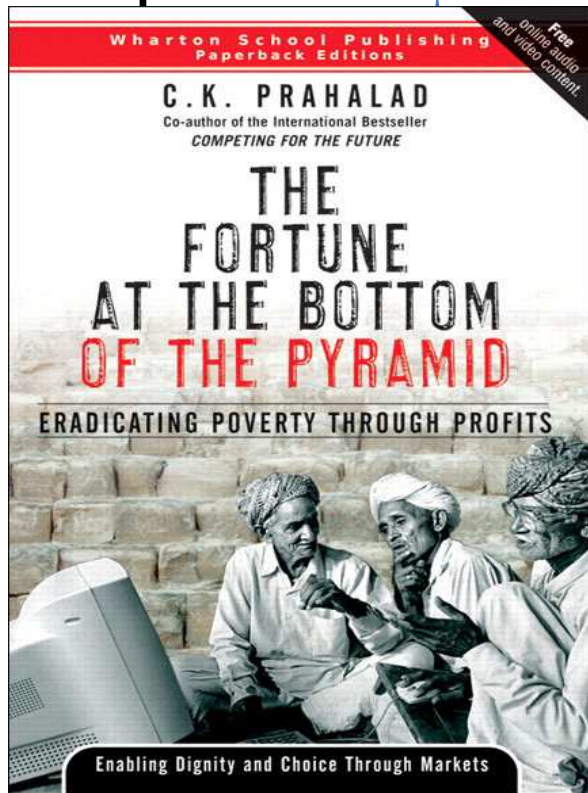
# Business strategy, action and the green economy

Social Value Added



Business as usual

Build



positive good

no harm'

Corporate Value Added



SOURCE: Nelson, J. (2006) 'Leveraging the Development Impact of Business in the Fight Against Global Poverty'. John F. Kennedy School of Government, Harvard University: Cambridge, MA.



## Concluding remarks

- Business recognizes that it has a **key role** to play at the interface between **poverty, development & BES**
- Business **cannot** do it alone
- Thoughts for PEP:
  - Leverage the scale and impact of **shared value**
  - Importance of **partnerships**
  - Business input is essential if **new instruments are to be effective** (PES, REDD+)



[www.wbcSD.org](http://www.wbcSD.org)



World Business Council for Sustainable Development



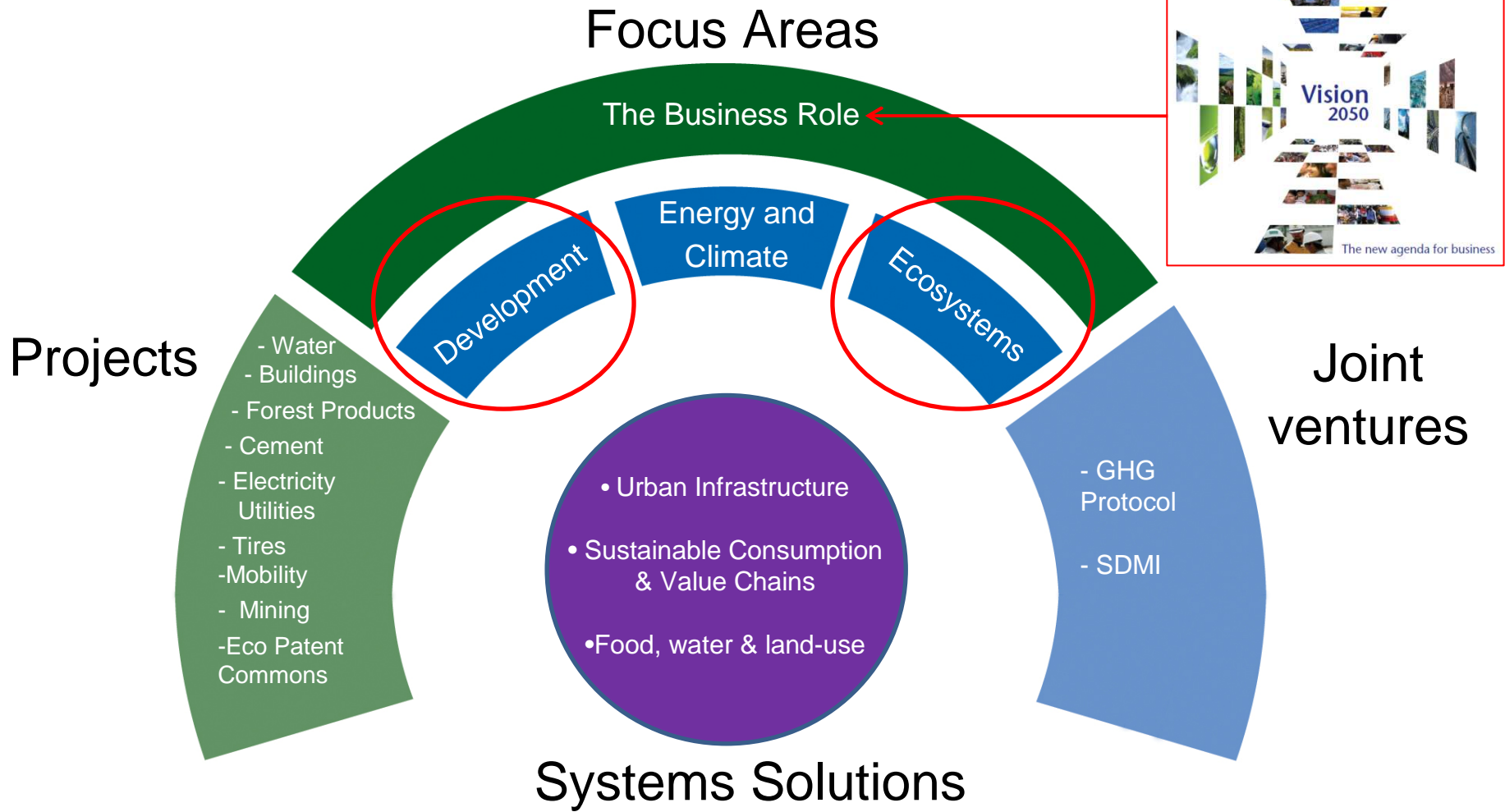


# Presentation Overview

- **WBCSD Overview**
- **Key programs:**
  - Ecosystems
  - Development
  - Vision 2050
- **BES, poverty and business**
  - Strategic framework
  - Case studies
  - Integrated decision making

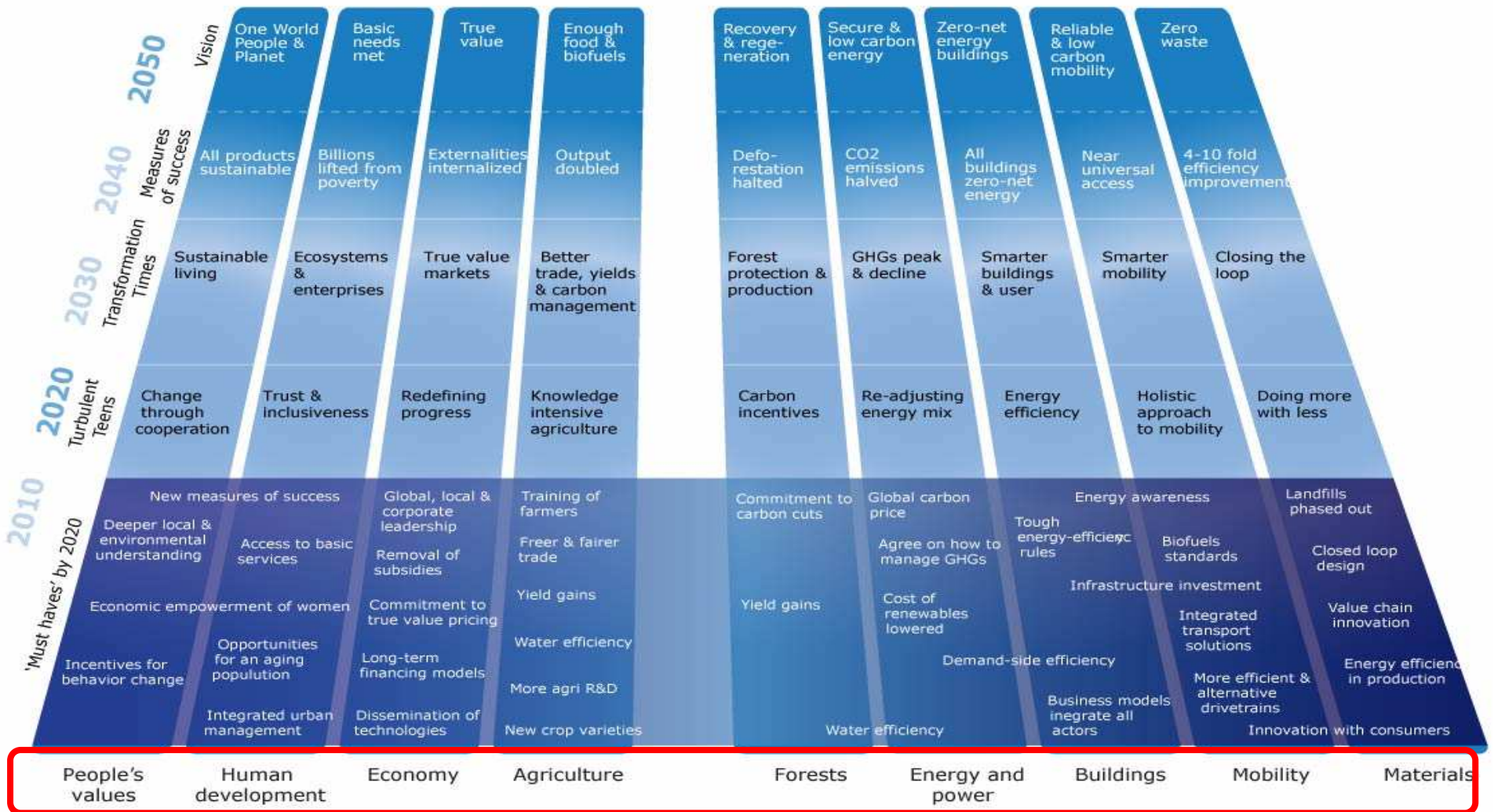


# WBCSD Program Structure





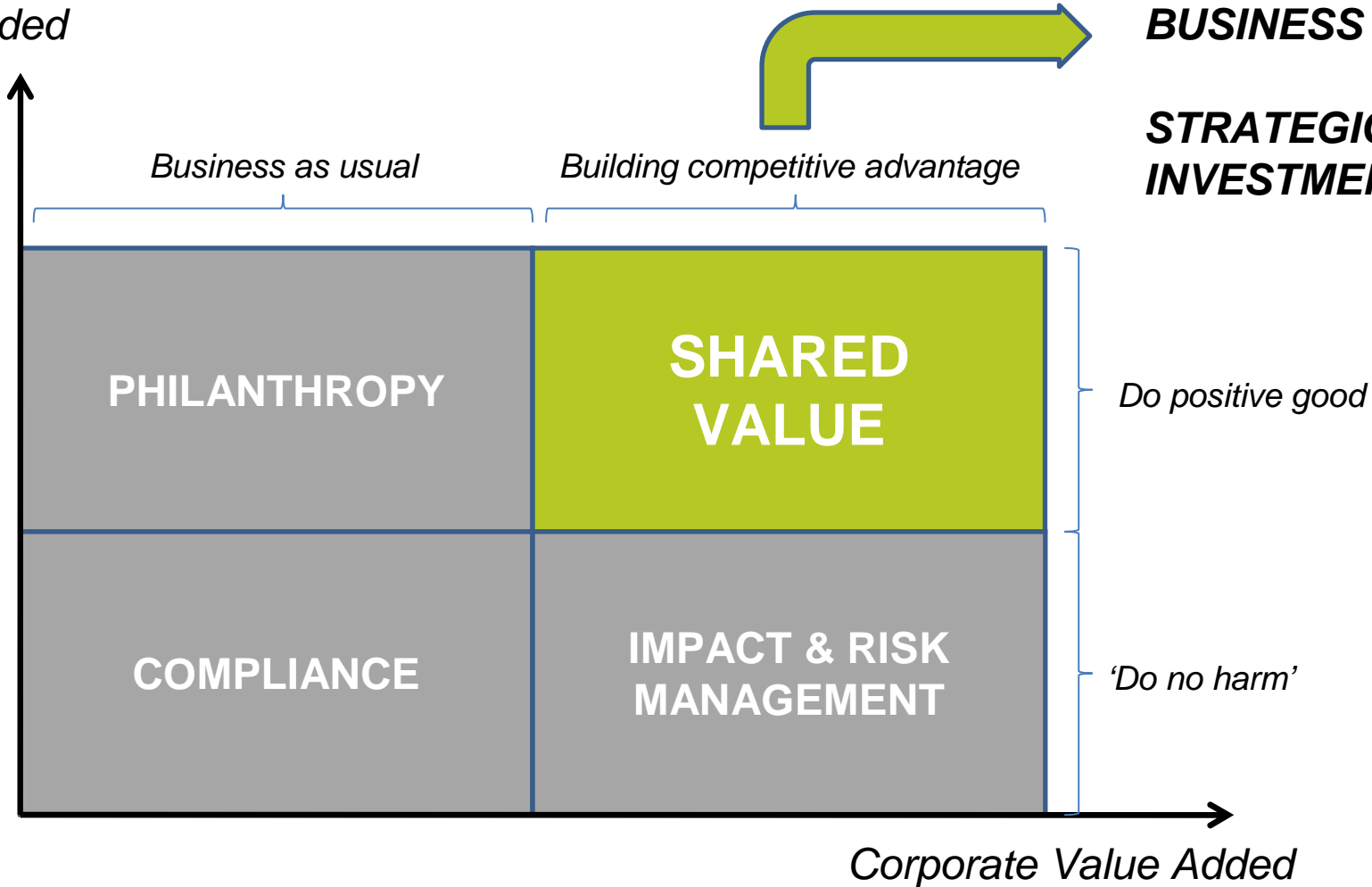
# Vision 2050





# A business strategy view

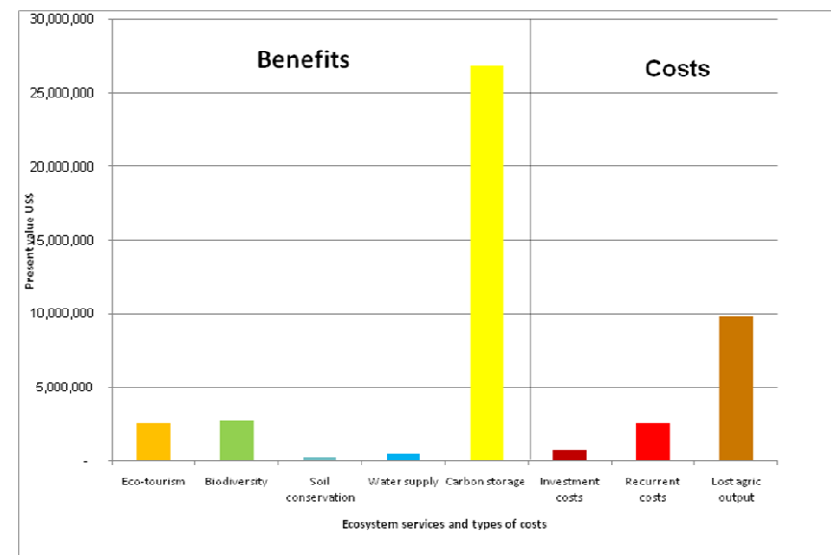
*Social Value Added*





# Case Study: Rio Tinto Madagascar

- Operationalising ‘Net Positive Impact’
- Evaluation:
  - Low financial costs but high societal costs to local communities
  - Distribution of conservation benefits – global v’s local
- Decision-making:
  - Appropriate compensation & benefit sharing
  - Income streams





# Aligning key competencies

## CORE BUSINESS

**Core business activities and processes** contributing simultaneously to local development and conservation and enhancement of BES.

- *New products and services*
- *Procurement standards*
- *Supply chain development*
- *Benefit sharing models*

## SOCIAL INVESTMENT

**Strategic investments** to support local sustainable development generating **social and business value.**

- *Local capacity building*
- *Sustainable livelihoods*
- *Investments in natural resource management*

## POLICY & GOVT ENGAGEMENT

**Advocacy** for better governance and natural resource management and **supporting local capacity** development.

- *Policy advocacy*
- *Capacity building support*
- *Property rights*

## PARTNERSHIPS & DIALOGUE

**Engagement with other stakeholders** on key issues that a company can not address effectively or legitimately on its own.

- *Industry standards*
- *Capacity building partnerships*
- *Issue dialogues/roundtables*



# A business strategy view

*Social Value Added*

