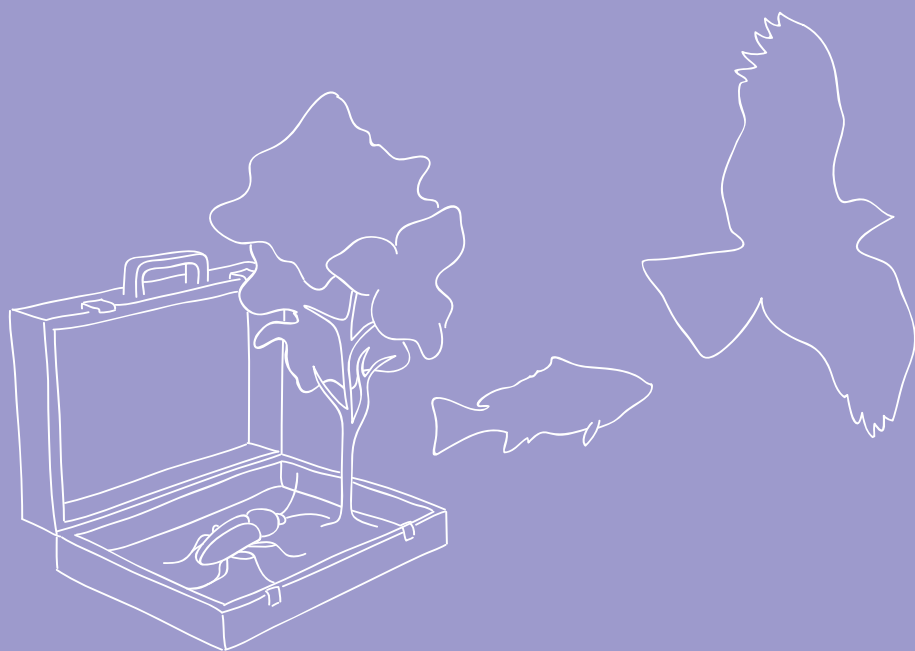


Developing a 'business case' for biodiversity

Tips and tasks for influencing government and the private sector



How do you make a convincing 'business case' for biodiversity? This guide is for environment officials, interest groups and policymakers to develop the key elements of a case for integrating biodiversity into government and business decisions. The case must appeal to stakeholders in the public and private sectors as well as potential investors and funders.

The guide was developed on the basis of experiences shared between members of the African Leadership Group at two NBSAPs 2.0 Mainstreaming Biodiversity and Development project workshops held in Maun, Botswana in November 2012 and Entebbe, Uganda in July 2013.

Thanks are due to Steve Bass and all members of the African Leadership Group.

How do I use this guide?

The guide sets out tips and tasks for preparing a compelling 'business case' for biodiversity. It does not provide exhaustive information, but leads you through a simplified process, alongside consulting other sources for detail. It can be used in conjunction with the *Mainstreaming diagnostic tool* and the *Ten steps to biodiversity mainstreaming* tool which are also produced by the NBSAPs 2.0 project.

For more information on the project: www.iied.org/nbsaps

Or email: dilys.roe@iied.org or abisha.mapendembe@unep-wcmc.org

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A biodiversity 'business case' sets out the rationale for placing biodiversity at the heart of policy, legislation, plans and projects in a language that the proponents of those activities can understand. It should convince them to take action. It highlights the benefits of taking biodiversity into account — and the associated costs — and the risks of business as usual.

1. What is a biodiversity 'business case' and why is it needed?

Biodiversity is an irreplaceable asset and as such, government and the private sector need to develop and increase its value.

But biodiversity is often unrecognised, unvalued and considered unimportant in economic and development decision making. Investment decisions in different production sectors and ensuing activities fail to take their potential impacts on biodiversity into account or to recognise the contribution that biodiversity can make to their desired achievements. The potential for biodiversity to affect and be affected by economic development and poverty reduction strategies and processes is therefore overlooked.

Difficult concept to communicate

This is partly because biodiversity is a difficult concept to communicate. At times the term is used as a collective noun for living biological resources and associated ecosystem services — another way of saying life on earth. But it is also used in the strict scientific sense of variety and variability at the level of genes, species and ecosystems. Aspects of biodiversity that are of interest to conservationists — for example levels of endemism or species richness — may seem irrelevant to development planners, investment bankers or economists, who are concerned with jobs, food security and export earnings.

Therefore if you want biodiversity to be taken seriously outside the environment sector, it is critical to present a compelling and credible 'business case'.

State values and benefits

The business case should be built around a narrative that describes the importance and value of biodiversity to society, and should include a core message that aims to capture tangible benefits in a strong, single-minded way. It also needs to be backed by compelling evidence that speaks the language of those it is trying to convince.

The case is often presented in a well-structured written document, but may sometimes come in the form of a short verbal argument or presentation. You must be ready to respond to whatever opportunities are presented to make the case for biodiversity.

2. The key tasks

Define your audiences

To help focus the business case, identify the most important audiences you seek to influence. These will be people, organisations or sectors that are affected by or affect biodiversity. If you want national government to take biodiversity seriously, for example, then permanent secretaries, policymakers, parliamentarians and the ministry of finance, will be your focus. If you need to build strategic alliances, you will want to address potential partners such as private investors, the private sector and nongovernment organisations.

In general, a checklist of audiences for your case is likely to include:

- Ministries and government agencies relating to finance, planning and production
- Financial institutions including development banks and investment banks
- The private sector — mining, water, tourism and construction companies
- Civil society organisations and those that represent or influence civil society (parliamentarians and journalists, for example).

After you know who you want to reach, you can think about what they will want to know and what message you want them to receive. Each audience will have specific prejudices and biases. You will need to tailor the case for each audience because the same messages are rarely suitable for everyone.

Frame persuasive arguments

For a potential course of action to be deemed viable by a decision maker, it must be aligned with their strategic interests (that is, how can the proposed course of action help the target audience to meet their own goals?). Align your 'business case' arguments with the key policy priorities of the government and the country's development needs including job creation, health, food and water security, growth and equity, and rural development (Box 1).

Box 1: Biodiversity messaging that speaks to key policy priorities of most governments

Biodiversity provides myriad unique benefits that are critical to socioeconomic development, including:

- **Service delivery** — delivering key ecosystem services through a green, cheaper and low-energy infrastructure, eg pollination and water provisioning
- **Risk reduction** — including disaster and climate risk reduction in key sectors eg providing a diverse resource base that offers alternatives if one food crop fails
- **Direct financial value** — through certain products and species that may be tradable, eg medicinal plants and animals and species attractive to tourists
- **National economic diversification** — through habitat, species and genetic diversity that present options and alternatives, eg in tourism and forestry.
- **Intrinsic and cultural value** — related to identity, tradition, social cohesion, recreation and spirituality.

Source: Entebbe Statement on Biodiversity in Development Planning (2013)

There are likely to be three things that your target audience will want evidence for (Box 2). They will ask:

- Why should they invest in biodiversity?
- What is the importance of biodiversity to their respective sectors?
- Will biodiversity investments generate benefits? In other words, will it create jobs, diversify rural livelihood options, augment, enhance and protect built infrastructure, contribute to water and food security and strengthen adaptation to climate change?

Box 2. Making the business case for undertaking water valuation

In trying to make the business case to private companies for water valuation, an analysis undertaken by the World Business Council for Sustainable Development (WBCSD) identified **five broad business case arguments**:¹

1. **Enhance decision making:** Undertaking water-related valuation studies generally enhances decision making. This is because it improves the sustainability of decisions, and the process of undertaking such valuation studies informs mindsets, behaviour and actions, enhances awareness and encourages collaboration.
2. **Maintain and enhance revenues:** Water-related valuation studies can help ensure that revenues are maintained and enhanced.
3. **Reduce costs:** Water-related valuation can be used to help reduce company costs. There are also obvious links with arguments for reducing risks, which typically lead to reduced costs.
4. **Manage risks:** Water valuation is ideal to help evaluate the nature and extent of potential risks associated with, for example, environmental changes relating to resource depletion and climate change, changing stakeholder opinions, and implications of new regulations and environmental markets.
5. **Enhance reputation:** Water-related valuation can be used to help enhance brand value and reputation in a number of ways that can in turn lead to increased revenues, reduced costs and potentially an increased share price. These arguments are aimed at the priorities of private, profit-making companies, but a similar approach could be adopted in thinking about how biodiversity might address the priorities of the finance or planning ministries, the agricultural sector and so on. For example, highlighting biodiversity's contribution to food security, health improvements, income generation, reduced vulnerability and ecosystem services.

Source: WBCSD (2012)

¹ www.wbcsd.org/Pages/EDocument/EDocumentDetails.aspx?ID=15099&NoSearchContextKey=true

The arguments for investing in biodiversity should not just focus on the economic benefits derived from biodiversity but other social, cultural and political benefits of biodiversity too.

In South Africa, eight 'value propositions' for biodiversity were tested with senior government decision makers to see which ones had more traction (Box 3). The clear winner was framing biodiversity as a national asset of significant economic value, but a close runner up was a proposition around the legacy we leave our children: nature has given us a world full of wealth, but the more we take from it, the less there is to nourish the next generation.

The South African experience also demonstrated the importance of messages highlighting achievable actions rather than being all doom and gloom. Thus the second runner up was a message around practical actions that the government can take to secure biodiversity. Overall it was concluded that an effective business case should position biodiversity as responding to things that society:

- Has to do, because they are national priorities
- Wants to do, because they draw on an emotional component, and
- Can do, because the way forward is practical and implementable.

Box 3. Making the case for biodiversity in South Africa: eight value propositions

Message 1: National asset	Biodiversity is natural capital with immense economic significance for South Africa. Investing in natural capital, by giving a superior return on the investment, is investing in our country.
Message 2: Children's legacy	Every decision government makes affects the future of biodiversity — a rich or impoverished natural world that we leave for our children and children's children. By investing in nature we take care of our families.
Message 3: Practical solutions	There are practical, realisable things that government can do to protect and enhance our 'natural infrastructure'
Message 4: Wealth of the rural economy	Biodiversity is the natural capital of the rural poor. We need to unleash the potential of biodiversity to develop rural economies.
Message 5: Climate change	Good biodiversity management can slow down climate change and its impacts. Our natural wealth can help to save us from natural disasters.
Message 6: Global leadership	South Africa is a world leader in biodiversity. As the world faces a global biodiversity crisis, South Africa can spearhead innovative solutions.
Message 7: Health	Healthy, thriving biodiversity is vital for a healthy population. Our rich variety of flora and fauna provides natural medicines used by over 80 per cent of our population.
Message 8: Humanity	As humans, we are part of the web of life. Nature's <i>ubuntu</i> is all around us — and is part of us.

Source: DEA and SANBI (2011)²

² DEA and SANBI (2011) Making the case for biodiversity: phase 1. Final draft project summary report.

A short explanation about the project can be found here: http://www.stapgef.org/stap/wp-content/uploads/2013/09/STAP-Workshop-Document_layout-version.pdf on p26.

Compile the evidence

Having framed the argument, the next step is to compile compelling evidence to support the case, including facts, figures and real life stories. The data that is used can be qualitative or quantitative, general or specific, from the region or country under consideration. Examples from other countries that you may be able to draw inspiration from, and comparison with, are also useful. Box 4 sets out the kinds of analysis that might be useful to make an economic case — but remember, there are many other non-economic values of biodiversity that you can bring into your argument depending on the audience that you are targeting.

Box 4. Analysis of country-specific economic evidence on the importance of biodiversity

- Take stock of existing data and literature to identify information gaps and collect missing information if needed, eg through field survey, interviews or case studies
- Determine overall value or benefits of biodiversity in relation to national priorities, eg economic growth, GDP, employment, exports, household income, poverty reduction
- Determine the overall social, cultural and political benefits of biodiversity in relation to national priorities
- Assess the trends and changes to biodiversity over time under different use scenarios for specific sectors, such as agriculture, forestry or water
- Measure the costs of biodiversity loss under these different scenarios
- Estimate the costs of the policy measures required to improve or maintain biodiversity and the benefits they bring
- Analyse benefits and costs for different sectors, scenarios, policy measures and biodiversity, expressed in relation to national priorities.

Source: adapted from the UNDP-UNEP PEI Handbook (2009)

Building an evidence base for the importance of biodiversity will involve both interpreting existing data in new ways (for example, why wetlands matters for water supply) and collecting and analysing new data (the dependence of poor households on biodiversity for income, subsistence and health, for instance).

Useful sources of data include:

- National biodiversity and environmental assessments (state of the environment, for example)
- Integrated environmental assessment and reporting
- Environmental impact assessment
- Strategic environmental assessment
- Natural capital accounts.

Where possible, the analysis should also attempt to estimate the costs and benefits of investing in biodiversity or not investing in biodiversity. If there is no change in the status quo, what could happen to the target audiences' interests or bottom line? Could some future problems or costs be avoided if the change in action is made today? What are the risks and likely consequences of inaction?

Identify the counter-arguments

When making the biodiversity business case, it is important to realise that some stakeholders may have counter-arguments to proposed initiatives or solutions. Try to think in advance what these might be so that you are ready to be challenged and to respond.

Think what the points for negotiation might be. Where will stakeholders be prepared to compromise and what will constitute the 'red line' beyond which they will not go?

It would be a good idea to draw up your own table of 'trade offs', working out where you are prepared to compromise (or not) in order to achieve your ultimate goal of biodiversity integrated into business and government strategies.

		Trade offs		
		Industry	Government	Finance
Biodiversity	Species	<ul style="list-style-type: none"> ▪ Acceptable demands ... ▪ Unacceptable demands + 'red-line' argument why no compromise allowable ... 		
	Habitat			
	Ecosystems			

Test and present your case

A biodiversity business case can be presented in the form of written evidence, such as booklets, fact sheets, posters or briefing papers, a quick chat with a targeted stakeholder or decision maker, a formal presentation to the target audience or through short films. The evidence can also be presented as a section in National Biodiversity Strategy and Action Plans (NBSAPs) or in National Development Plans.

Regardless of the medium, effective communication is vital. This means targeting your message to the audience (for example, economists like numbers while journalists like a public interest angle). Plain rather than technical language and good graphics can make the difference between a case that succeeds and a case that fails.

Compelling and convincing

Regardless of the quality of the evidence or the strength of your findings, evidence rarely speaks for itself. Analytical, rational evidence has to vie with all the other things that influence how we make decisions — emotions, instinct, intuition, values, ideology, culture, peer pressure and politics, to name a few. Try to imagine yourself as the person listening to your case — what will it be that tips you over into the ‘convinced’ camp? Could your case be made more compelling by telling it as a story — with the climax or conclusion at the beginning rather than at the end? Would this draw the audience in? Likewise, don’t focus on loss, but rather on what we ‘love’ about biodiversity, emphasising how much we value what we have (not in monetary terms). Or consider whether it would work to tell your ‘big story’ (your business case) through several smaller stories that you know will resonate with the audience?

The Botswana NBSAPs 2.0 team made the business case for biodiversity in a ‘Dragons’ Den’ style presentation at the Maun workshop in November 2012.

The team’s representative presented the reasons why government ministries should consider biodiversity in their development policies, stating the costs and benefits and giving examples to support the case.

You can watch the presentation at: www.iied.org/nbsaps

Useful resources

The Economics of Ecosystems and Biodiversity (TEEB)

Making nature's values visible — Guidance manual for TEEB country studies

www.teebweb.org

The Economics of Ecosystems and Biodiversity (TEEB) for Business Coalition

www.teebforbusiness.org

The Millennium Ecosystem Assessment

Ecosystems and human well-being: biodiversity synthesis

www.unep.org

The Millennium Ecosystem Assessment

Ecosystems and human well-being: opportunities and challenges for business and industry

www.unep.org

The Millennium Ecosystem Assessment

Ecosystems and human well-being: health synthesis

www.unep.org

The Natural Value Initiative (NVI)

NVI toolkit

www.naturalvalueinitiative.org

The Poverty-Environment Partnership

Sustaining the environment to fight poverty and achieve the MDGs: the economic case and priorities for action

www.unpei.org

The UNDP-UNEP Poverty-Environment Initiative

Mainstreaming poverty-environment linkages into development planning: a handbook for practitioners

www.unpei.org

The World Business Council for Sustainable Development

Water valuation: building the business case

www.wbcscd.org

WHAT IS THE NBSAPs 2.0 INITIATIVE?

NBSAPs 2.0 Mainstreaming Biodiversity and Development is a three-year project to build resilient and effective national biodiversity strategies and action plans (NBSAPs). These aim to influence development decisions and improve outcomes for biodiversity and poverty.

The project works with four African countries — Botswana, Namibia, Seychelles and Uganda — and is encouraging leadership in biodiversity mainstreaming. It highlights the experience of these four focal countries to influence a whole new generation of NBSAPs.

The project is implemented by the International Institute for Environment and Development (IIED) and the UNEP World Conservation Monitoring Centre (UNEP-WCMC) in collaboration with the CBD Secretariat, UNEP, UNDP and the Poverty Environment Initiative (PEI).

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IIED promotes sustainable development, linking local priorities to global challenges. We support some of the world's most vulnerable people to strengthen their voice in decision making.

International Institute for Environment and Development
80-86 Gray's Inn Road, London WC1X 8NH, UK
Tel: +44 (0)20 3463 7399
Fax: +44 (0)20 3514 9055
email: info@iied.org
www.iied.org

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Tool

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Poverty Environment
Initiative

NBSAPs 2.0 is funded through the UK Government's Darwin Initiative, which assists countries that are rich in biodiversity but poor in financial resources to implement their commitments under the international biodiversity conventions. It is also part funded by UKaid from the UK Government, however the views expressed do not necessarily reflect the views of the UK Government.