



Economic & financial mechanisms to build synergies & reduce conflicts between mining & biodiversity

MMSD Workshop on Mining & Biodiversity

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business @iucn.org

The IUCN Business & Biodiversity Initiative





1. A level playing field for biodiversity



2. Biodiversity's triple bottom line

3. Biodiversity management plans



4. Creating enabling environments

5. Instruments for implementation



6. The way forward

- The level playing field of biodiversity

The Convention on Biological Diversity

Global political consensus (182 countries) on

- Biodiversity concepts
- Biodiversity priorities

The CBD provides a political & conceptual level playing field.



- The level playing field of biodiversity

Official use of terms (CBD - Article 2)

Welcome

مرحباً

欢迎光临

Bienvenue

Добро
пожаловать

Bienvenido

Official definitions of key terms, such as

- Biological diversity
- Biological resources
- Genetic resources
- Ecosystem
- Habitat
- Protected area
- Sustainable use

The official definition of biodiversity

“Biological diversity means the variability among living organisms from all sources ... and the ecological complexes of which they are part ...”

**i.e., the components of
biodiversity:**

- Ecosystems
- Species
- Genes



- The level playing field of biodiversity

The official definition of protected areas

"Protected Area means a geographically defined area which is designated or regulated and managed to achieve specific conservation objectives."



- The level playing field of biodiversity

The official definition of sustainable use

"*Sustainable use* means the the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations."



- The level playing field of biodiversity

Corporate “ratification” of the CBD

The Convention on Biological Diversity provides a global political and conceptual baseline for addressing the biodiversity aspects of business.

Mining companies should consider endorsing or “ratifying” the CBD.





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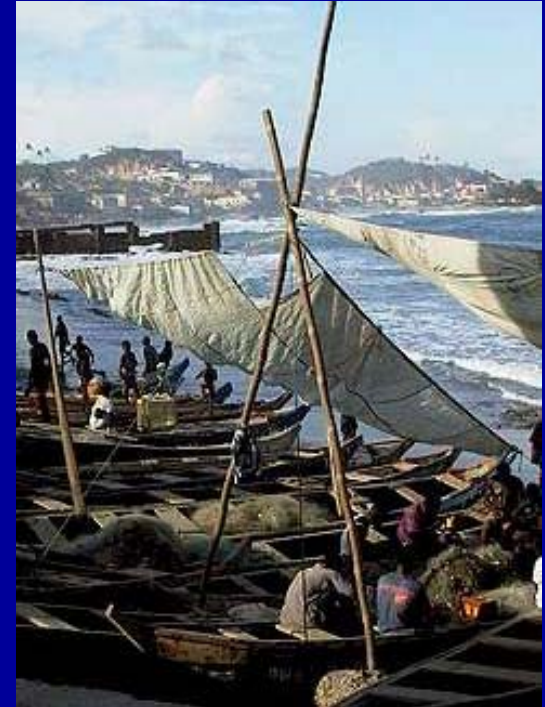
Biodiversity objectives (CBD - Article 1)

"The objectives of this Convention, to be pursued in accordance with its relevant provisions, are

[1] the conservation of biological diversity,

[2] the sustainable use of its components and

[3] the fair and equitable sharing of the benefits ..."



Biodiversity's Triple-Bottom-Line

Conservation of biodiversity

- Sustainable use of biological resources
- Equitable sharing of benefits



Biodiversity & Sustainability



CBD	UN	SustainAbility	WBCSD
Biodiversity	Sustainable development	Triple bottom line	Sustainable business
Conservation of biodiversity	Environmental Protection	Environmental value	Environmental protection
Sustainable use of biological resources	Economic development	Economic value	Economic growth
Fair & equitable benefit sharing	Social development	Social value	Social equity

Biodiversity is a sustainability concept.

Biodiversity is much more than just a politically-acceptable way of describing nature.

Biodiversity is fully consistent with the concepts of sustainable development and sustainable business exposed by the UN and the private sector.



World Business Council for
Sustainable Development



SustainAbility®



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What does biodiversity mean for business?

The triple-bottom-line concept of "biodiversity" integrates the conservation of ecosystems, species and genes with the sustainable use of these components and the fair and equitable sharing of the benefits arising from this use.



It provides the conceptual framework for corporate biodiversity action.

The Biodiversity Management Matrix

Components of biodiversity

	ecosystems	species	genes
conservation			
sustainable use			
benefit sharing			

Biodiversity is the bottom line



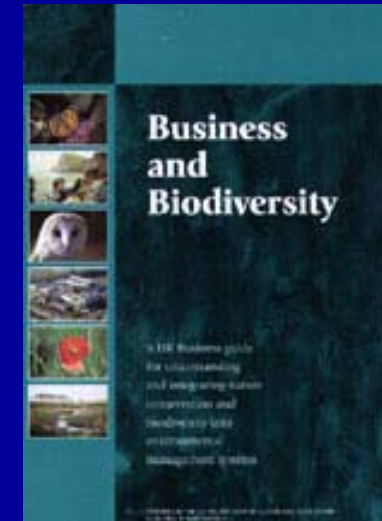
Elements of a corporate biodiversity plan

3 substantive elements:

- Conservation of biodiversity
- Sustainable use of biological resources
- Equitable sharing of benefits

2 policy elements:

- Official biodiversity policy
- Corporate environmental schemes



Conservation of biodiversity

- Ecosystems/landscapes
- Protected areas
- Endangered/threatened species
- Alien invasive species
- Genetic resources



Sustainable use of biological resources

- Sustainable sourcing of inputs
- Sustainable supply of goods & services
- Sustainable management of waste



Equitable sharing of benefits

- Investors
- Customers
- Employees
- Suppliers

- Neighbours
- Authorities
- Other interested & affected parties



Financing design & implementation

It is the design & implementation of a biodiversity management plan for a mining operation which must be financed.





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Biodiversity management & protected areas

If a mining operation designs & implements a triple-bottom-line biodiversity management plan then, *de facto*, it wants to achieve specific conservation objectives for managing a geographically defined area.

Hence the biodiversity management plan places the mine within a protected area framework.

Recall the CBD definition

“Protected Area means a geographically defined area which is designated or regulated and managed to achieve specific conservation objectives.”



Hence a mining operation with a triple-bottom-line biodiversity management plan is, *de facto*, a mining operation within a protected area.

Mining within a protected area

A protected area framework (IUCN category VI) will support the design and implementation of a biodiversity plan for a mining operation.





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Biodiversity & the mining lease

Government could require a biodiversity management plan as a conditionality of a mining lease.

This could be done by placing the mine within a category VI protected area.

Then the mining company either will be responsible for the protected area or it will be responsible to the protected area authorities.



The incremental costs of biodiversity

The design and implementation of a biodiversity management plan for a mining operation adds tangible incremental costs to the business plan.

Incremental costs occur at all stages:

- Exploration
- Start up
- Operations
- Closure



The business case for biodiversity

If biodiversity can be integrated into a profitable business plan due to:

- access to “green” capital
- access to “green” customers
- motivated employees
- reduced red tape
- improved corporate image



then the biodiversity plan is self-financing.

If the business case is weak ... plan A:

Governments can design *indirect* instruments to promote “green” decision-making in:

- capital markets
- product markets



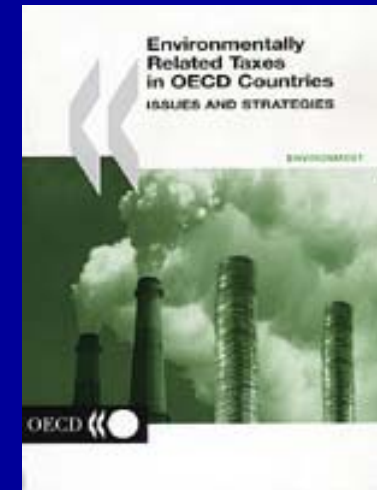
so as to *indirectly* strengthen the IRR of the business plan.

If the business case is weak ... plan B:

Governments can also design *direct* instruments to reward a “green” business plan through

- fiscal incentives, i.e. tax breaks
- green subsidies & payments

so as to *directly* strengthen the IRR of the business plan.



If the business case is weak ... plan C:

Governments can seek external support to reward a “green” business plan through



- multilateral investment schemes
- multilateral development assistance



so as to *directly* strengthen the IRR of the business plan.

Instruments depend on the business case

Either

there is a business case for biodiversity

or

Plan A: Influence “greening” of markets

Plan B: Fiscal incentives for green plans

Plan C: Multilateral support for green plans





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Priorities for 2002

1. Assess whether mining companies should ratify the Convention on Biological Diversity.

key event : CBD COP 6, The Hague, May 2002



2. Review best practices and lessons learned on biodiversity management.

Key event : W S S D , Johannesburg, Sep 2002

Priorities for 2003 & 2004

3. Explore policy of mining only in a protected area (category VI).

key event : W C C, Durban, Oct 2003

4. Develop biodiversity management standard for mining.

5. Adopt the biodiversity management standard for mining.

Key event : CBD COP VII, 2004



Take home message

Investing in biodiversity's triple bottom line will be a key contribution of the mining industry to sustainable development.



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