IDDRI

BLOG POST September 29th 2020

Business commitments for biodiversity: How to walk the talk?

Authors

Yann Laurans
WWF France

Aleksandar Rankovic
Sciences Po

Reading time: 8 min

On the road to COP15 of the Convention on Biological Diversity (CBD), coalitions and commitments from business and the financial sector are multiplying. This can be seen as the sign of a fundamental movement of economic actors, parallel to the international negotiations, aiming to renew the framework for action against the collapse of biodiversity, and comparable to the one that supported the dynamics of the Paris Climate Agreement. However, a critical path remains to be covered if this mobilization is to support a strong ambition of the decisions to be adopted at COP15 by the States and, perhaps even more importantly, if it is to contribute to their implementation. The current momentum is encouraging, but the mobilization of the

private sector must be strengthened on at least three points: the number of companies involved, the quality and precision of the commitments made, and their accountability.

From the imperative of reputational risk...

For a long time, the declarations of actions in favor of biodiversity that companies registered on the platforms of international organizations, and particularly on that of the Convention on Biological Diversity (CBD), have remained relatively confidential and somewhat marginal, in terms of the sectors concerned and the number of large companies showing concrete interest in the issue. Since 2015, this began to "contrast" with the ambitious "Action Agenda" that accompanies the Paris Climate Agreement with commitments from companies and cities, and in comparison to which the CBD's "Sharm El-Sheikh to Kunming Action Agenda for Nature and People" seemed rather modest.

Things were played out, then, far from the international conventions: from the beginning of the 2000s, and under pressure from NGOs such as Greenpeace and Friends of the Earth, food, timber and fishing companies, responsible for tropical deforestation and overfishing, and thus the loss of the largest reservoirs of biological diversity, were pushed to make commitments to respond to criticism and avoid tarnishing their reputation. Companies exposed to "reputational risk", i.e. major brands, have thus made commitments promising to put an end to their damaging supplies to forests and oceans; many of these commitments were due to expire in 2020.

However, these promises, often relatively vague while ambitious, have not given rise to a strong dynamic of international federation of initiatives, have not fueled the commitment mechanisms around the CBD, do not seem to have produced results in terms of deforestation or overfishing, although it is not possible to attribute responsibility for the entire phenomenon to them.

As we approach the end of the 2010-2020 decade, a time for taking stock of the inadequacies of the past and for making promises for the future, the dynamics of corporate commitments may have given the impression of quivering. Various major scientific assessments showing the collapse, not only of the number of surviving species, but of the sheer quantity of birds, insects and marine animals, followed by the alarming IPBES report of May 2019, have contributed to putting the issue on the political agenda at the highest level. In recent months, there has been an increase in the number of positions taken by large companies in favor of more commitments for biodiversity, particularly from the agri-food sector, which until now has remained relatively isolated from the political dynamics of commitment. This is evidenced by the strengthening of the mechanism proposed by the CBD, the flourishing of platforms collecting and praising corporate commitments, the calls of the World Economic Forum, or the forums of business leaders "calling" for action.

...to the imperative of credibility

But part of the work remains to be done, both quantitatively and qualitatively.

In quantitative terms: while the recent emergence of commitments from major companies, and from all the sectors that matter, shows that a step has been taken, the number of large companies in the sectors most concerned by biodiversity that have made significant commitments for biodiversity is still modest. The example of the French platforms bears witness to this: despite the efforts of their facilitation teams and the mobilization speeches of their presidencies, today barely twenty groups, known to the general public, have agreed to play the game of a process by which their commitments are evaluated by the administration and/or civil society. Some companies, which had committed themselves to the process, have not signed it because the evaluation committees judged their approaches to be insufficiently concrete and operational, and they were not ready (for the moment) to propose truly significant actions. It will be essential to succeed in getting them back on board by encouraging them to take these concrete and operational actions.

In qualitative terms: too many forums, statements and webinars with prestigious panels suggest that we are still at the stage of realizing that biodiversity has a problem, or that solutions are to be found through an exogenous political decision, all together, and without designating specific actors or processes. The practice that is still too widespread consists of recalling the major figures of the disaster, testifying to its alarm and calling for transformative change. And this, without specifying how, exactly, the companies whose leaders sign these texts or declarations intend to modify their supply chains, direct their purchases towards sustainable producers, reduce their participation in the industrialization of food and the impoverishment of producers. Some present commitments that correspond almost entirely to what was promised ten or fifteen years ago, without explaining how and why things would be different in the future.

Yet we are no longer in the process of diagnosing or measuring biodiversity and its collapse. We know what is wrong with it, and commitments should concretely address the pressures on it: a model of production and consumption that uses too much space and resources, that "nibbles" at semi-natural habitats everywhere by intensifying production and exploitation, and by destroying the production methods of so-called "traditional" human communities whose practices have long ensured the persistence of planetary biodiversity.

This situation is a reflection of what these leaders anticipate from their economic (their market, including public spending) and regulatory environment. Firms that do not commit themselves are those that do not feel that a revolution in their modes of production is indispensable to their economic future, or that do not anticipate the risk that a transition, driven by public policies, could put their usual investments at risk of becoming stranded assets. Hopefully the recent Task Force on Finance and Nature, which aims to redirect funding towards biodiversity-friendly activities, will encourage them to do so in the future

However, progress would be expected on both quantitative and qualitative axes. Quantitatively, it should no longer be possible for any company using living resources not to embark on a path of sustainability, and the number of groups involved should quickly reach that obtained on climate issues, which would mean a change of order of magnitude in the number of concrete commitments recorded. Above all, however, qualitatively, the practice of indicating a "sustainability agenda", without specifying its scope, should disappear in favour of commitments that are at once operational (focused on the company's production activity and not on its support functions, headquarters, etc.), relevant (dealing with the company's contribution to pressures on biodiversity), and verifiable (indicating the proportions of activity concerned and the quantitative impacts sought). We have, for example, verified this for the chocolate/cocoa sector: all the groups involved have a sustainability program from which there is nothing to be taken away... in terms of principles. On the other hand, it is almost always (there are exceptions) impossible to establish the concreteness of these programs. Similarly, it is not possible to establish to what extent they represent a significant part of the company's operations: how much of the supply is tracked? What share of suppliers is covered by the program and how should this share progress? What surface areas, and more importantly, what proportion of the production surface areas are concerned? In some cases at least, it is to be feared that this obscurity simply hides commitments that are still very marginal in relation to the volume of activity of the groups concerned.

Finally, there are two types of actors who today make this low level of corporate involvement in biodiversity possible: ourselves, as consumers, who still only rarely accept to pay for our food at its true cost, even if it means reducing the proportion of animal products, and are not sufficiently interested in labeled products or attentive to the signs of quality and sustainability of the products in our baskets. And our governments (and therefore also ourselves as voters and taxpayers), which devote only minimal budgets to preserving biodiversity, and are lagging behind in terms of regulation, which does not suggest to businesses "that there is a market of the future in the preservation of biodiversity". Unlike certain groups in the automotive sector who have understood that the future will not remain with diesel vehicles and even internal combustion engines, the agri-food sector is not yet massively convinced of the need to change its model, and it is also up to consumers and governments to convince them of this.

Encouraging trends are emerging, with the launch of new coalitions with a strong ambition to transform business models, particularly in the agri-food sector. And to make commitments concrete, an increasing number of tools are being developed to serve as standards of best practices for making commitments and, above all, for accountability, which includes effective methods for measuring the biodiversity footprint. The latter is a major issue on which there is still a long way to go to ensure that business will be an effective supporter of the implementation of the post-2020 global biodiversity targets.

BIODIVERSITÉ | CBD INTERNATIONAL NEGOTIATIONS | BUSINESS | COP15 BIODIVERSITY