

POLICYBRIEF

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Sustainable Business Practices for Biodiversity

Leveraging Landscape Approaches

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Highlights

Grounded in local practices, landscape approaches facilitate multi-stakeholder dialogue and collaboration to develop and implement sustainable solutions for business and biodiversity. They help to reconcile different priorities and objectives associated with diverse views and values for landscape and seascape management and enhance collaboration among actors along and beyond a supply chain. This process should be underpinned by local stewardship on land and sea.

Recommendations:

- Bolster local stewardship to build and pursue a common vision with enhanced recognition of the livelihood and business values of biodiversity.
- Institutionalize a participatory approach to cross-level collaboration that incorporates review and monitoring and capacity development elements.
- Promote biodiversity elements in education and peer-learning to mainstream biodiversity in business in alignment with global policy goals for sustainability.

Growing Momentum in Business and Finance for Biodiversity

From small ventures to global companies, business relies on biodiversity and impacts it — whether directly or indirectly. The World Economic Forum (2020a) estimates that more than half of global GDP is at risk due to its moderate or high dependency on nature. This is manifested not only in exploitation of natural resources, but also through supply chains, regulatory frameworks, financing systems, product reputation and production processes (WEF 2010). Along with stricter regulations for sustainable practices (e.g., regulation on deforestation-free products in EU), the accelerating decline of biodiversity has elevated biodiversity-related risks from potential threats to critical issues (WEF 2010; Smith et al. 2020).

These risks can be turned into an opportunity where business plays a crucial role in curtailing or mitigating negative impacts on biodiversity and creating nature-positive effects. Proactive engagement in biodiversity conservation and sustainable use allows businesses to generate new value, promote sustainable models and bring in a healthy profit (TNFD 2023). Such opportunities amount to an estimated \$10.1 trillion in annual business value, and 395 million new jobs by 2030 (WEF 2020b).

With rising awareness of the economic implications of biodiversity, momentum has been building to commit to halting biodiversity loss and delivering nature-positive solutions. The UN Global Compact, established in 2000, supports global companies in responsible business practices. More recently, business-led platforms have been evolving to bolster commitments specifically on biodiversity and nature — including Business for Nature, Finance for Biodiversity Foundation and Act4nature international.

Furthermore, Target 15 of the Kunming–Montreal Global Biodiversity Framework stipulates measures for business to progressively reduce negative impacts and risks on biodiversity, and boost positive impacts and actions for sustainable production patterns (CBD 2022). In alignment with this framework, the Taskforce on Nature-related Financial Disclosures (TNFD), a market-led and science-based global initiative, has developed recommendations by which businesses and financial organizations can appropriately assess, report and act on their impacts and dependencies on nature as well as associated risks and opportunities.

Despite this growing momentum, challenges remain in clearly understanding and communicating the complex interdependencies between business and biodiversity. As a result, even with considerable efforts in some industries (e.g., mining, energy and construction), on the whole business engagement in biodiversity has remained marginal and sporadic (TNFD 2023). First-hand experiences and lessons from on-the-ground efforts to manage productive landscapes and seascapes must inform decisions and actions by the diverse actors who operate, regulate and are otherwise concerned with the business implications for biodiversity. This brief draws lessons from such efforts to guide policymakers and practitioners on applying local experiences and initiatives to deliver sustainable business solutions for biodiversity.

Leveraging Landscape Approaches for Business and Biodiversity

Landscape approaches are collaborative schemes to minimize trade-offs and maximize synergies at a landscape or seascape scale (Sayer et al. 2017). They promote biodiversity-friendly business, involving diverse stakeholders such as local communities and other actors involved in value chains. Trade-offs arise from competing priorities within a landscape or seascape — for example, efforts to increase crop yields by introducing new technologies may degrade product quality and undermine traditional practices and knowledge. Landscape approaches allow for stakeholder deliberation to identify and

promote synergies such as innovative business opportunities that advance both biodiversity and knowledge transmission, harnessing diverse resources within a landscape or seascape.

Such synergistic efforts are epitomized in the case of the Guesang Social Enterprise, a culture-based social enterprise of the Guesang Farmers' Organizations, Incorporated (GFOI) of the Pidlisan Tribe in Mountain Province of the Philippines. An NGO and two tribe organizations partnered in 2011 to conduct community action research assessing the health of Indigenous territories, resources and trends in Indigenous knowledge systems and practices. It led to local solutions that pooled labour and resources within the community (e.g., production materials for biological farm inputs; Indigenous cultures of sharing and zero waste) with minimal financial investment, to restore soil fertility and biodiversity while creating new business activities around organic farming produce.

Trade-offs and synergies at the local level are often driven or amplified by external factors associated with a value chain. For example, in Campo, Cameroon, trade-offs manifested when agro-industrial projects under the National Development Strategy 2020-2030 contradicted local subsistence needs. The industrial establishment devastated the environment, biodiversity, and livelihoods of local communities dependent on the forest for food, firewood and other resources. Conservation benefits can easily be compromised by consumers' quest for affordability and comfort, while often producers are not appropriately incentivized to engage in sustainable practices over the long term (Forests and Landscapes Climate Finance 2017). Landscape approaches can facilitate beneficial interactions between stakeholders for positive synergies beyond the landscape or seascape scale. For example, values shared by the actors can foster social entrepreneurship in which different activities associated with the value chain can be streamlined through institutional (re-) arrangements for social innovation to optimize economic profit, and socially and ecologically positive impacts.

Such stakeholder interaction beyond a local community is also observed in Guesang Social Enterprise. With the shared objective of revitalizing the Indigenous soil management system through innovation (i.e., green manuring and composting), the partner NGO provided two shredders and capacity development opportunities for the tribe groups to mechanize the process of shredding plant materials, strengthening Indigenous manuring and composting processes. Building on the legal incorporation of these tribe groups with the partner NGO's support, they established connections with other civil society organizations and government agencies that extended assistance for further social innovation (e.g., training on product development and

packaging, bookkeeping, and agroforestry enhancement). A precise understanding of business impacts and dependencies on biodiversity is a challenge due to complex social–ecological interactions across long and complicated value chains. This impedes appropriate decisions and actions. However, landscape approaches help to capitalize on traditional knowledge, which has been embodied through augmenting local experiences and wisdom, to inform business actors on the sustainable use of biodiversity in practice, while being mindful of local contexts. By bringing in local and traditional knowledge, they help to integrate different knowledge systems that are complementary, creating new business opportunities for biodiversity-friendly innovation.

Furthermore, business practices that benefit biodiversity in the long run tend to be overridden by immediate subsistence needs, short-term economic gains and political climate (Swiderska 2002; Salazar et al. 2022). Nevertheless, a multi-stakeholder approach underpinning landscape approaches can facilitate institutional alignment and coordination between the actors directly and indirectly associated with a value chain, while fostering a shared vision. For instance, under the UNCTAD-led BioTrade initiative that promotes biodiversity-friendly trade, Helvetas’ Regional BioTrade Project in Viet Nam brought together a wide range of stakeholders associated with the value chain of Saim benzoin gum. This process allowed for a mindset shift and motivated the stakeholders to conserve the health and population of the trees. Rather than cutting them down for logging, benzoin gum can be continuously collected, establishing a more sustainable business practice. Such practices promote biodiversity conservation, income generation for local communities, and buyers meeting their clients’ demands for sustainable practices.

Policy Recommendations

Leveraging landscape approaches to advance sustainable business practices for biodiversity is an iterative process, involving adaptation and course correction to reconcile diverse needs and interests among stakeholders. This enhances collaboration along and beyond a value chain. The following steps, which are not mutually exclusive, are recommended to mainstream biodiversity in businesses.

1. Bolster local stewardship to build and pursue a common vision with enhanced recognition of the livelihood and business values of biodiversity.

Working with local collectives (e.g., agricultural cooperatives), policymakers and practitioners should promote clear recognition of biodiversity values among local stakeholders

and mobilize them to adopt these values in their productive activities. Communication channels or common platforms are needed to bring together the stakeholders directly and indirectly associated with a value chain to share their concerns and value on business and biodiversity. This mutual communication is critical to establish a common vision around which stakeholders can reconcile different needs and interests to address all pillars of biodiversity conservation — including sustainable use, and fair and equitable access and benefit sharing.

A biodiversity-based partnership model may serve as a heuristic tool to develop a common vision and enable supply chain actors to act on it. Such a model comprises elements that are integrated at the local level and then scaled up: (i) a common recognition of biodiversity as an essential source of livelihoods and well-being as well as business; (ii) collaborative engagement in biodiversity-friendly business practices; (iii) promotion of biodiversity-friendly trade; and (iv) sharing of multiple benefits arising from the partnership. As an entry point for recognizing biodiversity values associated with businesses, tools such as participatory mapping, and if available, geographic information systems (GIS), can support identification and evaluation of biodiversity along with other local resources in specific contexts. This supports information sharing to build broader partnerships, and long-term planning.

2. Institutionalize a participatory approach to cross-level collaboration that incorporates review and monitoring and capacity development elements.

Cross-level collaboration to pursue a common vision for business and biodiversity requires a participatory approach to planning and implementing sustainable business practices. Stakeholders must be invited and encouraged based on free, prior, and informed consent (FPIC) to share their thoughts and opinions, either through existing local governance systems or newly created opportunities to collectively deliberate strategies and solutions. This approach should be institutionalized in a way that fully acknowledges and protects the rights of local actors to biodiversity (e.g., land title, access to natural resources). The legitimized participatory process empowers local communities to develop innovative solutions. It also builds and strengthens relevant institutions to achieve greater policy coherence across sectors and levels.

Furthermore, as recognized in some standards (e.g., International Finance Corporation principles, Environmental Impact Assessments and Permitting), it is crucial to establish and operate a mechanism to review and monitor the social and ecological impacts of a value chain. This enables stakeholders to adapt their practices to changes (e.g., climate change, economic disruption), and where appropriate, promote and

upscale their activities to other communities and countries. The review and monitoring process should be institutionalized by incorporating capacity development for value-chain actors in the form of training or participatory processes — for instance, for impact studies and risk assessments. This helps to ensure accountability and transparency and enables stakeholders to collaboratively manage risks and improve business practices for nature-positive pathways.

3. Promote biodiversity elements in education and peer-learning to mainstream biodiversity in business in alignment with global policy goals for sustainability.

Mainstreaming biodiversity in business can only be achieved with broader recognition of the significance of biodiversity-business links, and the benefits of collaborative efforts across sectors and levels. Education systems should incorporate more biodiversity elements — for instance, the relevance of biodiversity should be emphasized in master's in business administration (MBA) programmes. By extending landscape approaches across multiple scales, peer-learning of good practices should be promoted to replicate and upscale such practices in a broader range of business activities. Throughout planning cycles, policymakers and practitioners should continuously ensure that business activities are well aligned with global policy agendas related to biodiversity and sustainable development. Among others, careful consideration should be given to issues of fair and equitable sharing of benefits arising from the use and development of biological resources and associated traditional knowledge, as specified under the Nagoya Protocol of the Convention on Biological Diversity (CBD). This is also imperative to mitigate any malpractice within a value chain and to foster trust between businesses and Indigenous peoples and local communities (IPLCs) towards sustainable business practices.

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