

Natural Capital – Ecosystem Solutions

Authors: James Griffiths/Eva Zabey/Violaine Berger

Co-chairs	Company	Country
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We are in the process of establishing a steering board for this area, leveraging the previous Ecosystems Focus Area Core Team. For more information, please contact James Griffiths (griffiths@wbcSD.org).

CONTEXT

*Natural capital is the **value of nature** to people, society, businesses and the economy. It is the **stocks** of physical and biological **resources** and the **capacity** of ecosystems to provide a **flow of services** that contribute to human wellbeing and sustainable development.*

The business case for action by global companies on natural capital is compelling – all businesses impact on natural capital; all businesses depend on natural capital; so significant changes in natural capital *stocks, capacity* and *flows* pose very significant business (and societal) risks – as clearly indicated by the SRC's [Planetary Boundaries](#) framework. Responding to these risks also provides significant scope for new business development opportunities.

Companies need to measure, manage and mitigate their impact and dependence on nature (and more specifically ecosystems and biodiversity) in a world that is shaped by more stringent environmental public policy and consumer pressure. The value of nature is also increasingly considered by the finance sector and business-to-business customers as they assess supply chains and natural capital-related risks and opportunities.

For the past 15+ years, WBCSD has been working on "natural capital" (under the Ecosystems Focus Area). In recent years, the WBCSD has positioned itself strongly as the business voice on ecosystems, in particular by:

- **developing credible and practical tools**, e.g. [Corporate Ecosystem Services Review](#) (ESR), [Guide to Corporate Ecosystem Valuation](#) (CEV),
- **building capacity in business through a comprehensive curriculum**, [Business Ecosystems Training](#) (BET),
- **building trust, and engaging with key organizations**, e.g. IUCN, WRI, TEEB for Business Coalition, B Team,
- **collecting case studies**, e.g. in reports aligning cases to achieving Convention on Biological Diversity (CBD)'s objectives,
- **providing high-level input on public policy and regulation**, e.g. [Picking up the Pace](#),
- **representing progressive business at key events**, e.g. World Conservation Congress, CBD COPs.

RECENT DEVELOPMENTS

In the past 6 months, the team has started to explore what a "natural capital ecosystem solutions" platform could look like, and how it could work most effectively - in particular as part of the Vision 2050-Action 2020 project. We look forward to discussing this with members to also put together a solid and practical governance structure. As an interim structure we have shaped the platform around these elements:

1. Natural Capital Toolkit and Helpdesk

- Capacity building e.g. via BET
- Development & promotion of tools and guides (e.g. ESR, CEV, Global Water Tool + variations, Aqua Gauge, Sustainable Procurement Guide of wood/paper products)
- Tracking which tools / approaches / initiatives / players are most relevant and how they might

fit together, e.g. Water4Biz, Eco4Biz

- Development of a helpdesk structure and network to proactively help members measure, manage and mitigate their impact and dependence on natural capital
- Provide technical support and input to other WBCSD projects that are starting to address natural capital issues within and across sectors and within value chains e.g. CSI, Chemicals Project

2. Relationship Broker for Action

- Public-Private Partnerships e.g. investment in wetland services as a cost effective way to secure access and/or quality, access to water and sanitation
- Business-NGO partnerships, e.g. group certification systems for small forest owners; partnering with Consumer Good Forum on zero net deforestation commitments
- Business-Business partnerships, e.g. water reuse by industrial water users in the same watershed
- Natural capital focused platforms/processes, e.g. collaborative video on natural capital

3. Public policy frameworks to scale business actions

- Advocacy on specific policy options that leverage and scale-up natural capital focused business solutions.

4. Content Development & Expertise

The platform will also support and leverage member projects that are strongly natural capital based or focused. At this stage, these solution focused projects include:

- Forest Solutions Group – value chain (see 1.1)
- Water Leadership Group – cross sector (see 1.2)
- Agribusiness Solutions Group (scoping stage) – value chain and cross sector (see 1.3)

OUTLOOK

In addition to setting up the platform and its governance structure, we will continue with our on-going activities, with the main ones being:

Business Ecosystems Training: The program will continue to be promoted (e.g. through IUCN and their [Leaders for Nature](#) program), we will continue to train trainers in partnership with our Regional Network (see Training of Trainers in [New Delhi](#) and [Bangkok](#)) and to support member uptake of the material (e.g. Hitachi, Monsanto).

Eco4Biz: This structured overview of existing tools aims to help companies make better-informed decisions about which one they could apply when assessing and managing their ecosystem impacts and dependencies. After the launch in Montreux in April, it will be rolled out and promoted.

Video: WBCSD is leading the development of a collaborative video on why nature matters to business, including as many key global initiatives as possible. To be released in Q3.

1.1 Natural Capital Ecosystem Solutions – Forest Solutions Group

Authors: James Griffiths/Uta Jungermann

Co-chairs	Company	Country
Jose Luciano Penido	Fibria	Brazil
Riikka Joukio	Metsä Group	Finland

CONTEXT

The Forest Solutions Group (FSG) provides business leadership in expanding sustainable forest solutions to meet the needs of people now and in the future. It aims to be recognized as the leading platform for the global forest-based industry and its value chain partners – driving scalable business solutions to advance sustainable development.

As part of its core objectives, the FSG informs by illustrating the role of forests and forest products in sustaining a low-carbon and bio-based economy and articulating the contribution of the forest-based industry to developing within planetary boundaries and meeting societal needs. The FSG is a trusted partner and is continuously involved in open dialogue with key stakeholders to establish and maintain solid partnerships to deliver solutions. To meet its membership principles, the FSG works towards implementing common performance targets & commitments. With its partners the FSG drives concerted action through the development of helpful tools and resources. In a business environment with strongly shifting market dynamics and challenges, the FSG seeks to inform and connect with key audience groups, and to influence the policy making process and regulatory frameworks through targeted communication and advocacy.

Currently 25 global companies participate in the Forest Solutions Group, which has evolved from a sector project to a platform for strategic collaboration among value chain partners, including suppliers/producers, buyers/customers and innovation and technology partners and continues its leadership on advancing forest-based solutions.

RECENT DEVELOPMENTS

- Sept 2012: Release of Facts & Trends: Forests, Forest Products, Carbon & Energy
- Oct 2012: WBCSD secretariat and three members actively participated in The Forests Dialogue 2nd scoping meeting on genetically modified trees hosted at IUCN.
- Nov 2012: WBCSD secretariat and four members actively participated in first field dialogue on 4Fs (fuel, fiber & forests) hosted by Fibria in Brazil.
- Nov 2012: Release of Pöyry's technical report on the Future from fiber, which provided technical input to WWF's Living Forest Report (Chapter 4).
- Dec 2012: Release of 3rd edition of Sustainable Procurement Guide in cooperation with WRI. Including updates on legality, traceability and social aspects & newly designed online tool and resource kit.
- Jan 2013: Release of Issue Brief: Biomass Carbon Neutrality, outlining a framework to understanding the concept and debate.
- Jan 2013: Initiated first dialogue with the Consumer Goods Forum on exploring potential work stream synergies on halting deforestation & enhancing sustainable procurement.
- Feb 2013: First Communications Workshop of the Forest Solutions Group held in London, hosted by Mondi and supported by Kite GA.
- Mar 2013: Co-hosted two webinars on Sustainable Procurement Guide to a broad corporate audience of some 30 companies.

OUTLOOK

The FSG is organizing and facilitating a structured dialogue in Montreux with the key certification schemes - FSC, PEFC & SFI - on the future of certification, seeking to build a platform for ongoing dialogue to overcome barriers to certification and to develop joint solutions.

In addition, the FSG is developing a pilot communications & advocacy plan for its latest release: Issue Brief on Biomass Carbon Neutrality. Also in the pipeline for 2013, are two mini-facts & trends on the complementarity of fresh and recycled fiber and the value of productive forests.

Together with WRI, the FSG will continue to build capacity in sustainable procurement of wood and paper-based products through its guide and online resource kit.

Members of the FSG will participate in The Forests Dialogue on 4Fs in Indonesia and/or Finland and a science based dialogue on genetically modified trees (potentially hosted in US). In particular, the FSG seeks cross-sectoral collaboration and dialogue on land use decision making.

Finally, the FSG is kicking off a phased approach to developing performance indicators against its own Forest Solutions Membership principles and responsibilities.

1.2 Natural Capital Ecosystem Solutions – Water Leadership Group

Authors: Joppe Cramwinckel / Tatiana Fedotova / Violaine Berger

Co-chairs	Company	Country
Mark Garret	Borealis	Austria
2 nd co-chair to be announced		

CONTEXT

Water is becoming increasingly scarce - by 2050 about half a billion people are likely to be living in water-stressed regions. And this challenge is complicated by the intrinsic links between water security and the world's rapidly growing demand for food and energy. This will dramatically increase the pressure to intervene in water systems and calls for robust and transparent institutions to collectively manage the resource taking competing needs into consideration.

RECENT DEVELOPMENTS

- Launched "Water valuation: Building the business case" – demonstrating the business benefits of engaging in water valuation supported by a review of 21 case studies;
- Launched the manifesto for access to safe water, sanitation and hygiene at the workplace. An implementation guide is under development;
- Finalized "Sharing water: Engaging business" demonstrating that corporate engagement with other users at the river basin level is critical for water security including companies' own access to water; Initiative led by member EDF kicked off with WBCSD participation to develop a framework to assess the water impacts of the energy sector;
- Partnered with Wetlands International to implement green infrastructure solutions;
- Actively engaged in UN Water consultations on post 2015 MDG, including a public WBCSD position on water targets, and co-authored a call for action coordinated by the Dutch Government;
- Orchestrated a high level strategic review of the water project work plan hosted by the CEO of co-chair company Borealis and designed as a Vision 2050 Revisited workshop.

OUTLOOK

- Launch of an "Agro Solutions" paper, building on the modeling work done to key water, energy and food datasets to tailor solutions to local conditions;
- Scope the Global Water Tool update with new World Resource Institute data and launch the beta version of the India Water Tool;
- Finalize the next phase of the Value of Water project, i.e. development of a "Business guide to water valuation - An introduction to concepts and techniques";
- Articulate a financially and operationally feasible business case to support a cross-sector business partnership to scale up solutions to access to water and sanitation;
- Finalize implementation guide to support manifesto on access to safe water, sanitation and hygiene at the workplace;
- Document best practice in industrial water reuse and scope collaborative pilot projects;
- Finalize action plan on green infrastructure solutions, including partnerships and scoping of a pilot.

1.3 Natural Capital Ecosystem Solutions – Agribusiness Solutions Group (Scoping phase)

Authors: **Violaine Berger/James Griffiths**

Co-chairs	Company	Country
Governance not defined yet		

CONTEXT

The issue

We know that hikes in food or fuel prices can often trigger social unrest, yet demand for food, fuel and fiber is increasing dramatically. By 2050, the demand for food alone is set to rise 70%; for cotton, 80%, while bio-energy production may increase 44% by 2030. **Vision 2050** considers that agricultural output will have to double through better land and water productivity, and deforestation will have to be not only halted, but significantly reversed. In other words, by 2050, we need to feed more people with less water in the context of a changing climate, a growing energy demand and declining ecosystems. **Business has recognized a clear need to develop new solutions to deal with the interconnectedness of water, food, fiber and energy.**

Scoping WBCSD's role

Agribusiness related issues are not new to the WBCSD. Vision 2050 identified the critical agricultural must haves that would lead to enough food, water and biofuels through a new Green revolution. The Ecosystems Focus Area developed different publications that highlight challenges and solutions related to agriculture (e.g. "[Agricultural Ecosystems: Facts & Trends](#)"; "[Tackling climate change on the ground](#)"). The Water Project is currently working on the [Water, Energy and Food Nexus](#) while the Forest Solutions Group is participating in dialogues on [Food, Fuel, Fiber and Forests](#) as part of The Forests Dialogue Platform.

However, during the last WBCSD Council Members meeting in Seoul, a number of WBCSD members expressed interest in going beyond what has already been done in the different projects, and develop a new WBCSD initiative on agribusiness solutions.

To respond to these requests and further scope its future role in this area, the **WBCSD is organizing an agribusiness solutions workshop during the Liaison Delegate meeting in Montreux on Thursday 18 April (8:30-12:30)**. This workshop will be the opportunity to:

1. Deepen our understanding of agribusiness related challenges, in the context of the Vision 2050 Action 2020 project
2. Identify the most critical agribusiness solutions, i.e. the 2020 "must-haves"
3. Discuss and decide whether a new WBCSD Agribusiness Solutions Group could add significant value

RECENT DEVELOPMENTS

To prepare for the scoping workshop, the WBCSD has developed an Agribusiness Solutions Scoping Paper and a simple mapping of the existing agribusiness initiatives (documents available on the Montreux App and [WBCSD website](#))