

# IBBI – Leading by example





## Leading by example: How businesses in India incorporate the value of biodiversity and ecosystem services

The India Business and Biodiversity Initiative (IBBI) which was founded in 2014 speaks for the leadership of Indian Industry and is seen as a front-running business league in conservation and sustainable use of biodiversity. It is instituted within the Global Platform for Business and Biodiversity hosted by the Secretariat of the CBD. IBBI over the past couple of years has enabled the Indian businesses to understand the impacts and dependencies of their operations and value chains on nature, as well as in guiding them to incorporate biodiversity into their business decisions and strategies. IBBI is a rare success story across other national initiatives that generate its own businesses by providing state of the art trainings and workshops. This report provides an overview of IBBI and the need to establish more such initiatives across the globe



## Introduction

Biodiversity is the diversity of life, comprising the wealth of species, genes, and ecosystems on Earth. It provides the basis for functioning ecosystems, which in turn deliver services such as raw materials, food, fertile soils, clean water, pollination or climate regulation. Imagine the pharmaceutical industry without genetic resources, agribusiness without pollination, or tourism without nature's cultural services. The rapid industrial and economic growth in India, alongside high dependency of people on natural resources for livelihoods has put tremendous stress on the natural ecosystems. Because of the continuing loss of biodiversity, costs of raw materials are increasing and services previously provided by nature (for free) need to be replaced by technical solutions (at a cost).

The importance of engaging the business sector is reflected in various international agreements such as the Strategic Plan for Biodiversity 2011-2020 or the Sustainable Development Goals (especially SDG 8, 12 and 17). Conserving and strengthening biodiversity and ecosystem services will contribute to future-proof cities and landscapes allowing companies to continue production and securing livelihoods.

## **CBD Decisions**

Decisions of relevance to the engagement of the business sector date back to COP 3 (Buenos Aires, Argentina-1996) where <u>decision (III/6)</u> requested the Executive Secretary to explore possibilities for encouraging the involvement of the private sector in supporting the Convention's objectives. This was reinforced at COP 5 (Nairobi, Kenya–2000) in which <u>decision (V/11)</u> resolved that the involvement of the private sector shall be included, as appropriate, on the agenda of the Conference of the Parties at its regular meetings and be integrated into the sectorial and thematic items under its programme of work.

It was however only at COP 8 (Curitiba, Brazil-2006) where the first stand-alone decision related to privatesector engagement was taken. <u>Decision (VIII/17)</u> urged national focal points

- to communicate the importance of biodiversity to companies, to encourage them to adopt practices that support the implementation of national biodiversity strategies and action plans and the objectives of the Convention
- to include private sector representatives on national delegations and nominate them to participate in technical expert groups.

During COP 9 (Bonn, Germany-2008), decision (IX/26) built upon the previous ones by furthering the call for Parties to enhance the involvement and engagement of businesses as well as raising awareness of the business case for biodiversity. The decision also encouraged financial institutions to include biodiversity considerations into all investments and to create investment schemes to promote sustainable business activities. It was at this conference when the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and companies in Germany launched 'Biodiversity in Good Company' a Business and Biodiversity Initiative. It was one of the first initiatives of its kind, which is still a role model for other national initiatives across the globe. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) was responsible for its implementation. Even when the public funding ended in 2011, the initiative has sustained itself, realigned its structure and is now a company-driven registered association. Over the next years, GIZ also played a strong role in establishing the Japanese Business and Biodiversity Initiative and later at COP- 11 where the seeds of the Indian Business and Biodiversity Initiative were sown.

## India's biodiversity

India ranks among the top 10 species-rich nations in the world. With only 2.4% of global land area, India accounts for 7-8% of the recorded species of the world. Many companies tend to see biodiversity as a luxury: beautiful and a source of inspiration, but not directly relevant to everyday business. Biodiversity however is much more than that. Biodiversity is a key economic, financial, cultural, and strategic asset for a developing country like India, and is critical for the





Anita Arjundas President and CEO, Mahindra Lifespace Developers Ltd. (MLDL)

'Our engagement with IBBI has helped shape our approach to how we interact with the diverse ecosystems surrounding our projects in developing inclusive communities that positively influence the environment at large.'

economic and social development as well as poverty reduction. Healthy ecosystems support healthy people, sustainable companies, sound economies and hence sustainable development. It is estimated that 70% of Indian population dependent locally on natural ecosystems for subsistence means of livelihood. Hence, businesses cannot ignore the loss of natural capital as we head towards sustainable and inclusive economy.

In India, conservation of biodiversity goes hand in hand with human welfare, as millions of people depend upon biodiversity ecosystem services. Governments, public and private alliances and initiatives worldwide are working to preserve biodiversity. Yet the loss of biodiversity is progressing faster than ever before, and it is increasingly jeopardizing human livelihoods and economic activities. Among the main causes are pollution and overexploitation, changes in land use, the invasive species, and climate change. These are usually driven by institutional and market conditions which hinder sustainable development.

## Genesis of IBBI

India, having hosted the eleventh Conference of Parties (COP-11) to the Convention on Biological Diversity (CBD), was the President of COP for a two-year term. The Ministry of Environment, Forests and Climate Change (MoEFCC), Government of India encouraged Indian businesses to establish a national business and biodiversity initiative during India's Presidency of COP in Hyderabad.

The vision was to sensitise, guide and mentor Indian business organisations in biodiversity conservation and sustainable use related to their operations, across their value chain and beyond towards conservation of India's biodiversity. GIZ's Biodiversity Programme together with the Confederation of Indian Industry (CII) and support from the Ministry of Environment, Forests and Climate Change (MoEFCC) launched the India Business and Biodiversity Initiative (IBBI) on the occasion of the International Day for Biological Diversity on 22nd May 2014 in New Delhi. The aim of IBBI was to:

- a) build awareness and capacity among businesses and its stakeholders on biodiversity management;
- b) document, showcase and promote good business practices in India and globally; and
- c) advocate public policies supporting the business and biodiversity interface at national and international level.

#### Vision Statement

To sensitise, guide and mentor Indian business organisations in biodiversity conservation and sustainable use related to their operations, across their value chain and beyond towards conservation of India's biodiversity

#### Mission

To lead Indian industry in:

- understanding the linkage and impacts of business operations on biodiversity
- advocacy on the need for biodiversity conservation and sustainable use
- identifying and partnering with Government, Non-Government Organisations and local communities to create synergies in biodiversity conservation
- documenting and sharing of local and global best practices in biodiversity conservation and sustainable use
- adoption of replicable local and global best practices



## **IBBI membership**

Businesses of any size and from any sector can be a part of the initiative. The CEO of a member company is requested to sign a 10-point India Business & Biodiversity Initiative (IBBI) Declaration to get commitment from the highest level possible within an organization. Every two years CEOs of companies who signed up for IBBI then have to make a public disclosure on the progress made on IBBI 10 point declaration and endorse their commitment in sustainable use and conservation of biodiversity in India.

#### **IBBI** Leadership Declaration

The CEO of a member company is requested to sign a 10-point India Business & Biodiversity Initiative (IBBI) Declaration. By becoming signatories to the IBBI Declaration, companies endeavour to take action in the following areas:

- Mapping biodiversity interfaces with business operations.
- Enhancing awareness on biodiversity within the organisation.
- Considering the impacts of business decisions on biodiversity.
- Setting objectives and targets for biodiversity management.
- Designating an individual within the organisation as biodiversity champion.
- Assessing biodiversity risks and opportunities.
- Including the applicable biodiversity aspects in the environmental management systems.
- Encouraging relevant stakeholders to support better biodiversity management.
- Engaging in policy advocacy and dialogue with Government, NGOs and academia on biodiversity concerns.
- Initiating the valuation of relevant biodiversity and eco-system services.

## Governance structure

IBBI consists of an Advisory Group, Expert Group on Biodiversity Policy and Working Group(s).

#### Advisory Group

The Advisory Group consists of representatives from companies signing the IBBI Declaration and other key stakeholders like development organizations, NGOs and academia. The Group is headed by the IBBI Chairman from industry and it meets at least twice a year.

#### Expert Group on Biodiversity Policy (EGBP)

The EGBP consists of representatives from companies or sectoral initiatives who work together for policy advocacy on critical biodiversity related policy.

#### Working Group(s)

It was envisaged to create Working Group(s) as and when the Advisory Group suggests so. The Group(s) may work on issues, which are more aligned, to their field of operations or in the fields in which members of IBBI need more technical handholding.





## **IBBI Framework**

At the secretariat level, it was decided that IBBI would focus on four key areas



- Advocacy activities: An expert group on Biodiversity policy was established
- Business Sustainability Activities: development of tools and training packages
- Communication: Monthly newsletters to IBBI members and other CII members along with regular reporting to CBD, participation at other international events such as CBD-COP, Global Platform on Business and Biodiversity meetings
- Knowledge activities: knowledge products, documentation of experiences in terms of best practices, monthly newsletters and regular webinars both for member and non-member companies.

## **Business Model of IBBI**

From the onset of the project, it was decided that GIZ would only be able to support the initiative for a period of two years keeping in view the time frame of the larger project "Incentives for Sustainable Management of Biodiversity and Ecosystem Services (ISBM)". As this initiative did not charge any membership fees to be part of the initiative, the complete business model was dependent on developing state of the art tools and training package. Through GIZ support, a tailor made capacity-building programme was initiated to support signatory companies on their commitments made on IBBI declaration. Six pilot companies were equipped with various tools such as IBBI Quick Scan, Baseline Assessment, Natural Capital Profile (NCP) and Natural Capital Action Plan (NCAP).

#### a) Consultancy

Our professional consultancy uses IBBI tools, definitive management approach in 6 robust ways to help in:

- Mapping of risks and impacts at value chain level
- Management of ecosystem services for sustainable development
- Developing implementable strategies and action plans
- Creating biodiversity champions in organisations through training

#### Consulting Packages

Herbs (Basic)

- Quick Scan tool
- Gap Analysis
- Baseline Assessment

Site Visit

- Natural Capital Profile (NCP) Natural Capital Action Plan (NCAP)
- Review & finalisation of NCAP
- Capacity Building at site
- Site visit for review of work Guidance in integration of Biodiversity in EMS
- Guidance in Reporting

#### Shrubs (Pro)

Herbs + IBBI trained expert Monitoring of expert work Customised training program QA/QC of work completed

#### Trees (Pro+)

Herbs + Shrubs+ Expert from IBBI expert pool Site assessment Specific training Customised tools





**R. Mukkundan** Chairman, IBBI Managing Director, Tata Chemicals Ltd.

'In the modern era, the environment in which business operates is getting more challenging and businesses who can manage biodiversity sustainably will always have an edge.'

'I would request Indian businesses to join the initiative and share and learn from experiences on work on biodiversity nationally and globally, and help it grow further to help spread the need to conserve India's biodiversity.'



## Tools

#### Tools developed in the past two years with GIZ

- IBBI Quick Scan 2.0: A self-assessment tool to identify impact and dependencies on biodiversity and ecosystem services in value chain
- Biodiversity needs assessment: Systematic assessment of company's impacts and dependencies on B&ES and development of management plan
- Natural Capital Action Plan: Stepwise action plan development for mitigation of negative impacts and direct dependencies on the B&ES in own operations & value chain
- Integrating Biodiversity and Ecosystem Services into an ISO 14001:2015- Based Environmental Management System

#### Tools developed by CII in-house

- Ecosystem Service Matrix: Identification of critical ecosystems and ecosystem services within project area and companies interdepencies on them
- Biodiversity indexing of the site and corporate levels: Scientific listing and monitoring of the biodiversity quotient of the operation location
- Greenbelt designing: Strategic development of plantation plan for the company to minimize the negative impacts and support local biodiversity





**S. Vijay Iyer** Managing Director. Rio Tinto India

'India Business and Biodiversity Initiative provides an excellent platfrom for businesses and stakeholders to share and learn from experiences and mainstream biodiversity into respecitive policies and operations of their business.'

## Knowledge products

- CII-ITC Centre of Excellence for Sustainable Development. (2014). Business and Biodiversity in India: 20 Illustrations. New Delhi: Confederation of Indian Industry. (link)
- CII-ITC Centre of Excellence for Sustainable Development. (2016). Demonstrating leadership in Biodiversity Management. New Delhi: Confederation of Indian Industry. (link)
- India Business & Biodiversity Initiative (IBBI). (2015). Bridging business and biodiversity: Innovative Approaches. New Delhi: Confederation of Indian Industry. Retrieved from (link)
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- India Business and Biodiversity Initiative (IBBI). (2017). Legal framework environment and biodiversity laws. New Delhi: Confederation of Indian Industry. (link)

## Recognition

The Sustainability Awards, instituted by the CII-ITC Centre of Excellence for Sustainable Development in 2006, are for:

- Identifying and recognising exemplary performance in economic, social and environmental dimensions of Indian business
- Promoting role models in Indian industry and recognising excellence achieved by businesses in mainstreaming Sustainability with business practices
- Imparting knowledge by which the Centre builds capacity in Indian businesses to adopt sustainability practices.

For the first time since the inception of the awards, Biodiversity has been featured as a separate domain, which in itself is a major step forward. TATA Power won the award for biodiversity for 2016 for outstanding results in Mahaseer Fish Conservation with its detailed scientific implementation work. Over 1000 ha of mangroves have been restored and catchment areas around Hydro reservoirs in northern Western Ghats have been preserved.



## Next steps

- The goal of IBBI is to reach 50 member companies by 2017 and 150 by 2020
- The initiative is working together with Mr. Pavan Sukhdev's organization GIST Advisory to develop first of its kind Natural Capital Externalities (NCX) Toolkit which would cater to needs of companies to evaluate environmental and ecological impacts (i.e. 'natural capital externalities', or 'NCX') along their value chains. This tool would be funded by the member companies of IBBI and ten pilot companies have already signed up
- The global project Private Business Action for Biodiversity (PBAB) which is commissioned by the BMUB and implemented by GIZ and the Access and Benefit Sharing (ABS) Partnership Project shall work with IBBI in its future endeavours.

## **Global Platform on Business and Biodiversity**

There is an increasing drive for private sector, government and civil society partnerships in the past two decades. In pursuant to the decisions taken at COP 10 (X/21) and COP 11 (XI/7), the Global Partnership on Business and Biodiversity (GPBB) stemmed and currently has 21 member countries. However, despite the strengthened mandate and the resultant increase in demands and profile there is marginal participation from Africa and Latin America.



### The Global Partnership for Business and Biodiversity

## Need of such initiatives across the globe

In line with the CBD COP Decision (X/21) where it was acknowledged that "many companies around the world are not aware of the importance or the benefits of biodiversity to their affairs or of the positive effects of mainstreaming the values of biodiversity and ecosystem functions and services into their business models and into supply chains ", the COP 12 decision in particular had a very strong mandate in specifying work in areas such as: reporting, creating the business case for the Aichi Biodiversity Targets, capacity building, and ensuring that other forums are engaged. Thus, to harness and expand private sector engagement towards sustainable practices that deliver benefits for people and business and to continue engaging with Indian businesses with IBBI, GIZ India envisaged to further focus on the Global Project on Private Action for Biodiversity (PBAB) and the project on Access and Benefit Sharing Partnership.



## Conclusion

Businesses can play an important role in combating the causes of biodiversity loss. On the one hand, the services provided by nature are at the basis of many economic processes. On the other hand, economic activity alters biodiversity and ecosystems – and often degrades them. Promoting biodiversity friendly production and the sustainable use of it, can build the bridge among conservation and development, opening business opportunities, reducing risks and improving the quality of life on millions of people. A more biodiversity friendly and sustainable development for corporations implies a good quality of environmental management, the development of ecologically sustainable competitive strategies, technology transfer to reduce impacts on ecosystems and diminish biodiversity loss.

## IBBI since its establishment

- IBBI has presently 26 signatories that range from Indian conglomerates such as TATA, ITC, Mahindra, and Wipro that represents a total annual turnover of more than €80 billion.
- IBBI represents a variety of industries, including cement, steel, chemicals, power, information technology and consumer products among others. CEO's of all the signatory companies have committed themselves to integrate biodiversity management into their operations.
- Two regional chapters (Western Chapter and Southern Chapter) have been established at Godrej and Wipro respectively. This shows the commitments of the signatories to take the topic further and reach out to other industry members.
- Biodiversity has been included as a separate domain in the CII annual Sustainability Award which has been part of CII since 2006. This essentially is a crucial step as all companies who go through the award process would need to report on their engagements and commitment to the cause of biodiversity conservation.
- Expert Group on Biodiversity Policy (EGBP) was established within IBBI that works together for policy advocacy on critical biodiversity related policy. The EGBP consists of representatives from companies and the chair of the group is a member of the IBBI Advisory group and reports to the chair of IBBI.
- IBBI initiative has become self-sustainable and has three full time staff at the secretariat which is led by the Deputy Director General of CII-ITC Center for Sustainable Development.
- IBBI has become a forerunner initiative within the CBD led Global Platform on Business and Biodiversity.
- The training course on biodiversity management for businesses has been institutionalised at the CII as a certified course. CII continued offering regular training to the employees of the private sector. IBBI also offers expert advice to the member companies on biodiversity risk assessment and preparing action plans for biodiversity management. The training and expert advice are paid services to the business that help IBBI achieving financial sustainability to continue the initiative.



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