

Valuing Biodiversity: Mainstreaming biodiversity in economy and business

The ASEAN region is endowed with biodiversity that sustains essential life support systems both for the region and the world. This biodiversity supports livelihoods and cultures, and are vital to the survival and well-being of millions within and beyond ASEAN. Biodiversity is increasingly threatened by global and regional environmental concerns such as climate change, habitat destruction, deforestation, pollution, illegal wildlife trade, invasive alien species, poverty and population growth, ineffective law enforcement, and lack of effective conservation measures, among others. Extractive industries, such as mining, logging, and fishing, tend to harvest resources beyond their limits and often employ irresponsible business practices to increase yield and profits.

The World Wide Fund for Nature's Living Planet Report 2014 determined that more than 60 percent of the world's ecosystems have been so degraded that they can no longer provide quality goods and services. While the value for overall ecosystem degradation is difficult to assess in ASEAN, a region-wide scoping study in 2012 on the economics of ecosystems and biodiversity conducted by the ASEAN Centre for Biodiversity



Mainstreaming biodiversity in economy and business relates to all Aichi Biodiversity Targets, but more specifically to Target 2, which focuses on the removal of subsidies that drive negative impacts and provision of incentives to spur the sustainable use of biodiversity; Target 4, where business and other stakeholders should have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits; Target 6, where fisheries and marine resources are harvested sustainably with recovery measures in place to prevent adverse impacts on threatened species, vulnerable ecosystems, and fisheries stocks; and Target 20 on the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011–2020.

(ACB) stated that under a business-as-usual (BAU) scenario, the projected loss in the value of ecosystem services from a decrease in mangrove areas is estimated at USD 2.16 billion annually (in 2007 prices). In the case of coastal and marine ecosystems, an annual loss of USD 5.64 billion per year (in 2007 prices) for the period of 2000–2050 is projected if current rates of overfishing and the use of destructive fishing practices continue.

Biodiversity valuation for economic policy and development

There has been increasing recognition of the importance of biodiversity and ecosystem services to the development of a strong and resilient economy. More governments are attempting to put value on their biodiversity resources. Increasingly, stakeholders need to be convinced that in addition to products derived from nature, ecosystem services also have value and should be considered in economies and business practices. Various methods have been developed to place a monetary value on intangible benefits from biodiversity to highlight the importance of conserving biodiversity and ecosystem services. These include The Economics of Ecosystems and Biodiversity (TEEB), a global initiative that evaluates the costs of biodiversity loss and ecosystems degradation and compares the economic benefits of biodiversity conservation and the costs of failure to take protective measures; Payment for Ecosystem Services (PES), which follows the TEEB approach and is a voluntary transaction where a defined ecosystem service is paid for by a buyer from a provider of an ecosystem service if the provider can ensure a sustainable supply; and Natural Capital Accounting, which aims to measure national Gross Domestic Product more accurately by considering the contributions of invisible assets.

These and other measures have been applied in various AMS to facilitate the mainstreaming of biodiversity into the economy.

Promoting the link between business and biodiversity

Biodiversity valuation is also used to build the case for biodiversity conservation as a smart business practice. Businesses depend on biodiversity as the source of raw materials and natural capital. An increasing number of companies are assessing how biodiversity loss may impact their bottom lines and how operations impact biodiversity and the steps necessary to minimize such impacts. Some are financing environmental protection activities through corporate social responsibility (CSR) projects, while others have started the process of mainstreaming biodiversity conservation into policies, operations, products, and services. Conservation should be recognized widely as a huge business opportunity as more consumers look for “green” products and services. Still, the challenge to balance profitability and sustainability remains. ACB continues to work with AMS to promote the link between business and biodiversity through various forums, conferences, and projects.

Ecotourism as a source of sustainable financing for biodiversity conservation and protected areas

Ecotourism best embodies the link between economics, business, and biodiversity in conservation and protected area management. There is increasing interest in ecotourism as more travelers seek responsible tourism that provides multiple benefits to stakeholders and generates funds for biodiversity conservation and



management. According to the UN World Tourism Organization (UNWTO), international tourism arrivals is forecasted to reach 1.8 billion tourists in 2030, with 25 percent of travels going to ecotourism (Center for Responsible Travel, 2013). In ASEAN, the regional arrival figure is projected to reach 136 million by 2020 (UNWTO, 2013). The numbers for ecotourism are expected to grow as global tourism continues to increase along with heightened interest in ecotourism destinations and programs in the AMS.

When properly packaged and managed, ecotourism can provide much needed revenues for the protected areas and other nature destinations to complement limited traditional funding sources. Additionally, ecotourism can provide a viable economic development alternative for local communities that have few income-generating options by providing jobs through craft production, guiding services, vehicle rentals, accommodations, and food and recreation services. Moreover, ecotourism can increase the level of awareness and activism among travelers, making them more enthusiastic and effective agents of conservation.

The AMS have a number of ecotourism laws, policies, and programs that direct national ecotourism development. ACB, through the ASEAN Heritage Parks (AHP) Programme, has organized trainings, seminars, workshops, field visits, and conferences that have highlighted the benefits of ecotourism to biodiversity conservation and protected area management in the region.

Gaps and challenges

Various challenges have to be addressed to mainstream biodiversity into economy and business. There is still a lack of biodiversity valuation cases, which hinders the incorporation of biodiversity values into national economic and development plans, investments in biodiversity, and the development of biodiversity-friendly business enterprises. There is inadequate prioritization of business and biodiversity in communication, education, and public awareness (CEPA) programs. The business sector has minimal involvement in biodiversity conservation. Some of those that do contribute to conservation only do so as part of a nominal corporate social responsibility program. There is also a lack of an ASEAN-wide network of businesses with strong conservation ethics. An active regional partnership for business and biodiversity could encourage greater business sector participation in biodiversity conservation.

Call for Action

Some of the recommendations generated from discussions on biodiversity, the economy, and business include the following:

1. Mainstream biodiversity and sustainable development at all levels of governance.
2. Integrate biodiversity and ecosystem values into national accounting systems.
3. Generate and integrate trade and economic data on biodiversity in trade planning.
4. Ensure that decision makers have access to accurate valuations of biodiversity and ecosystem services.
5. Create opportunities for dialogue between the private sector, scientific community, governments, and local resource users on benefits from biodiversity and ecosystem services.
6. Emphasize that biodiversity is everybody's business and everybody has a stake and a role in biodiversity conservation.
7. Educate consumers on the value of biodiversity as consumer demand plays a major role in business operations and practices. Change consumer demand and behavior to create an impact on business operations.

Photo by Mar Lar Winn

References

ASEAN Centre for Biodiversity (2017). ASEAN Biodiversity Outlook 2. Philippines. (220 pages).

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Valuing Biodiversity:

Mainstreaming biodiversity values in economy and business

Biodiversity valuation tools

- ✓ The Economics of Ecosystems and Biodiversity (TEEB)
- ✓ National Capital Accounting (NCA)
- ✓ Payment for Ecosystem Services (PES)

Ways Forward

Challenges

Lack of information of the economic value of biodiversity

Insufficient awareness of the ecological and economic values of biodiversity in the business community

Inadequate prioritization of business and biodiversity in national communication, education, and public awareness programs

Lack of ASEAN-wide network of businesses with common biodiversity goals

Limited involvement of the business sector in biodiversity conservation

Emphasize that biodiversity is everybody's business.

Educate consumers on the value of biodiversity.

Ensure that decision makers have access to scientifically credible information that accounts for the total value of ecosystem benefits.

Facilitate dialogue among relevant stakeholders on the benefits from biodiversity.

Mainstream biodiversity and sustainable development at all levels of governance.