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State of Global Ecosystem Services Policy Developments

UN Global Compact
CEO Water Mandate
Working Conference
April 14-16, 2010

What is the Relevance of Ecosystem Services to Business?

Companies have dependencies and impacts on ecosystem services

Dependencies

- Inputs to products and production processes
- Healthy worker fundamentals (e.g. clean air, sufficient water, food, etc.)

Impacts

- Potential to damage ecosystems that produces goods and services on which local communities depend



Environmental Services, Tools & Markets WG

This working group explores how knowledge around ecosystem services will be **integrated into decision-making** at the local and global scale.

- Gain insight of the applicability and use of **ecosystem services impact and valuation tools**
- Connect with leading **experts** and ecosystem services **tool developers** through structured and facilitated meetings
- Stay ahead of global ecosystem services-related **policy developments**



2010 Members

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Emerging Context

- Investors & investment markets
 - Goldman Sachs, UNEP Finance Initiative, IFC Social and Environmental Sustainability Performance Standard No. 6 on Biodiversity Conservation
- Public agencies & regulatory framework
 - The Economics of Ecosystems and Biodiversity (TEEB) Reports, U.S. DOA, EPA, among others
- Stakeholder expectations
 - World Resources Institute's Corporate Ecosystems Services Review methodology (with WBCSD)
 - Example: ARIES tool collaboration between University of Vermont, Gund Institute for Ecological Economics, Conservation International, and Earth Economics Institute

Policy Tracking: Framing Questions

- New ecosystem-service-focused **government policies and legislation/regulation**?
- Existing or emerging **government-supported, voluntary- and incentive-based initiatives** that center on ecosystem services?
- Key **government- and/or multilateral-organization-issued reports** that focus on ecosystem services that could signal a change in the future approach of regulation?
- Ecosystem-services-based, **nongovernmental voluntary initiatives** that appear to be influencing (or likely to influence) policymakers?

Key Findings (I)

- U.S.: Government agencies explicitly exploring use of ecosystem services (EPA, USDA, USGS)
- EU: UN, EEA focus on biodiversity and ecosystem services valuation (TEEB)
- Asia: China initiatives for protecting watershed services and resolving conflicts over rights and access to water resources
- Latin America: Payments for ecosystem services (PES) continues to be strong focus

Key Findings (II)

- Much uncertainty in the arena
 - How will ecosystem services will be **defined** and **valued**?
 - What **tools** for ecosystem service identification, assessment and valuation will be most broadly accepted and used?
 - How will companies and industry sectors be **affected by risks and opportunities** associated with ecosystem services?
- Companies need to monitor, understand and be prepared to address (and try to influence) a wide range of activities in the issue arena
 - Arena is **expanding** rapidly (actors and activities)
 - Significant challenges to companies to **monitor and assess implications** and define responses

ESTM Comparative Tool Assessment

- US Bureau of Land Management (BLM) and US Geological Services (USGS) collaboration
- Purpose:
 - Determine which methods for valuing ecosystems are ready for operational use at the BLM
 - Explore usefulness of ES valuation framework for BLM land use decision-making process
- San Pedro National Conservation Area: San Pedro Watershed represents real-world resource allocation dilemma