

TEEB – The Economics of Ecosystems and Biodiversity Report for Business - Executive Summary 2010

Foreword and Summary

Modern society's predominant focus on market delivered components of well-being, and our almost total dependence on market prices to indicate value, means that we generally do not measure or manage economic values exchanged other than through markets. This is especially true of the public goods and services that comprise a large part of the benefits that nature provides humanity. Society generally also ignores third-party effects of private exchanges (so-called 'externalities') unless they are actually declared illegal. TEEB¹ has assembled much evidence that the economic invisibility of nature's flows into the economy is a significant contributor to the degradation of ecosystems and the loss of biodiversity. This in turn leads to serious human and economic costs which are being felt now, have been felt for much of the last half-century, and will be felt at an accelerating pace if we continue 'business as usual'. There are both serious risks to business, as well as significant opportunities, associated with biodiversity loss and ecosystem degradation. There is also a need for business to quantify and value its impacts on biodiversity and ecosystems, in order to manage these risks and opportunities and enable a better future for all.

Evaluations of any kind are a powerful 'feedback mechanism' for a society which has distanced itself from the biosphere, upon which its very health and survival depends. Economic valuations, in particular, communicate the value of ecosystems and biodiversity and their largely unpriced flows of public goods and services in the language of the world's dominant economic and political model. Mainstreaming this thinking and bringing it to the attention of policymakers, administrators, businesses and citizens is in essence the central purpose of TEEB, and this summary report on TEEB for Business is an important contribution towards that objective.

The Economics of Ecosystems and Biodiversity (TEEB) is a global study, initiated by the G8 and five major developing economies and focusing on 'the global economic benefit of biological diversity, the costs of the loss of biodiversity and the failure to take protective measures versus the costs of effective conservation'¹. TEEB makes the case for integrating the economics of biodiversity and ecosystem services in decision-making. This document summarizes a major component of TEEB aimed at the business community. The full report sets out the business case for biodiversity and ecosystem services (BES). In this summary, we review some key indicators and drivers of biodiversity loss and ecosystem decline, and show how this presents both risks and opportunities to business. We examine the changing preferences of consumers for nature-friendly products and services, and offer some examples of how companies are responding. We summarize the links between business and biodiversity, focusing on the concept of ecosystem services. We provide detail on the status of and trends in biodiversity and ecosystem services, and the BES impacts and dependencies of different business sectors. The report describes recent initiatives to enable businesses to measure, value and report their impacts and dependencies on biodiversity and ecosystem services, and outline further work needed in this area. We identify practical tools to manage BES risks and show how companies are using these tools to deliver business value. We highlight some emerging business models that deliver biodiversity benefits and ecosystem services on a commercial basis, and review the enabling frameworks needed to stimulate private investment and entrepreneurship to realize such opportunities, as well as obstacles. The report explores this topic in detail, offering a wealth of concrete examples. This summary briefly reviews how business can align their actions in relation to biodiversity and ecosystem services with wider corporate social responsibility initiatives, including community engagement and poverty reduction. The report concludes with a review of business and biodiversity initiatives and an agenda for action by business as well as other stakeholders.

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