

DEVELOPING A CORPORATE ECOSYSTEM SERVICES REVIEW

GOAL

To stimulate and support business action to reverse ecosystem degradation through the development and adoption of a corporate “ecosystem services review” methodology—an enterprise-level decision-support tool for identifying business risks and opportunities posed by the degradation of ecosystem services.

BACKGROUND

The Millennium Ecosystem Assessment (MA), a four-year international scientific appraisal undertaken by nearly 1400 experts from 95 countries, found that over the past 50 years human beings have changed ecosystems more rapidly and extensively than in any comparable period of time in human history. These changes have led to the degradation of many *ecosystem services*, the benefits people obtain from ecosystems including fresh water, wild foods, forest products, erosion control, protection from floods and other natural hazards, and recreation. In fact, of the 24 ecosystem services the MA assessed, 15 were degraded or used unsustainably, only 4 were enhanced, and 5 had mixed performance—varying by region (*see* www.maweb.org). The MA concluded that the degradation of ecosystem services would significantly increase during the first half of this century.

Because businesses both depend upon and impact ecosystem services, these trends may pose operational, regulatory, and reputational risks to companies. Ecosystem service degradation also opens the door for new business opportunities such as new technologies and products, new markets, and new revenue streams for natural assets. Companies that recognize these risks and opportunities are more likely to include ecosystem service considerations in their business strategies, adopt more sustainable business practices, introduce products and/or services that support healthy ecosystems, and engage lawmakers to create incentives for ecosystem stewardship.

However, most companies currently fail to make the connection between healthy ecosystems and the attainment of their economic goals. They lack a systematic approach for understanding the risks and opportunities that arise from ecosystem degradation and for clarifying a “business case” for taking progressive action.

APPROACH

The World Resources Institute (WRI), the Meridian Institute (Meridian), and the World Business Council for Sustainable Development (WBCSD) are addressing this urgent need by developing and road testing a corporate “ecosystem services review” (ESR) methodology. An ESR is an analytical approach that enables a company to identify the business risks and potential new business opportunities posed by the degradation of various ecosystem services and to develop appropriate strategies in response.

An ESR consists of four steps:

- Step 1: Select a subset of the company’s operations (e.g., business unit, product).
- Step 2: For this subset, conduct a systematic evaluation of its dependence and impact on ecosystem services.
- Step 3: Assess the conditions and trends in those ecosystem services deemed most significant to the company.
- Step 4: Identify the business risks and new opportunities posed by these ecosystem service trends. Develop corporate strategies to address these risks and opportunities.

By using the framework of ecosystem services, an ESR addresses an additional dimension of corporate impact on the environment (and vice versa) that current environmental management systems may not yet include. The development and application of an ESR was a primary recommendation of the *MA Business and Industry Synthesis*.

Several members of WBCSD's Ecosystem Champions Group are road testing the methodology. The pilot companies—which include BC Hydro, The Mondi Group, Rio Tinto, and Syngenta—represent a range of industry sectors and will provide WRI and Meridian with real world feedback on the methodology.

OUTCOMES

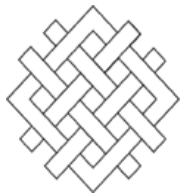
This initiative aims to achieve several outcomes including:

- A robust, systematic methodology for conducting an ecosystem services review that has been tested and refined.
- Published guidelines and tools to help the business community conduct ESRs.
- A suite of case examples of how ESRs are conducted, their value, and implications for business practices.
- Increased business management “know how” and capacity for incorporating ecosystem service considerations into corporate strategies and operations.

TIMING

November	–	December	2006:	Develop ESR methodology
January	–	August	2007:	Pilot test and refine ESR methodology
March	&	July	2007:	Gather additional external input and refine
August	–	October	2007:	Write and publish guidelines

ABOUT THE PROJECT PARTNERS



**WORLD
RESOURCES
INSTITUTE**

The World Resources Institute (WRI) goes beyond research to create practical ways to protect the Earth and improve people's lives. Its mission is to move human society to live in ways that protect Earth's environment and its capacity to provide for the needs and aspirations of current and future generations.

The Meridian Institute (Meridian) helps decision makers and diverse stakeholders solve some of society's most contentious public policy issues. Meridian works with all involved parties to create the right conditions for creative, practical solutions, and mutually beneficial agreements that can be effectively implemented.



Meridian Institute
Connecting People to Solve Problems



**World Business Council for
Sustainable Development**

The World Business Council for Sustainable Development (WBCSD) brings together some 180 international companies in a shared commitment to sustainable development through economic growth, ecological balance and social progress.

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