

Check upon delivery



High Level Segment: Business and Biodiversity Event –

Speech of

Monique Barbut, CEO and Chairperson

Global Environment Facility

**COP 10
October, 18–29, 2010**

Nagoya

October 28 - 19:00-22:00

Ladies and Gentlemen,

It is a wonderful feeling sharing this venue with high-level representatives from leading Japanese and global businesses, with the President of the World Bank, with the CEO of the IUCN – and last but not least – with the Ministers of the Environment from Japan and Indonesia. Where have you seen private sector ingenuity, public sector commitment and civil society creativity of such caliber coming together - and to wrap their arms around, what, exactly? Biodiversity, of all things! This is truly a remarkable moment.

A gathering like this does not happen by chance. The legislatures of donor countries, particularly during these challenging economic times, would not lend their support to a global environment institution like the GEF – which was just replenished with unprecedented \$4.3 billion dollars - if they were not convinced that the future of their grandchildren depended on the health of the life-support systems of the planet. The President of the world's premier development institution, the World Bank, would not be here today committing his organization's full attention to biodiversity if he was not absolutely certain that ecosystem services represent the foundation of sustainable societies. My friends representing Nokia, Lacoste, Taisei Corporation, the Keidanren [may mention others if we get confirmation] would not waste their valuable time if they weren't confident that they could stand tall and proud before their partners and shareholders with a convincing case why the future of biodiversity is intertwined with the fate of their

companies. And the Ministers of the Environment are the ones who can most effectively spread this message to the political and legislative sectors.

We are here together because we heard the lessons from the GEF-funded Millennium Ecosystem Assessment; and we learned from the TEEB study – The Economics of Ecosystems and Biodiversity. But I will not waste your time with the usual platitudes or repeat the frightening findings of these major studies. Being in Nagoya for a few days now, I am sure you have been thoroughly briefed on the sobering figures behind the current biodiversity crisis of planetary proportions

But do we really care? In fact, we have cared quite a lot. The GEF was established in 1991 to address two major global environment problems – biodiversity loss and climate change. Since then, we have helped developing countries protect 634 million hectares of land – an area 60% the size of Europe. Protected areas have sometimes been criticized for presumably preventing people from accessing natural resources. However, the sheer scale in the global coverage of protected areas is a testimony that the concept, in its many forms, has been embraced by virtually all governments, civil society and local and indigenous communities, all in a relatively short period of time. They are now generating over a hundreds of thousands of jobs and alleviating poverty throughout the developing world.

But this is not enough. It is not enough because there is not enough public money in the system to tackle the magnitude of the problem.

What to do, then? I believe it is by bringing in the most powerful economic development force of society into the mix – the private sector. There is a reason why these companies are here today - and it is not necessarily to simply respond to the old for philanthropic money – always scarce, by the way, because giving away profits is not part of any business plan of a successful company. What is universal is the reinvestment of profits in their core business – and this is our latching point.

Many businesses – big and small - have come to realize that a portion of their value depends on biodiversity. Let's take an example from the extreme side of the spectrum – Walmart, the world's largest corporation by revenue. The power of such global business to introduce sustainable practices cannot be underestimated – and they have been investing over half a billion dollars in sustainability projects that, for example, have made organic cotton a huge success for the company. You may find surprising that Walmart, a company whose business model is selling for the lowest possible price, is now the largest global buyer of organic cotton. This happened in a very short time period, a consequence of the ripple effect that a retail company like Walmart has on its supply chain. The company has also committed to purchasing, by 2011, all wild-caught fish for the U.S. market from Marine Stewardship Council (MSC)-certified fisheries. These decisions are not being made solely on the basis of corporate responsibility guidelines. Walmart is making money by going sustainable.

Why is the GEF interested in getting more involved in public-private partnerships? It is because going green has some unintended consequences,

particularly for the people in countries in most need of GEF assistance. When Walmart adopts sustainability requirements for sourcing the fish going to their stores, the costs of adjusting to this new reality affect disproportionately the poor and undercapitalized. They, in turn, may have no other option than to continue to make a living though less sustainable means – or be pushed out of the business altogether.

The GEF is also interested in helping to open new premium markets for products harvested sustainably by communities in developing countries – by sharing the initial costs of jump-starting new businesses or by providing guarantees to offset risks. We have also examples coming from the very small scale – GEF has worked with the World Bank identifying and rewarding dozens of small green businesses around the world through the Development Marketplace initiative – and also with our very successful \$50 million/year Small Grants Program.

These are the strategic entry points for the GEF, and we are on the outlook for the most promising linkages in the interface between business and biodiversity. Today, we are launching a new initiative linking smart companies with efforts to conserve threatened species.

Consider the leadership provided by Michael Lacoste [acknowledge his presence], the CEO of the company that bears his name. Lacoste has decided to help threatened crocodilians to keep its image fresh and lively – the brand of a consumer products company represents one of its most valuable assets. I suppose that the extinct dinosaur would not be a very successful logo for

Lacoste... Let's look at Nokia. Nokia is a communications technology company that needs to expand its market. Most markets in the developed world were hard-hit by the economic crisis and are not markets in expansion. Where are they looking? At the emerging markets of the developing world, the same geography of the GEF, the World Bank and most conservation organizations. What Nokia recognizes is the benefit in using its reach in developing countries to help disseminate how a sustainable natural resource base is vital to sustained economic development. Let me quote Nokia directly here, "sustainability has a significant impact on our brand reputation and the value our stakeholders place on it". Nokia gains and biodiversity prospers.

If you needed evidence of this let me give you an interesting fact: Nokia has been selected as the world's most sustainable technology company according to the 2009 -10 edition of the prestigious Dow Jones Sustainability Index.

Now let me go further and try to illustrate the power of this landmark moment by mentioning a project we are launching here in Nagoya with the World Bank, IUCN, Nokia, and – as I am told – many other companies present here. This is called the Save Our Species program – or SOS, for short. With SOS we have an initial goal to mobilize \$30 million over 5 years, but what we really expect is that it will become one of the most comprehensive funds for threatened species protection worldwide– and more importantly – with a strong insertion of corporations from all over the world. Businesses will not only bring additional resources to match what we and other funders are contributing, but will certainly help spread the word on

biodiversity through their unsurpassed penetration into society's affairs. The initial financial commitment by the GEF and the World Bank is providing assurance and hopefully having a leveraging effect for corporations to come together, including companies that are using threatened species for their company's marketing, such as logos and product characters. This effort will complement what GEF is already doing by investing close to \$50 million/year in projects that support hundreds of threatened species. It is our ambition that SOS will expand to the scale of our other investments, and truly become a global fund for species protection.

With this and other related initiatives, we are demonstrating that there is an enormous potential for the private sector to partner with the conservation community. For the hard-nosed economists here – and I'm guilty as charged! – let me tell you that biodiversity is increasingly in short supply. This is bad. But supply drives value. Value drives investments. And this time, a good portion of the returns against your investments will be captured by our children and grandchildren. Let's explore this grand opportunity together!

Thank you.