

Biodiversity offsets can help fund conservation

Japan's business community is wary, saying the system could make things worse.

By YOSHIKAZU HIRAI

The Asahi Shimbun

An international group of blue-chip companies and organizations is moving to establish a mechanism to counterbalance environmental impacts as a means to pressure businesses to fund conservation efforts.

The Business and Biodiversity Offsets Program (BBOP) is preparing guidelines for the system under which companies would compensate for biodiversity lost through development by investing in protection in a different area.

In Japan, a study group led by Tohoku University is looking into the possibility of introducing the program, while Nippon Keidanren (Japan Business Federation) has expressed concern that the discussions might spawn regulations.

Biodiversity offsets will al-

so be on the agenda at the 10th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP10), which started in Nagoya on Monday.

The BBOP's members include mining developer Rio Tinto, oil giant Shell, the United Nations Environment Program, and Conservation International, a U.S.-based environmental nongovernmental organization.

The group plans to announce voluntary international guidelines for biodiversity offsets in 2011 based on the results of pilot projects it has carried out since 2004 in six locations around the world.

Kerry ten Kate, director of the BBOP, said the objective is to ensure development projects result in "no net loss" to the environment.

One of the pilot projects involves the expansion of platinum mining operations in

South Africa.

Anglo Platinum, a member company of the BBOP, is developing about 2,200 hectares to double output. To make up for damage to biodiversity, the company will protect about 5,400 hectares of forest about 8 kilometers west.

The development is taking place in an area where residents gather firewood and plants for medicinal purposes.

Anglo Platinum was concerned tensions with residents might impede operations. It presented residents with a biodiversity offset plan after carrying out a survey of the area's vegetation and economy in cooperation with a local university and the BBOP.

The company agreed to employ residents as environmental wardens for the area. It also agreed to fund the establishment of an eco-tourism company, the management of which will be passed on to the local village.

BBOP members that accumulate experience in biodiversity offsets could gain a competitive advantage over their rivals.

Mizuho Corporate Bank is Japan's only member of the BBOP.

The bank joined the group in March, after it learned that the BBOP's principles would be incorporated into the revised loan criteria of the International Finance Corp., a World Bank organization responsible for aid to developing countries.

"If things continue the way they are, the BBOP's ideas will gain a status similar to international certification in the near future," says Osamu Odawara, who heads Mizuho Corporate Bank's Sustainable Development Department. "We wanted to join the group before things were finalized."

The biodiversity offsets study group set up in June at the initiative of Tohoku University has brought together about 60 individuals from general contractors, megabanks, NGOs, universities, the Ministry of Land, Infrastructure, Transport and Tourism and the Tokyo metropolitan government.

Over the course of a year, the group will analyze overseas examples and examine

the problems that might arise if the method is introduced in Japan and the potential impact on the economy and society.

It will conduct experiments and put together a report including policy suggestions for the government.

The Environment Ministry also began investigations into overseas cases in the current fiscal year.

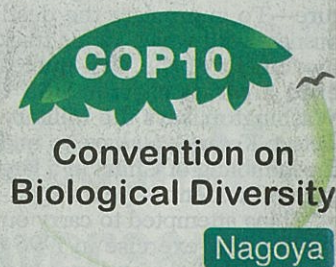
"Japan needs to seriously study methods suitable to the country although there has been next to no discussion about biodiversity offsets," said Akira Tanaka, an associate professor of landscape architecture at Tokyo City University, who has been researching overseas cases for about 20 years.

Nippon Keidanren is wary of new regulations, however.

In its Declaration of Biodiversity released in March 2009, the business organization expressed doubts about evaluating the value of natural environments in different areas based on certain standards.

It said that each area has its own unique ecosystem that cannot be replaced.

In many overseas cases,



comprehensive judgments are made after yardsticks are created for calculating the land area, the number of rare species and the utility value for humans.

Australia, Germany and some U.S. states have established markets where credits for the conservation or destruction of wetlands and other ecosystems can be sold and bought.

In a proposal released in June, Nippon Keidanren warned against creating a market for tradable credits for offset programs.

It said that the introduction of compensation measures such as buying credits could lead to an acceleration of biodiversity destruction.

BUSINESS AND BIODIVERSITY

Corporate strategies needed for biological resources

By TAKESHI KAMIYA and ATSUSHI KOMORI

The Asahi Shimbun

The concept of biodiversity conservation is still missing from the management policies of many Japanese companies, according to Naoki Adachi, executive director of the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB), a network of companies.

Adachi said corporate executives need to develop strategies on how to effectively use renewable biological resources, rather than simply engaging in environmental protection.

Excerpts from a recent interview follow:

Question: You have argued that biodiversity is an economic issue. What does it mean?

Answer: We can say that the Convention on Biological Diversity itself is an economic treaty.

The first objective of the convention is to conserve diversity. It is understood that "conservation" allows for sustainable use of biodiversity, while "protection" does not



Naoki Adachi

let anyone lay a hand on it.

The second objective of the convention is to prevent biological resources from being exhausted even if we use them.

Without doubt, economics plays a large part in the convention.

To date, humankind has just been cashing in on the ecosystem. For example, we have borne the costs for labor and transportation when we cut down trees. But we have not paid compensation when natural disasters occur after the trees have

been felled.

The economic value of ecosystem services is estimated to be at least in the tens of trillions of dollars (annually). The world economy rests upon these benefits.

(Ecosystem services are the collective benefits provided by nature, including not only physical assets, such as food and resources, but also natural functions such as the absorption of carbon dioxide by forested areas.)

Q: Are you saying that nature is not free?

A: That's right. The idea of "no net loss" is spreading throughout industrialized countries. It essentially means eliminating the loss of biodiversity through effective conservation even when a development project is carried out.

Q: Will you give an example of corporate initiatives?

A: Many European and U.S. companies have a strong sense of crisis that living organisms are in danger as resources.

At the Anglo-Dutch health products manufacturer Unilever, for example, 70 percent of the raw materials used are biological re-

sources such as agricultural produce.

The company has been strategically working with the places where these resources originate. The officials realize that the company will not be able to continue their business if the use of these resources becomes unsustainable.

Environmental nongovernmental organizations may demand that the company (preserve biological resources) in a strict manner.

In those cases, the company would promise to take strict measures and ask the NGOs to help establish those methods as international regulations.

If the methods become standards, the company can expect a first-mover advantage because it has already complied with those requirements.

Q: At many Japanese companies, the approach on how to address biodiversity appears to be missing from their management strategies. What do you think?

A: Most of them are thinking along the lines of just making a small contribution to afforestation or something similar. Their thinking

has stalled at the stage of simply protecting nature.

Still, some companies are taking a risk management point of view, realizing that they will fall into trouble if ecosystems are destroyed.

Companies taking part in the JBIB, which number 47, have started to create a biodiversity relevance map showing the correlation between ecosystems and their own businesses. The map will help them examine their upstream supply chains (covering networks for procuring raw materials).

Living organisms differ from oil in that they are renewable resources, and their importance as resources will increase going forward.

How to effectively use these biological resources, or resource strategies, will become a key challenge in corporate management.

Born in 1965, Naoki Adachi conducted research on tropical forests at the National Institute for Environmental Studies. He founded and became CEO of Response Ability Inc., a consultancy that advises companies on biodiversity conservation practices.

Mitsuhashi scores a first for women conductors

By SHINYA MINAMISHIMA

The Asahi Shimbun

PARMA, Italy—Japanese conductor Keiko Mitsuhashi placed second overall at the Arturo Toscanini International Conducting Competition and became the

first woman to receive one of the competition's top two prizes.

Mitsuhashi, 30, won the 5,000-euro (\$63,000 yen, or \$6,940) Audience Award in addition to the 10,000-euro prize for her second-place finish on Saturday.

The first prize went to Ayyub

Guliyev, 26, from Azerbaijan.

"Having practiced with an orchestra for many days will help my future career," she said.

Mitsuhashi studied conducting at the graduate school of the Tokyo National University of Fine Arts and Music and now lives in

Milan.

She is the second Japanese to win an award at the competition. In 1987, Kazushi Ono, 50, won the first prize.

He is now the principal conductor at the Lyon National Opera House in France.



Keiko Mitsuhashi