



Rt Hon Caroline Spelman MP
Secretary of State for Environment,
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First Global Business of Biodiversity Symposium – 13 July 2010
Rt Hon Caroline Spelman MP – ‘Biodiversity and the bottom line’.

Thank you Johan and thank you all for being here today at the very first Global Business of Biodiversity Symposium in this, the first ever International Year of Biodiversity.

This is the year our current global target to significantly reduce the loss of our biodiversity expires.

It's the year we finally know that – despite our efforts – this target will not be met.

This October at the Biodiversity Summit in Nagoya, Japan, 193 countries will meet to agree a new global framework for biodiversity. This time, we must set a target and we must meet it.

Biodiversity, ecosystems and business are inextricably linked. I was pleased to hear that last night Rio Tinto signed a partnership agreement with the IUCN at which the Chief Executive said ‘Biodiversity is good for business.’

We are all increasingly aware of the financial, as well as the environmental, costs we incur when we treat biodiversity simply as acceptable collateral damage.

This month, for example, we've learned that the cost to the UK of losing bees and other pollinators could be as much as £440 million a year – that's 13% of the country's entire income from farming.

That's why Defra is providing £2.5 million over the next 5 years as part of a joint initiative to understand better what the threats to our pollinators actually are.

Because knowledge is power – when we know what's going wrong we will have a better idea of what we must do to put it right.

And that kind of knowledge is providing us with a new type of environmental economics – one which explains the real costs to business of biodiversity loss. Earlier today, many of you will have heard from Pavan Sukhdev about the findings of his latest report on the Economics of Ecosystems and Biodiversity (TEEB).

It shows consumers have growing expectations of business when it comes to biodiversity.

It shows the unforeseen effects that business practice can have on our environment and ecosystems, making everything from drought to flooding ever more likely.

And it shows that the global impact of business on biodiversity and the



environment— for good or ill – is both one of the biggest tests and the best opportunities facing industry today.

A test because it asks business to accelerate thinking about the real costs of their products and services – the costs to biodiversity, to climate change and the wider environment - at every stage of design and delivery.

But it shows huge opportunities to build our greener economy too.

Only six short years ago, the global carbon market was virtually non-existent. Last year, World Bank estimates put that market at over \$140 billion.

TEEB shows similar market trends for wider ecosystem services and biodiversity – with opportunities tripling by 2020 and quadrupling beyond that.

In the long-term, our natural capital is just as important to our economy as human and financial capital are.

The UK worked this out some time ago.

We are the first country in the world to be carrying out a national assessment of our ecosystems.

It is already showing us the value of the services our ecosystems provide to both society and the economy as they stand now.

But ecosystems and biodiversity don't stand still.

By this time next year, the National Ecosystems Assessment will tell us how they may change in the future and how the UK can best respond to these changes.

As we learn more about the value of our planet's natural resource and the real costs of using them, we are coming to recognise that 'business as usual' isn't sustainable.

And few of our planet's natural resources illustrate this quite as clearly as palm oil.

It's used in everything from cosmetics to cakes – at least one in every ten products on our supermarket shelves now contains it.

We need palm oil and so do the economies which produce it – Indonesia alone employs 2 million people the industry. In 2000, it was forecast that global demand for this oil would double by 2020.

Already, the growth of palm oil plantations is the single greatest cause of permanent forest loss in South East Asia.

We know, too, that converting carbon-rich peat land soils to plantations is driving up global greenhouse gas emissions, destroying tropical habitats and threatening entire species.

As demand grows, so will these environmental impacts.

Despite the best efforts of many – both in industry and amongst NGO's - this isn't currently a sustainable industry. I believe we have a responsibility to work more closely together to help turn it into one that is.

It's a sense of responsibility I know many of you share.

A group of the world's major players in the industry have been meeting here today to discuss how sustainable palm oil can become the norm.

So I'm pleased to announce that, starting next month, we will start the process of mapping this country's consumption of palm oil.

Working with businesses, we aim to map the palm oil supply chain to the UK, including public procurement, to find out where we are using sustainable palm oil, what we are using it for and how we are sourcing it.

Working with companies and NGOs, we aim to use our findings to produce a plan to help shift Britain's sourcing of palm oil to a sustainable footing.

This is just one example of how the choices of manufacturers and retailers here at home can play their part in halting the loss of biodiversity thousands of miles away.

Deforestation is another.

While Copenhagen didn't achieve the legally binding agreement so many of us hoped for, we did achieve firm commitments to reduce deforestation.

And not a moment before time.

The issue of deforestation has become critical.

Forests are home to untold species of plants and animals.

Every single one of these has a role.

With each extinction through the loss of habitat the overall structure of our ecosystems and our environment grows weaker.

And our economies suffer too. The global cost of just one year's worth of deforestation is estimated at between \$2 and \$5 trillion.

That's the equivalent of two financial crashes every single year.

These are environmental and economic prices we – literally -cannot keep paying.

In response, the Copenhagen Accord confirmed that the U N programme on Reducing Emissions from Deforestation and forest Degradation – rather more snappily known as REDD+ - was a priority.

The UK, together with Japan, Australia, France, Norway and the US agreed to fund \$3.5 billion for REDD+ over the next three years. The UK will be putting in £300 million of this.

And subsequent Ministerial meetings in Paris and Oslo this year created a REDD+ partnership of 60 countries to co-ordinate action to build the governance needed to deliver REDD+ in countries with priority forests.

That level of co-operation and commitment to international action is really encouraging.

But REDD+ will only succeed if developed countries do their bit at home, too.

Particularly in consumer Europe, where our choices as buyers of timber have a



disproportionate impact on the emerging economies and fragile ecosystems of Asia, Africa and South America.

Illegal logging costs up to \$15 billion in lost revenue every year – most of this in developing countries who can afford it the least.

That's why tackling the illegal timber trade is as much a priority for this Government, as it was for the last.

The UK's responsible timber trade has led the way in promoting legal and sustainable timber.

It's leadership which has paid off. Last week, the European Parliament formally voted to adopt the Due Diligence Regulation – which will shut the door firmly in the face of illegal timber entering EU markets.

All these are incredibly positive steps.

We are starting to reverse the damage that our unsustainable production and consumption has caused to the economies, the ecosystems and the biodiversity of other countries, as well as our own.

But we can't stop here.

Species extinction rates are up to 1,000 times higher than average over the last few hundred years. The Millennium Ecosystem Assessment told us that 60% of our ecosystems are being degraded or used unsustainably.

We are not, if you'll excuse the pun, anywhere near being out of the woods yet.

The choices we make now, as Governments, as businesses, as entrepreneurs, innovators and consumers, will resonate internationally for decades to come.

We have to build a leaner, greener economy for the years ahead and the generations to come.

We must grow our low carbon industries and take our share of the green markets of the future.

But this time, these markets must reflect the environmental costs of our goods and services – the cost in climate change, in the destruction of our ecosystems and in the loss of our biodiversity.

We must finally recognise that there are some prices which are just too high to pay.

So I will leave you with two thoughts. Firstly, it is imperative for each business to examine its own supply, to ensure that every step of the way it is guaranteed sustainable, otherwise your supply chain will be at risk.

Secondly, the world is going to start pricing natural resources, so if you move into these markets early you will get the first mover advantages that those moving into the carbon market are seeing.

So you have a Government not just concerned for the environment, but your bottom line as well.

Thank you.