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**Halting the loss of biodiversity by 2010:  
The EU action plan and DG  
Environment's initiative on supporting  
business for biodiversity**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

PriceWaterhouseCoopers

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Ladies and Gentlemen,

In recent months we have seen a public and a political recognition of the need to take urgent action to combat climate change. Research, such as the Stern Review, has made it clear that this is not only an environmental challenge but is also an enormous threat our well-being, our security and our prosperity.

The other great environmental threat that the planet faces is the loss of biodiversity. The global rate of extinction is at least 100 times the natural rate, and an estimated 34,000 plant and 5,200 animal species face extinction. One in eight of all bird species, one quarter of all mammals and one third of all amphibians are endangered. Scientists are not exaggerating when they refer to the 6<sup>th</sup> great planetary extinction. The last was 65 million years ago and saw the departure of the dinosaurs.

The main reason that we should care about this loss is because there is an intrinsic value to nature and because we have a moral duty to act as responsible stewards of the planet. But it is also important to understand that nature underpins our economies.

The basic point that I will be making today is that business has a strong vested interest in preserving biodiversity. And if we can mobilise the resources and expertise of business then we have a much better chance of meeting our policy objectives. I would therefore like to congratulate PriceWaterhouseCoopers for hosting this event and to both them and WWF for promoting innovative business approaches that contribute to biodiversity conservation. Such an informed debate is timely and necessary.

Protecting nature and the interests of business are often presented as being at opposite ends of the spectrum. When a construction project was delayed for environmental reasons there was a famous headline in the German press about "jobs versus hamsters".

The reality is very different. Nature provides the life-support system upon which our well-being and our economies depend. The '*ecosystem services*' provided by nature include the provision of food, fuel and medicines as well as the regulation of air, water and climate. Healthy and resilient ecosystems are our best defence against the impacts of climate change. A clear example was the disaster which struck New Orleans. The natural defences provided by coastal vegetation had been destroyed and as a result the damage was many times worse than it would have been otherwise.

China is a country of superlatives and economic competition with China is often given as a reason why we cannot afford high levels of environmental protection. But when you look more closely at the reality in China it provides a case study of the enormous costs of inaction.

Twenty years of unchecked growth means that some 20% of land is affected by soil erosion. 75% of lakes and almost all coastal waters are classified as polluted. 90% of grasslands are degraded.

China is beginning to address these issues but the costs are enormous. The damages caused by water and air pollution have been calculated as €42 billion a year. The annual damages caused by desertification are €33 billion. The "Green Great Wall" reforestation project which aims to protect Beijing from dust and pollution will cost €6 billion. Taken together these costs represent 8% of China's GDP.

The basic conclusion is clear. Biodiversity is one of the foundations of both a sustainable environment but also a sustainable economy.

Stopping the loss of biodiversity is a political priority for the EU. Nature NGOs have memberships that are many times larger than political parties. Opinion polls repeatedly show that protecting nature is an issue that people care passionately about. This is an area where co-operation at EU level has real added value and in 2001, the European Union's leaders set the goal of halting the loss of biodiversity in the EU by 2010.

The business community is a key partner in meeting the 2010 target and needs to be actively engaged.

Studies from the UK have shown that economic activities based on the natural environment contribute €100 billion every year to the English economy. In Wales an estimated 1 in 6 of the workforce depends on the environment for employment. And in Scotland nearly as many people are employed in natural heritage activities as are employed in biotechnology, call centres and electronics combined. The same is true in other European countries and in the rest of the world. In Costa Rica eco-tourism is now the most important sector in the economy overtaking coffee and bananas.

Businesses working in these sectors have a strategic interest in protecting nature and the Commission will look to work closely with them in order to meet our 2010 target.

On the other hand, there are many business activities that can contribute to the loss of biodiversity. This is especially the case for the extraction, construction and infrastructure industries. Here the challenge is to find a way of carrying out these activities in a way which minimises the impact on the environment. And it is a challenge that is very much in the interests of the businesses concerned – since no company wants to be associated in the minds of the public with damage to an area of natural beauty or with the loss of a species. Experiences such as the Exxon Valdez disaster have provided hard lessons which should not be forgotten. If a company is to maintain its competitive advantage it clearly needs to minimise such risks.

The activities of all companies can have an impact on biodiversity either directly or indirectly. And I am convinced that the private sector has a great deal to offer as it possesses immense financial resources, technological expertise as well as skills in management, communications, research and development. But unfortunately there is still a low level of awareness within business about biodiversity issues.

The new EU initiative on business and biodiversity is a response to this situation and the overall goal is to introduce biodiversity considerations into corporate governance.

The details of this initiative are still being developed and Commission experts will be working closely with Member States, business and other stakeholders in the coming months. What I can already say is that this initiative will be based on voluntary mechanisms. It will not be a substitute for full compliance with existing environmental legislation and will aim to promote the engagement of business beyond their legal requirements. We should therefore explore how eco-labelling and eco-management schemes could encourage businesses to improve their biodiversity performance and to gain public recognition for such efforts.

Ladies and gentlemen,

We will only succeed in halting the loss of biodiversity if all stakeholders are fully engaged and therefore I look forward to the business community becoming a full partner in facing this challenge. The Commission is committed to working with you and I invite you to share your experiences and views as we develop the EU business and biodiversity initiative.

Given that our prosperity and wellbeing ultimately depend upon healthy ecosystems I am convinced that biodiversity is good for business. I hope that working together we will also be able to demonstrate that business is good for biodiversity.