

AFRICA BIODIVERSITY COLLABORATIVE GROUP

July 2009

"Every society needs some shared values to hold it together. Market values on their own cannot serve that purpose... Markets reduce everything, including human beings (labor) and nature (land), to commodities. We can have a market economy but we cannot have a market society. In addition to markets, society needs institutions to serve such social goals as political freedom and social justice."

George Soros



Tongo diamond mine, Sierra Leone. credit Adam Cohn. Licensed under Creative Commons, some rights reserved.

PRIVATE-SECTOR PARTNERSHIPS FOR CONSERVATION

In our increasingly globalized and rapidly changing world, the private sector is firmly established as the engine driving the global economy and, by extension, the environmental impacts of economic activity.

In particular, the growth in extractive industries conveys potentially serious threats to the environment. In Africa, for example, timber concessions threaten the ecological integrity of the Congo Basin, the refuge for dwindling populations of great apes, the bonobos, gorillas and chimpanzees. The case of oil exploration in Nigeria is perhaps the most notorious example of environmental degradation associated with an extractive industry in Africa. In this case damage to the environment and the failure to share benefits has led to armed conflict. Alluvial min-

ing of diamonds in places like Sierra Leone and Angola is associated with the devastation of gallery forests and aquatic fauna; in Zambia, copper and uranium mines threaten rivers with heavy metals and acidic discharges which have negative consequences to the health of local inhabitants and wildlife. In Senegal and Mauritania, distant water fishing fleets threaten artisanal fisheries. Growing demand for Africa's natural resources means that money is available for exploration and extraction. But it also means more money can become available for responsible, sustainable practices. This depends in part upon the possibility of constructive engagement between conservation, government and industry on better practices. An expanding and increasingly influential private sector requires appro-

priate conservation tools and approaches to address growing risks to biodiversity.

There is no single strategy to effectively curb the loss of biodiversity while facilitating sustainable livelihoods in rural areas. Industries are not solely responsible for the loss of biodiversity; with growing human populations and increasing poverty, rural residents will continue to use natural resources at increasing rates and will alter habitats, often to the detriment of biodiversity. Complete conservation equations will need to integrate all stakeholders through a variety of systems.

Engagement with the private sector in conservation through the development of partnerships for conservation is one of the most important tools. Private-Sector Partnerships for Conservation (PSPCs) are alliances between businesses and conservation organizations, public agencies or local communities to promote mutually beneficial and ecologically and socially responsible activities.

Benefits of Partnerships for the private sector

Especially in the absence of effective law enforcement, conservation may depend upon the motivation of an extractive industry to go beyond the minimum required by law. In addition to compulsory legal standards, businesses may be guided by terms and conditions established by owners and shareholders (if they are a



Copper mine, Zambia

credit: gman1981, licensed under Creative Commons, some rights reserved



Complete conservation equations will need to integrate all stakeholders through a variety of systems.

Shovel of gravel, Tongo diamond mine, Sierra Leone

credit: Adam Cohn, licensed under Creative Commons, some rights reserved

public corporation), financiers and insurers, and the established best practices within an industry. Increasingly, they are also motivated by public perception, which can be seen as a benchmark of business risk, which could translate into higher operating costs.

Meeting Public Concerns about the Environment

The private sector is increasingly sensitive to public concerns about environmental sustainability. Many companies sell their products on international markets that are beginning to require proof of the sustainability and fairness of business practices. This can put pressure on companies to protect the environment, creating an opportunity for alliances with conservation interests to change business operations in ways that are both economically and ecologically beneficial. Partnering with an environmental organization can help a company to more effectively achieve standards for sustainability and obtain the certification necessary for access to markets and in some cases, premiums for more environmentally friendly products.

Gaining Access to Information

Through partnerships, companies can gain access to specialized knowledge and advice in a cost effective way. Partners from non-governmental organizations (NGOs) engaged in conservation can help to instill confidence that decisions are being made with the public good and the environment in mind, and can fulfill essential functions that are, at present, outside the core competencies of a business. Access to finance through multilateral finance institutions like the World Bank and regional development banks is generally predicated on environmental practices sufficient to comply with rules established by the institution to safeguard the environment and social well-being.

Where the achievement of high standards is an explicit objective, businesses may, on rare occasion, invite an NGO partner to play a role generally taken by business consulting firms, in reviewing business practices in order to improve environmental performance.

Generally, non-disclosure agreements are sought to protect the proprietary business information of the company. Willingness to publicly disclose



Left: Artisanal wolframite (tungsten ore) miner in Democratic Republic of Congo.

Credit: Julien Harneis, licensed under Creative Commons, some rights reserved.

Below: smelter, Zambia.

Credit: mm-j, licensed under Creative Commons, Some rights reserved.



shortcomings would constitute a powerful statement of commitment on the part of the company. Of course, a commitment to transparency is most compelling when made by both sides of a partnership.

Conserving resources

Companies that derive profits from renewable resources like fisheries, timber, safari hunting and ecotourism have an interest in conserving the ecosystems that produce those resources. Companies may also benefit from the conservation of resources and ecosystem services from which they do not directly profit such as water.

Building relationships with local communities

Relationships with local communities can be strained or even contentious when companies: 1) hire outsiders, or 2) exploit what local people perceive as their resources. Many companies compensate communities through community relations and development projects (e.g. giving uniforms to a soccer team, building schools and health clinics, providing jobs, or environmental cleanup). Partnerships for conservation can avoid or mitigate conflict by working with local people to manage their resources and by sharing information. Conservation projects can provide additional jobs that may be well suited to local capacities such as ecoguards.

For More Information

Forest Stewardship Council, www.fsc.org

Marine Stewardship Council, www.msc.org

International Petroleum Industry
Environmental Conservation Association
(IPIECA) www.ipieca.org

Oilwatch, www.oilwatch.org

International Council on Minerals and Mining,
www.icmm.com

Framework for Responsible Mining,
www.frameworkforresponsiblemining.org

The Energy and Biodiversity Initiative,
www.theebi.org

Africa Biodiversity Collaborative Group,
www.abcg.org

Partnering with Extractive Industries for the
Conservation of Biodiversity in Africa: A
Guide for USAID Engagement
[http://pdf.usaid.gov/pdf_docs/
PNADN726.pdf](http://pdf.usaid.gov/pdf_docs/PNADN726.pdf)

Benefits of Partnerships for conservation and communities

Conservation organizations will partner with the private sector to the extent that it contributes to biodiversity conservation. Adding a private-sector partner to the equation can provide much needed resources and legitimacy. Some of the pros of partnering with NGOs include:

Accessing financial and logistical resources

Private-sector partnerships are usually based on an exchange of financial and logistical support for resource management and conservation. For NGOs and public agencies with tight budgets, these resources can be critical to their effectiveness and sometimes their existence. Private-sector money often comes with fewer restrictions compared to government or donor funds. Logistical support can also be critical in remote areas where access is difficult. Logging companies can, through conservation partnerships, provide resources such as electricity, fuel, transportation, and mechanical services essential for conservation projects.

Gaining access to areas of high biodiversity value

Industry, particularly mining, logging, and petroleum, usually lease the concessions they exploit. Leases give them legitimacy vis-à-vis the government and local communities, sometimes providing the companies with the power to decide which other stakeholders work in the area and what they can do. Thus, conservation organizations can gain access to areas of high biodiversity value that could otherwise be off-limits or in which their roles could be largely restricted.

Planning for the future

In some cases, industry may stay in an area for long periods of time. For example, selective logging in Central Africa is often planned on a 30-year rotation. A company that plans its operations over a



Rampant hunting for bushmeat is a collateral impact of industrial resource extraction. Miners and loggers working in camps seek to supplement their diet with wild game, often at the expense of area communities. Illegal overharvesting of wildlife for meat and income can seriously impact wildlife populations.

long time horizon is more likely to make investments in the long-term management and conservation of an area than a company that plans to exploit and exit. Most conservation projects are budgeted on a 1 to 3 year timeframe, even though managing threats to biodiversity usually takes decades. Thus, in a world where environmental conservation donors tend to fund the newest, trendiest issues, the financial and logistical support from the private sector may be the best opportunity for keeping biodiversity conservation going continuously over many years.

Providing authority

A formal partnership with industry provides the conservation organization or project with authority in the eyes of company employees. Even with governmental permission to work in the same area as industry, conservation projects can be treated as a nuisance or perceived as competing with the company that is providing jobs and salaries. Acceptance by the company leadership, and the image that the company and conservation organization work together, legitimizes conservation management and makes it easier to accomplish.

Improving resource management from the inside

A formal partnership with the private sector provides the conservation organization access to company leadership. Both formal and informal meetings with company personnel can dramatically influence the company's policies and actions towards the environment and biodiversity.

Raising conservation at the conference table

Through a private-sector partnership, conservation organizations gain a seat at formal meetings with industry, government and other stakeholders. Such meetings are another opportunity to influence policies and standards. Conservation staff can provide invaluable input into industry plans and vice versa. In addition to voicing the conservation perspective, NGOs have the opportunity and responsibility to infuse science into policy discussions so that decisions are based on solid, technical information. Conversely, business practices can help to significantly improve the management effectiveness of conservation activities.

Risks of Partnerships

The benefits of partnering with industry or conservation organizations come with a cost. The risks are shared by both partners, including:

Taking on burdens

One of the primary contributions that the private sector brings to a PSPC is logistical and financial resources. Depending on the level of commitment, these costs can be considerable. Moreover, the contribution could grow over time either because the industry's impact on the environment becomes larger than originally expected, national standards grow more rigorous, or the breadth of activities undertaken by the partnership increases.

Sleeping with the enemy

Conservation organizations that partner with the private sector may be perceived as "sleeping with the enemy". They may be accused, rightly or wrongly, of lowering standards or compromising ethics for financial gains. If this is the case, it is the burden of the organization and partnership to prove critics wrong.

Receiving bad press

Business, NGOs and public agencies sometimes make bad decisions, suffer

poor management, and fall into problems of corruption or low performance. They can also confuse the management of performance with the management of perceptions of performance, leading to unsubstantiated claims of beneficial behavior. Whenever such problems inflict a PSPC the "innocent" partner will be implicated by design and may suffer serious reputational damage. For an NGO, loss of credibility will hurt its capability to pursue its goals, including its ability to raise funds and wield moral authority. For a business, loss of credibility can affect not only its public image, but also its shareholder value and its ability to raise capital.

Arguing among "friends"

Companies and conservation organizations usually do not have the same goals and will not always see eye-to-eye. While effective partnerships have mechanisms for resolving conflict, partnerships can turn bad for unforeseen reasons. At a minimum, resolving conflict entails an investment of personnel, time, and energy from all involved organizations. At a maximum, it can result in a broken partnership, bad relations, bad press, and organizational conflict.

Inviting pressure

By partnering for biodiversity conservation, companies are opening their doors to conservation organizations

and inviting them to the conference table. As such, the NGO or public agency can put pressure on industry to go farther in its environmental standards than it had originally intended at increased expense.

Facing pressure to compromise standards

Just as industry invites pressure to improve its standards at increased cost to the company, conservation organizations invite pressure to compromise their standards. Sometimes this may be healthy: unrealistic standards can be softened by understanding competing interests (social, cultural, and economic) and through negotiation. However, NGOs or public agencies that turn a blind eye to unethical or illegal practices or lower their standards too far will lose their effectiveness, compromise their reputation, and be unable to meet their conservation goals.

Being guilty by association

One of the benefits of partnering with industry for conservation organizations include being viewed as a legitimate stakeholder by company employees and local communities. However if local communities hold either the company or conservation organization in a poor light, their disapproval may be shifted to the partnering organization.

Health and Extractive Industries

Concentrations of labor from outside the local area present a public health challenge, especially from HIV/AIDS. In addition, communities are affected by pollution and disruption of food and water supplies.

right, HIV/AIDS

awareness, Zambia.
Credit: Jon Rawlinson.
Licensed under Creative Commons, some rights reserved.

far right, Diamond

mining, Sierra Leone.
Credit: Adam Cohn.
Licensed under Creative Commons, some rights reserved.





left: Port Harcourt oil flare

credit: Danny McL, licensed under Creative Commons, some rights reserved

below: logging truck, Cameroon

credit: Mark Knobil, licensed under Creative Commons, some rights reserved



Lessons for effective collaboration

Complementarity

It is important for partners to understand their own motives. Partnerships based upon a shared vision are more enduring than those based upon convenience. The selection of partners is important in determining the success or failure of a partnership. Power is often asymmetrical in conservation partnerships; corporate partners can overwhelm conservation partners with their resources and reach. The specialized skills of conservation partners may, however, be critical to the business enterprise. The lesson for institutions is that if the sides attempt to co-opt one another, they will poison the relationship. The power of a partnership lies in the relationship of autonomous partners because it is only through their differences that they can grow and learn.

Timing matters

Partnerships should be developed before a crisis erupts, and ideally early enough in the planning process that partners can give input into the project design process. The mitigation hierarchy should be kept in mind; interventions are most effective in avoiding harm, somewhat less effective in minimizing harm, less effective still in mitigating harm through corrective action, and least effective of all in compensating for harm. The lesson for institutions is that by the time you recognize the need to partner, it may very well be too late.

Defining the roles of stakeholders

The roles of all partners should be well defined by formal protocols describing their rights and responsibilities. The definition of roles assigns responsibility for specific aspects of management to the appropriate stakeholder and prevents overlap or

doubling of efforts by different organizations. In the case of wildlife management, ecoguards might be employed to enforce hunting laws. It must be clear who manages them and is responsible for their actions, failures and success. When their work is deficient (e.g. poor performance or corruption), the responsible partner can immediately take action to improve their management. This protects other partners from being blamed for their failure. The lack of defined responsibilities exposes organizations to lawsuits, loss of reputation, and can result in conflict among partners.

Getting your hands dirty

Although there are many ways that private-sector partnerships for conservation could work, one of the strengths is that each partner plays a role in implementing conservation on the ground. Shared experiences and role reversal helps each side to understand the other, resulting in more constructive engagement. The lesson for institutions is that talk is cheap; partnerships become real through doing.

Adversity can build trust between partners

Any disruption that overshadows differences between potential partners has the potential to bring stakeholders together. Having once cooperated for a common goal establishes the possibility of doing so again; and adversity tests the integrity of the individuals and institutions involved. The lesson for institutions is that they should set aside their differences for the common good in times of crisis, and learn from the experience.

Personal relationships can't be underestimated

Because partnerships are founded in trust and mutual respect, they are fundamentally interpersonal. Trustworthiness and respect are human rather than institutional attributes. Two individuals, having established a rapport, can, when sufficiently empowered, slice through institutional impediments. The lesson for institutions is that

leadership must become engaged at an individual level.

Establish methods to resolve conflict

Conflicts are inevitable; ground rules must be agreed early in the process to mediate disagreements. The lesson for institutions is that in partnerships, plan for success, but prepare for the unexpected.

Support decisions with data

Do not cry “wolf!” Try to be as evidence-based as possible. The problem is that evidence is often understood on the basis of personal experience, and human experience is shaped by (and shapes) biases. The common language can be distorted in the lens of personal experience. The lesson for institutions is that personal experience should be respected, but important decisions need to be depersonalized.

Recognize that the roles of stakeholders evolve

Constantly changing markets, environments, politics and human relations form a kaleidoscope of options. Partnerships are not contractual relationships. A static partnership is built on sand. Partnerships, like marriages, need to be renewed continuously. Successful partnerships require a degree of honesty, openness, and self-confidence in the face of criticism. The lesson for institutions is that partnerships must be constantly renewed through continuous learning. Institutional memory and records can ensure that the goals of the original partnership are remembered while new circumstances are adapted to.



Potgietersrus Platinum Mine, South Africa

Credit: Liane Grief, licensed under Creative Commons, some rights reserved



Earth mover at gold mine, Ghana

Credit: IsuruSen, licensed under Creative Commons, some rights reserved

About the Africa Biodiversity Collaborative Group

The Africa Biodiversity Collaborative Group (ABCG) is a partnership of US-based conservation organizations with field programs in Africa. Members include: the African Wildlife Foundation, Conservation International, the Jane Goodall Institute, The Nature Conservancy, Wildlife Conservation Society, World Resources Institute, and World Wildlife Fund.

This product was made possible by the generous support of the American people through the United States Agency for International Development (USAID) under the terms of Cooperative Agreement No. RLA-A-00-07-00043-00 Under LAG-A-00-99-00048-00. The contents are the responsibility of the Africa Biodiversity Collaborative Group (ABCG) and do not necessarily reflect the views of USAID or the United States Government. This brochure was produced by IUCN/US on behalf of ABCG.

