

Worth more alive than dead: Our biodiversity challenge

By Wayne Visser

Part 1 (27 September 2009)

One of my enduring critiques of the CSR movement is that it has failed to have a dramatic impact on some of the biggest global challenges we face. Despite all the CSR reports and ISO management systems, many things are getting worse, not better. This is indisputable when it comes to biodiversity loss. It is not exaggerating to say that we are causing the sixth mass extinction in the history of planet earth.

I always have to pinch myself when I present figures on this - WWF's Living Planet Index, which tracks populations of 1,313 vertebrate species, has gone down 30% since 1970. Just think about that. We have lost a third of the world's vertebrates in just one generation! According to the Millennium Ecosystem Assessment, 60% of our ecosystems are degraded.

The reason is that nature - as it is currently measured and valued - is worth more dead than alive. Which of course makes no sense at all. It's what Herman Daly and John Cobb Jr, in their book "For the Common Good", call "when to kill the goose that lays the golden egg". We have known for a long time that nature has an economic value, but it hasn't been factored into markets.

In 1997, a team led by environmental economist Robert Costanza estimated the economic value of 12 ecosystem services to be \$33 trillion, nearly double world GNP at the time. And yet these same services (and many others) are given a value of zero, by default, in most of our economic and investment decisions. It is true they are free, but only while they continue to function.

When the bee colonies started collapsing in the United States in 2007, the 'free service' of pollination suddenly started to look frightfully expensive - approximately \$14.6 billion a year more expensive, according to some estimates. What we need, therefore, is a game-changer. Something to radically alter the debate, to change the way we think about biodiversity.

Part 2 (30 September 2009)

In essence, what we need is the equivalent of "The Stern Review on the Economics of Climate Change", for biodiversity. And happily, that is exactly what we are getting. TEEB - The Economics of Ecosystems and Biodiversity - is working to put a cost on the loss of ecosystem services and biodiversity loss, and to recommend policy actions.

What TEEB needs to prove - much like the Stern Review - is that the cost of inaction is not only real, but also enormous. Fortunately, this argument is getting a boost from the crescendo on climate change. And more specifically, the links between deforestation

and climate change. Tropic deforestation accounts for about 20% of annual greenhouse gas emissions.

So the challenge becomes, how do we make forests worth more alive than dead? The answer, championed by Brazilian Congressman Marcio Santilli, is "compensated reduction". In other words, paying developing countries not to chop down their forests. Thankfully, this idea is starting to gain political traction. It is a win-win on climate and biodiversity.

And it is people like Sino-Australian Dorjee Sun that are showing us how to turn a good idea into a practical reality. 32-year old Sun - a dot.com millionaire by age 30 - now runs Carbon Conservation, which brokers rain-forest-carbon-credit deals. In 2008, he brokered the world's first commercial deforestation-avoidance project, with Merrill Lynch paying to protect 1.9 million acres of Indonesian jungle, for credits that it will trade on the international carbon markets.

We all know that we can't - nor would we want to - put a price on everything. But the sad fact is that unless we put a price on biodiversity and ecosystem services - our very life support system - we are in danger of self-destruction. There is an African saying, "the revolution will eat its children". Let's make sure the "market revolution" does not devour our natural inheritance.

Source:

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