

# **Risk management and Biodiversity.**

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Bonn, 2. April 2008

## ... in the next 15 minutes

- Corporate Biodiversity Risk.
- Approaches to integrate Biodiversity into Risk Management.
- BBOP.

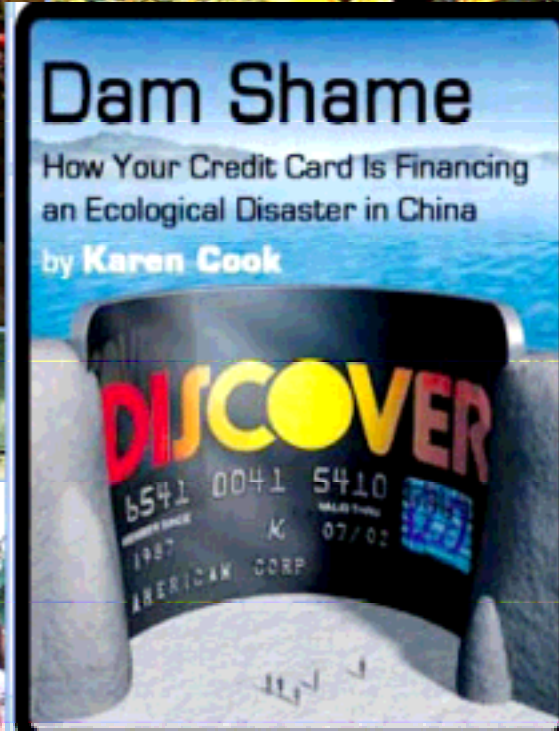


# Biodiversity values...

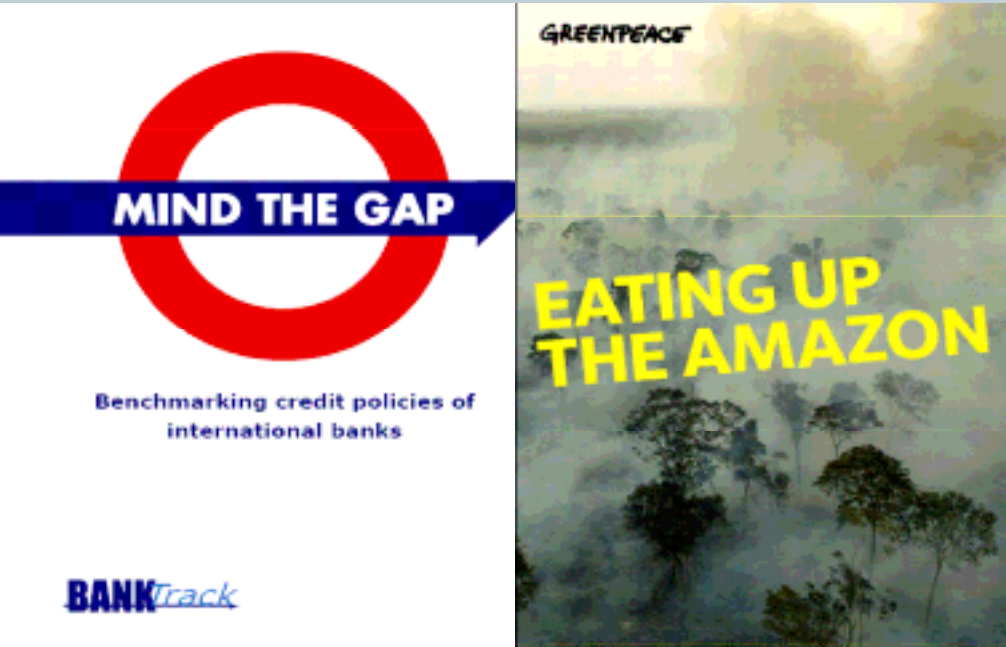
Biodiversity Component	Intrinsic Values (Vulnerability, irreplaceability)	Use Values	Cultural Values
<b>Species</b>	Threatened species Restricted range Endemic species Congregatory species	Species providing fuel, fiber, food, medicines, etc.	Totem species
<b>Habitats</b>	Rare / threatened Habitat types Exemplary habitats	Recreational sites	Sacred sites Sites of aesthetic importance
<b>Whole Landscapes / Ecosystems</b>	Beauty	Air and water quality regulation; soil fertility; pollination, Climate regulation; seed dispersal; pollination	E.g. Landscape-scale sacred sites

# Corporate Biodiversity Risk.

- Companies impact on Biodiversity Components and Ecosystem Services
- We have to account for
  - Big Business
  - Public Sector
  - SMEs!



# Biodiversity. Risk or Opportunity? ...



... depends on management.

e. g. Reputation

- Corporate Responsibility
- (Social) Licence to operate:
  - relationships with
    - local communities.
    - government regulators.
    - environmental groups.
    - other stakeholders.

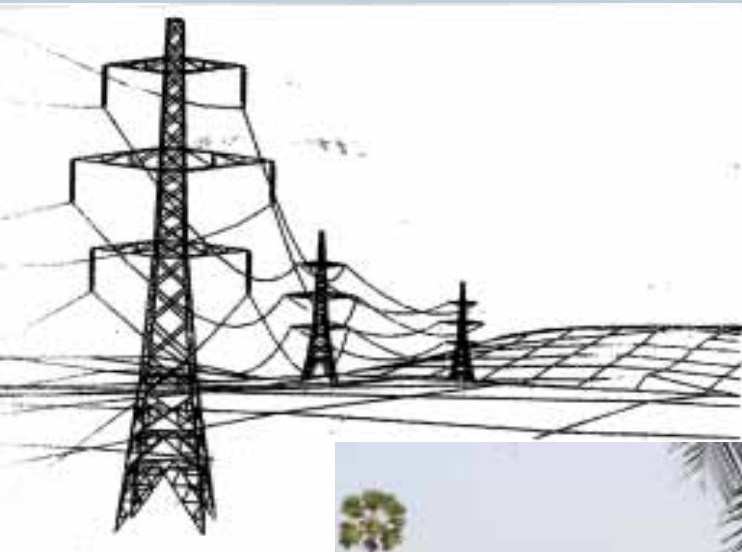


# Biodiversity Risk Management.



- Knowing Environmental and Social Risks of Projects is Self-Protection.
- Inherent risks in many projects, more or less obvious

# Risk Assessment.



- understand regulatory framework
- identify stakeholders and build alliances
- identify biodiversity values impacted
- quantify the impacts
- identify and evaluate a range of options
- follow the mitigation hierarchy and compensate residual footprints
- report on the results
- share assessment tools and best practices



## No reinvention of the wheel

Comprehensive material for instance from

- UNEP-FI et al.: Natural Value Initiative.
- ICMG Good Practice Guidance.
- IUCN et al.: Building Biodiversity Business.
- IAIA Guidance on ESIA.
- Equator Principles
- IFC Performance Standards / Guide to Biodiversity for the private Sector

● BBOP - The Business and Biodiversity Offset Program.

- ... and many more.



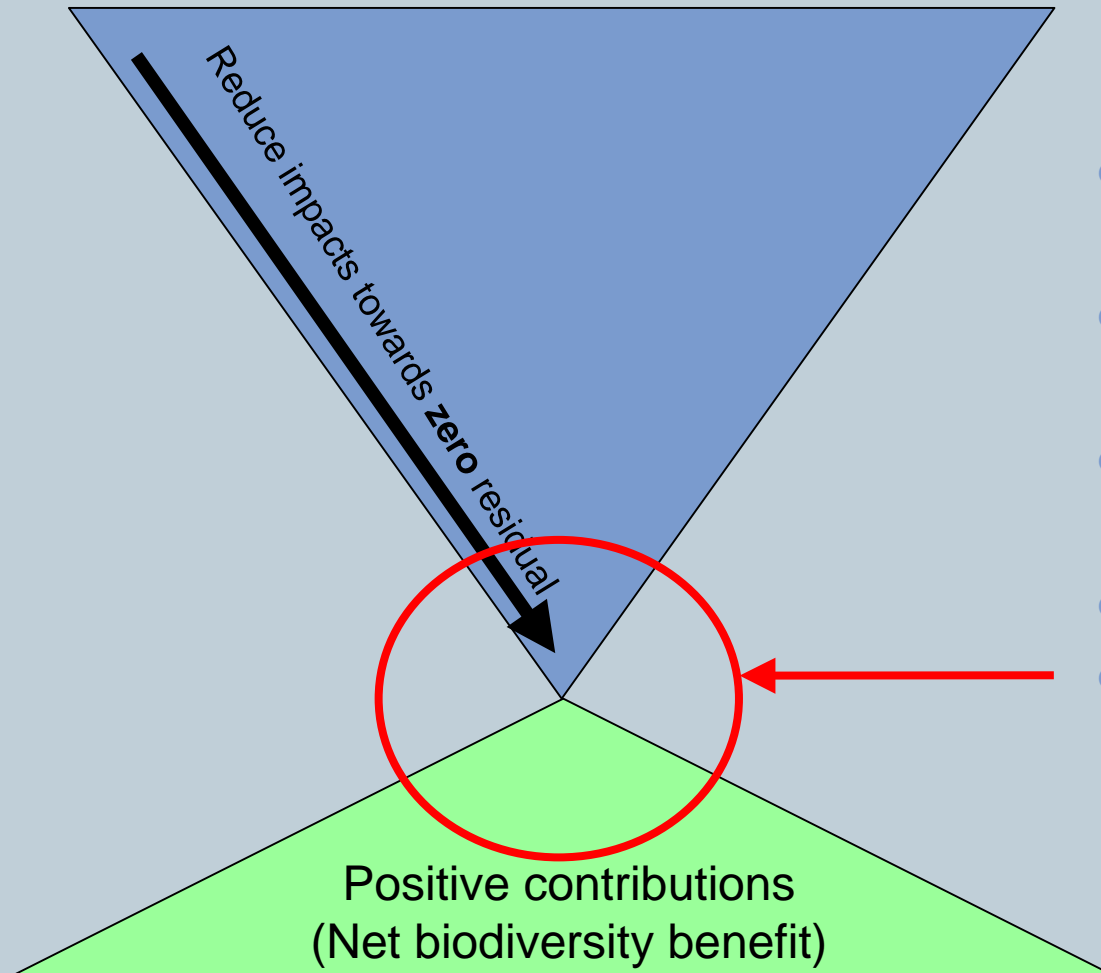
# What are biodiversity offsets?



“Conservation actions intended to compensate for the residual, unavoidable harm to biodiversity caused by development projects, so as to ensure no net loss of biodiversity.”

→ “Before developers contemplate offsets, they should have first sought to avoid and minimise harm to biodiversity.”

# The mitigation hierarchy.

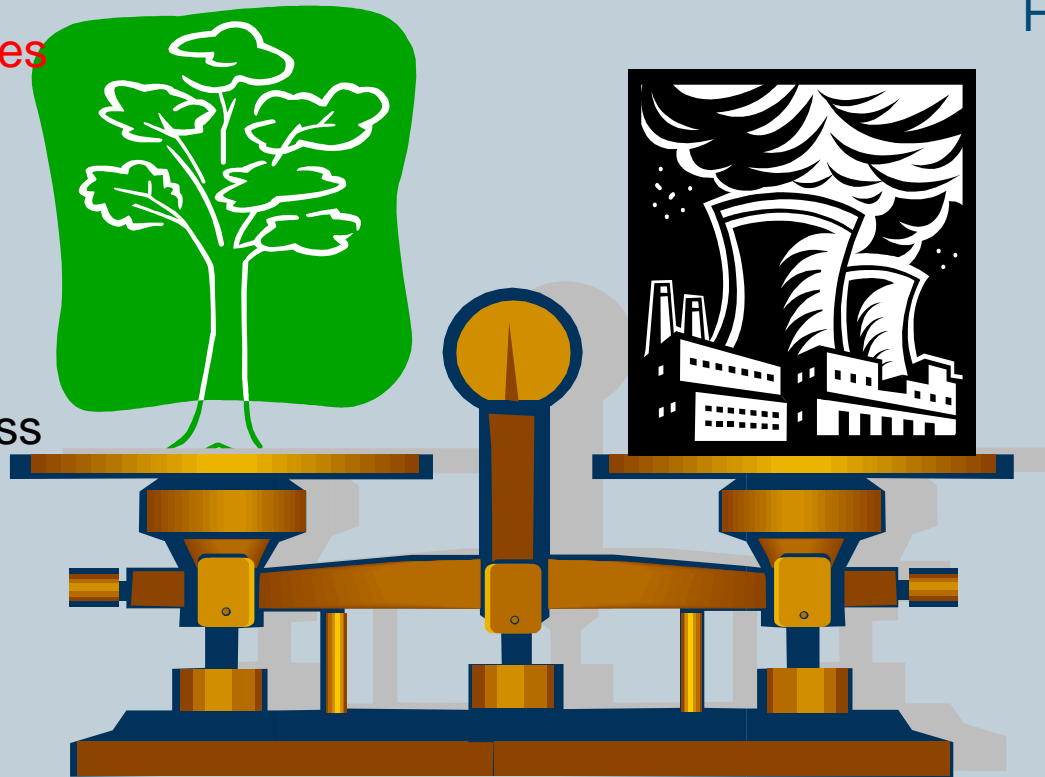


- Avoid harm
- Reduce, moderate, minimize
- Rescue (relocation, translocation)
- Repair, reinstate, restore
- **Compensate/offset**

# Challenges

Metrics: how to quantify impact losses and offset gains?

- Biodiversity Structure and Composition
- Ecological Process and Function
- Socioeconomic and Cultural aspects



How to establish whether and when an offset is appropriate?

- Go/No Go
- Offsetable/Not Offsetable
- Values
- Mitigation Hierarchy

Implementation: how to make an offset succeed in practice?

- Roles & responsibilities arrangements
- Financial assurance
- Legal structures, institutional arrangements
- Monitoring, enforcement

# Outputs



## CORE OFFSET REQUIREMENTS

**PRINCIPLES**

**KEY QUESTIONS**

**Future plans:  
standards & certification**

## OPTIONAL HANDBOOKS PROVIDED

**Biodiversity Offset Design**

**Community Cost  
Benefit Analysis**

**Implementation**

## SUPPORTING DOCUMENTS

**Issues Papers**

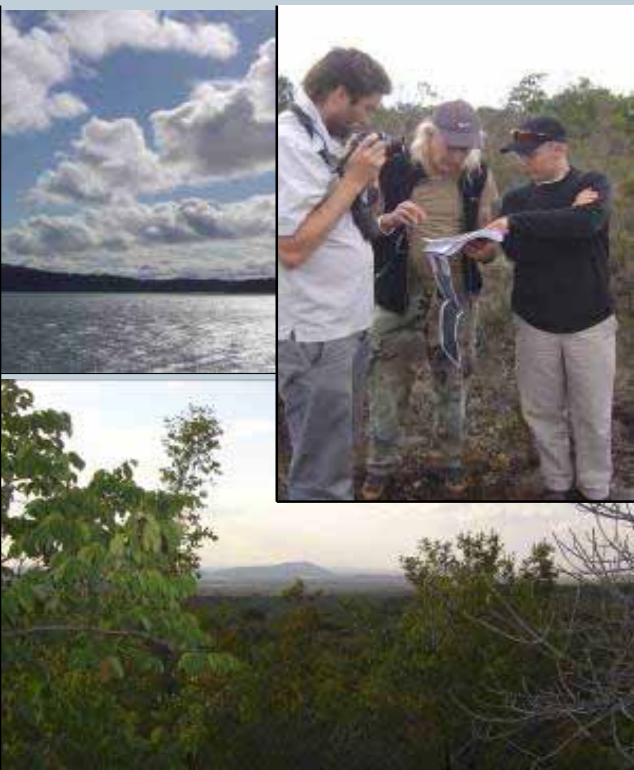
Impact Assessment and Offsets  
Social Impact Assessment and Offsets  
No Net Loss; Leakage  
The Role of Participation in the Offset Process

**Information Sources**

Frequently Asked Questions; Glossary

**Case Studies**

BBOP Pilots; other case studies and experiences



## Current BBOP pilot projects.

- Shell International, GTL project, Qatar
- Newmont Ghana Gold, Ghana
- Anglo American platinum mine, South Africa
- Sherritt Int'nal nickel mine, Madagascar
- Residential construction, USA
- Maasai tourism lodges and road, Kenya
- Solid Energy coal mine, New Zealand
- Potential projects in Latin America & China



# BBOP: Objectives and Structure .

## Learning Network

### Advisory Committee

Pilot 1

Pilot 2

Secretariat

Pilot 3

Pilot 4

### ① SEVEN PILOT PROJECTS:

- Portfolio of pilot projects worldwide demonstrating “no net loss” of biodiversity and livelihood benefits.

### ② TOOLKIT:

- “How to” toolkit on offset design and implementation;
- Principles.

### ③ POLICY:

- Influence policy on offsets to meet conservation and business objectives.



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**The Business and Biodiversity Offset Program (BBOP)** is a new partnership between companies, governments and conservation experts to explore biodiversity offsets. We are:

- Demonstrating conservation and livelihood outcomes in a portfolio of biodiversity offset pilot projects;
- Developing, testing, and disseminating best practice on biodiversity offsets; and
- Contributing to policy and corporate developments on biodiversity offsets so they meet conservation and business objectives.

The BBOP partners wish to show, through a portfolio of pilot projects in a range of industry sectors, that biodiversity offsets can help achieve significantly more, better and more cost-effective conservation outcomes than normally occurs in infrastructure development. The BBOP partners also believe that demonstrating no net loss of biodiversity can help companies secure their license to operate and manage their costs and liabilities.

*Our vision and expectation is that biodiversity offsets will become a standard part of business practice for those companies with a significant impact on biodiversity. The routine mainstreaming of biodiversity offsets into development practice will result in long-term and globally significant conservation outcomes.*

We thank our current sponsors:



Richard and Rhoda Goldman Fund



New! Schedule for consultation on draft BBOP materials

### ANNOUNCEMENTS

New! BBOP Draft Consultation Paper for CBD COP9

BBOP Newsletter - January 2008

**Biodiversity offsets** are conservation actions designed to compensate for the unavoidable impact on biodiversity caused by infrastructure projects, to ensure "no net loss," and, preferably, a net gain of biodiversity. Offsets are only appropriate in the context of developments that are legal and appropriate, and when the developer has first used best practice to avoid and minimize harm to biodiversity.

Program Flyer: A brief printable overview of the BBOP program.

Also See: THE NATIONAL GROUPS Ecosystem Marketplace



## New! BBOP Draft Consultation Paper