



Stakeholder Feedback Report

**CONSULTATION ON THE BIOLOGICAL DIVERSITY PROTOCOL
(Draft 1.1)**



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CONTEXT AND AIMS

The Biological Diversity Protocol (BD Protocol) is an output of the Biodiversity Disclosure Project (BDP), a project started in early 2018, managed by the National Biodiversity and Business Network (NBBN) of South Africa and hosted by the Endangered Wildlife Trust (EWT).

Through close collaboration with a wide range of stakeholders, the BD Protocol has been developed to provide companies with an accounting and reporting framework which helps consolidate biodiversity impact data in a standardised, comparable, credible and unbiased manner.

The BD Protocol further aims to enable any organisation to identify, measure, account for and manage its impacts on biodiversity for various business applications, from site management and internal reporting to external mandatory and/or voluntary disclosures. For instance, it can be instrumental to companies working on voluntary, science-based biodiversity commitments or targets for the forthcoming CoP 15 of the Convention on Biological Diversity (CBD) in China in 2020.

The BD Protocol has been developed through close collaboration with a wide range of stakeholders.

THE DEVELOPMENT AND CONSULTATION PROCESS

Concept design phase (2018)

The BD Protocol is being developed in a phased approach. A draft concept document, which covered the proposed aims, scope and structure of the BD Protocol, was produced in mid-2018. The concept document was based on:

- The GHG Protocol Corporate Accounting and Reporting Standard (i.e. the GHG Protocol¹), as the benchmark standard for the vision and structure of the BD Protocol;
- An alignment with the Natural Capital Protocol², which is a standardised framework to identify, measure, and value direct and indirect impacts (positive and negative) and/or dependencies on natural capital.

The concept document was circulated to around 15 experts (companies, NGOs, academia) worldwide to gather initial views about the proposed approach for an accounting and reporting framework which helps consolidate biodiversity impact data in a standardised, comparable, credible and unbiased manner.

The feedbacks received confirmed the relevance of the envisaged aims, scope and structure. However, the initial name “Biodiversity Measurement Protocol” (BMP) was deemed inappropriate by several experts as its acronym, “BMP”, might be easily perceived by most companies as standing for “Best Management Practices”. The “Biological Diversity Protocol” or BD Protocol was thus selected as the most appropriate replacement.

Draft development and consultation phase (2019)

By mid-March 2019, a first draft BD Protocol (V1.1) was completed, involving around 20 co-authors and contributors.

¹ The GHG Protocol Corporate Accounting and Reporting Standard provides a step-by-step guide for companies to use in quantifying and reporting their greenhouse gas emissions. URL: <https://ghgprotocol.org/corporate-standard>, accessed on Feb. 7, 2019.

² Natural Capital Coalition (2016). Natural Capital Protocol. (Online) Available at: www.naturalcapitalcoalition.org/protocol, accessed on Nov. 9, 2019.

A formal consultation process was then launched. It involved three components: An online consultation process, several events / workshops and many direct engagement processes.

Hosted by the Natural Capital Coalition through Collaborase, a global, online stakeholder consultation process started in May 2019. Managed by the EWT, this online consultation process lasted until August 15, 2019. The information was shared through various networks (online and via newsletters), including the Natural Capital Coalition, the Global Business and Biodiversity Partnership³ of the CBD and the EU Business @ Biodiversity Platform⁴.

All key information was summarised on our project website: <http://www.bdprotocol.org/bdp-protocol.php>

In addition, various interventions presenting the draft BD Protocol and the associated consultation process were made, including on:

- March 26, 2019, at the first Aligning Biodiversity Measurement for Business workshop, led by UNEP WCMC, Brussels, Belgium;
- July 2, 2019, for the operations group webinar of the Natural Capital Coalition;
- July 5, 2019, at the SAIMM Smart Mining, Smart Environment and Smart Society Conference, Centurion, South Africa;
- July 11, 2019 at the National Natural Capital Accounting Forum, Pretoria, South Africa;
- July 15, 2019 at WITS' Centre for Critical Accounting and Auditing Research - Conference "Towards emancipatory accounting logic?", Johannesburg, South Africa;
- July 24, 2019, at the IUCN Eastern and Southern Africa Regional Conservation Forum, Johannesburg, South Africa.
- October 16-17, 2019, at the Scoping Workshop on the SEEA and Business Accounting, United Nations, New York, United States of America.
- October 29-31, 2019, at the final Aligning Biodiversity Measurement for Business workshop, led by UNEP WCMC, Rio de Janeiro, Brazil.

3 URL: <https://www.cbd.int/business/gp.shtml>

4 URL: https://ec.europa.eu/environment/biodiversity/business/index_en.htm

- November 5-6, 2019, at the Capitals Collaboration Day and the Global Business and Biodiversity Partnership annual event, Madrid, Spain.
- November 27, 2019, at the National Business Initiative, Johannesburg, South Africa.

All comments, questions and contributions made through the various consultation processes, including direct engagements with businesses, academia and NGOs, were collected and analysed by the BD Protocol project team. The key points are summarised in this stakeholder feedback report.

Document finalisation and launch phase (2020)

The BD Protocol will be revised according to the feedbacks received up to late November 2019. Official launch is expected to take place in early 2020, prior to the forthcoming CoP 15 of the Convention on Biological Diversity (CBD) in China. As part of this consultation process, any commentator or reviewer may request to be recognised as a co-author or contributor to the BD Protocol.

STAKEHOLDER FEEDBACK: KEY MESSAGES

This section highlights the key feedbacks received from reviewers up to the end of November 2019. First, there were comments and recommendations asking for clarification and/or more detailed explanations. Addressing them would be relatively straightforward and is expected to improve the BD Protocol. These included the need to:

- Better explain the sole focus on impacts on biodiversity, including why the measurement of dependencies on biodiversity is excluded;
- Better articulate the distinction between measurement and valuation, including why the BD Protocol focuses on accounting for biodiversity impact measurements, while providing limited, additional guidance on how to value the latter for internal management and external disclosure purposes;
- Include how to account for impacts on marine ecosystems and taxa, as the BD Protocol is currently silent with regards to marine-related impacts on biodiversity;
- Need to clarify the application of the mitigation hierarchy at the corporate level, and its articulation with approaches at the level of a site or project, notably the accounting of no-net-loss and net-positive-impacts.
- Better explain how the outputs of the BD Protocol can be used for corporate goal or target setting, beyond notably within the content of the forthcoming Post-2020 Global Biodiversity Framework;
- Provide examples of how to account for impacts on freshwater ecosystems, notably in terms of different condition-rating methodologies;
- Provide clearer guidance on timing requirements for the updating of a company's biodiversity impact inventory;
- Provide more details on the accounting and reporting framework, including the application of the double-entry bookkeeping system beyond summarised Statements of Biodiversity Position and Performance (i.e. journal entries);
- Provide more guidance on the role of stakeholders in the selection of taxa for inclusion in a biodiversity impact inventory;

- Improve the explanation of the role of the BD Protocol in the context of existing disclosure mechanisms, such as GRI and CDP;
- Explicitly referring to the links between the BD Protocol and the UN System of Environmental-Economic Accounting (SEEA);
- Specify /clarify the potential uses of the BD Protocol in the context of the broad business applications identified by various initiatives (e.g., Natural Capital Protocol, Aligning Biodiversity Measures for Business, EU Business @ Biodiversity Platform);
- Improve the definitions for a number of terms and concepts, including but not limited to impact inventory, indirect impact, habitat and biodiversity footprint.

However, several concerns were also raised. Besides those regarding the selection of specific terms (i.e. taxa vs. species, land cover vs ecosystem) and chosen names of the various accounts⁵, which call for more detailed explanations of the reasons for their selection, the following issues warrant deeper analysis and discussions prior to the finalisation of the BD Protocol:

- Various views were shared regarding the setting of value chain boundaries:
 - Some push for alignment with the GHG Protocol;
 - Some have raised concerns with regards to the lack of reference to the concept of “area of influence”;
 - Others push for the better articulation of the differences with the GHG Protocol and Natural Capital Protocol;
- How to account for voluntary and mandatory biodiversity impacts that fall outside of the organisation’s value chain boundaries (e.g. financing of new protected area managed by another organisation);
- Several stakeholders have asked greater guidance on how the various emerging biodiversity impact measurement approaches, notably those analysed as part of the Aligning Biodiversity Measurement for Business project led by UNEP WCMC, would be compatible with or used in the context of the BD Protocol.

⁵ E.g. Some reviewers have asked why not using the concept of “biodiversity liability” account in the Statement of Biodiversity Position, instead of the “accumulated negative impacts” account. The concept of liability would imply an obligation to address these negative impacts (e.g. offset these impacts or restore degraded ecosystems). Yet, such an obligation would only materialise for sites or projects for which there are biodiversity-related legal requirements (e.g., no-net-loss targets). For most other accumulated negative impacts, there would be no obligation for the company to do anything, besides voluntary measures.

- While the BD Protocol needs to clearly articulate that it does not intend to replace any of these initiatives but only aims to provide an accounting and reporting framework to help them consolidate their output data for corporate level reporting and disclosure, several issues still need to be resolved. Notably, there is a need for improved guidance on:
 - The type and quality of data inputs for building Statement of Biodiversity Position and Performance as per the BD Protocol, especially those measurement methodologies which make use of environmental pressure and economic data inputs to model impacts on biodiversity;
 - Accounting for global impacts on biodiversity which do not have verified, spatialised/geo-localised impacts, notably those derived from impact measurement methodologies which make use of impact drivers such as greenhouse gas, water and waste emissions;
 - Accounting for future impacts, as modelled by some biodiversity impact measurement approaches;
 - How to progressively implement the various accounting and reporting principles, notably accuracy, completeness and equivalency, as several organisations offering biodiversity impact measurement services to companies may not yet be able to fully satisfy them. Several possible ways forward have been discussed with key stakeholders. These include:
 - Rewording some accounting and reporting principles so that they become more lenient and flexible;
 - Proposing a step-by-step approach to the adherence of each accounting and reporting principle;
 - Requiring strict adherence to the accounting and reporting principles only for the biodiversity impacts of direct operations, while allowing for more leniency/flexibly for those of the other value chain boundaries (i.e. upstream / suppliers and downstream / clients).

FINAL REMARKS

The BD Protocol team wishes to thank all the persons who took the time to comment on the draft 1.1 of the BD Protocol, whether through the online consultation platform, direct engagement or workshops / conferences. As we work towards the finalisation of the BD Protocol in early 2020,

We recognise the diversity of perspectives and approaches to biodiversity impact accounting and disclosure and hope that most concerns would be adequately addressed or alleviated. We also trust that an increasing number of stakeholders will grasp the opportunities that the BD Protocol may provide to their own work or approach.