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HKGFA BIODIVERSITY TRAINING SERIES #5

Nature and Biodiversity in Practice: ERM experiences

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Sustainability is our business

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A wait and see approach by business is simply not an option

2023 – 2030: Near term window of opportunity demands action now

Business Resilience Risk → **Investment Opportunity**

$44 trillion
of economic value generation – more than half of the world's total GDP – is moderately or highly dependent on nature and its services.

Decline in ecosystem services results in a loss of global GDP in 2030 of
$90-225 billion

Nature-smart policies could lead to a general **increase in global real GDP** to the order of
$50-150 billion

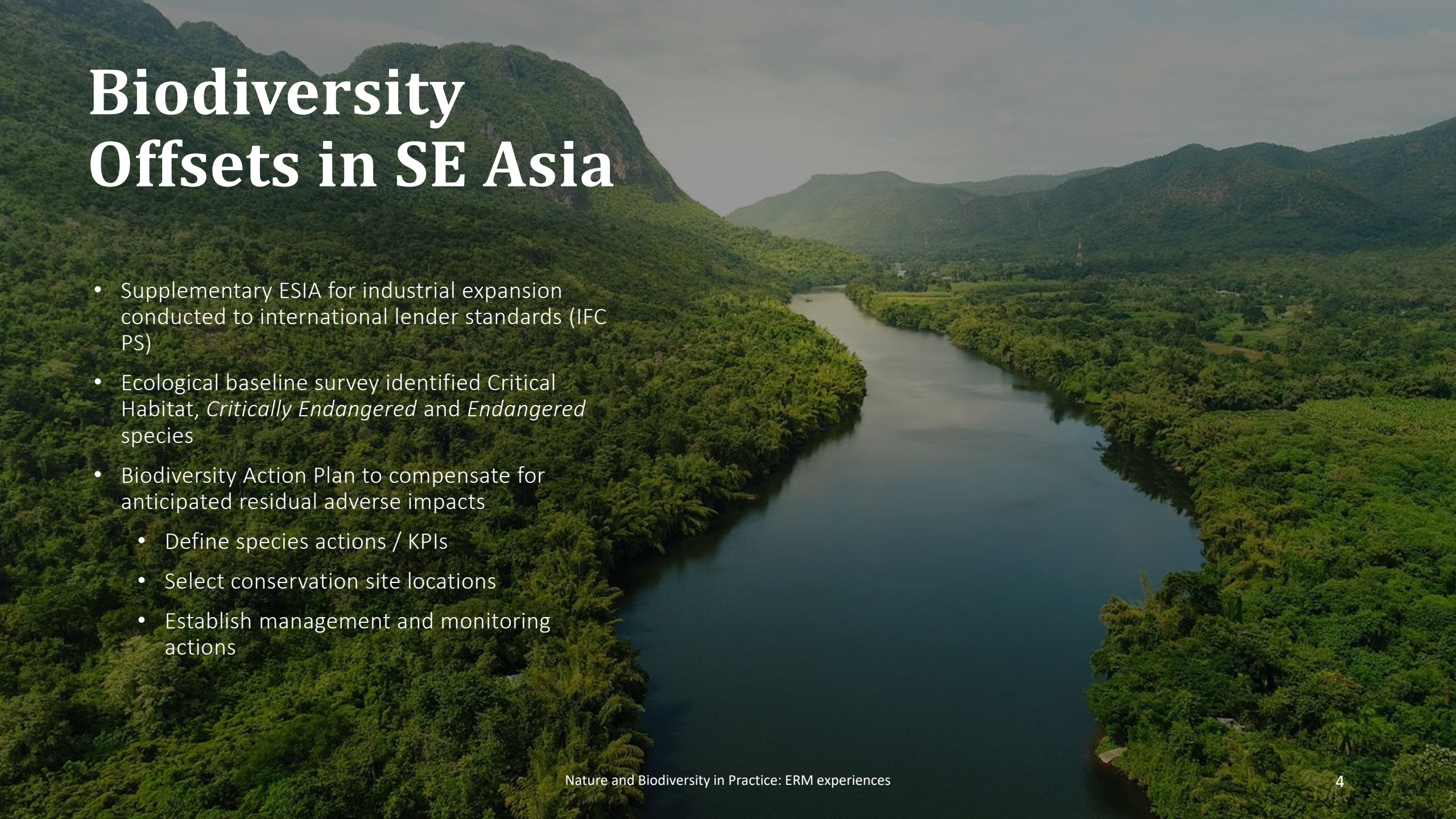
Making investments with nature-positive outcomes can create new business opportunities to the scale of
$10 trillion annually
and create 395 million jobs **by 2030**.

The Economic Case for Nature (2021)
Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy (2020)
Scaling Investments in Nature (2022)

Private Ecological Conservation Area

- Solar PV farm with an Ecological Conservation Area for wetlands and migratory birds
- Site is in proximity to a recognised Important Bird and Conservation Area (IBA)
- Risk and opportunity associated with wetland ecosystem and habitat values
- Planning and design to convert 24 hectares of land (including abandoned fishponds) into managed and monitored wetlands
- Bird species including Black-faced Spoonbill, Black-wing Stilt etc. utilize the ECA after construction

Biodiversity Offsets in SE Asia



- Supplementary ESIA for industrial expansion conducted to international lender standards (IFC PS)
- Ecological baseline survey identified Critical Habitat, *Critically Endangered* and *Endangered* species
- Biodiversity Action Plan to compensate for anticipated residual adverse impacts
  - Define species actions / KPIs
  - Select conservation site locations
  - Establish management and monitoring actions

Corporate Nature Positive Strategy – Diversified Energy

Interests

- Changing regulatory landscape brings uncertainty
- Desire for greater strategy and project / asset alignment with Global Biodiversity Framework, IFC PS6 and IPIECA
- Capacity and organizational (re)design
- Preparation for TNFD implementation

Outcomes

- Net Positive Impact Action Plan
- Nature & Biodiversity governance framework
- Optimized capacity operationalization
- At the project / asset level, attention on Biodiversity and Ecosystem Services (BES) Risk Profiling and Action Plans, including engagement of Indigenous Peoples and Local Communities

Nature and Biodiversity in Practice: Case Studies and Insights from ERM

Landscape Level - Hong Kong Country Park

- The Robin's Nest (紅花嶺郊野公園) area holds high ecological, landscape and recreational values, and provides an important ecological corridor to/from Guangdong Province
- Rich in biodiversity with many species of high conservation value, such as red azalea, incense tree, Chinese grassbird and Chinese pipistrelle
- ERM was commissioned to conduct detailed studies in support of Country Park planning, design and management, including stakeholder consultation
- A Conservation Management Plan (CMP) was developed to align with the HKSAR Country Parks Ordinance, including detailed proposals for conservation value enhancement
- Robin's Nest Country Park was designated on 1 March 2024

Thank you

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Nature, a primer: what are we really talking about?

Nature: The physical world collectively, including plants, animals, the landscape, land and water, and other features and products (as opposed to humans or human creations).

Biodiversity: Variability among living organisms and the ecological complexes of which they are part (both within and between species) – an essential characteristic of nature that enables ecosystems to be productive, resilient and able to adapt to change.

Nature-positive: A new global ambition where nature is being restored or conserved, increasingly an expectation for companies to go beyond damage limitation to making a net-positive contribution.

Ecosystem services: The uses and benefits that humans gain from the natural world, such as insect pollinators for agriculture, floodwater control by lowland grasslands, freshwater supplies for drinking, carbon absorption by forests, and places essential for the practice and preservation of cultural traditions such as wild rice harvesting.

Global Biodiversity Framework: The Kunming-Montreal GBF, agreed at COP15. The framework is made up of 4 global 2050 goals and 23 2030 targets. Includes biodiversity conservation and restoration, nature's contribution to people, access and benefit sharing, setting the agenda for global action for the next decade.

Nature in crisis: According to the World Economic Forum, more than half the world's GDP ($44 trillion of economic value generation) is dependent on nature and its 'services'. Between 1970 and 2016 there has been a 69% loss in global biodiversity, driven by climate change and destruction of natural landscapes. The Kunming-Montreal Global Biodiversity Framework agreed in late 2022 aims to reverse the trend and achieve a 30% increase in biodiversity by 2030. The race is on…