

Minutes: Proteus Partners Annual Meeting

Tuesday 9th June 2015

8:30 - 17:00

Swan, Shakespeare's Globe, 21 New Globe Walk, Bankside, London SE1 9DT

Objectives of the meeting

- Provide summary from the 2014-2015 delivery of Proteus
- Share plans for the development of Proteus resources over the next 5 years
- Discuss the Proteus renewal and delivery framework for the next phase
- Share current knowledge and directions from the global biodiversity arena
- Workshop on screening – focus targeted support of data

Introductory Session

Presentations are available [here](#).

Welcome and participant introductions – *Jon Hutton (Director, UNEP-WCMC)* opened the meeting with a brief history of the Proteus partnership and a reminder of its objectives, highlighting the improvements to the protected area data quality of the World Database of Protected Areas (WDPA) as one of the partnership's most notable continuing contributions.

A message to Proteus partners – *Achim Steiner (Executive Director, UNEP, via video)* conveyed to partners UNEP's view on the need for stringent environmental safeguards for the extractives sector. He highlighted the importance of the Proteus partnership to UNEP, and the leading role Proteus partners were playing, congratulating current partners and inviting them and others to be part of the Proteus effort in the future.

UNEP-WCMC's work on strengthening biodiversity and ecosystem management in the extractives sector – *Melissa Tolley (Head of Business and Biodiversity, UNEP-WCMC)* gave partners an overview of the Business and Biodiversity Programme's work under UNEP's Ecosystem Management Sub-programme. She described the five main outputs of the programme's current UNEP Project Document, and their linkages with the proposed Proteus workplan.

Proteus Overview 2014-2015 – *Matt Jones, Ruth Fletcher, and Kerstin Brauner (Business and Biodiversity, UNEP-WCMC)* jointly provided an overview of achievements to date and progress under the current workplan and budget. Matt reported on the finances for 2014 and the budget for 2015. He described the financing model of Proteus, highlighting that the impact of the partnership is amplified because it enables the leveraging of funds from elsewhere, providing a leverage ratio of \$1:\$1.9 for the combined pool of all partner contributions, and a \$1:\$35 ratio for individual partner contributions, excluding any contributions from other partners. Kerstin then updated partners on biodiversity data developments, explaining that 2014 saw the largest WDPA

update in its history, both of data and the WDPA structure. She mentioned the recent release of the WDPA User Manual, as well as the addition of the freshwater species grid on IBAT for Business and optional IUCN Red List species ranges layer. Finally, Ruth gave a brief overview of the resources available to partners: updated websites and tools, technical briefing notes, and an update on the development of the terrestrial critical habitat map, following the successful release of the marine map earlier this year.

After the introductory presentation, partners first asked for some brief clarifications on the **Proteus budget and workplan**: what GBA was, and what membership the projected finance based on. Matt clarified that GBA stood for Global Biodiversity Agenda, and encompassed many of the resources mentioned by Ruth. He also clarified that the projected budget was based on a membership of fifteen. The following Q&A revolved around the critical habitat mapping work:

Critical habitat:

- Partners were concerned that the development of the critical habitat mapping tool could lead to environmental practitioners in extractive companies relying too heavily on one data layer. Melissa Tolley explained that the critical habitat screening tool is in no way meant to be a surrogate for on-ground assessment and stressed that it is a global assessment flagging tool designed to provide quick desktop information.
- Partners asked whether the International Finance Corporation (IFC) had reviewed the critical habitat work. Melissa Tolley explained that the IFC had had an opportunity to review the work, but that the IFC deliberately leaves some ambiguity in the definition so that the decision ultimately lies with the IFC. Melissa clarified that IBAT and UNEP-WCMC are working together to present consistent information on critical habitat, but that UNEP-WCMC's mapping work uses many additional datasets that are not appropriate for IBAT.
- Finally, partners expressed a need for more specific critical habitat data in order to drill down to a smaller scale, and asked whether UNEP-WCMC would be including regional data in the assessment. Melissa Tolley explained that the assessment was still global, and that with the large number of terrestrial datasets, it was extremely complicated even at this global scale.

Other queries:

- Partners wanted to know the rationale for the inclusion of the IBAT freshwater species layer; was it a proxy for water quality? Martin Sneary explained that it can be used as a tool for identifying the external stress on a freshwater ecosystem: the higher the number of vulnerable species, the higher the risk.

Session 1: The future of protected areas

Looking Ahead: The Promise of Sydney – Dr Kathy MacKinnon (Deputy Chair, IUCN World Commission on Protected Areas). Kathy provided partners with a detailed summary of the WPC in Sydney and the outputs that have emerged from it, concentrating on the increasing role of indigenous peoples, Indigenous and Community Conserved Areas (ICCAs), and the marine environment as an important recurring theme. Kathy finished by asking the partners to consider how the extractive industry can contribute to the Promise of Sydney and emphasising the importance of the 2016 World Conservation Congress (WCC) in Hawaii.

The Q&A that followed focussed on what happens beyond the 2020 scope of the Aichi targets. Partners asked if efforts beyond 2020 would focus on increasing the area of protected areas, or their management effectiveness. Kathy MacKinnon emphasised that there was no scientific basis supporting the quantitative Aichi targets, and that these were the result of negotiated positions between governments. For protected areas to be ecologically representative, we would need 30% of the world protected. One study concluded only 25% of protected areas are effectively managed (although the study had a small sample size) so both increased coverage and management effectiveness are important. She also emphasised the importance of “other effective area-based conservation measures” (OECMs). Jon Hutton added that the Millennium Development Goals (MDGs) were likely to be carried into the developing Sustainable Development Goals (SDGs) so protected area coverage is likely to remain a priority.

The future of the World Database on Protected Areas – Dr Naomi Kingston (Head of Protected Areas, UNEP-WCMC). Naomi reviewed the process the Protected Areas programme follow to update the WDPA, and the challenges involved. She highlighted 2014 as an especially productive year with the WPC in Sydney and the UN Protected Areas report. She highlighted the importance of protected areas governed privately or by indigenous communities, before finishing with some speculation as to what the impacts of OECMs could be for protected area networks of the future.

The subsequent discussion focussed on OECMs. Partners expressed an interest in OECMs in the US and Canada. Naomi Kingston emphasised she did not want to pre-empt the IUCN task force, but suggested the majority would be indigenous areas, privately protected areas and forestry areas. She noted that reporting on OECMs can be made difficult by some indigenous communities not wanting to have areas recorded. Naomi went on to highlight the risk of the perverse incentive of pushing coverage targets leading to countries being more inappropriately creative with OECMs. Partners followed this with wanting to know how many areas are no-take zones. Naomi responded that there is an attribute for this in the WDPA, but it has only recently been included and is not yet well completed.

Biodiversity conservation and potential future oil and gas exploitation – Mike Harfoot (Microsoft Research/Science Programme, UNEP-WCMC). Mike presented the results of research identifying unexploited reserves with a high probability of exploitation within areas of high biodiversity value. The study found that unexploited fields are disproportionately associated with areas of high biodiversity and highlighted the need for further work.

Following the presentation, partners were interested in the sources of the industry data used in the analysis which were explained to be from IHS Global Insights. There was a note of caution on the

interpretation of the results from partners, highlighting that the eventual exploitation of any field is uncertain, as is the location of any infrastructure. The analysis was broadly welcomed for providing much needed evidence of the continuing relevance of biodiversity to oil and gas exploitation. Partners stressed that more analysis of other sectors and their overlap with areas important for biodiversity was also required.

Session 2: Support for biodiversity management: Governance and knowledge

Biodiversity as Business Intelligence: The growing importance of IBAT as an effective screening tool for corporates, financial institutions and governments – Martin Sneary (Programme Director, IBAT). Martin gave a detailed background on the growing business case for accounting for biodiversity evidenced in increasing levels of socially responsible investment (SRI). He described the current IBAT user base: roughly a third oil and gas, with a strong uptake in the financial sector. IBAT is used five times more than any other tool in the IFC, who have been very supportive of the initiative. Martin finished by highlighting IBAT for Research and Conservation Planning as an important planning tool for governments, particularly given its relevance to including spatial information in national planning processes. Through the three complementary versions of IBAT, three key audiences (business, finance and government) have access to the same information to support integrated decision making.

Following Martin's presentation, there was a short discussion on IBAT's membership. Martin explained there are currently fifty companies using the tool. He finished by saying that those companies tend to have an in-house champion with the backing of senior management.

Understanding change in the IUCN Red List and how it affects decision-making – Mike Hoffman (Senior Scientific Officer, IUCN Species Survival Commission). Mike took partners through three broad areas: understanding what types of change in the IUCN Red List happen, why these changes matter, and what is being done to moderate these changes. Changes in the IUCN Red List can be caused by three different mechanisms: a genuine increase in records, dataset turnover (e.g. human error or knowledge change), and finally changes as a result of new or existing threats. Mike emphasised that understanding this change is crucial for global policy, funding, monitoring, and for site-level biodiversity assessments.

The ensuing discussion explored the future direction of IUCN Red List assessment. Mike explained that expansion of the dataset does not focus on a specific area or individual species, but on a specific taxon so that there is no geographic bias. He also contended that there are some terrestrial areas as data deficient as the marine environment. Partners expressed an interest to know particularly data deficient regions. Mike listed West Central African coast, the coral triangle (which has been well surveyed but is hyper diverse), and difficult to access areas like the Horn of Africa.

National biodiversity planning and implications for the private sector – John Tayleur (Ecosystem Assessment Programme, UNEP-WCMC). John explained the National Biodiversity Strategies and Action Plans (NBSAPs) process, and NBSAPs' importance to business through their use as good predictors of upcoming national legislation (with some specifically defining a legislative reform agenda), and their legal backing from the Convention on Biological Diversity (CBD) and subsequent uptake by high-level Government authorities. He highlighted the need for better spatial information in NBSAPs and work underway to revise NBSAPs as part of commitments under the CBD.

Two questions were raised; firstly, John confirmed that the NBSAPs were publically available on the website of the CBD. Secondly, he explained that where countries were introducing a 'biodiversity law', they tended to be based on environmental impact assessments but indicated a national intention for highlighting biodiversity in this process.

Session 3: Proteus beyond 2015

Proteus 2016-2020 – Matt Jones (Business and Biodiversity, UNEP-WCMC). Matt highlighted to partners that Proteus has evolved to meet partner needs since its inception in 2003. He emphasised that with the current Proteus membership, a joint work programme makes sense to balance the needs of all partners, and data provision was identified as the most urgent of these needs. Matt finally reminded partners that Proteus only works because of the commitment of all partners; only then does the partnership provide the platform for other forms of engagement (e.g. the industry-conservation no-go discussion), and benefit from the leveraging of pooled funds. Matt closed by asking for more examples of how partners use the resources of Proteus to inform their operational business decisions in order to further refine the Proteus model.

Discussion on Proteus 2016-2020 – Facilitated by Matt Walpole (Director of Programmes: Science, Policy & Partnerships, UNEP-WCMC).

Workplan:

- Partners expressed an interest in the mitigation hierarchy approach and the evidence for this, and noted that this was covered in renewal discussions. Melissa Tolley explained that the Business and Biodiversity Programme has work outside of Proteus that informs the partnership, and that UNEP-WCMC would be happy to explore this further with partners.
- Partners agreed that a five-year work programme allows UNEP-WCMC to set strategic goals for the partnership and that ideally contracts would be aligned with this. However Matt Jones stressed that there is flexibility in the contracting period, and alternative lengths for the Memorandum of Understanding (MOU) can be discussed with each partner on a case-by-case basis.
- It was suggested that the inclusion of IUCN Red List data could be written into the Proteus MOU.
- Partners expressed an urgent need for site-level assessment tools, highlighting the complexity of global datasets, the importance of the critical habitat work, and the issue that the global data may not always have adequate resolution for operational decisions.
- Finally, partners noted that while 2015 was an exceptional year in terms of cost pressures, it would be better for the annual meeting to be hosted by one of the members each year. This could be achieved more formally with hosting included in the MOU. It was generally agreed that this was a good idea.

Proposed cost:

- One partner raised a query about the budget, and asked for clarification over why there is a proposed membership fee increase over the next five years. Matt Jones explained that this was largely due to the cost remaining constant for many years, despite the volume of data increasing dramatically, along with inflation, and delivering more resources. UNEP-WCMC has covered this through efficiency gains, but this is not sustainable; Matt Jones explained

exactly how the Proteus budget is set, and emphasised the role of developing the workplan independent of funding, before reiterating the process of raising co-financing.

- It was noted that the industry is facing cost pressures and this is understood, however it was also understood that the cost of maintaining Proteus and delivering outputs at the level expected by the members is independent of pressures on industry budgets.

Performance tracking:

- Melissa Tolley highlighted that while it is well recognised that the partnership delivers value to the partners and to UNEP-WCMC, there is no current means through which its impact can be measured. She asked partners to suggest what can be provided as partnership Key Performance Indicators (KPIs).
- The response from partners was varied; some agreed KPIs were needed for different workstreams and that useful information would be easy to provide if anonymised, whereas others warned not to overcomplicate the process, arguing that partners already know the value of Proteus.
- One partner noted the synergy of UNEP-WCMC's need for KPIs, and the partners' need for a strong business case with which to promote Proteus internally.

Wednesday 10th June 2015

9:00 - 17:30

Swan, Shakespeare's Globe, 21 New Globe Walk, Bankside, London SE1 9DT

Objectives of the meeting

- Provide insight into marine realm and governance with a focus on how Marine Spatial Planning could affect and involve partners.
- Identify and share good practice in screening approaches
- Review biodiversity sensitivity management issues facing the sector in a group setting
- Provide a forum for sharing knowledge about approaches and solutions for integrating consideration of marine biodiversity features into the project lifecycle and where the enabling environment (national policy and legislative environment) facilitates or impedes this
- Provide a forum to discuss potential areas where the industry may face risks from lack of data or gaps in knowledge of biodiversity features
- Identify ways in which UNEP-WCMC can support the application of relevant knowledge and provide a focus for data collation
- Provide an opportunity for company feedback into UNEP-WCMC's data development in the marine realm

Horizon Scanning – Marine

Plotting the course of the UNEP-WCMC Marine Programme – Steve Fletcher (Head of Marine, UNEP-WCMC) gave partners an overview of the Marine programme's work in UNEP-WCMC. He highlighted the often overlooked importance of the cultural and wellbeing values of the marine environment, the complex nature of the marine environment, the myriad threats encroaching marine habitats, as well as the complex regulatory framework in which to ameliorate these threats. Steve concluded by emphasising some of the programme's work around marine spatial planning (MSP), and work to improve the availability of data for decision-makers.

Following Steve's presentation, the discussion centred on the programme's MSP work. Partners highlighted a specific interest in the MSP review work and wanted to know what was required of industry to engage, and whether this work would tie into the marine programme's data collection and the work on high seas. Steve explained that the work is in early stages so just having the opportunity to partner with industry at the moment is a step forward, and that this work would most likely feed into the mainstream UNEP system.

OSPAR and environmental protection – Luisa Rodriguez Lucas (Deputy Secretary, OSPAR Commission/Bonn Agreement) opened with the results of a public awareness survey of OSPAR that suggested that around half of the survey participants were unfamiliar with the objectives of OSPAR, and that the Commission needs to better communicate its work. She emphasised to

partners the importance of maintaining marine health as a public good. Luisa reiterated Steve's message of the complexity of marine legislation and guided partners through the structure of OSPAR and how this works in practice, before finishing by highlighting some of the work done to date, including decisions and recommendations on use and discharge of chemicals offshore, decommissioning, and marine protected areas.

The ensuing discussion centred around governance of management plans of OSPAR sites in areas beyond national jurisdiction (ABNJ), and OSPAR's integration into existing environmental legislation. Partners asked whether there was an engagement with the Abidjan Convention. Luisa explained that OSPAR has a Memorandum of Understanding with the Convention, and have been providing assistance in the drafting of a protocol for offshore extraction. Partners asked who is in charge of ABNJ management plans and how they work in practice. Luisa emphasised that it is up to contracting parties to draft these management plans, but there may be some issues to be resolved with implementation where countries consider management responsibility to stop at the limits of their national jurisdiction. Finally, partners wanted to know OSPAR's integration with other environmental legislation and the effectiveness of its ecosystem approach. Luisa explained that OSPAR is another way to contribute towards the EU Nature Directives, and that OSPAR's ecosystem approach is reviewed every two years as the structure of the Commission leads to siloed views between, for example, the Offshore Industry Committee and the Biodiversity Committee. A Coordination Group was created to balance any conflicting committee views.

Contemporary thinking in Marine Spatial Planning – Hannah Thomas (Marine Programme, UNEP-WCMC) opened by stressing that MSP is not a new concept, but the implementation is still in early stages. She introduced work done by the programme to show increasing MSP implementation globally, and the importance of a multi-sector approach. Hannah discussed how protection of the marine realm was a recurring theme at the World Parks Congress (WPC) 2014, and that this interest is filtering down to sector support and regional commitments, e.g. the EU MSP Directive. Hannah finished by using the example of the drawn-out negotiations at Dogger Bank to emphasise the difficulty of transboundary area management.

Following Hannah's presentation, the partners were interested to know more about the review of global MSP implementation. Hannah explained that this is to be published; a preliminary information document was presented to the Convention on Biological Diversity (CBD) Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA). There were also questions about the level of support from the fisheries sector. Hannah went on to explain that where a sector is well organised and regulated, (e.g. as fisheries are in Europe through the Common Fisheries Policy), it has worked well. The problem will be with less organised and regulated sectors. Finally, partners showed an interest in the positive impacts of marine infrastructure and how MSP can maximise these.

Screening – Tools, Approaches and Rationale

BP's screening approaches and data challenges – Mark Johnston (Group Ecologist & Technical Advisor, BP) provided an insight into the screening approaches used at BP. Major projects and new access are screened for environmental sensitivity and impact using more than twenty different indicators. Levels of environmental sensitivity are represented on BP's internal mapping tool by synthesising various datasets provided by UNEP-WCMC. Mark concluded by stressing the limitations of using this approach for global screening.

Using Critical Habitat as a screening approach and development of management guidelines through the project lifecycle – Wouter Drinkwaard (Biodiversity & Ecosystem Service Advisor - Oceans, Group Environment - Sensitive Areas, Shell). Wouter began by reminding partners that Shell has had an external commitment to no-go in World Heritage sites since 2003. He then took partners through the Shell process for projects in Critical Habitat, aligned with UNEP-WCMC's marine mapping paper, and the requirement to produce a Biodiversity Action Plan (BAP) for projects in Critical Habitat on top of the mitigation hierarchy approach. Wouter demonstrated Shell's mapping tool, and how various biodiversity features are represented on this, and concluding by highlighting that Shell are currently completing an analysis of their infrastructure overlap with IUCN category I-IV sites.

Case study of the evolution of an offshore opportunity - working in a data poor environment – Charles Wood (Environment Manager, BG Group) presented the case study of BG Group's exploration in the volatile, data-poor and sensitive offshore environment off Honduras. He highlighted the issues with desktop research flagging up potential protected areas, and the need for extensive subsequent research both on-ground and speaking with local peoples. Charlie posed the question of whether areas on a map really did represent real world biodiversity value, and the balance of reputational risk with biodiversity impact.

Discussion session: Screening for biodiversity - drivers, challenges and data gaps

The first discussion session focussed on the following four questions:

What are the priority features (triggers) that are screened for? Key points discussed included:

- Terrestrial screening approaches are also being applied to the marine realm: companies screen for protected areas (international, regional, or national), particularly vulnerable or charismatic species, and environmentally sensitive areas.
- The importance of the International Finance Corporation's (IFC's) definition of Critical Habitat, especially the ability to see what criteria triggered the Critical Habitat designation.
- Screening for other industry cumulative impacts, especially fishing, might be of value. However, partners warned of data overload, and stressed that data needs to be properly packaged for easy integration into spatial screening tools.

What are the ecological characteristics of these features that make them important for screening? Key points discussed included:

- Partners agreed that the primary driver in the selection of priority features is operational, rather than ecological.
- The importance of ecological health was suggested as a useful screening characteristic, e.g. pristine or degraded.
- The usefulness of modifying species ranges to convey likelihood of occurrence as opposed to solely extent of occurrence, as well as life history data, especially with regard to collision risk or sound pollution.

What are the operational characteristics that make these features important for screening?

Key points discussed included:

- Regulatory regimes, internal policies, and reputational risk as the priority operational characteristics.
- The importance of more detailed characteristics like marine mammal collisions or noise produced near known migratory routes.
- The interests, requirements and expectations of shareholders, as well as the human dimension, e.g. socioeconomic and cultural values.
- Emphasis on cost as a crucial, or the most crucial, driver, and that carbon was the only external cost currently considered.

How do companies respond to gaps in data? Key points discussed included:

- Predictive modelling, its current limited use, and its potential to close data gaps for screening purposes.
- Interest in guidance for how to best address data gaps; UNEP-WCMC suggested the Marine Data Manual, currently available to partners, as a good resource for this.
- Desktop research and internet searches as a fall back when data is unavailable to enable the identification of local knowledge and issues, supported by extensive stakeholder consultation.

Managing Biodiversity Values through the Project Lifecycle

Managing sensitive habitats: Rationale and drivers for creating Shell's coral best practice guide – Deric Quaile (Manager, Environmentally Sensitive Areas - Group Environment - Sensitive Areas, Shell) opened by stressing that the guidance is very much a work in progress and needs field testing. He then explored the reasons for developing the guidance. Shell's operations are frequently in regions where corals, warm and cold water, occur. Deric emphasised the importance that any guidance link to external references and datasets.

Integrating biodiversity into project design – Jarrod Pittson (Corporate General Manager, Woodside) outlined partners' experiences from offshore gas fields amid the environmental sensitivities of working in close proximity to coral reef. Jarrod explained the five main options, and the reasoning behind the final decision. He emphasised that as a result of Woodside's extensive environmental surveys and monitoring off the coast, the movements of migratory animals and breeding grounds are well known. Jarrod concluded by explaining that development activities were conducted at a time that minimised disturbances to the majority of local biodiversity.

Discussion session: Management implications of marine biodiversity features

The second discussion session of the day focussed on the following six questions:

What are the challenges of implementing mitigation in the marine realm? Key points discussed included:

- Data paucity is the main challenge and compounds other challenges, including the interconnectivity of three-dimensional space in the sea impeding risks assessments, and the greater focus on seasonality of migration and breeding patterns.
- Marine surveys are costly
- Impacts are very difficult to quantify in the marine realm.

How useful are good practice guidelines and international standards, such as the IFC's Performance Standard 6 criteria? Key points discussed included:

- IFC PS6 is the backbone of current mitigation efforts, and an important driving framework that supports focused impact assessments.
- Guidance and standards are useful, but only if developed in close collaboration with industry, and professionals who have strong experience in the field. Partners suggest that this experience would benefit UNEP-WCMC, NGOs, and lenders alike in the development of future documents.

Are terrestrial approaches applicable to marine impact mitigation design? Key points discussed included:

- Agreement that the same processes used on land are applicable in the marine realm, but various characteristics of working offshore make the mechanisms and outcomes different.
- The increased cost and logistical challenge of operating offshore exacerbated by data paucity means that impacts cannot be easily quantified and subsequently mitigated.

Do the policy and legislation environments in which you work support biodiversity mitigation approaches? Key points discussed included:

- Timing, and the differing timelines of different ministries, is the biggest constraint to producing detailed baseline surveys, thereby reducing capacity to fully assess impacts and develop effective mitigation approaches.
- Examples of where international and national legislation could misalign, e.g. the need to talk to both the EU and EU member states regarding implementation of the EU Nature Directives.
- Isolationism in national government ministries, especially in developing countries, poses challenges. There is a need for capacity building in these countries. UNEP-WCMC may be well placed to provide it.

When is increased survey effort most useful to inform project risk? Key points discussed included:

- Increased site-level surveys are a beneficial resource for additional baseline data; increased post-implementation surveys were viewed as important for compliance and verification monitoring, as well as for facilitating the trust of local communities and ministries.
- Data sharing with industry might reduce levels of surveying required but barriers to this included cost, liability, and data ownership. A good pilot project could be to share EIA data on marine mammals, as these are collected according to standardized methodologies through the MMO Service – Marine Mammal Observers.

Are existing biodiversity mitigation measures designed to be resilient to climate change? Key points discussed included:

- Climate change impacts were often taken into account in engineering and operational designs for 30-40 year projects, but is not yet being considering in terms of biodiversity mitigation.
- There is an understanding that species distributions will change, but these are not translated to mitigation strategies.