ARCADIS Design & Consultancy for natural and built assets

MAKING NATURE COUNT: NATURAL CAPITAL IN POLICY AND PRACTICE: IMPLEMENTING THE NATURAL CAPITAL APPROACH FOR ECOLOGICAL CONSULTANTS

CIEEM Summer Conference| Dr. Martina Girvan | Southampton, August 2017

Presentation outline

- What is the natural capital approach?
- How does this relate to biodiversity?
- How can it generate added value?
- How this can relate to our clients and projects, examples.
- What we can all do.
- Next steps and tools for implementation.

What is the natural capital approach?

- Although the term 'natural capital' was first used in 1973 by E.F. Schumacher in his book ***Small Is Beautiful,*** the "***Tragedy of the Commons***" is an economic theory originated in1833 by the Victorian economist William Forster Lloyd, coining a phrase for the situation within a shared-resource system where individual users acting independently according to their own self-interest behave contrary to the common good of all users by depleting that resource through their collective action.

What is the natural capital approach?

- **Natural capital** is the "***stock of renewable and non-renewable natural resources*** *e.g. plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people*" (Natural Capital Protocol 2016). Natural capital assets provide people with a wide range of "free" goods and services, often called **ecosystem services**, which underpin our economy and society and some of which even make human life possible.
- The natural capital approach uses the **valuation** of these benefits to society to ensure that the decisions we make are based on holistic, real world scenarios. This requires the **qualification**, **quantification** and sometimes the **monetisation** of these benefits.

The benefits of complexity ☺

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Eukaryotic diversity on Earth was estimated to be approx. 8.7 million (8.7×10^6) species in total[a]

One individual sample of 10g soil was estimated to contain 8.3 million (8.3×10^6) microbial species[b]

This complexity of biodiversity is what underpins our ecosystem to make our natural capital so productive, resistant to perturbations and resilient i.e. useful! [cd] ☺

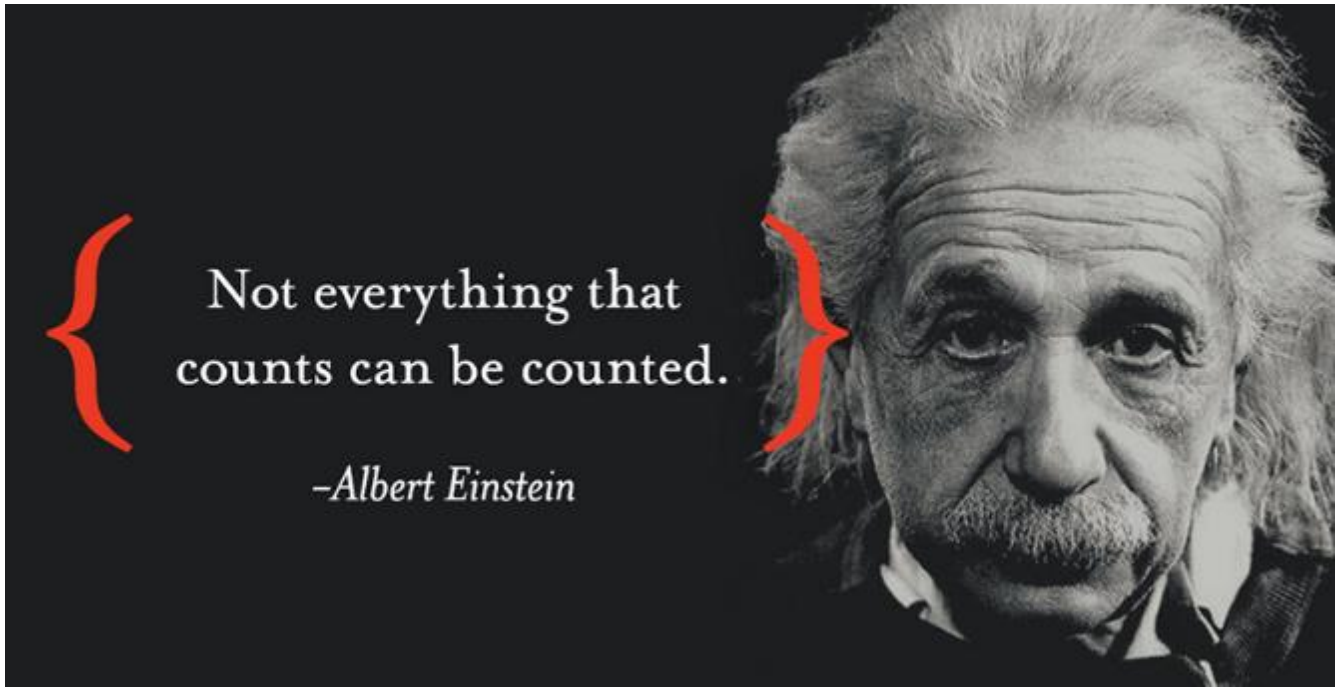
[a] Mora C, Tittensor DP, Adl S, Simpson AGB, Worm B (2011) How Many Species Are There on Earth and in the Ocean? *PLoS Biol* 9(8): e1001127. doi:10.1371/journal.pbio.1001127

[b] Jason Gans, Murray Wolinsky, and John Dunbar (2005) Computational Improvements Reveal Great Bacterial Diversity and High Metal Toxicity in Soil *Science* : 309 (5739), 1387-1390.

[c] Girvan M. S., L.A. Glover, K. Killham, C. Campbell, J.I. Prosser. 2005. Bacterial Diversity Promotes Community Stability and Functional Resilience after Perturbation. Environmental Microbiology.

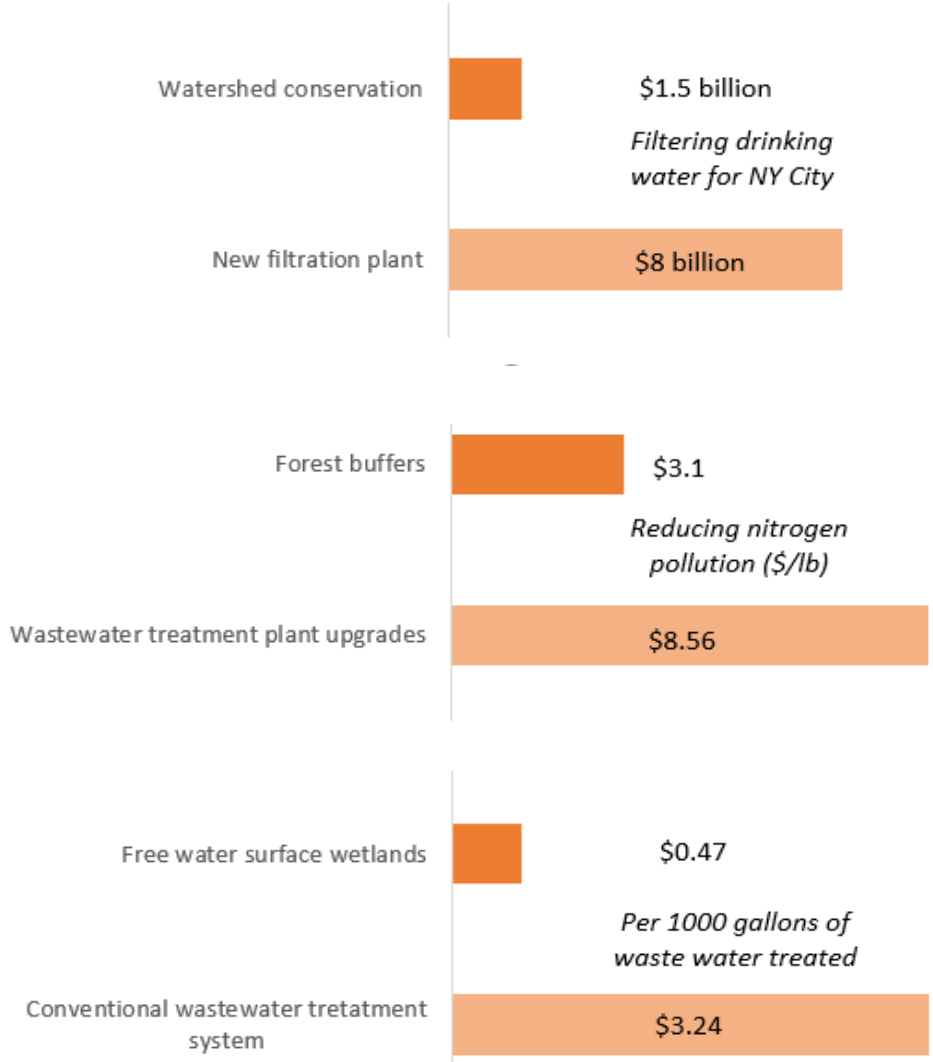
[d] Cardinale *et al*., 2012. Biodiversity loss and its impact on humanity. *Nature,* 486**,** 59–67.

The challenges of complexity ☹



Biodiversity is an incredibly complex area and biodiversity professionals can get lost in measuring and counting loss rather than seeking gains. We need to reduce this complexity in order to measure, value and communicate these benefits in a meaningful way that is tangible to business and community. The natural capital approach can help with this message as it relates directly to human and financial benefits.

How can the natural capital approach can add value: green versus grey costs

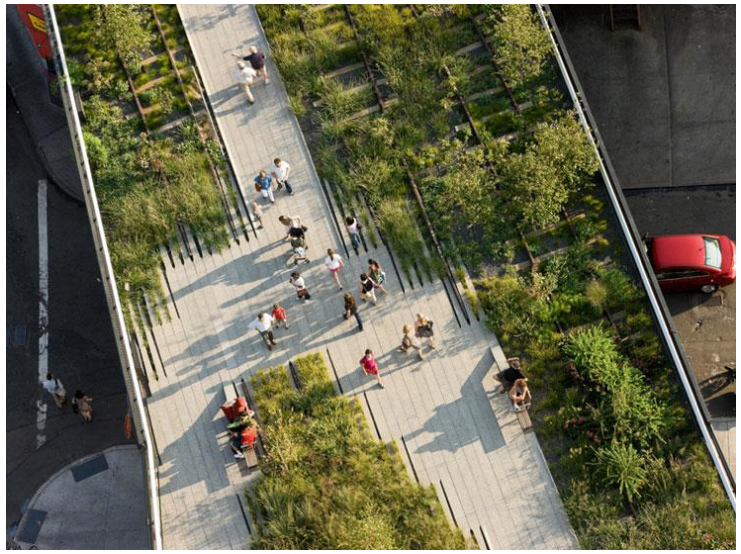


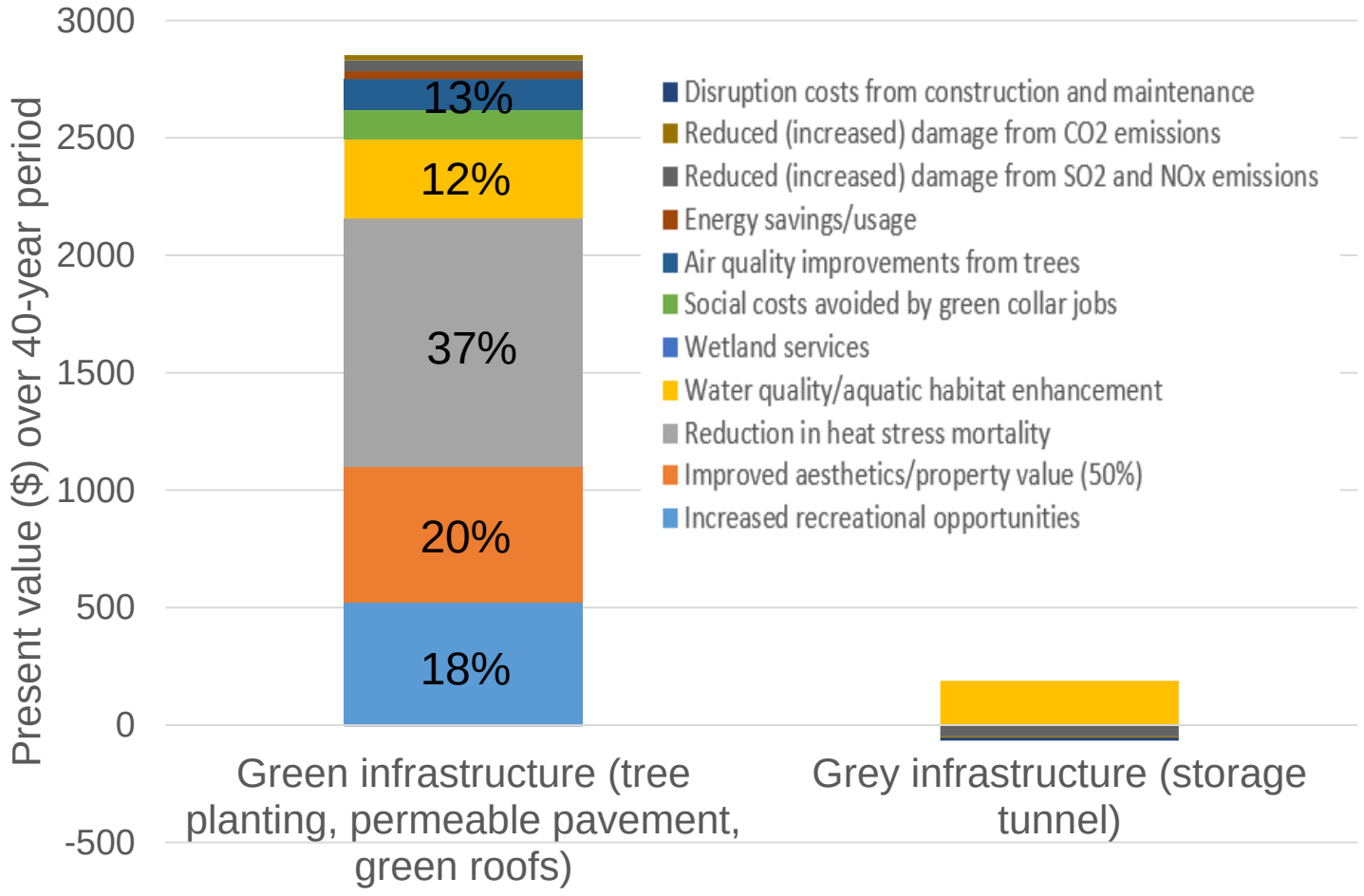
http://www.seesouthernforests.org/news/forests-water-us-south

Cost

Green vs Grey

How can the natural capital approach can add value: green versus grey benefits



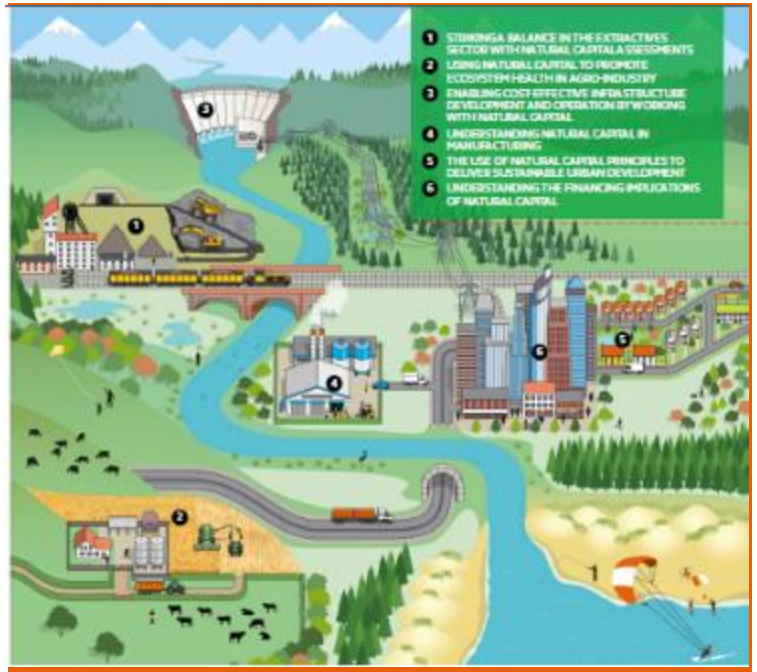


https://www.epa.gov/green-infrastructure/triple-bottom-line-assessment

Benefits

What services can we offer our clients?

	Corporate + Finance	Finance + Site + Corporate	Site + Finance + Corporate	Corporate + Supply +Site	Supply Chain	Corporate + Site + Supply Chain
Guiding Corporate Strategy						
Maximizing Site Value						
Securing Sustainable Finance						
Securing Sustainable Supply						
	Attract environmentally aware investors and lenders, by creating revenue opportunities with innovative product and service solutions, maximizing profit	Comply with, and stay ahead of, impending regulatory changes - IFC Performance Standards (e.g., IFC PS6) and manage Equator Principles	Maximize efficiencies and avoid liabilities by maximizing the GI design and ecosystem services - thus boosting productivity and brand value	Differentiate your brand through superior purchasing, operating, or investment practices	Demonstrate leadership value by creating new markets through education around high-performing sustainable products - winning trust and loyalty	Involve stakeholders, to identify and value natural capital risks and opportunities, enabling fair redevelopment evaluations, optimization of business strategy and maintenance of license to produce



Arcadis White Paper Making Natural Capital Count https://www.arcadis.com/en/global/our-perspectives/2016/07/making-natural-capital-count/.

Applying the natural capital approach throughout the business lifecycle

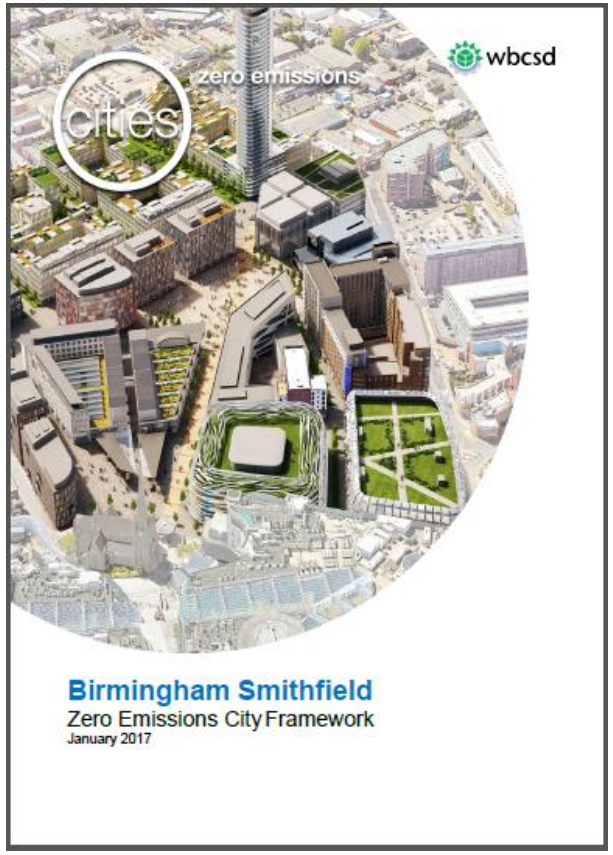
- Valuing the natural capital assets provided by biodiversity appropriately, realising the risks and opportunities associated with them enable us to maximise the benefits and minimise the impacts

Advisory and Design: Hammerson's Strategic Biodiversity Action Programme (BAP)

- To increase awareness of biodiversity among all staff, such as maintenance staff and managers;
- Identify new opportunities to maximise biodiversity;
- To set practical, realistic and achievable targets over a 5 year period, with low maintenance management recommendations.
- Disseminate best practice for design and management to achieve maximum biodiversity benefits.
- The addition of the cost/benefits in terms of natural capital would add provide additional incentives to design and maintain these habitats and allow for that to be appropriately incorporated into a capital and operational expenditure.

Combining development and operational strategies to secure biodiversity benefits

Advisory, Procurement and Implementation: Zero Emission Cities (ZEC) Birmingham Smithfield Development Zone STAR (Sustainable Tools for Assessing and Rating Communities) Framework



http://www.wbcsd.org/Projects/Zero-Emissions-Cities

- Sustainability framework was being developed to achieve the aspirations of the development and financing for Smithfield for BCC.
- We introduced a natural capital focus and ensured that it was embedded into all of the core sustainability principles.
- Key interventions were identified to deliver these aspirations, and the need to demonstrate financial viability to provide investor security around delivery.
- Cost/benefit analysis of green infrastructure solutions.
- A sustainable development at Smithfield to cement the city's leading position on natural capital and its UK lead as a Biophilic City.

1.Energy and Climate Action

2.Water

3.Waste

4.Buildings

5.Natural Capital

6.Transport and Accessibility

7.Materials and Resources

8.Community and Culture

9.Local Economy

10.Health and Wellbeing

Showing how natural capital approaches can also be the most economically viable approaches, balancing money making with place making

Advisory and Implementation: The Syngenta Good Growth Plan and realising and maximising the natural capital value of Multi-Functional Field Margins (MFFMs)

The ***Syngenta Good Growth Plan*** commits to enhancing biodiversity on **5 million hectares** of farmland.

Can MFFMs achieve the biodiversity targets and add real natural capital value to agricultural land which is also reflected in a more sustainable business without a significant decrease in productivity?

If so can we select the simplest, most implementable measures that add the greatest value, communicate the benefits so that these measures are actioned and monitored?

Natural Capital Valuation Leading to Standardised Interventions and Monitoring of KPIs to Demonstrate Value Increase

Qualifying and Quantifying the features, impacts and benefits

MFFM Quality

Physical attributes

- % coverage
- Width (<4m , >4m)
- Hedgerow (number - 1,2,>2)
- Ditch (water filled)

Species/habitats

- Native species (number & diversity)
- Habitat types (number & diversity)
- Perennial
- Annual

Landscape features

- Landscape connection value
- Permanence
- Managed/unmanaged
- Historic
- Stream

Biodiversity Value Indicators

- Indicator species (top 5 to be determined)
- Bird species richness and diversity
- Pollinator presence
- Predators of pest species
- Butterflies
- Floral species richness and diversity
- Soil biodiversity
- Invertebrates (macro)
- Earth worms (micro)
- Reptiles
- Mammals
- Aquatic
- Brand value linked to biodiversity (certification)

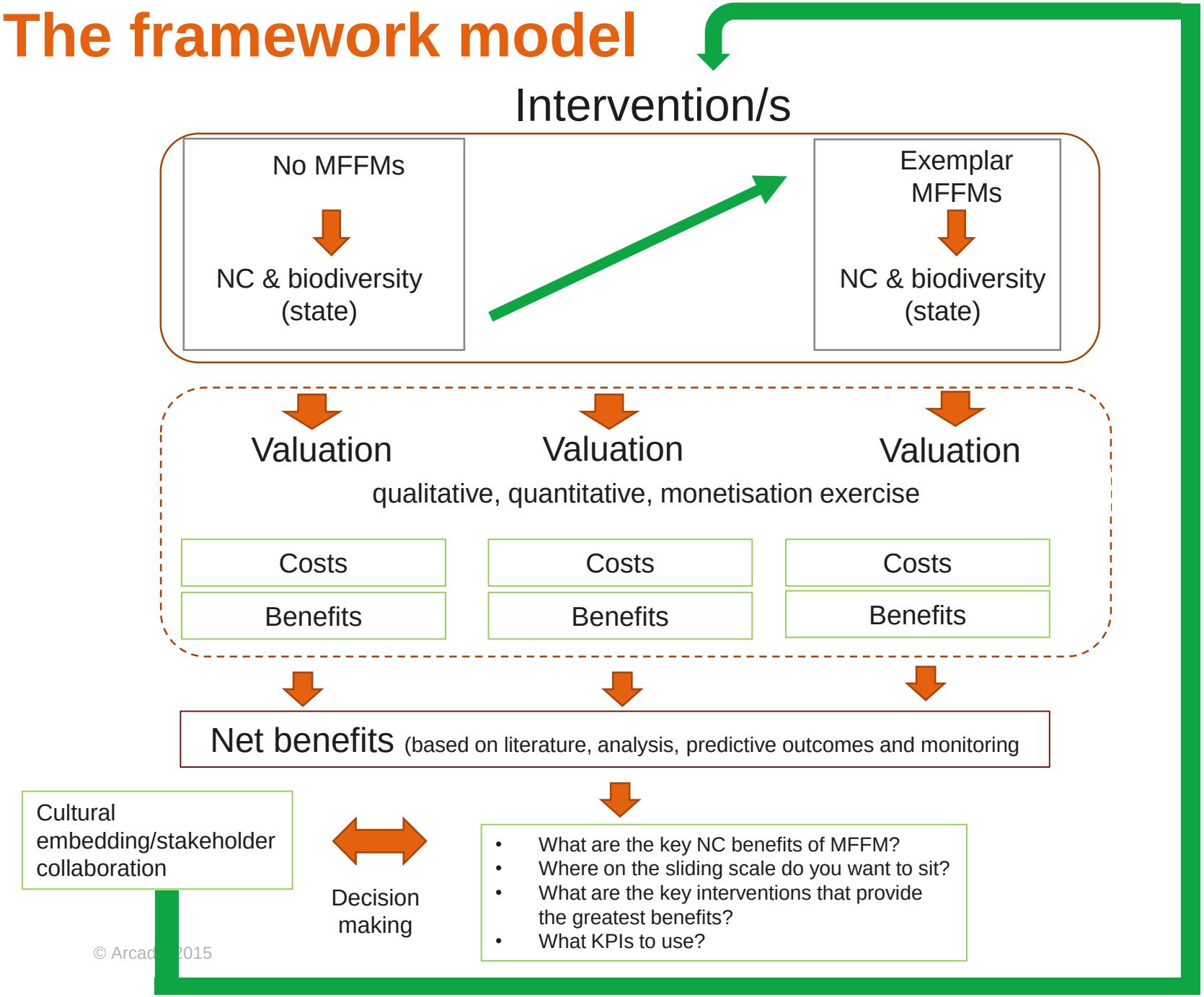
Impact Drivers (Costs)

- Gross cost of implementation (€)
- Dis-utility (i.e. some people may prefer wide open spaces)
- Less crop area
- Lower yield per unit area
- Uncertainty (market confidence yield certainty)
- Require acquisition of knowledge (effort to acquire and maintain)
- Time trade off (additional time invested)

NC Benefits Drivers

- Genetic diversity (futureproofing) **B**
- Carbon sequestration
- Pollution attenuation
- Pollination **B**
- Recreation **B**
- Erosion prevention
- Pest control (predators) **B**
- Soil quality **B**
- Nutrient cycling
- Water retention
- Farmers health/wellbeing
- Wood/food
- Climate adaptation
- Ecological corridor
- Flood attenuation
- Wind breaks
- Acquisition of knowledge /education

The framework model



Implementation/monitoring

Choose simple, consistent interventions and demonstrate and monitor the outcome feeding back into the system encouraging cultural embedding

Work in progress

Design: Passive Reedbed System

Primary Benefit:

- Waste management

A pollution incident from untreated runoff from stockpiled wood chippings to a local stream. The EA required immediate removal off site. A third party consultant recommended removal of to landfill with estimated cost of around £350,000. Arcadis demonstrated that a sustainable passive treatment approach on site could be used which would allow the wood chippings to remain onsite whilst managing the potential risks from water runoff.

Secondary Benefits:

- Direct cost savings
- Regulatory authority
- Amenity screening
- Sustainable storage and on site treatment
- Biodiversity
- Water volume and quality attenuation
- PM 10 AQ attenuation
- Carbon sequestration
- Recreational benefits

Client saving of £300,000 and a sustainable long term solution which benefits biodiversity

Design and Planning: NW Bicester Eco-Town Masterplanning

- New community of around 6,000 homes/ employment opportunities / community amenities on greenfield land
- Exemplar site of 393 homes, now complete while the masterplan for the wider is now being detailed for the remainder of the site.
- Arcadis designed the green and blue infrastructure, around which the masterplan was developed, to maximize natural capital benefits, reduce operational dependencies and deliver a net gain in biodiversity.

Designed around the ten principles of One Planet Living

1. Zero carbon
2. Zero waste
3. Sustainable transport
4. Sustainable materials
5. Local and sustainable food
6. Sustainable water
7. Land and wildlife
8. Culture and heritage
9. Equity and local economy
10. Health and happiness

Developing a new town on greenfield land, providing a healthy place to live while adhering to legislation and policy while promoting net gain in biodiversity

north west bicester

a2dominion

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Biodiversity net gain combined with the natural capital approach

ONE PLANET COMMUNITIES

GI retained landscape & buffers

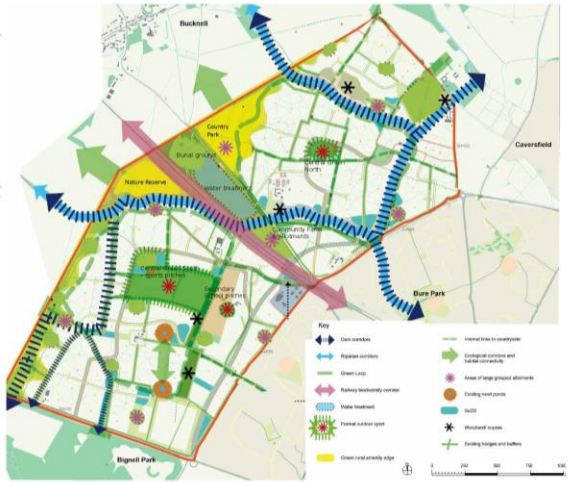
NW Bicester Masterplan provides Green infrastructure of 40% site area, and achieves net gain in biodiversity with:
- Retention of existing habitats: woodland, hedgerows and habitats around the River Bure and its tributaries
- Buffer zones:
  - 60m across watercourses with flexible width either side.
  - 20m across hedgerows with flexible width either side.
  - 10m from woodlands.
  - 40 m across 'dark corridors' for nocturnal species.
- Creation of new habitats including: Nature Reserve, Country Park, wetland area, SuDS ponds and damp grassland.
- Multi-functional GI areas, e.g. locating play areas within green space.

GI amenity space & recreation

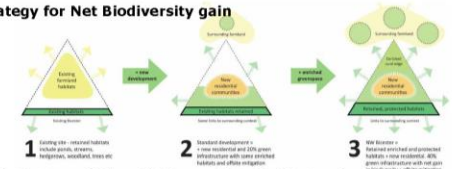
NW Bicester Masterplan provides Green infrastructure of 40% site area, half of which is publicly accessible amenity and recreation with:
- 16 ha of Sports pitches in two areas; the main sports area in a Central Green south of rail near secondary school and local sport area in a Central Green north of rail.
- Play spaces totalling 11 ha distributed throughout the site.
- 5.5 ha of Allotments distributed throughout the site.
- The 1 ha community farm in the triangle.
- A burial ground of 4ha in the triangle
- General amenity space distributed throughout the site; including the country park, local parks in the "green loop" and local greenways distributed throughout the site.
- A network of segregated footpaths and cycleways, providing both direct connectivity through the site and leisure routes in the "green loop".

Play & Recreation Areas

Allotments



Strategy for Net Biodiversity gain



Birds that would benefit from offsite habitat enhancement

Birds that will benefit from green space within the masterplan

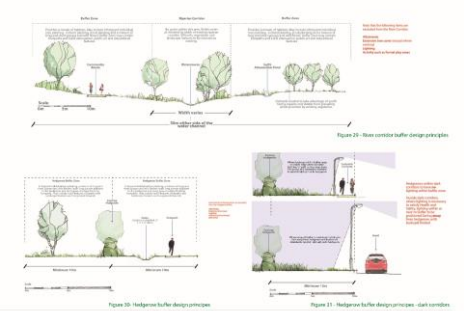
Species attracted by green spaces in masterplan

Amphibians and fish that will benefit from green space in the masterplan

Mammals that will benefit from green space in the masterplan

Invertebrates that will benefit from green space in the masterplan.

Bats that will benefit from green space in the masterplan



Biodiversity Units Prior to Development	Biodiversity Units Post Development	Change in Biodiversity Units
553.94	829.57	+275.63

north west bicester | a2dominion | BARTON WILLMORE | Hyder | SQW | RANDALLTHORP | Bioregional | FARRELLS

A landscape driven masterplan intrinsically linking biodiversity net gain within the design has also been selected for one of ten NHS Healthy Town Initiatives and has been awarded the One Planet Living status and soon to be published ICE Paper on the benefits of SuDS

Transport for London

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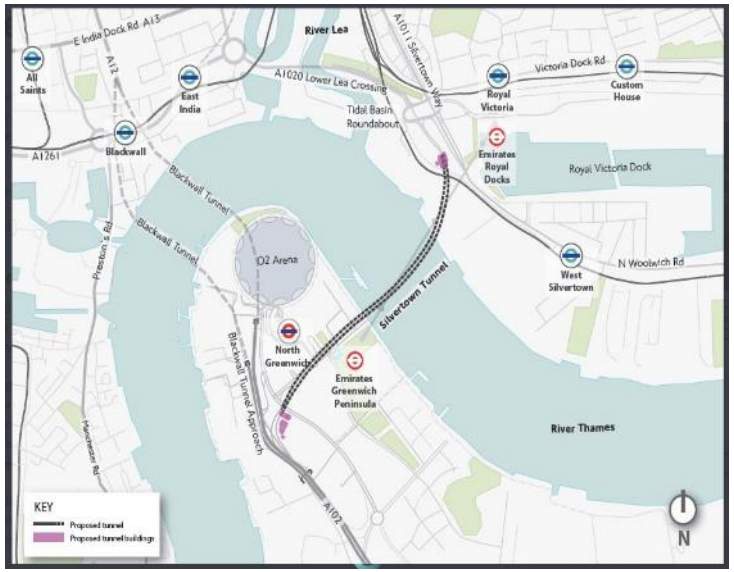
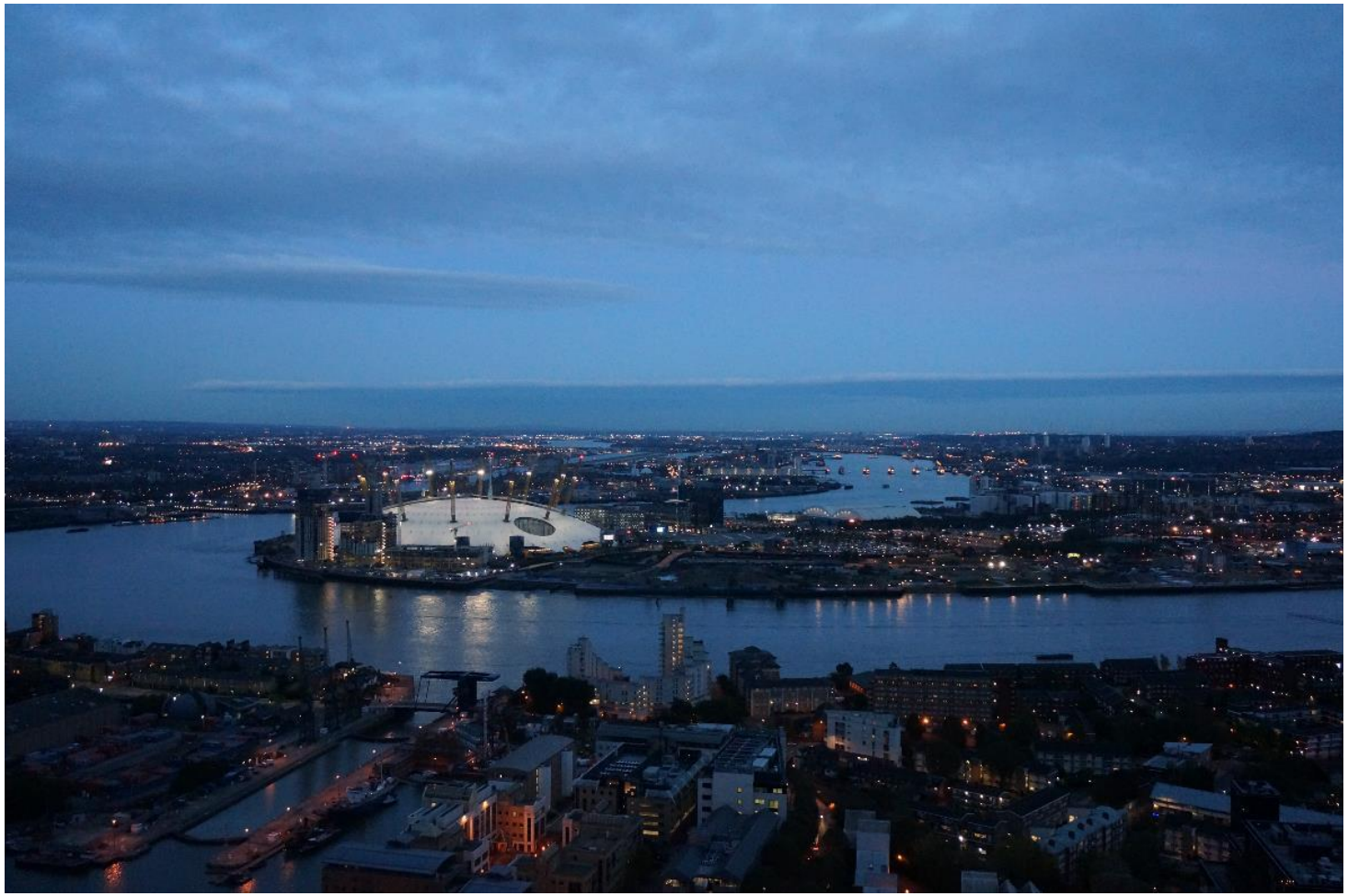
Design and Planning: Silvertown Tunnel Crossing EIA

A challenge to demonstrate no significant effect to achieve planning consents and with an uncertain landscape design





Requirement to submit an NSIP Environmental Statement with certainty on Mitigation and Residual Effects without a detailed design in place

Transport for London

Silvertown Tunnel Crossing

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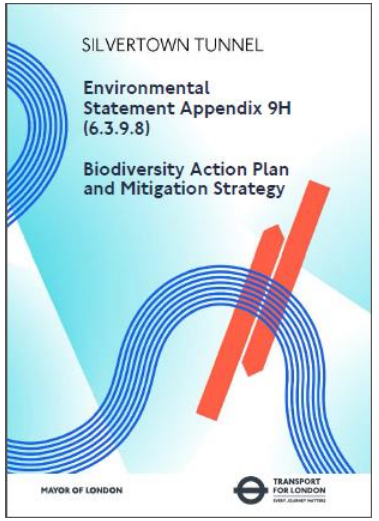
Design and Planning: principles and offsetting strategy to provide certainty for biodiversity



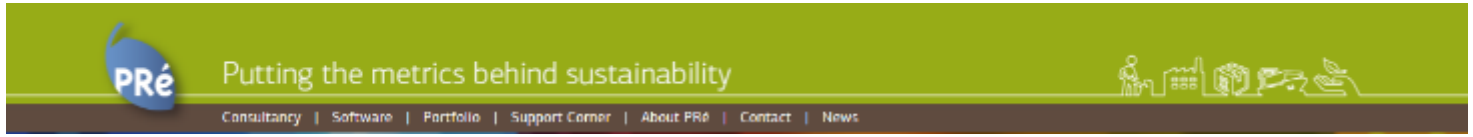
- Poor quality brownfield land in between developed areas
- Uncertain landscape design strategy
- Very high commercially valuable land
- Silvertown Tunnel BAP and Mitigation Strategy
- Sets out detailed design parameters for key receptors on and off site
- Natural capital value of baseline calculated
- Worst case scenario for on site habitat replacement deficit modelled
- Capital sum negotiated for offsetting to be spent as directed in the BAP by the LPA agreed under Section 106 wording to confirm implementation of BAP parameters
- Design Review Panel, KPIs for project criteria and auditing to ensure implementation







Demonstrating net gain for planning without the need for CPO of land outwith the Order limits which would be fragmented, incredibly expensive and hard to obtain thus maximizing the value of biodiversity mitigation



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platform biodiversity, ecosystems & economy

Operational Supply Chain Analysis: BioScope

This web based tool provides a simplified LCA which is free for all to use. It provides users with a rapid and general insight into the type, location and intensity of their most important impacts on biodiversity and ecosystems in their value chains. Based on the outcome they make clear decisions on how these impacts can be managed.

Commodities Traded + Origin of Commodity + Volume of commodity

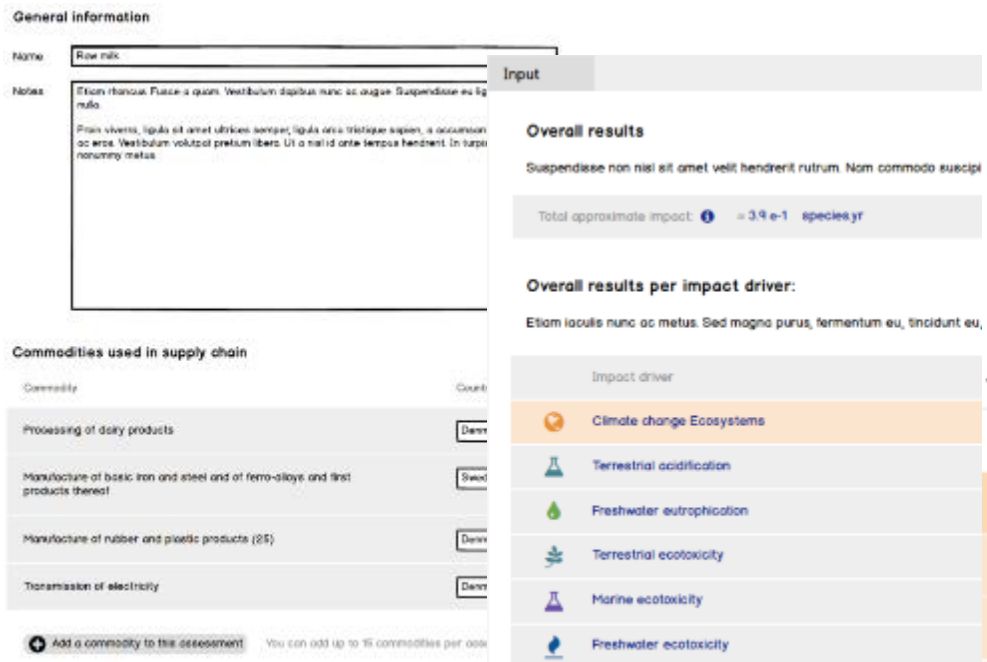
What, Where and How?

Impact Intensity and Location

The analysis are based on a combination of Exiobase – ReCiPe data which maps the impact drivers of certain commodities. The web-based tool shall have a user-friendly user interface.

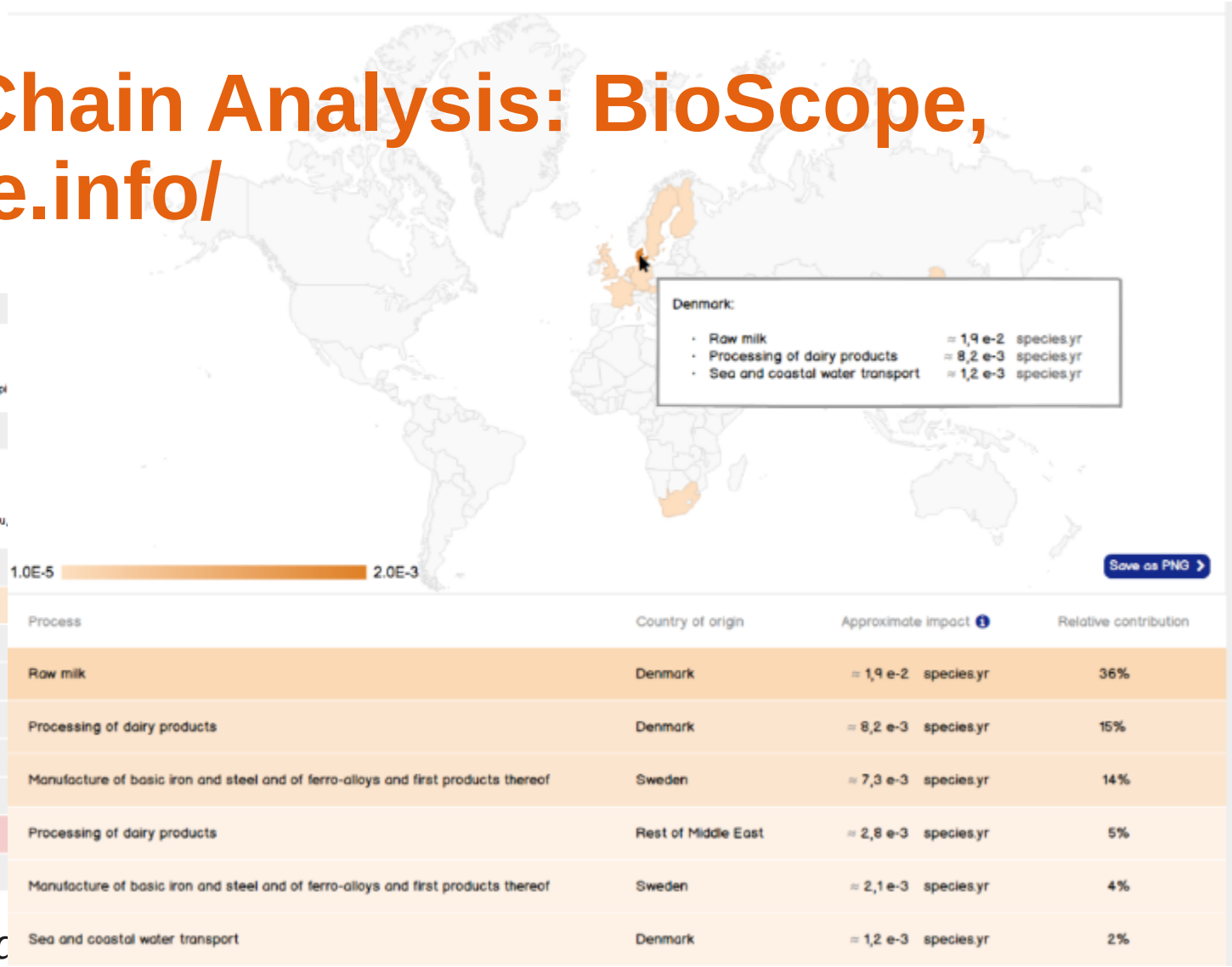
Simple, Interactive Measuring Engages the NC Issue and Promotes Positive Direction of Travel in Impact Reduction with Readily Implementable Measures

Operational Supply Chain Analysis: BioScope, https://www.bioscope.info/



Simple data entry

Intensity per impact c



Top 3 impacts, intensities and location of impacts

Demonstrates Clearly at a High Level Easy to Communicate Cross Sector, Cross Discipline and Globally

What we can all do

The habitats on site were generally of poor quality and with limited potential for protected or notable species due to the small area and poor management of the habitats. ***OR*** These habitats have value in terms of green infrastructure, likely performing important ecosystem services (such as water quality and volume attenuation, air quality and heat attenuation etc.) in addition to the ecological value they have.

Identify all of the natural capital benefits biodiversity underpins and liaise as early as possible with the design team to include and cost for mitigation and enhancements

Why we should use the natural capital approach

- Rapid compliance and consents
- Reduced planning, design and build costs
- Greater efficiency and resilience
- Differentiation of brand value
- Multiple secondary benefits
- Offsetting potential
- And much more

Next steps

Arcadis Collaborations and Initiatives

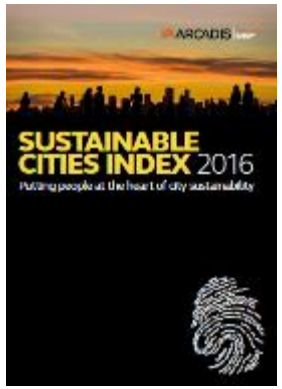
JNCC
Joint Nature Conservation Committee

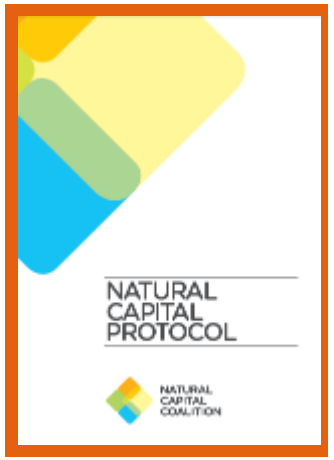
http://businessbiodiversity.in/

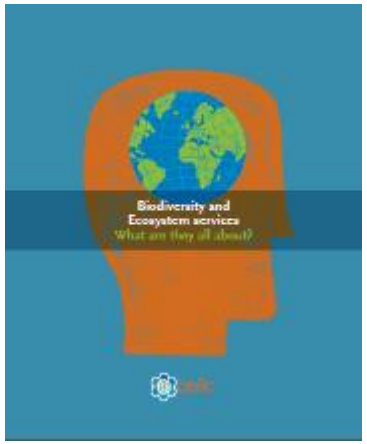
http://www.naturalinfrastructureforbusiness.org/news-story/

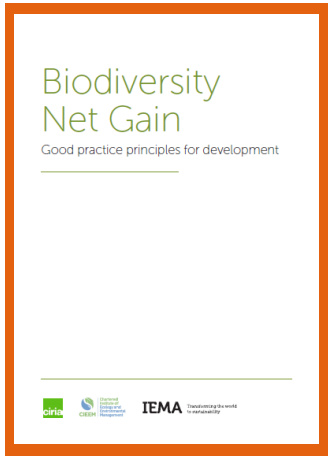
https://www.arcadis.com/en/global/our-perspectives/2016/07/making-natural-capital-count

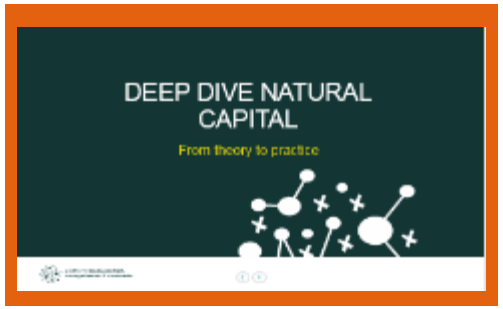
Knowledge Sharing











Practice makes Perfect!

NCI/Arcadis conference and workshop 6th October Arcadis House in London
https://www.eventbrite.com/e/embedding-the-natural-capital-approach-in-the-built-environment-sector-tickets-36722157963

Collaborating with partners, sharing with all and practising as often as possible!

“An ounce of practice is generally worth more than a ton of theory.”

Ernst F. Schumacher, Small Is Beautiful: A Study of Economics as if People Mattered

Technical Director Ecology
Global NC CoP Leader
Martina Girvan
e *martina.girvan@arcadis.com*
t +44(0)**773 8140144**

Principal Environmental Economist
Gregor Pecnik
e *Gregor.pecnik@arcadis.com*
t +44 (0)7525733893

Making Natural Capital Count: matching economic generation with environmental preservation