

BBOP

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.”

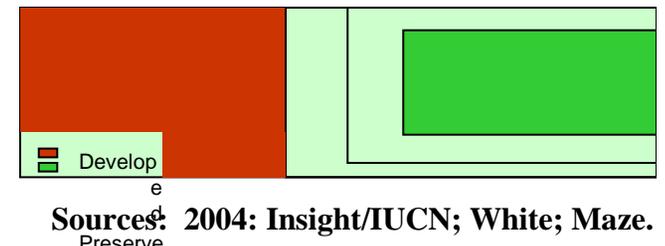
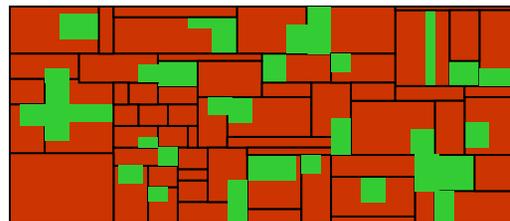
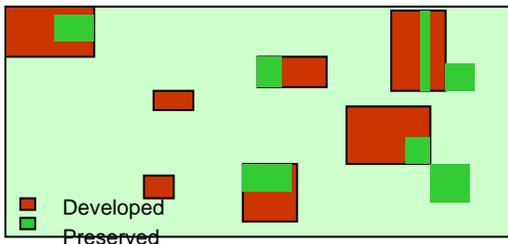
Insight & IUCN, 2004



BBOP Why the interest in biodiversity offsets?

More and better conservation:

- Balance development and conservation. More conservation efforts than “status quo”.
- Additional finance & mainstream biodiversity into business.
- Focus conservation efforts on priorities, in context of landscape/regional planning.
- Trade small compromised sites for larger areas with better prospects. Greater connectivity of areas.
- Potential for pooled resource and development of conservation based markets e.g. wetland banking.



BBOP A short history of biodiversity offsets

- First formalised in 1970s: USA system of wetland mitigation.
 - Now legislation in USA, Canada, Europe (25), Brazil, Switzerland, Australia and discussions in New Zealand, Uganda and Mexico, etc.
 - Investor interest (IFC, Equator Banks, fund managers)
 - Companies, industry associations, multistakeholder initiatives
-

Groups of companies:

- **EBI:** BP, Chevron Texaco, Shell, Statoil, CI, FFI, Smithsonian, IUCN, TNC
No net loss of biodiversity at project site. Should be minimum standard.
- **ICMM:** 16 leading mining companies report, position paper.

Corporate policies:

- **Rio Tinto:** 'net positive effect' - committed to accomplishing this through offsets.
- **BP:** Lord Browne, CEO: 'We can have a real, measurable and positive impact on the biodiversity of the world.' (April 2000)

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Why should business offset the harm it causes to biodiversity ?

- **Legal requirements:**
 - Law that mandates offset (e.g. US, EU, Brazil, Australia)
 - Law that facilitates offset (e.g. EIA, planning law, concession agreements)
- **The business case**
for voluntary biodiversity offsets



- **Access to land and resources:** Significant overlap between resources and areas of high conservation value.
- **Maintaining license to operate:** Stakeholders are showing increasing concern for the conservation of natural resources:
 - **Increased “regulatory goodwill”:** Good relationships with regulators Can lead to faster permitting.
 - **Social license to operate:** Better relationships with local communities, government regulators, environmental groups and other important stakeholders.
- **Reputational benefits for environmental stewardship:** Commitments to environmental best practice, including biodiversity.
- A practical **tool** for managing social and environmental risks and liabilities.
- Easier **access to capital** and associated competitive advantages.
- **Influence** emerging environmental regulation and policy
- **“First mover”** advantage for innovative companies.

Opportunities:**Conservation**

- more & better conservation, mainstreaming mechanism, gives value to biodiversity

Business

- economically efficient means to secure license to operate & reputation; influence policy: market mechanism not regulation

Policy-makers

- involve private sector in achieving policy goals; use market mechanism

Local communities

- means to minimise impact on livelihoods and secure additional benefits

Risks:

- No substitute for “no go” areas
- Failure to deliver
- Controversy
- Credible standards

The Business & Biodiversity Offsets Program

(BBOP)

**Ensuring no net loss of biodiversity
in development projects
through prioritised *in situ* conservation and
livelihood outcomes**



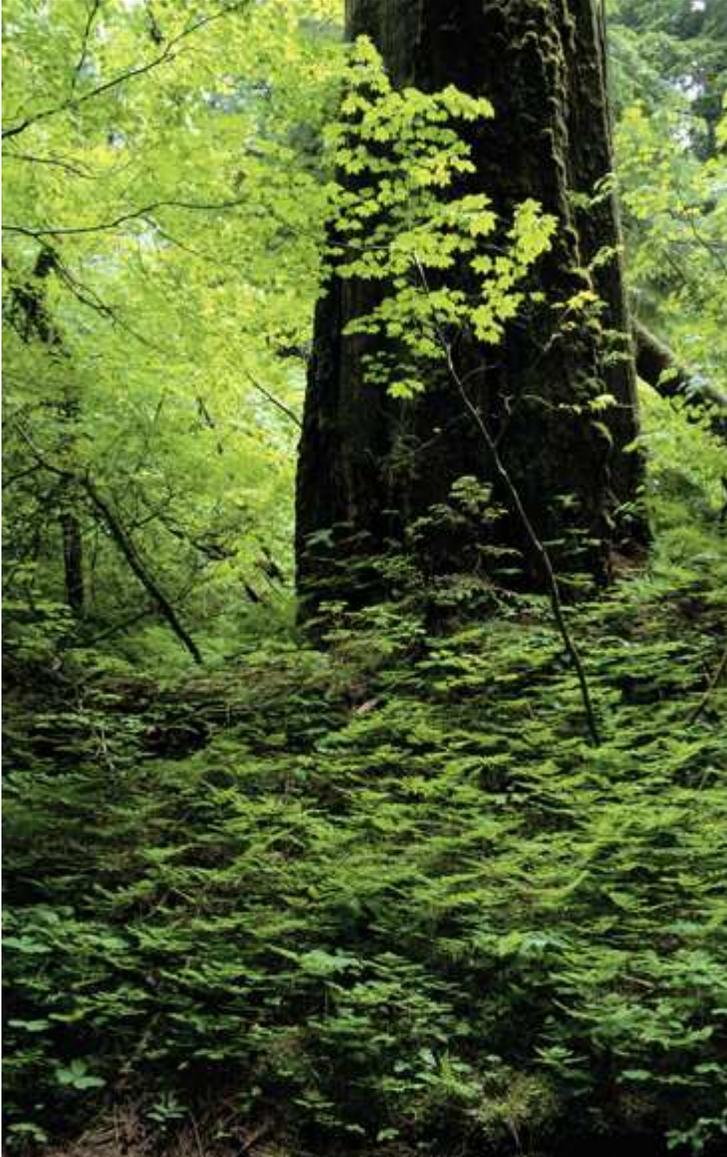
**F O R E S T
T R E N D S**



**CONSERVATION
INTERNATIONAL**

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Vision for the Program



All future major development projects (in the private and public sectors alike), and certainly those which will have a *significant* impact on biodiversity, should ensure that they bring about no net loss (and preferably a net gain) in biodiversity.

1 PILOT PROJECTS:

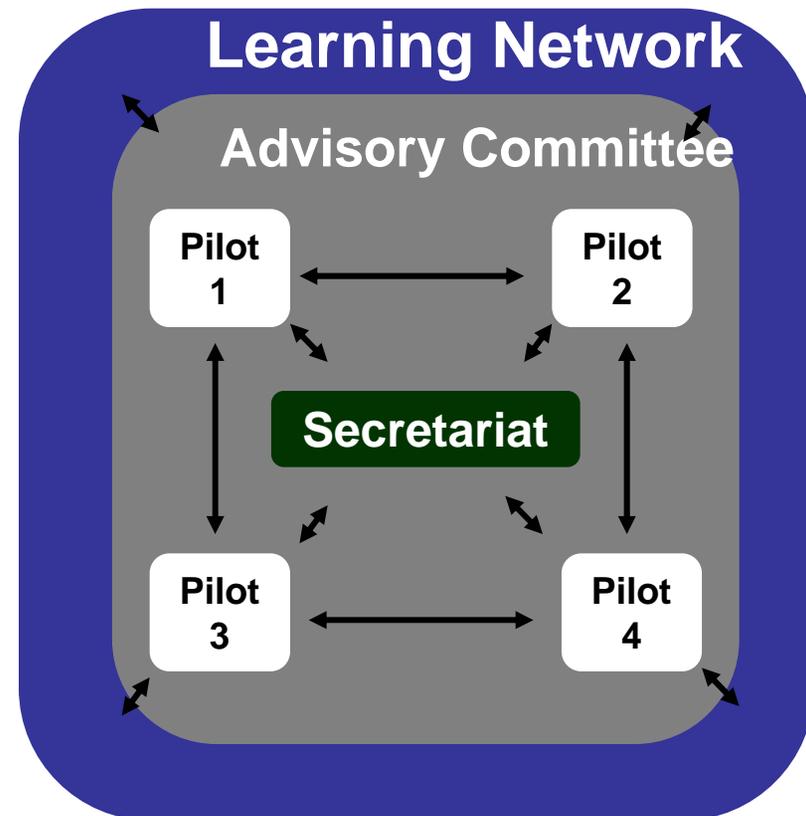
Portfolio of pilot projects worldwide demonstrating “no net loss” of biodiversity and livelihood benefits

2 TOOLKIT:

“How to” toolkit on offset design and implementation

3 POLICY:

Influence policy on offsets to meet conservation and business objectives.



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Advisory Committee



HBOS plc

- Birdlife International
- Cambridge Centre for Conservation Policy
- The Centre for Research-Information-Action for Development in Africa
- Conservation International
- Department of Sustainability & Environment, Victoria, Australia
- Fauna and Flora International
- Forest Trends
- Insight Investment
- IUCN, The World Conservation Union
- The Biodiversity Neutral Initiative
- The London Zoological Society
- The Ministry of Ecology and Sustainable Development, France

- The National Ecology Institute, Mexico
- The National Environmental Management Authority, Uganda
- The Nature Conservancy
- The Royal Botanic Gardens, Kew
- The South African National Biodiversity Institute
- The United Nations Development Program (Footprint Neutral Initiative)
- The US Fish and Wildlife Service
- Wageningen University, Netherlands
- The Wildlife Conservation Society



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Learning Network

the
katoomba
group

- ABN-Amro
- Earthcall
- Goldman Sachs
- The International Council on Mining and Metals
- The International Finance Corporation
- The International Petroleum Industry Environmental Conservation Association;
- The Katoomba Group (over 200 international experts dedicated to advancing markets for ecosystem services);
- The Secretariat of the Convention on Biological Diversity;
- The World Bank
 - The World Bank Institute
- The World Resources Institute
- The World Wildlife Fund

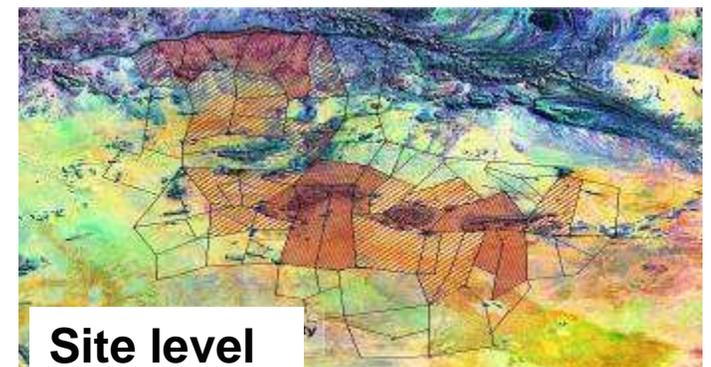
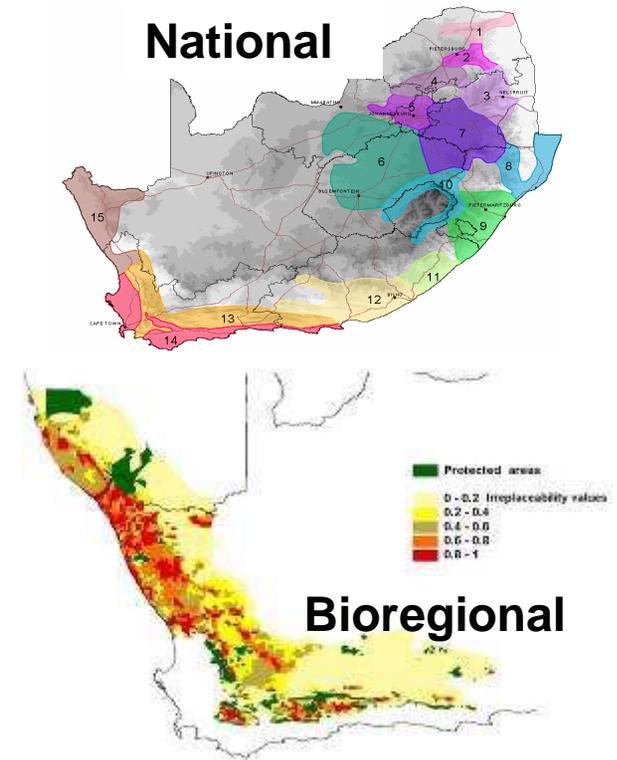
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Current pilot projects

- **Gas to liquid project in Middle East**
- **Gold mine in Ghana**
- **Tourism lodge in Uganda**
- **Platinum mine in South Africa**



- Review mitigation hierarchy
- Review ESHIA for completeness and baseline data for offset design
- Quantify impact
- Identify offset options (priority conservation and livelihood projects)
- Design offset
- Implement, monitor



- Biodiversity offsets can help companies manage risk and achieve more and better conservation
- “The market” is growing: approached by growing number of governments and companies
- BBOP is seeking more pilot projects & collaborators
- Please see:
[www.forest-trends.org / biodiversityoffsetprogram](http://www.forest-trends.org/biodiversityoffsetprogram)
ktenkate@forest-trends.org



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SPARE MATERIALS

- Address **underlying causes** of loss of biodiversity at offset sites
- Meet biodiversity-related **livelihood** needs of local communities (e.g food, energy)
- Link offsets to achieving priority **development** outcomes.



- **New projects** in the field
- **Objective:** demonstrate **no net loss** (or net gain) of biodiversity
- **Diverse portfolio:**
 - oil & gas, mining, construction
 - US\$7bn to <US\$500k
 - tropical forest, desert, marine
 - stakeholders & experts:
companies, local & central govt,
local & intl NGOs, local
communities



- **Appropriateness of development decisions**
- **Shared responsibility**
- **Measurement of impacts and offsets:** primary vs secondary impacts
- **Priority setting:** lack of consensus on priorities
- **Understanding trends for definition of baselines**
- **Comparability and currency:** how to measure impact and determine a suitable offset, like for like or like for not like?
- **Scale issues:** distance and ratio of offset
- **Timing**
- **Equity:** equitable distribution of the economic, social and environmental costs and benefits
- **Integration with other issues:** ensuring the rights and concerns of local communities are considered
- **Additionality and leakage**
- **Sustainability:** ensuring offsets operate for the duration of the impact
- **Assurance:** assurance to stakeholders that offsets are operating effectively