

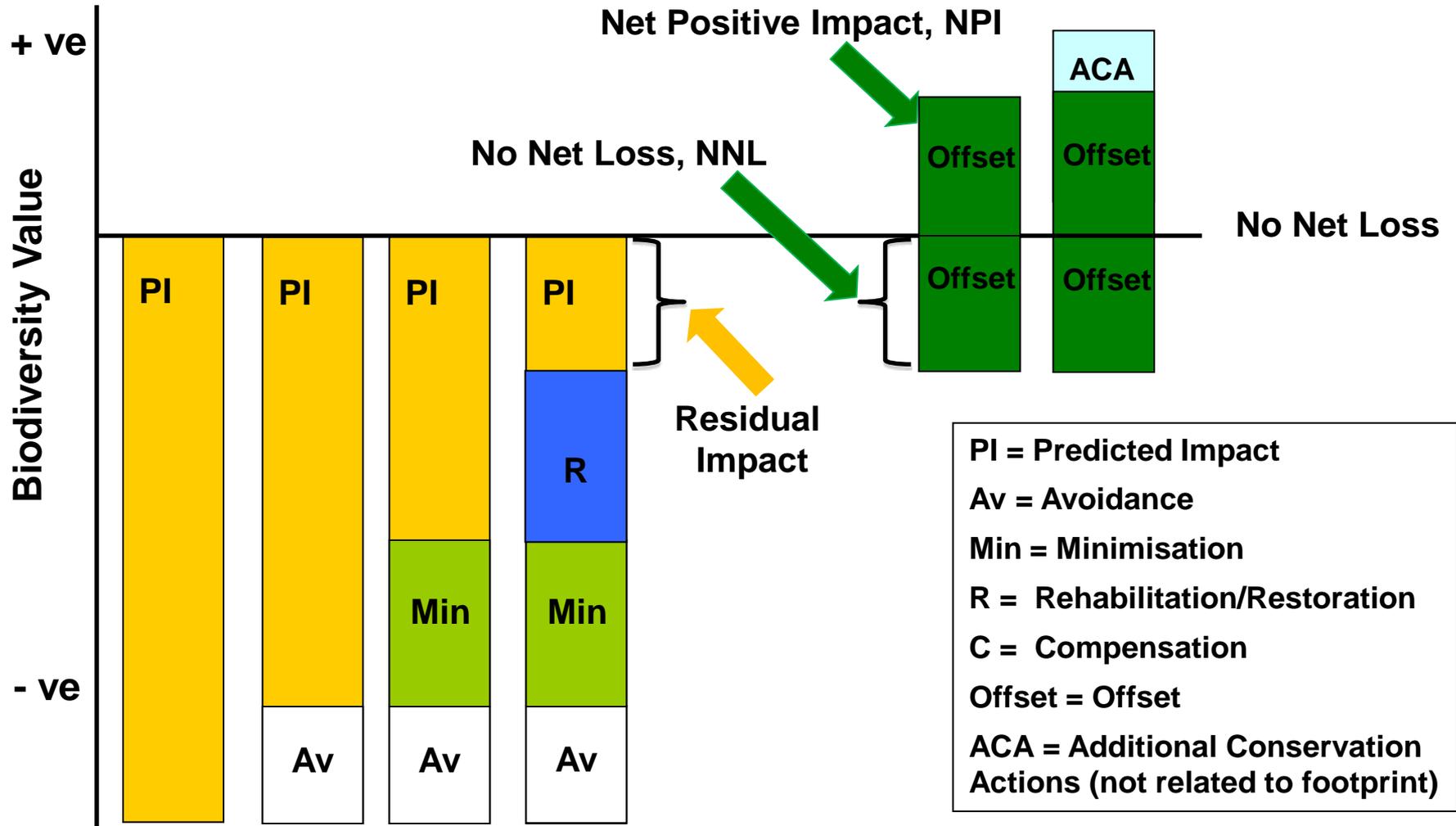
Scaling up Finance for Biodiversity' Quito, Ecuador 6-9 March, 2012

The potential contribution of biodiversity offsets

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Ecodecisión BBOP, Forest Trends



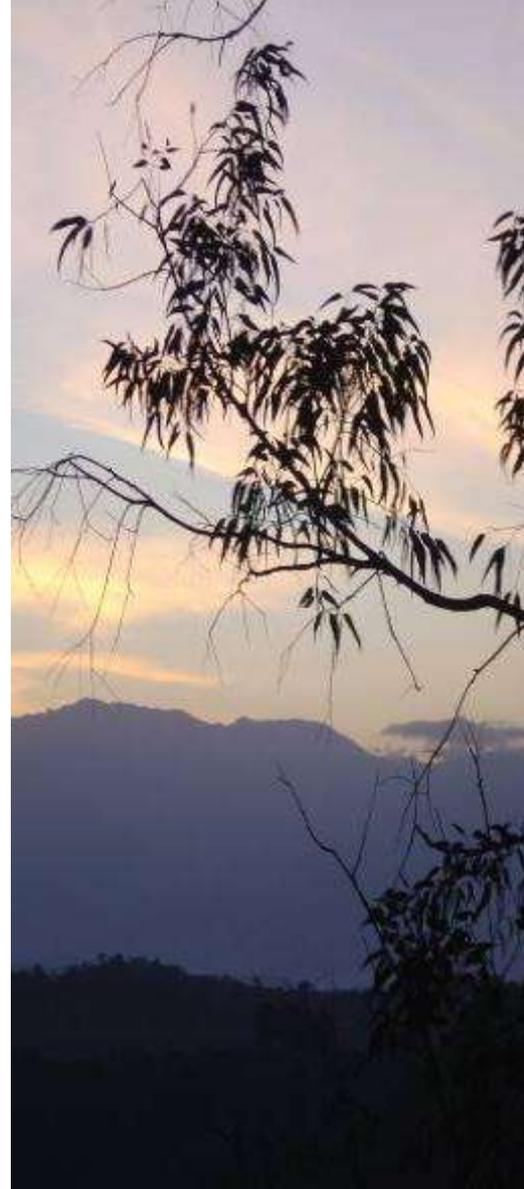
The mitigation hierarchy, including biodiversity offsets



Definition of biodiversity offsets

Biodiversity offsets are **measurable conservation outcomes** resulting from actions designed to compensate for **significant residual adverse biodiversity impacts** arising from project development **after appropriate prevention and mitigation** measures have been taken.

The goal of biodiversity offsets is to achieve **no net loss** and **preferably a net gain** of biodiversity **on the ground** with respect to **species composition, habitat structure, ecosystem function** and **people's use and cultural values** associated with biodiversity.



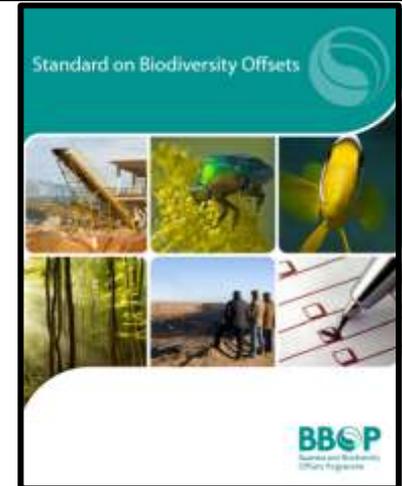
Drivers for scaling up

- Some 40 countries require offsets/compensation and more are considering **policy**.
- Project finance requirements
 - : ‘no net loss’ where feasible for impacts on ‘natural habitat’
 - ‘net gain’ required for impacts on ‘critical habitat’.
- Voluntary offsets driven by ‘**business case**’ (eg license to operate).
- Investments and markets for offsets (through conservation banking) are growing to a global annual market at least US\$ 2.4-4.0 billion and likely more.

Safeguards: BBOP Standard on Biodiversity Offsets

To help **auditors** assess conformance with the BBOP standard.

To help **companies** design & implement offsets.



Principles: Fundamental statements about a desired outcome.

Criteria: The conditions that need to be met to comply with a Principle.

Indicators: Measurable states to tell whether or not a particular Criterion has been met.

Guidance Notes:

- Interpretation of Indicator Explains terms, concepts
- Key questions What assessor needs to answer
- Conformance requirements To meet the standard
- Possible causes of non-conformance Examples of not meeting the standard

Conclusion

- The use of biodiversity offsets and planning for no net loss or a net gain of biodiversity is increasing
- Biodiversity offsets – if done well – can contribute to national conservation strategies through significant new and additional investment in conservation, help with land-use planning, support sustainable livelihoods for local people, and help companies secure license to operate and manage their risks.
- However, offsets that are poorly understood or planned run the risk of achieving the opposite effect: a net loss of biodiversity under the guise of a so-called ‘offset’ that doesn’t reflect best practice.
- To ensure the potential benefits are achieved and the risks managed requires a very careful and thorough approach to offsets, in line with the BBOP Standard on Biodiversity Offsets.

(For more detailed **lessons learned**, see short **report** on: beneficiaries, equity (in process and distribution), governance, institutions, safeguards, implications for biodiversity, climate and poverty, and livelihood for local people, implementation of option, Effectiveness (delivery of services; additionality; permanence; leakage issues))