



Speaking notes

of

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Executive Secretary
Convention on Biological Diversity**

at

THE BIODIVERSITY OFFSETS CONFERENCE --- OTTAWA

13 February 2014

Ottawa, Canada



**Convention on
Biological Diversity**

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Good Morning

Ladies and Gentlemen

Thank you for the opportunity to deliver a few remarks at the opening of this conference on biodiversity offsets.

With the increased knowledge about the values of biodiversity and also the increased threats biodiversity is facing globally

Governments, civil society and business are increasingly committed to reduce the loss of biodiversity

In 2010, at the CBD COP10 in Nagoya, Japan, Governments agreed that by 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced (Aichi Target 5)

and have also agreed that by 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained (Aichi Target 12).

In 2012, at the Rio+20 Summit, Governments agreed to promote a sustainable development agenda and the UN has created a series of consultation processes to achieve an agreed Post-2015 Development Agenda with a set of Sustainable Development Goals.

As part of this process there is an increased push from different stakeholders for a “Zero Deforestation” goal, for a “No Net Loss” or a “Net Positive Gain” goal and for a “Zero Net Land Degradation” goal.

- Other recent approaches are targeting the removal of deforestation from supply chains and the decoupling of natural resources exploitation from economic growth. In this context, offsets are highly relevant for several important work streams under the Convention on Biological Diversity:
 - business engagement;
 - exploring innovative mechanisms for biodiversity conservation and sustainable use, including innovative financial mechanisms;
 - sharing and analysing good practices, lessons learned, difficulties encountered, and other practical experiences.
- There has been lively debates in the CBD on the scope and conditions for applying biodiversity offsets.
- The COP requested the Secretariat to make available case studies, methodologies, tools, and guidelines on offsets.
- And the COP has requested further collaboration with our key international partner on this topic, the Business and Biodiversity Offsets Programme (BBOP).

Proponents/supporters:

- Offsets can provide considerable potential additional benefits to biodiversity as they work under, and operationalize, the ‘no-net-loss principle.
- However, even proponents caution that offsets need to be embedded in appropriate institutional arrangements, and applied with care and to a high standard.
- E.g. from the BBOP principles:
 - offsets need to fully respect the mitigation hierarchy;
 - and be applied only against residual biodiversity damage (damage persisting after appropriate prevention and mitigation have been taken).

- There is already considerable experience with offsets or ‘compensatory mitigation’ in North America as well as a number of countries in other continents, including in form of wetland or biodiversity-banking, and in-lieu fee programmes.
- There is however still considerable scepticism.

Scepticists

- Scepticism based on a profound suspicion that offsetting in practice can play out differently from abstract principles.
- And there are cases where offsets were arguably applied poorly.

A brief summary of some of the concerns that were frequently raised in the CBD (as an input – as food for thought):

1. Flexibility of the mitigation hierarchy

- National regulations and guidelines on the mitigation hierarchy often provide for flexibility, including the economic feasibility of avoidance and mitigation measures:
 - Not every mitigation measure which is technically feasible needs to be implemented. Cost considerations play a role.
- But then, will offsets as an additional option, with perhaps lower cost than some avoidance mitigation activities, not necessarily lead to a shift in measures applied, away from avoidance and mitigation, and towards offsets?
- And would it not lead to more projects with harmful effects on biodiversity being approved in the first place?
- From a purely economic perspective, the use of offsets might even lead to more efficient outcomes and would hence be welcome. But would this be welcome from an ecological perspective?

2. Finding offset sites

- In principle, achieving no-net loss of biodiversity by offsets is an appealing prospect, in particular when coupled with the principle of up-trading (using the like-for-like-or-better criteria).
- In a landscape of relatively degraded ecosystems, it may be easy to find a sufficient number of suitable offset projects (on-site or close-site) where we can do indeed useful restoration activities.
- But will finding such projects in a relatively unspoilt environment not be more difficult if not impossible?
- Of course, one can move further away from the site where the damage is done. Offsets that are implemented offsite, at a distance to the harmful project, raise however a range of other concerns.

3. The concerns of indigenous and local communities

- These concerns are particularly important in a context of relatively pristine nature. Many indigenous and local communities do live in a relatively unspoilt environment.
- They may even contribute to keep it unspoilt, as they frequently act as local biodiversity stewards, maintaining biodiversity through customary sustainable use.
- What does this imply for potentially harmful projects being proposed at, or close to, the territories of indigenous and local communities? If suitable on-site offsets projects cannot be found – which may be the case, ironically, because of their stewardship – undertaking offsets off-site, that is, at a distance to their territories, would almost amount penalizing them for their sustainable practices.
- We should also be aware of situations where the land rights of indigenous and local communities are not settled and offset initiatives could lead to land grabbing.

- Can safeguards be designed and implemented in such a way that such concerns are effectively addressed?

Way ahead

- There is an ongoing need to analyse and showcase concrete success stories where stakeholders were effectively involved and where the issues above were addressed successfully.
- I Hope that this conference can provide useful contributions.
- Further developing principles and safeguards is also important to ensure any future use of offsets is an improvement upon the status quo.
- The CBD Secretariat is actively engaged in developing such safeguards in the context of our work on innovative finance mechanisms, for further consideration by the next COP.
- The CBD Secretariat is also promoting discussion of the topic under the Global Partnership for Business and Biodiversity, as part of our outreach programme to the business community.
- I would like to end with a quote from Kerry ten Kate from BBOP:
Developing such principles, safeguards, and methodologies on offsets is “a process of continuous improvement and it is important to be inclusive.”
- I believe this spirit could lead the conference towards fruitful and constructive dialogue.

Thank you.