

INTRODUCING BIODIVERSITY OFFSETTING

As a policy initiative in the Government's Natural Environment White Paper, released in June 2011, Defra invited local planning authorities to test biodiversity offsetting through nationally recognised pilot projects. The Environment Bank is involved in one such pilot in Essex, and elsewhere where there is interest.

Why are we trialling biodiversity offsetting in the UK?

- The UK will continue to experience high-levels of growth in some areas and we need to ensure that development is truly sustainable - delivering environmental, as well as economic, recovery.
- The current system of compensating for the environmental impacts of development isn't working very well, either for the environment (poor quality and short-term compensation) or for us (expensive, complicated, slow). Done well, offsetting provides an efficient, transparent, accountable and effective way of delivering sustainable development.
- Quantifying impacts of development as a credit requirement enables 'banking' of credits at larger, strategic and more sustainable sites and provides new funding for habitat creation and restoration.

Why use The Environment Bank?

- The Environment Bank is an independent broker that will:
 - calculate Conservation Credit requirements for developers
 - calculate Conservation Credits available at 'receptor'/offset sites
 - register offset providers/receptor sites on an open and transparent trading platform
 - facilitate the creation, purchase and tracking of credits, using legal agreements and certificates
 - ensure the long-term management, monitoring and reporting of receptor sites
 - prepare and register covenants to ensure site protection in perpetuity.
- Independent brokerage removes conflicts of interest from the planning system – The Environment Bank brings national and international biodiversity offsetting expertise.

Some definitions

A **biodiversity offset** is the measurable conservation outcome that results from actions designed to compensate for development projects' impacts*.

A **Conservation Credit** is a measure of the quantity and quality of habitat, or potential habitat. Developers require different types of Conservation Credits depending on their impacts.

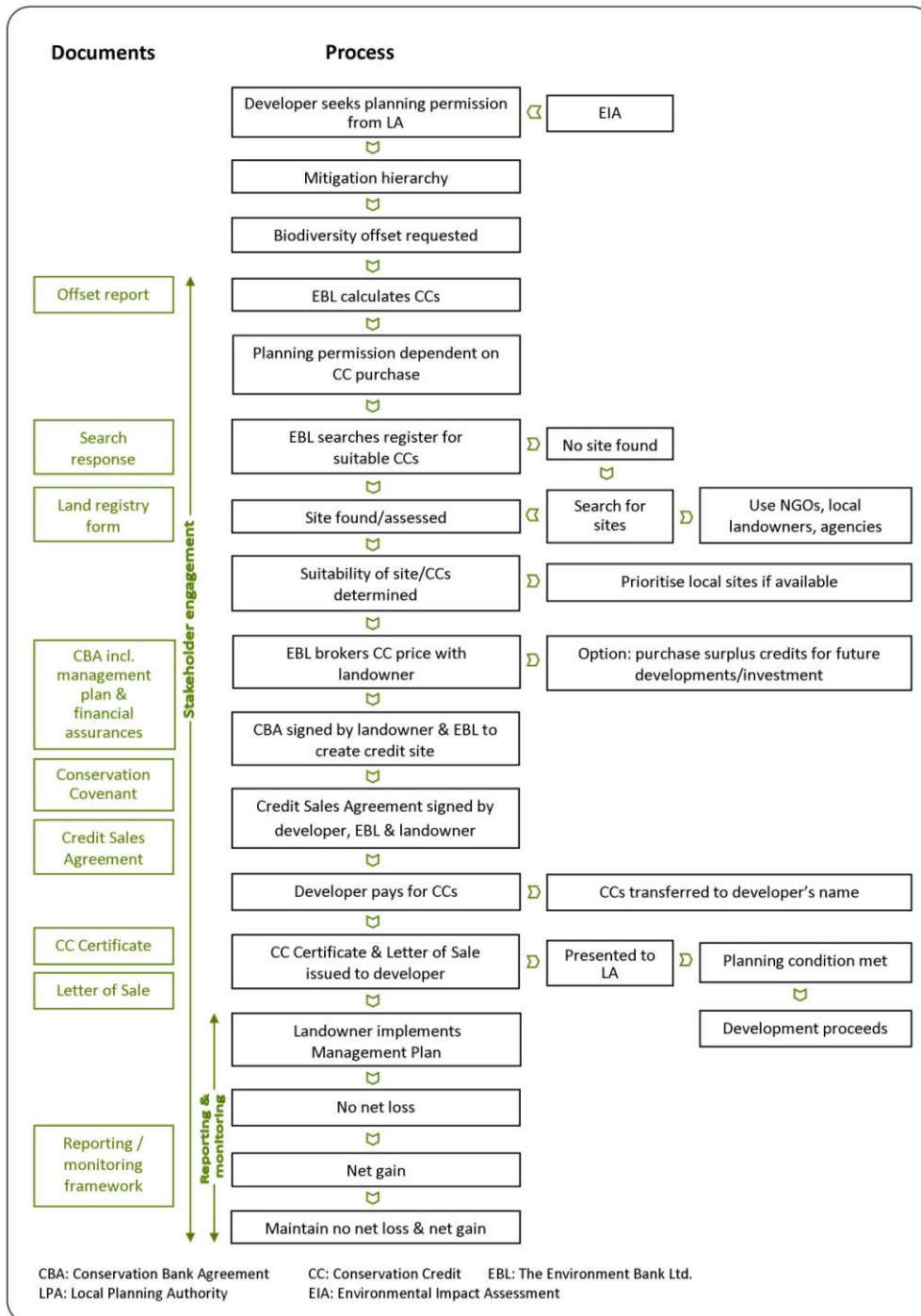
Receptor sites are the conservation/restoration sites where Conservation Credits are generated and sold to developers as offsets. Receptor sites are permanently protected and managed in the long-term.

Habitat banking defines the market-based scheme where Conservation Credits are the currency. Large receptor sites act as 'banks' from where purchases can be made to offset impacts from potentially numerous small developments.

A **no net loss** policy or initiative aims to prevent further reductions in habitat and ecosystem resources through replacing unavoidable losses.

** Definition from the Business and Biodiversity Offsets Program (BBOP) – The Environment Bank is a BBOP member.*

How does it work – what’s the process?



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