

ENVIRONMENT AGENCY PARTNERS WITH THE ENVIRONMENT BANK

-to create Eco Markets for coastal flood management and habitat banking

Swindon, 7 April 2011: A new market mechanism to enable sea levels to rise in a managed way, creating coastal grazing and sea marshes on the Suffolk and Essex coast, is being piloted by the Environment Bank in partnership with the Environment Agency.

Developers and companies will be required to offset their impact on biodiversity and ecosystem services by purchasing conservation credits, which will be used to manage Essex and Suffolk coastal land registered with the Environment Bank. It is understood that the Conservation Credit approach is to be a feature of the forthcoming Natural Environment White paper.

Landowners, farmers and local wildlife trusts will

be involved in helping to create, restore and manage the land enabling sea level rise to be accommodated, providing flood risk mitigation and creating valuable biodiversity.



Abbot's Hall, Blackwater Estuary (managed realignment Habitat creation project)

“This is an exciting and innovative project which we hope will facilitate the delivery of our coastal flood risk management projects by creating a new market for intertidal habitat creation around our coast in Essex and Suffolk,” said Dr Charles Beardall, Area Manager for the Environment Agency. “We will support the Environment Bank in exploring this approach with the partnerships we have developed throughout our Shoreline Management Plans locally. This is a good demonstration of private sector investment working alongside public bodies to create wider environmental, economic and societal benefits for coastal communities”.

For the past four years, the Environment Bank Ltd has been refining a delivery model for the UK in consultation with central government, NGO's, developers, landowners, farmers and local authorities. Now the Shell Foundation has agreed to provide funding and internal expertise for the next year to allow the Environment Bank to proceed with developing mechanisms for magnetising natural resources into practice.

“This represents a hugely significant market-based opportunity that can be scaled up (in the UK and in emerging economies) and become financially viable,” said Chris West, Chief Executive, of the Shell Foundation.

“The project will explore the potential for private investment and emerging external markets to offset development impacts on biodiversity and impacts of coastal change on communities and businesses,” he continued.

David Hill, Chairman of the Environment Bank added: “Creating markets for ecosystem goods and services should stop the environment being treated as a non-replenishing extractive industry. We think that offsetting will naturally expand to encompass water, carbon (sequestration), nutrients, flood risk mitigation and natural resource restoration. The model we have developed, together with the trading infrastructure we are constructing, will be capable of listing, registering and validating credits in respect of the full range of emerging markets for ecosystem services and we are grateful to The Shell Foundation for all their support.”



Minsmere, Suffolk.
Photographer: Mike Page

Similar schemes exist in the US and Europe and estimates put the value of biodiversity markets globally at \$10bn per annum. Some experts believe these may outgrow carbon markets within a short time frame.

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For further information or a chance to talk to Professor David Hill of the Environment Bank Ltd, please call Gaye Spencer on 01635 569992 or gaye@gspr.co.uk

The Environment Bank

The Environment Bank, www.environmentbank.com has been established to develop and implement the infrastructure for functioning Conservation Credits and Ecocredits markets, associated with offsetting the impacts of planned development on biodiversity, currently to be a policy initiative in the Government's Natural

Environment White Paper due out in Spring 2011. The mechanism should enable better funding of the natural environment (and would be fundamental in providing the necessary resources for funding the recommendations of the 'Making Space for Nature' report), providing greater clarity in the planning system and greater understanding of the value of nature and natural resources.

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The Environment Agency

The Environment Agency is an Executive Non-departmental Public Body responsible to the Secretary of State for Environment, Food and Rural Affairs and an Assembly Sponsored Public Body responsible to the National Assembly for Wales. Its principal aim is to protect and improve the environment, and to promote sustainable development. The agency plays a central role in delivering the environmental priorities of central government and the Welsh Assembly Government through its functions and roles.

The role of environmental banking of ecosystem services, in the context of intertidal habitat creation projects, will be explored using east coast Shoreline Management Plans (SMP's). These 100 year plans for managing flood and coastal risk identify locations for potential intertidal habitat creation and reducing flood risk in sensitive locations. As sea level rises and natural coastal change occurs in the North Sea important coastal habitats are being lost which are not only important for wildlife but also support coastal industries such as fisheries and tourism. The coastal project will explore the potential for private investment and external markets to support coastal communities and businesses as a critical component of managing sustainable coasts.

The Shell Foundation

The Shell Foundation www.shellfoundation.org was established in 2000. Its mission is to develop, scale-up and promote enterprise-based solutions to challenges arising from the impact of energy and globalisation on poverty and the environment. This involves applying market principles and 'Business-DnA' – business thinking, models and disciplines – to work out how to tackle global development challenges. The vision is to see global development challenges successfully tackled through the joint engagement of business and society and through the widespread application of business models and business thinking.