



Regulator, developer or offset provider?

An organisation with multiple interests in biodiversity offsetting

Nick Hardiman, Snr Adviser, National Strategic Overview



Regulator

- Biodiversity offsetting will not affect our role as environmental regulator;
- We are unlikely to play a significant part in biodiversity offsetting regulation;
- We will ensure offset schemes do not increase flood risk to people or cause other environmental issues – but in most cases the effects will be benign or positive.



Developer

- Our main interest is as a developer, mainly relating to FCRM schemes
- Most of our activities impact upon internationally designated sites
- We would purchase offsets where we affected non-designated areas.
- The costs of the offsets would be included in the Project Appraisal



Developer issues

We would share the same problems as for other developers, including local authorities:
how would the offsetting credits be spent?

- land for coastal habitat creation is quickly earmarked for statutory requirements
- improving the condition of existing non-designated coastal habitats is challenging
- high distinctiveness means 'like for like'



Developer issues

But price of failure to find a solution may be higher:

- political outfall of being unable to progress a scheme due to no resolution of offsets
- reputation risk of not having biodiversity offsets for coastal habitats, of offsets having uncertain outcomes, or of 'bending the rules' to use them for other habitats

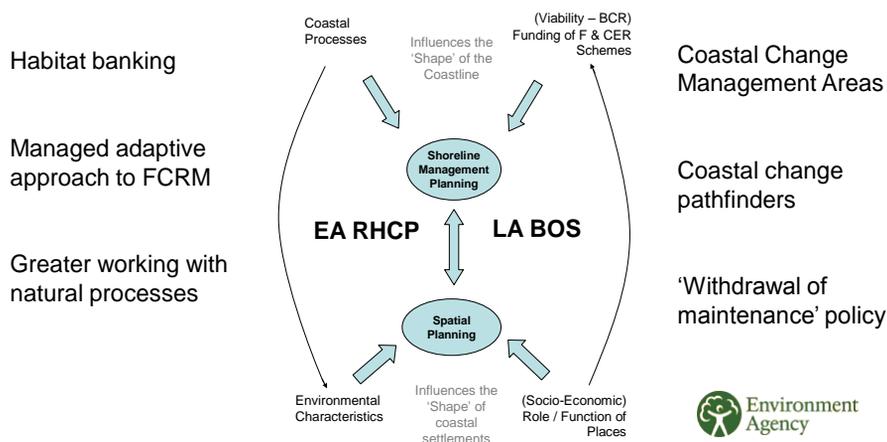


Offset provider

- We have experience of mitigation and re-creation, although tend to contract habitat management
- We have Regional Habitat Creation Strategies that could inform local authority offsetting strategies
- But these focus on statutory compensation requirements
- Opportunities to use offset money in multiple benefit schemes largely limited to inland



Offsetting and planning



Challenges for the Environment Agency

- Landowner agreement for any coastal habitat work;
- Sorting out offsetting from what we should be doing anyway;
- Replacing like-for-like;
- Habitat banking vs investment in processes;
- Auditability of benefits when investing in processes;
- Cost of offsets in a voluntary initiative – especially when it might hijack the economics of a scheme.



Thank you

