



Delivering biodiversity offsetting

(and the role of a broker)

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Offsetting through the planning system



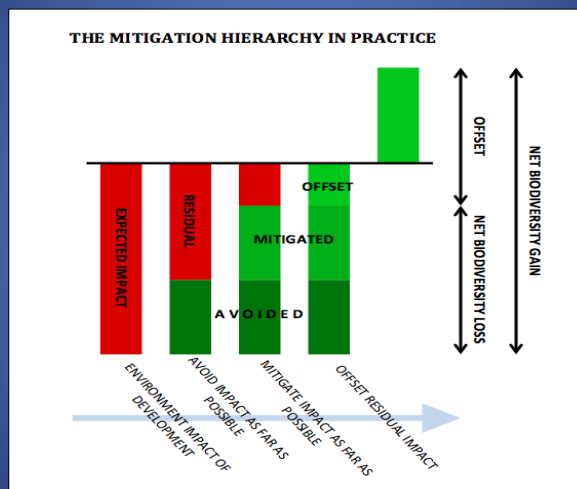
- Compensating for impact in one place with gain in another
- Aim – net biodiversity gain
- Measurable – accountable, transparent, consistent
- Enables development and delivers biodiversity protection i.e. **sustainable** development

Biodiversity offsetting – global principles

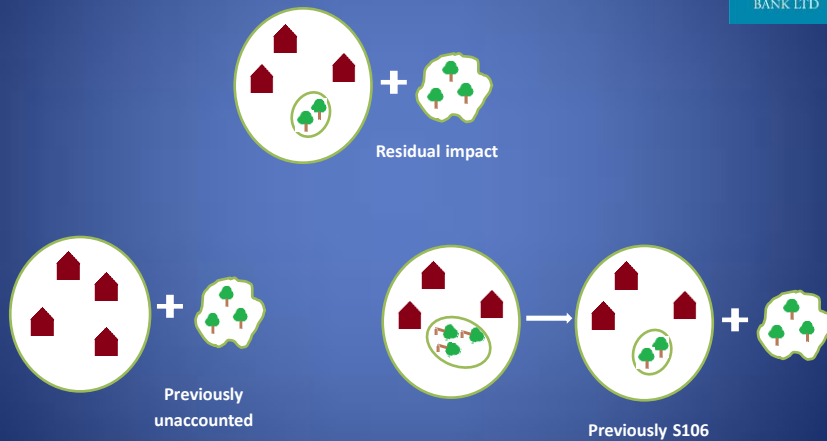


- Net biodiversity gain (no net loss at minimum)
- Follows the mitigation hierarchy
- Recognises limits – not within protected areas
- Large-scale and long-term
- Equity – especially locality
- Like-for-like or like-for-better (trade up)
- Multipliers to account for risk and lag
- Transparent, documented and evidenced

Mitigation hierarchy



Where to offset?



How does it work?



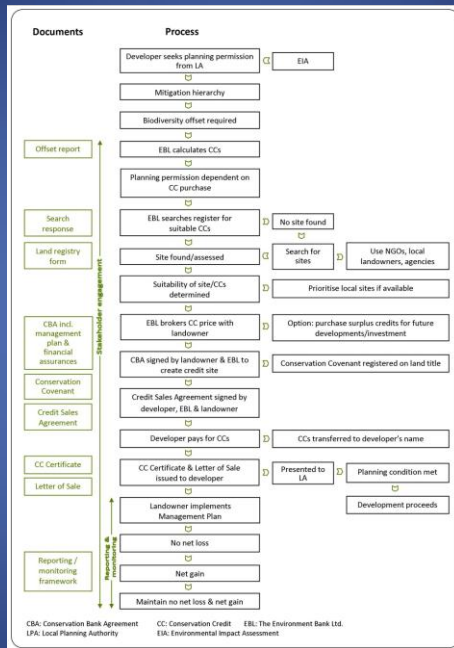
- LPA offers offsetting as option
- Developer chooses offsetting, impact assessed
- Land managers register receptor sites
- Developer seeks to purchase credits – consults registry, chooses receptor site (with LPA)
- Environment Bank brokers deal - signs legal agreements to purchase with developer, and to manage with receptor site land manager
- Money transferred to land manager against conservation outcomes
- Monitoring and reporting systems



Independent brokers

Independent brokers help:

- Develop metrics with stakeholders
- Independently apply metrics at both impact and creation sites – avoiding conflict of interest
- Broker credit purchase – matching buyers with sellers
- Provide legal and fiscal assurance at credit purchase
- Ensure long-term delivery – monitoring, reporting and compliance – remove long-term obligations from others



What's needed?



- Buyers and sellers of conservation credits - willing LPAs & developers and a network of receptor sites
- Metrics – both for assessing credit requirements of development and for assessing credit value of 'receptor sites'
- Trading systems - registry of conservation credits – to enable purchase, and record creation and use
- Delivery systems – legal and fiscal assurance, with monitoring and reporting systems

Benefits



- For Planning authorities
 - Clear and consistent; adds ecological input; removes compliance monitoring needs; removes obligations but increases accountability
- For developers
 - Reduced delays and reduced costs; liability discharged; no long-term management costs; greater clarity and consistency
- For conservation
 - Mainstreams value delivers compensation; long-term and large-scale; increased funding to NGOs

(Projected) English Market



Range of offset costs in England (Defra 2011) – assuming 10,000 ha land needed for development, with a risk multiplier, assuming land developed is in moderate condition, assuming 50:50 brownfield:greenfield land development, etc....

	Including coastal habitat	Excluding coastal habitat
Management agreement only	£140m - £230m	£75m - £125m
Land purchase and management	£400m - £470m	£210m - £240m