IUCN Policy on Biodiversity Offsets

1. Purpose Statement

The purpose of this policy is to provide a framework to guide the design, implementation and governance of biodiversity offset schemes and projects.

The policy provides guidance as to where offsets are, and are not, an appropriate conservation tool to ensure that, when offset schemes are used, they lead to positive conservation outcomes compared to business as usual and, thus, minimize the risk of negative conservation outcomes.

2. Audience for Policy

The audience for this policy is all constituent parts of IUCN, including Members, Commissions, Secretariat, and National and Regional Committees, particularly in their work with partners from the private sector, communities and other stakeholders involved in biodiversity offsets. This policy is intended to guide the work of the IUCN Secretariat, Commissions and Member organisations.

3. Scope of Policy

This policy covers all aspects of the design, implementation and governance of biodiversity offsets within the context of the mitigation hierarchy, including those circumstances where biodiversity offsets are not appropriate. This policy applies to all sectors and types of development where biodiversity offsets are proposed.

4. Context of this policy

During the IUCN intersessional period 2009-2012, the Council conducted an analysis to identify gaps between IUCN Resolutions and Recommendations and emerging issues on which IUCN needed to have a clear position. One of the gaps identified was biodiversity offsets. As a result, IUCN Members at the 2012 World Conservation Congress adopted WCC-2012-Res-110-EN Biodiversity offsets and related compensatory approaches which called on the Director General to establish a working group comprising experts from the Secretariat, Members and Commissions and others as required, to develop an IUCN policy on biodiversity offsets through a consultative process.

5. PolicyStatement

Under the specific conditions outlined in this policy, it is IUCN’s position that biodiversity

6. The Role of Biodiversity Offsets within the Mitigation Hierarchy

7. Mitigation Hierarchy and Landscape and Seascape planning

The mitigation hierarchy must be applied at the landscape or seascape level with mitigation actions designed and implemented at a site or project level. Governments should ensure the mitigation hierarchy is embedded in the framework of landscape and seascape level planning and legislation and is linked to existing and future strategic development plans.

Governments and multilateral institutions should give priority to integrated spatial planning at the landscape and seascape level. This includes biodiversity conservation priorities, sound land use (and seascape) decision-making and sensitivity maps

Landscape and seascape planning should consider the important places and values for meeting conservation goals; including areas where impacts should be avoided altogether, as well as areas where aggregations of offsets could best meet conservation goals. Landscape and seascape planning should include the mitigation hierarchy informed by an understanding of conservation priorities and potential direct and indirect cumulative impacts. Early risk assessments should also be conducted and reviewed before development and investment decisions are made.

The mitigation hierarchy should first be applied at the landscape or seascape level, and then at the site or project level. This is essential for moving beyond a reactive project-by-project approach to an approach that is proactive in applying the mitigation hierarchy, supports mitigation actions at the right ecological scale, recognises cumulative effects and delivers better outcomes for conservation and sustainable development. Site-level application is then needed to ensure that biodiversity losses and gains are assessed in detail, so mitigation actions, including offsets, can be designed and implemented according to the specific context.

8. Goal for Biodiversity Offsets

Only after applying the earlier steps in the mitigation hierarchy should biodiversity offsets be employed to address the residual impact in order to achieve at least No Net Loss and preferably a Net Gain at the project level. The terms No Net Loss or Net Gain refer to the outcome achieved compared to a reference scenario. This reference scenario can be what is likely to have occurred in the absence of the project and the offset, or one that provides a better outcome for biodiversity conservation. Societal values should also be accounted for and used to inform the design and implementation of biodiversity offsets.

The aim of biodiversity offsets is to achieve No Net Loss and preferably a Net Gain of biodiversity. Conservation actions intended to achieve offset outcomes must result in a direct measurable biodiversity gain equivalent to the residual loss arising from the impacts on biodiversity associated with a project in order to be considered a biodiversity offset. Conservation actions that are not designed to result in No Net Loss and preferably Net Gain are not biodiversity offsets.

No Net Loss and or Net Gain at the project level should contribute to the achievement of existing national and international biodiversity conservation objectives and priorities, including international obligations, subject to the conditions outlined below and in particular under section 10.2.

9. Limits to BiodiversityOffsets

In certain

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management of protected areas. Therefore, offset schemes must be designed in such a way as to minimize this risk. In countries where it is reasonable to expect commitments for new protected area dee

On-going monitoring and evaluation systems should be independently and publicly reviewed and verified, and result in adaptive management of mitigation actions.

10.6 Governance

Varying entities, including governments, civil society organisations, companies and financial institutions, are establishing or governing offset policies.

The legal, institutional and financial measures needed to ensure that the biodiversity offset activities are successfully implemented for at least as long as the project's impacts last should be identified and put in place. Among the tools that can be used to secure the long-term success of offsets are biodiversity offset management plans, performance-based management agreements, covenants/easements, conservation trust funds, and performance bonds.

There is a range of regulatory options for No Net Loss and Net Gain, from comprehensive legal frameworks to simple requirements supplemented by voluntary guidelines. Regulatory

11. Glossary

Additional definitions may be added, further detail and full citations can be found in the following documents

- Biodiversity Offsets Technical Study Paper
- Biodiversity Offsets: Policy options for governments
- Technical conditions for positive outcomes from biodiversity offsets input paper

Additionality

The need for a compensation measure to provide a new contribution to conservation, additional to any existing values, i.e. the conservation outcomes it delivers would not have occurred without it. Source: McKenney & Kiesecker (2010)

Averted loss

An averted loss offset generates biodiversity gains (relative to a credible reference scenario) by conserving or maintaining biodiversity that already exists at a site, but which is likely to be lost or degraded without the offset's protection or maintenance activities.

Baseline

Compensation

Measures to recompense or make good or pay damages for loss of biodiversity caused by a project. In some languages ‘compensation’ is synonymous with ‘offset’, but in this paper ‘compensation’ is a more general term of which biodiversity offsets are just one subset. Compensation may achieve a No Net Loss or Net Gain (in which case it is an offset), but in other cases, compensation can involve reparation that falls short of achieving no net loss (and is therefore not an offset). This can be for a variety of reasons, including that the conservation actions were not planned to achieve no net loss; that the residual losse

Like-for-like or better (See ‘Ecological equivalence’ and ‘Trading up’)

Metrics

A set of measurements that quantifies results. See also ‘Currency’.

Mitigation hierarchy

The mitigation hierarchy comprises:

a. Avoidance measures taken to avoid creating impacts from the outset, such as careful spatial or temporal placement of elements of infrastructure, in order to completely avoid impacts on certain components of biodiversity. This results in a change to a ‘business as usual’ approach.

b. Minimisation: measures taken to reduce the duration, intensity and / or extent of impacts that cannot be completely avoided, as far as is practically feasible.

c. Rehabilitation / restoration: measures taken to rehabilitate degraded ecosystems or restore cleared ecosystems following exposure to impacts that cannot be completely avoided and / or minimip4(o)-2 470.88 13.92 re f* BT 0 sc13isevoT 0 e3.92 re f*2 0 atevoT 0 e

Non-offsetable threshold/ Non-offsetable impacts

Appendix 1

WCC-2012-Res-110-EN
Biodiversity offsets and related compensatory approaches

NOTING that mining and logging practices, infrastructure development and the expansion of primary production for food, fibre and fuel through land conversion are often a major cause of the loss of biodiversity through habitat loss and degradation;

ACKNOWLEDGING that such practices remain central to many countries' economic development and poverty reduction strategies and that governments are facing the challenge of how to align economic development with the conservation and sustainable use of biodiversity and ecosystem services;

RECOGNIZING the growing use of biodiversity offsets, by governments, by companies undertaking biodiversity offsets voluntarily for business reasons, by banks and investors requiring biodiversity offsets as a condition to access credit, and by civil society encouraging developers to undertake biodiversity offsets;

UNDERSTANDING that the best practice of biodiversity offsets is to address the residual impacts only after the full mitigation hierarchy is applied;

RECOGNIZING that, although biodiversity offsets are already a part of the legal framework of several countries, including wetland and conservation banking in the USA and habitat compensation requirements in Australia, Canada and the European Union, global and regional guidelines for application by the private sector are still in development;

RECOGNIZING that although these schemes differ in their features and implementation around the world, they share an aim to mitigate biodiversity loss by allowing activities that destroy or degrade biodiversity in one place to be compensated by conservation in another location;

NOTING the work and products, developed by the Business and Biodiversity Offset Programme, including its proposed 'Standard on Biodiversity Offsets';

NOTING the contribution of the private sector in development and implementation of biodiversity offsets approaches;

NOTING that the Convention on Biological Diversity's (CBD) Decision X/21 Business engagement requests the Executive Secretary "to encourage the development and application of tools and mechanisms that can further facilitate the engagement of businesses in integrating biodiversity concerns into their work…", including offsets;

NOTING also that biodiversity offset mechanisms are one of the six areas designated for further development as an innovative means of mobilizing resources for the implementation of the CBD, identified in CBD Decision IX/11;

ALSO NOTING that Ramsar Resolution X.12 "encourages decision makers, especially business leaders, to