

Add Value Join BBOP



Business, Biodiversity Offsets & BBOP
The case for companies



Why should companies consider biodiversity offsets?

A company's biodiversity impacts can lead to significant regulatory, financial and reputational risks. Governments, financial institutions, and civil society increasingly expect developers to take full responsibility for such impacts. In many cases, biodiversity offsets offer companies a way to demonstrate no net loss of biodiversity, improve outcomes for local communities, and reduce operational and project development risks.

Increasingly, environmental managers and government planners are becoming familiar with the potential of biodiversity offsets. More than 30 countries have laws requiring biodiversity offsets, many others require some form of compensatory conservation, and others still are exploring regulatory frameworks that would require rigorous impact assessment practices and biodiversity offsets. Many banks are subjecting their loans to environmental conditions including no net

loss of biodiversity.

Many companies are voluntarily developing biodiversity offsets. In the process, these companies are forging good relationships with regulators and stakeholders, which can contribute to securing permits and broader social license to operate. Adherence to internationally recognized best practice principles, such as those developed by BBOP, can help businesses build their reputations as leaders, manage biodiversity-related risks, and shape the regulatory requirements increasingly being developed by governments.



The Business Case for BBOP

About us

The Business and Biodiversity Offsets Programme (BBOP) is a recognised leader in the field of biodiversity offsets. BBOP was established in 2004 by Forest Trends, a US-based non-profit organisation that supports market-based approaches to conservation globally. We are now an international partnership of some 50 leading companies, government agencies, financial institutions, conservation organisations and experts who have developed a set of principles and methodologies for best practice biodiversity offsets through on-the-ground experience.

Our vision is a future in which biodiversity offsets are applied worldwide to achieve no net loss and preferably a net gain of biodiversity when there are significant development impacts.

We are now expanding our membership. One aim is to grow our portfolio of biodiversity offset pilot projects to a wider set of industries and geographic regions.

Why join BBOP?

We provide a global, multi-stakeholder forum for networking and reaching agreement upon standards of best practice for biodiversity offsets and conservation banking. We can advise and collaborate on specific development projects at the field level. BBOP is the principal group offering practical help to companies on biodiversity offsets and supporting government policy on the subject, at the national and international levels. Recognizing this, the Convention on Biological Diversity and the Ramsar Convention on Wetlands have encouraged their member governments and the business community to explore biodiversity offsets, including through collaboration with BBOP.

BBOP's corporate partners use the forum provided by BBOP to learn from each others' experiences, help shape the development of biodiversity offset methodologies and regulations, and ensure that approaches are efficient and readily usable by business.

The Definitions

Biodiversity is the variety of life forms on earth: the different animals, plants and micro-organisms, their genes and the ecosystems of which they are part. Biodiversity provides beneficial **ecosystem services** to humankind, including oxygen production, soil formation, water purification, climate stabilisation, pollination and waste decomposition.

Loss of biodiversity leads to a reduction in the amount and quality of ecosystem services on which people and businesses depend. Major causes include the loss of habitat due to construction – of roads, dams, mines, oil and gas installations, residential and commercial buildings and other infrastructure – and as a result of planting crops such as palm oil and soybean.

Biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development after appropriate prevention and mitigation measures have been taken. The goal of biodiversity offsets is to achieve no net loss and preferably a net gain of biodiversity on the ground with respect to species composition, habitat structure, ecosystem function and people's use and cultural values associated with biodiversity.

How we add value

Advice and networking - The range of expertise, and diversity, of BBOP's partners provides on-tap advice on how to manage biodiversity risk and opportunity. Members also have unique opportunities for international networking on practical business solutions – including technical expertise to inform internal company policies and specific project design. BBOP offers a neutral environment for the development of consensus among stakeholders who are shaping standards and policy.

Government policies - We help companies gain 'first mover' advantage and a seat at the table where international best practice standards on biodiversity offsets and compensation are being developed. Our corporate members can contribute to the international adoption of policies that work well for business.



Standards - We're developing mechanisms that enable companies to demonstrate the quality and effectiveness of their biodiversity offsets, which helps avoid controversy and uncertainty. While specific standards are being developed, BBOP's corporate members have the advantage of support from the leading multi-stakeholder group in the field.

Licence to operate and regulatory goodwill; managing risk and liability; strengthening reputation - Applying BBOP's principles and using BBOP's tools to design biodiversity offsets can help members work effectively with local, national and international stakeholders. Showing efforts to achieve no net loss of biodiversity improves a company's reputation and reduces anti-project sentiments and project risk. Adopting best practice helps streamline permit approval, thereby lowering the risk of project delay and significant unanticipated start up and operational costs.

Operational efficiency and cost savings - Biodiversity offsets may provide a more cost-effective solution than a sole focus on on-site mitigation measures. By working through a structured approach to avoidance, minimisation, restoration and offsets, BBOP partners may reduce overall costs while achieving greater conservation results.



Access to finance - Companies seeking project finance from the International Finance Corporation, or from the more than 60 major banks that have subscribed to the Equator Principles, will need to consider biodiversity offsets. Applying best practice, supported by BBOP, can help developers secure credit and investment.

Competitive advantage - Through voluntary adoption of best practice on biodiversity offsets, companies can distinguish themselves from competitors who may be bidding for the same licenses or seeking market share. Leadership companies participating in BBOP position themselves favourably in an environment where regulator and financier expectations are increasing and competitive advantage may be necessary to win concessions, attract finance and gain market share.

What we've achieved so far:

Here are some key results from our 'proof of concept' phase, completed in 2009:

1. A set of internationally recognized best practice principles for biodiversity offset design and implementation.
2. Handbooks offering best practice methodologies for voluntary biodiversity offset design and implementation.
3. Practical, on-the-ground offset design experience from a portfolio of pilot projects in the extractive industry and real estate development sectors in six countries – available in detailed case studies.
4. Consultations with policy makers and other stakeholder groups in many countries.
5. A Learning Network of over 1000 individuals and organizations worldwide.

What next?

In addition to seeking more companies from a variety of industries to join us in furthering the development of best practice, by sharing their experience and undertaking pilot projects, we'll be supporting governments at the national and state levels to develop policy frameworks that incorporate no net loss. We're improving our offset design and implementation guidelines, based on broader practical experience. We are developing assurance methods, leading eventually to internationally recognised standards. And we are developing a training and capacity-building programme to ensure that there are enough professionals to support companies as they design and implement high quality biodiversity offsets.

How do you join BBOP?

Contact us at:

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We can answer further questions and discuss the expectations and benefits of membership.

For further information see bbop.forest-trends.org

BBOP's Partners *

Companies

Ambatovy Project
Arup
Environmental Banc & Exchange
Markit Environmental Registry
Newmont Mining Corporation
Nollen Group
Rio Tinto
Response Ability, Inc.
Shell International
Solid Energy, New Zealand

Financial Institutions

European Bank for Reconstruction and Development
International Finance Corporation
KfW Bankengruppe
Mizuho Corporate Bank

Conservation & Civil Society Groups

BirdLife International
Biodiversity Neutral Initiative
Brazilian Biodiversity Fund (FUNBIO)
Centre for Research-Information-Action for Development in Africa
Conservation International
Ecoagriculture Partners
EcoTopia Science Inst. Nagoya University
Fauna & Flora International
Forest Trends
International Institute of Environment and Development
Royal Botanic Gardens, Kew
The Nature Conservancy
Tulalip Tribes, US
Wildlife Conservation Society
WWF-UK
Zoological Society of London

Governments and Intergovernmental Organisations

Department of Conservation, New Zealand
Department of Sustainability & Environment, Government of Victoria, Australia
International Union for the Conservation of Nature (IUCN)
Ministry of Ecology, Energy, Sustainable Development, and Spatial Planning, France
Ministry of Housing, Spatial Planning, and the Environment, The Netherlands
National Ecology Institute, Mexico
Ramsar Convention on Wetlands
South African National Biodiversity Institute
United Nations Development Programme (Footprint Neutral Initiative)
United Nations Environment Programme – World Conservation Monitoring Centre
United States Agency for International Development

* As of March, 2010

Other factsheets in this series include:

NGOs and BBOP, Governments and BBOP, Intergovernmental groups and BBOP, Financial institutions and BBOP and Service providers and BBOP.