BBOP Business and Biodiversity Offsets Programme	**Document Cover Sheet**
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Title:	**Governance model for BBOP Phase 2**
Document history:	Drafted by the BBOP Interim Steering Group and finalised by the Executive Committee established in July 2009
Abstract:	This document summarises the governance model for BBOP Phase 2.

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1.   Background and Overview

1.1   Governance during Phase 1 of BBOP

The first phase of BBOP (2004-2008) operated relatively informally. The objectives and structure of the programme were established by the Secretariat based on consultation prior to the start of the programme and communicated to members of the Advisory Committee at the time they joined the programme. Advisory Committee members' involvement was sought through consensus-based decision-making, with major decisions (such as drafting and release of documents, acceptance of new pilot projects) taken collectively at BBOP Advisory Committee meetings or following electronic or telephone consultation. The Secretariat took day-to-day decisions and invited organisations to join the Advisory Committee.

The lack of a formal decision making apparatus as well as any documentation setting out 'rules and procedures' for BBOP participants led to a December 2008 decision by the Advisory Committee to establish a more formal governance structure for the second phase of BBOP (2009-2011). An Interim Steering Group (ISG)[1] was created for that purpose. This paper sets out the governance model for BBOP Phase 2, drafted by the Interim Steering Group and finalised by the Executive Committee established in July 2009.

1.2   Governance Objectives

The objective of this paper is to outline the governance model for BBOP in its second phase proposed unanimously by the members of the Interim Steering Group (ISG). The governance model proposed was developed to provide for:
- Accountability of the various BBOP bodies and their members
- Transparency as to structure and decision-making
- Effectiveness and efficiency of decision-making
- Active participation and contribution by individuals and organisations involved in BBOP in the direction and running of the programme
- BBOP participants to have a stake in the success of the programme.

This Governance model was adopted in July 2009 and be in effect until the end of BBOP Phase 2, i.e. until 31December 2011, unless modified or extended by vote of the Executive Committee established by the Advisory Group (see below).

2.   Proposed governance model for BBOP Phase 2.

2.1   Legal identity of BBOP

During Phase 2, BBOP will remain a programme of Forest Trends. At the end of Phase 2, the Executive Committee may wish to consider the legal status of BBOP as a standalone organisation, but decisions such as whether BBOP should be created as an NGO or a company, in the US or elsewhere, are premature until the programme has matured and its long-term role is clearer.

There are certain implications of BBOP remaining a programme of Forest Trends during Phase 2. Since Forest Trends retains fiduciary and fiscal responsibility for the programme, the Forest Trends Board needs to retain formal decision-making powers (such as hiring and firing the BBOP Director, and budget approval) and has veto power in those cases where Forest Trends' Board needed to act to ensure that BBOP's work continued to be consistent with Forest Trends' mandate and run within

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[1] For the composition and terms of reference of the ISG, please see Appendix 5

budget.. However, in practice, the Executive Committee of BBOP will establish the strategy for BBOP and have decision-making responsibility. The Executive Committee is confident this will help BBOP and not constrain it. Forest Trends runs several similar programmes which are collaborations between many organisations.

2.2   Changes to governance of BBOP in Phase 2.

The modus operandi of BBOP differs in Phase 2 compared with Phase 1. Under the new governance structure:

- An Executive Committee elected by the Advisory Group serves as BBOP's primary decision-making body.
- The Secretariat, under the direction of the Executive Committee, coordinates and executes the work programme of BBOP.
- The Advisory Group contributes advice on the direction of the programme, and input on the development of BBOP products, including serving on technical working groups, as appropriate.
- BBOP, through its technical working groups or work undertaken or commissioned by the Secretariat, will undertake research to support Phase 2 goals.
- A memorandum of understanding between BBOP pilot project proponents and BBOP (through the Secretariat) will ensure there is sufficient technical assistance for the pilot projects, based on an agreed workplan.
- Offsets guidance will be driven by lessons learned from BBOP pilot projects and from other biodiversity offset research and experiences, research, and peer-review to ensure the feasibility, rigour, and credibility of proposed approaches.
- BBOP will play a strong convening role in Phase 2, recognizing the need to harness technical inputs from outside BBOP to draw on non-BBOP pilot experiences, academic research, lessons from related mitigation and offset policy guidance, relevant standards and certification approaches, etc.

The specific roles, responsibilities and expectations of the different groups involved in this modified approach to running BBOP are described in the next sections and summarised in Appendix 5.

2.3   Roles and composition of different groups in BBOP

2.3.1   Secretariat

Role and function: The job of the Secretariat is to coordinate and execute the program of work of BBOP under the guidance of the Advisory Group (particularly its Executive Committee) liaising with members of the Advisory Group, the Executive Committee and other technical committees, country partnerships, and the Learning Network. The Secretariat will propose workplans, prepare meetings and their agendas, draft documents and raise funds to undertake the work.

Composition: The Secretariat comprises representatives from Forest Trends and the Wildlife Conservation Society. Conservation International served on the Secretariat during Phase 1, but has chosen to step back to the Advisory Group for Phase 2. Given the new role of the ExComm, the breadth of the institutional representation on the Secretariat is no longer a key consideration, provided the human resources are available to Forest Trends and WCS to serve BBOP adequately.

2.3.2   Advisory Group (AG)

Role and function: The Advisory Group is a multi-stakeholder group whose purpose is to help build broad societal involvement and support for appropriate and well-designed biodiversity offsets. The role of members of the Advisory Group is to offer advice and provide input into the programme and its products. The Advisory Group will elect representatives to serve on the Executive Committee, The ExComm will serve as the principal decision-making body for the running of the programme, but the views of the Advisory Group will guide the decisions of the ExComm, just as they guided the decisions of the Secretariat in Phase 1. In its decision-making process the ExComm will strive for consensus in its decision-making. At the same time, a system for voting will be developed to allow the ExComm to reach decisions and avoid stalemates. (See Appendices 1 and 2 for ExComm and Advisory Group roles and responsibilities, respectively.)

Composition: The Advisory Committee during BBOP Phase 1 comprised over 40 organisations and individuals from around the world, as follows: 16 NGOs, 8 companies, 12 government agencies, 3 IGOs, 4 independent consultants. The criteria for membership of the Advisory Committee in its first phase can be summarised as: interest and commitment to work on biodiversity offsets through BBOP; relevant technical expertise; commitment to attend bi-annual BBOP meetings of 4 days each and offer advice by email and telephone in between times.

In Phase 2, the group will be called the 'Advisory Group' (to avoid confusion with the new ExComm). It is an international multi-stakeholder group, comprising representatives from companies ranging in size from multinationals to small and medium sized enterprises, financial institutions such as banks and asset management companies; environmental and developmental non-governmental organisations (NGOs), academic and research institutions and representatives from indigenous peoples' groups and local communities; government departments and agencies; intergovernmental organisations (IGOs); and invited individual experts.

Meetings: The Advisory Group will meet annually in the BBOP Programme Meeting. This will have a combined purpose: part of the meeting will be of the nature of an 'Annual General Meeting', tracking progress with BBOP's goals for Phase 2, seeking members' advice for the coming year, and holding elections. Another part of the meeting will be to tackle one or more technical issues in depth, bringing in outside experts, as helpful, to enrich the discussions. In addition, members of the Advisory Group are likely to meet in subsets more frequently, through the work of individuals on technical and interest based working groups, which are discussed below.

Selection of members: The criteria for membership of the Advisory Group and the process for recruitment are summarised in Appendix 2. The Secretariat, on behalf of the Executive Committee, will check with Phase 1 Advisory Committee members whether they would like to be members of the new Advisory Group during Phase 2 on the terms set out in Appendix 2. The Executive Committee will also be open to new Advisory Group members and will decide upon proposals for new AG members. New AG members may be proposed by existing AG members, by ExComm members or by the Secretariat. The ExComm will ensure that the Advisory Group does not expand infinitely, but new, committed organisations that are prepared to contribute to the programme by undertaking the responsibilities involved in membership and add to the expertise available to the programme should not be excluded. Given the advisory role of the Advisory Group, contrasted with the decision-making role of its ExComm, there are no concerns about maintaining strictly balanced numbers of Advisory Group members from the different groups involved in BBOP (companies, governments, NGOs, etc), but there is a commitment to seek the participation of under-represented groups, whose contributions are important to the success of BBOP's operations..

The ExComm will establish how to scale up participation in BBOP without making the Advisory Group unfeasibly large.

2.3.3   Executive Committee of the Advisory Group

Role and function: In June 2009, the Advisory Group established an Executive Committee (ExComm) of the Advisory Group as a small body representing the various groups that comprise the Advisory Group with the purpose of making decisions needed to run the programme on behalf of the full Advisory Group. The role of members of the ExComm is laid out in Appendix 1.

Composition: The ExComm will comprise the following **7** members[2], representing the different groups present on the Advisory Group:

1. National government, country working groups, intergovernmental organisations –
    1 representative
2. Civil society – Will include at least one environmental organisation and may also include a development / indigenous peoples' / community organisation. These can be NGOs or research and academic organisations.
    2 representatives
3. Business – Companies with a footprint on biodiversity for which they may need a biodiversity offset (after avoidance and minisation). Will include at least one large company (i.e. > 1500 employees).
    2 representatives
4. Financial institutions –
    1 representative
5. Secretariat –
    1 representative

The 'lead' representatives of the ExComm will be selected by vote of the AG. The lead representative will select an alternate (from another organisation within their group on the Advisory Committee). The alternate will participate in ExComm meetings when the lead representative was unavailable.   Each alternate will be kept abreast of issues discussed at the ExComm in order to be sufficiently briefed to step in as needed to make decisions.

Each representative of the ExComm will serve for a period of at least 15 months and may be re-elected for a second 15-month term. The re-election, or automatic term renewal, of at least 3 members of the ExComm should be considered by the Advisory Group to allow some continuity in the governance process.

Representation: All ExComm representatives will be elected by the Advisory Group as a whole. Each ExComm member will, as far as possible, represent the entire AG, rather than just a particular group's interest. ExComm members will not be obliged to canvas the views of all the individuals within their 'group' (e.g. 'NGOs') on the Advisory Group prior to taking any decision. However, each ExComm member should be aware that, to help build broad support for BBOP's approaches within the Advisory Group, each group's interests, concerns and priorities will need to be taken into consideration, so an important part of each ExComm member's role is to anticipate the views of its group as well as others when taking decisions.

While ExComm members are not obliged to consult Advisory Group members formally prior to taking decisions on the running of the programme, the Advisory Group will be kept informed by the ExComm of topics under discussion, up-coming and recent decisions in a number of ways:
*   During the annual BBOP Programme Meeting

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[2] During BBOP7 in Paris in June 2009, the Advisory Group considered adding an additional two ExComm members: one to represent either the scientific community or those 'service providers' such as environmental consultants, conservation banks and registries; the other to increase the representation on the ExComm of government. The AG decided to keep the ExComm at 7 members, but the ExComm may revisit this decision later in Phase 2.

- By email through updates from the Secretariat
- Through the minutes of ExComm meetings, which will be posted on the internal BBOP webpage
- As members of technical Working Groups that are formed to prepare draft BBOP products

Advisory Group members are encouraged to communicate their views to the Secretariat, ExComm and their fellow Advisory Group members through these avenues. In addition, Advisory Group members will have the names and contact details of the members of the Secretariat and ExComm, and are encouraged to contact them to raise any issues they would like to discuss, to make recommendations or to air concerns.

Meetings: The ExComm will meet by telephone once every 6 weeks, and members will respond to email/telephone requests by the Secretariat for any decisions needed between these meetings. Two of the ExComm meetings each year should be face to face and will generally coincide with BBOP meetings.

Voting: The ExComm will strive for consensus in all its decision-making. However it is recognized that reaching consensus may not always be possible and that a way to move forward is needed when consensus cannot be reached. In such cases, all decisions reached by the ExComm must receive at least a two-thirds majority. With a 7 person ExComm, decisions therefore must receive 5 votes of the ExComm to pass.

Election: The process for electing ExComm members from the Advisory Group is laid out in Appendix 1.

ExComm representatives from 1 October 2010 – 1 October 2011:
- Civil Society: Preston Hardison, Tulalip Tribes and Pippa Howard, Fauna and Flora International
- Government: Theo Stephens, Department of Conservation, New Zealand
- Business: Stuart Anstee, Rio Tinto and Mark Pizey, Solid Energy New Zealand
- Financial Institutions: Juan Jose Dada, International Finance Corporation
- Secretariat: Michael Jenkins and Kerry ten Kate, Forest Trends (One vote for the Secretariat to be cast by Michael as Forest Trends' President or Kerry as Programme Director and Michael's alternate.)

2.3.4   Pilot projects

Consistent with one of BBOP's priority areas of work for Phase 2, the ExComm believes that BBOP should be able to write up, analyse and disseminate several more experiences of the design and implementation of biodiversity offsets by the end of BBOP Phase 2. The spirit is to throw open the doors to welcome as many experiences as possible, without all of them being 'BBOP Pilot Projects', which are the subject of more discussion and advice by the AG and ExComm and Secretariat. However, the aim is to complement this greater number of looser affiliations[3] in Phase 2 with a small number of Phase 2 BBOP Pilot Projects, on which more time would be spent by BBOP Secretariat and a small number of Advisory Group members, and which would be willing to apply the evolving BBOP guidance, experiment with different approaches and work with the ExComm and Advisory Group during the process.

The informal arrangements between the BBOP Secretariat and the companies undertaking the pilot projects in the first phase of BBOP have had their advantages and disadvantages. Among the

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[3] The nature of these looser affiliations, the responsibilities of those involved and how BBOP can support them will be decided by the ExComm.

advantages is the lack of specific or formal commitments that the companies made up front. This made it easy for them to volunteer a pilot project and become involved with BBOP. Also, no time was taken up negotiating agreements between the parties. On the other hand, precisely what was expected of companies in terms of the offset design process, sharing progress and staff commitments of time to the process was not clear, but only indicated in broad terms. Similarly, the nature and level of technical support available from the Secretariat to pilot projects needs to be clear.

Future pilot projects will enter into a Memorandum of Understanding with one or more of the organisations on the Secretariat for the duration of BBOP Phase 2, so everyone is clear from the start on parties' expectations and the way they will work together. See Appendix 3.

2.3.5 Country Partnership Programmes

Some organisations, whether government agencies or others, may establish a multi-stakeholder group to explore biodiversity offsets within their country and may wish to collaborate with BBOP. This will help BBOP work at the policy level (one of the agreed priorities for work in Phase 2) and scale-up the use of biodiversity offsets. Country partnerships would establish their own objectives, but to collaborate with BBOP, they should share BBOP's vision, support the principles[4] and agree to collaborate actively with BBOP in their work on biodiversity offsets. At least one person from the country partnership would serve as a member of the AG and would liaise with BBOP and provide information on the operation of his/her country partnership. The first such group is in Brazil, led by FUNBIO. Its inaugural meeting was held in August, 2008.

Further strategy and information on country partnership programmes will be set out in a separate document.

The BBOP Secretariat and each country partnership programme will likely sign a Memorandum of Understanding that will outline how the organizations will liaise and establish the specific roles and responsibilities.   Some topics for possible inclusion in this MoU are set out in Appendix 4.

2.3.6 Advisory Group Working Groups and Sub-Committees

As part of their role in helping to shape the BBOP programme, members of the Advisory Group may form working groups with a particular mandate and time frame to advance work on specific technical, policy, or programmatic issues (e.g. scientific aspects of offsets, or verification & auditing) for consideration by the full Advisory Group and ExComm, or sub-committees to help members with particular interests coordinate their views.   These could be technical or interest-based working groups, as follows:

Technical Working Groups

Role and function: Time-bound working groups may be established by the Secretariat and ExComm with specific terms of reference to work on particular topics. The groups will be created to provide technical and policy input and guidance related to the furtherance of BBOP's objectives. For example, a group may be established to explore verification and auditing, or thresholds and multipliers, or to support particular pilot projects or to develop training materials or BBOP publications. Technical working groups will be limited in number and respond to specific identified

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[4] Where governments are developing policy, this may differ in its wording from the precise language in the BBOP Principles. However, provided the group is prepared to abide substantially by the principles and their spirit, modest differences in wording that do not change the sense should not matter. The ExComm will establish whether this criterion is met, case by case.

needs (e.g. the ExComm should establish a maximum number to be operating at any one time). The research undertaken by the working groups should support the needs of the pilot projects as well as other parts of BBOP's work programme.

Composition: The working groups will generally be drawn from the BBOP Advisory Group members who volunteer for involvement based on their interests, but could co-opt experts from outside the Advisory Group. The Advisory Group suggested initial technical working groups as part of the first phase two meeting in June 2009 for consideration by the ExComm, including groups on the science of offsets; policy, including aggregated offsets and conservation banking; assurance and standards; the strategy, process and criteria for engaging and selecting new pilots and monitoring their development; and communications, marketing and training. The ExComm will decide upon the groups to be established throughout Phase 2.

Size and election of members: To be determined case by case.

Interest-based Working Groups

Role and function: Advisory Group members may come together as groups based on a shared interest in order to coordinate their efforts within BBOP and communicate with the ExComm in a more unified voice. These sub-committees may be created and run by Advisory Group members and will be of a duration as decided by the members – they are not time bound. Each sub-committee will set its own agenda. An example of such a group could be the Business Advisory Committee (BAC) that was established by the businesses on the BBOP Advisory Committee in Phase 1 to enable them to coordinate their work and streamline their participation in BBOP.

Composition: Similar composition to technical working groups, but with a less formal mandate. Advisory Group members can form these sub-committees at their discretion.

Size and election of members: To be determined case by case. The companies with footprints on biodiversity involved in the Business Advisory Committee established for themselves an informal 'Business Advisory Committee' in Phase 1 that continues to operate in Phase 2. The ExComm encourages other groups of organisations involved in BBOP (eg NGOs, governments, banks) to form their own groups, to help coordinate and streamline their participation in the Phase 2 work.

2.3.7   Learning Network

Role and function: The Learning Network is a multi-stakeholder group of any individuals or organisations around the world that wish to join. Its purpose is to communicate the work of BBOP, to act as a resource when BBOP is seeking expertise, opinion and information and to help build broad societal involvement and support for appropriate and well-designed biodiversity offsets through its work in BBOP.

Composition: The Learning Network is open to individuals or organisations around the world that wish to join.

2.4   Contributions to BBOP Phase 2

The success of BBOP requires both the time commitment of its members and the programme to be financed. The ISG proposes that the funding of BBOP Phase 2 be of two kinds: a combination of membership fees and grants from donors.

Members of the Advisory Group will pay an annual contribution to Forest Trends as set out in the Contribution Table, below. This will be used to defray the costs of running the programme (e.g.

staffing of the Secretariat, costs associated with running BBOP meetings, etc), with the contribution to be made by companies and other groups is scaled according to the Table below.

The complement of the budget for BBOP (which is presently over 80%, but is hoped to diminish to around 50% of the running costs, as membership grows) would be raised as grants from multilateral, bilateral and foundation donors, which were the majority contributors during BBOP Phase 1.

Table setting out annual contributions of BBOP members during Phase 2:

Category	Definition of category	Level of Annual Financial Contribution (But please see Notes 1-3)
Companies with a footprint on biodiversity	• Companies with > 1500 staff	$25,000
	• Companies with 1500 or fewer staff	$12,500
	• Substantially smaller companies may be eligible for a lesser contribution, to be decided case by case with the ExComm.	(case by case)
Service providers (including conservation banking companies, consultancies, registries, etc)	• Companies with > 1500 staff	$25,000
	• Companies with 1500 or fewer staff	$12,500
	• Substantially smaller companies may be eligible for a lesser contribution, to be decided case by case with the ExComm.	(case by case)
Commercial financial institutions (For development banks, see **IGOs**, below.)	• Companies with > 500 staff	$15,000
	• Companies with 500 or fewer staff	$5,000
	• Substantially smaller companies may be eligible for a lesser contribution, to be decided case by case with the ExComm.	(case by case)
Governments	• OECD	$10,000
	• Non-OECD	$1,000
	• Permanent observer status (non-voting)	$0
NGOs	• NGOs with > 1500 staff	$10,000
	• NGOs with 1500 or fewer staff	$1,000
	• Substantially smaller NGOs may be eligible for a lesser contribution, to be decided case by case with the ExComm. • As an alternative to a financial contribution, an in kind contribution (for instance, specific staff time to undertake tasks on the workplan) may be agreed on a case by case basis with the ExComm.	(case by case)
IGOs (including multilateral development	• IGO with > 500 staff	$10,000
	• IGO with 500 or less staff	$1,000

banks)	• Permanent observer status (non-voting)	$0
Individuals	A person who is not affiliated with an organisation within the other categories in this table.	$250
Universities and research institutions	• Developed country organisations	$1,000
	• Developing country organisations	$250
	• Small research organisations may be eligible for a lesser contribution, to be decided case by case with the ExComm. • As an alternative to a financial contribution, an in kind contribution (for instance, specific staff time to undertake tasks on the workplan) may be agreed on a case by case basis with the ExComm.	(case by case)
Industry associations	• Industry association	$2,000

Note 1: New organisations can join as observers for a limited period* of 6 months with no financial contribution to determine whether they would like to join or not. During this period, they may not vote or otherwise take part in decision-making.
* But see Note 2.

Note 2: Governments and intergovernmental organisations (eg Secretariats of Multilateral Environmental Agreements) may choose to be 'permanent' observers. 'Permanent' in this context means for the duration of Phase 2 (to December 2011).

Note 3: Donations and in-kind contributions may be considered by the ExComm, on a case-by-case basis, as an alternative to membership fees, provided the contribution contributes to BBOP's workplan and would otherwise be a specific cost on the programme's budget.

APPENDIX 1:

Terms of Reference for the Executive Committee (ExComm) of the BBOP Advisory Group (AG) for phase 2 (2009-2011)

The purpose of the Executive Committee is to:
- Take strategic decisions about the programme on behalf of the full Advisory Group.
- Ensure an effective governance of the BBOP
- Promote and foster offset best practice

The objective of the ExComm is, to the extent possible, to represent the entire AG, rather than one group's interest. However, members should be aware that, to help build broad support for BBOP's approaches within the AG, each group's interests, concerns and priorities need to be taken into consideration as part of the decision-making process. Therefore, an important part of each ExComm member's role is to anticipate the views of its group when representing the entire AG. AG members are aware who has been elected from among "their" group, so can liaise directly with those members to discuss any issues of concern.

Executive Committee members agree to:
- Oversee the good governance of BBOP. To raise with the Secretariat, Advisory Committee and Forest Trends' Board, as appropriate, any problems as they arise and to work to resolve them.
- Attend regular Executive Committee meetings by telephone.
- Strive to take decisions, by consensus. However when consensus cannot be reached, to vote. In such cases all members of the ExComm must vote and to pass, a measure must receive at least a 2/3's majority. With a 7 person ExComm, decisions therefore must receive 5 votes of the ExComm to pass.   In taking decisions about BBOP, to articulate to other Executive Committee members for their better understanding the likely opinion of the members of the BBOP Advisory Group from that particular member's group within society (e.g. companies, banks, governments, NGOs), but ultimately to endeavour to represent the entire Advisory Group's interests, seeking an outcome all members could support.
- Participate in teleconferences or occasional workshops on specific issues under consideration by BBOP.
- Attend and contribute during annual BBOP Programme Meetings.
- Read and respond in a timely manner to emails from the BBOP Secretariat asking for their views and suggestions.
- Liaise informally with members of the Advisory Group in order to understand their perspective on issues under consideration by BBOP and to raise on their behalf any concerns communicated to them.
- Help the BBOP Secretariat and Advisory Group identify new pilot projects and gather broader experience of biodiversity offsets worldwide, and find contacts and potential collaborators in countries where BBOP is working.
- If submitting proposals to donors that involve using the BBOP methodologies and approaches, to discuss these in advance with the BBOP Secretariat.

Election of ExComm Members

ExComm members will be elected by the AG membership, as follows:

- General ExComm elections will take place at normally scheduled BBOP Programme Meetings
- Candidates from each category will volunteer to serve on the ExComm. Candidates can put their own names forward, or be nominated by another AG member during a BBOP meeting, or

electronically prior to that meeting.   If an AG member would like to serve on the ExComm and cannot attend the meeting, he/she can submit a nomination by email to the Secretariat.

- For positions with more than one candidate standing, a vote will be conducted by ballot distributed at the meeting. In addition, an email ballot will be sent to AG members and their vote requested within a defined period.
- The individual achieving the greatest number of votes in each category will take a position on the ExComm, and will select an alternate to participate in meetings and represent them when they are unable to do so. The AG will be informed by email of the results of the election within 5 days of the due date of the ballots (no more than 12 days after the nominations)
- Requests for nominations for all future elections will be sent out to the AG in advance of the BBOP meeting when elections are to be held.

APPENDIX 2:

Terms of Reference and criteria for membership of the BBOP Advisory Group for Phase 2 (2009-2011)

<u>The purpose of the Advisory Group is to:</u>
- Contribute advice on BBOP's work on biodiversity offsets, based on a wide a range of expertise and perspectives.
- Demonstrate, by supporting or adopting particular BBOP products (e.g. the Principles), that there is widespread support within many organisations across a range of groups in society and countries for emerging best practice on biodiversity offsets.
- Provide technical input into the design and development of BBOP tools and policies and to offer guidance, when requested, by BBOP pilot projects.
- Promote and foster offset best practice

<u>Advisory Group members agree to:</u>
- Attend and contribute during annual BBOP Programme Meetings.
- Offer advice to the BBOP Secretariat and Executive Committee on BBOP's work on biodiversity offsets, based on the Advisory Group members' wide range of expertise and perspectives, both when present at meetings and intersessionally by telephone or email.
- Decide whether to support/endorse particular BBOP products (e.g. sets of principles and other documents)
- Elect members of the Executive Committee
- Help the BBOP Secretariat and Executive Committee find new pilot projects and gather broader experience of biodiversity offsets worldwide, and to find contacts and potential collaborators in countries where BBOP is working.
- Read and respond in a timely manner to emails from the BBOP Secretariat asking for their views and suggestions
- Participate in teleconferences or occasional workshops on specific issues under consideration by BBOP
- Participate on technical working groups to support the development of BBOP tools, policies and outreach programs.
- Contribute to the financing and implementation of BBOP according to membership category and agreed procedures
- Consult with the BBOP Secretariat and ExComm in advance of submitting proposals to donors that involve using the BBOP methodologies and approaches.

Criteria for membership
- Willingness to take on the role and responsibilities described above.
- Support for the BBOP Principles
- Ability to contribute to BBOP's mission, vision and programme of work from 2009-2011.

Secretariat, ExComm and AG's strategy for recruiting new members.
- Active Approach: Discuss with AG during next meeting which groups might help fill the gaps identified (indigenous and local, development NGOs, verification/auditing/standards)
- Passive Approach: If approached by groups interested in joining, consider what they'd add, check whether they meet the criteria, and put to ExComm for a decision.

APPENDIX 3:

**Issues to be addressed in a Memorandum of Understanding
with Pilot Projects**

The BBOP pilot projects represent key learning opportunities for the BBOP network and allow practical application of offset principles and methodologies. The purpose of the MoU is to establish roles and responsibilities between the BBOP Secretariat and Advisory Group members and the pilot project. It is envisaged each pilot project will establish a small 'pilot project working group' comprising a member of the BBOP Secretariat and at least one other member of the Advisory Group, as well as local partners. In addition, progress with the pilot project will be communicated periodically to the Advisory Group as a whole.

The following points are not proposed as the text of the MoU itself, but as issues to be addressed within the MoU:

Roles and Responsibilities of BBOP Secretariat and Advisory Group members advising pilot projects:
The BBOP Secretariat will:
- Provide technical guidance to support design and implementation of the pilot project's biodiversity offset in line with the BBOP principles
- Assist the pilot to identify the necessary technical expertise required to carry out the project
- Review and offer comments on the process of offset design and implementation
- Provide a template for the provision of updates on the progress of pilots
- Respect all confidential information provided to it by the pilot
- Subject to any confidentiality requirements, feature information about progress with the pilot on the BBOP website

Advisory Group members serving on each 'pilot project working group' will:
- Provide technical guidance to support design and implementation of the pilot project's biodiversity offset in line with the BBOP principles
- Review and offer comments on the process of offset design and implementation
- Respect all confidential information provided to them by the pilot

Other Advisory Group members will:
- Participate in discussions about the pilot project at BBOP meetings and when periodic updates are provided electronically to the group
- Respect all confidential information provided to them by the pilot

Roles and Responsibilities of the BBOP Pilot:

The developer undertaking the project for which a biodiversity offset is to be designed will:
- Design an offset for the project that applies the BBOP principles
- State that the company is committed to the design [and implementation] of a biodiversity offset for the pilot project.
- Designate staff to the pilot project to ensure company support for the design [and implementation] of the offset
- Establish a small 'pilot project working group' comprising a member of the BBOP Secretariat and at least one other member of the Advisory Group, as well as local partners.
- Communicate progress with the pilot project annually to the Advisory Group as a whole.
- Share, and if necessary, commission information about the project and its impacts on biodiversity with the BBOP Secretariat

- Provide an annual progress report to the BBOP ExComm and against milestones agreed in the workplan for the pilot project established with the pilot project working group.
- Share data and information with BBOP related to pilot project design and implementation. Where information is considered confidential the pilot will advise the Secretariat and Advisory Group members serving on the 'pilot project working group of the fact to ensure that the information is kept confidential.
- Where outside donor funding for the pilot project is sought, will consult the Secretariat prior to seeking donor funding in order to better coordinate overtures to donors.

APPENDIX 4:

**Issues to be addressed in a Memorandum of Understanding
with Country Partnership Programmes**

The BBOP Country Partnership Programmes will be established as mechanisms to promote support for national-level biodiversity offset programs, including policy development and programme implementation. Country Partnership Programmes will generally be established through the impetus of national organizations with an interest in and commitment to explore biodiversity offsets.

Roles and Responsibilities of BBOP

The BBOP Secretariat, and members of the Advisory Group, where requested, will:

- Provide technical guidance and support for country partnerships and will work with them to ensure consistency with the BBOP principles.
- Assist the country programmes to identify the necessary technical expertise required to carry out their overall plans
- To the extent feasible, attend key Country Partnership meetings to assist in furthering the objectives of those programmes.
- Collaborate, where appropriate, with Country Partnerships in the development of proposals to donor agencies
- Organize, where appropriate, joint events with BBOP to foster the adoption and use of offsets

Roles and Responsibilities of BBOP Country Partnership Programmes

The organisation running the work on biodiversity offsets at the national level and collaborating with BBOP in the Country Partnership Programme will:

- Abide by the BBOP principles
- Participate in annual BBOP AG meetings and may also serve as members of the Executive Committee and on various Working Groups
- Organize, where appropriate, joint events with BBOP to foster the adoption and use of offsets
- Consult the BBOP Secretariat prior to funding requests to donors and to explore collaboration with BBOP in seeking programme funding.
- Share information about their programmes with the BBOP Advisory Group in order to contribute to the offset learning process

APPENDIX 5: SUMMARY TABLE ON DECISION-MAKING

Table showing proposed decision-making powers of various bodies involved with BBOP in Phase 2 (2009-2011).				
	BBOP bodies			**Forest Trends Board**
Issue	**Secretariat**	**Executive Committee (ExComm)**	**Advisory Group**	
General	**Management body of BBOP.** • Leads and manages BBOP subject to ExComm's direction. • Administers BBOP as a programme. • Prepares annual workplans. • Takes day-to-day decisions – e.g. consultancies, budgetary expenditure, publication of agreed documents. • Drafts BBOP documents with input from ExComm., *ad hoc technical* working groups of the Advisory Group and consultants • Prepares for and runs meetings. • Raises funds.	**Decision making body of BBOP.** [Note: All 'powers' of the ExComm. are subject to Forest Trends' legal and fiscal responsibilities as the institution hosting BBOP. Hence, in legal terms, the ExComm has a purely advisory role, but in practice ExComm advice will routinely be taken by the Secretariat without interference by Forest Trends' Board.] • Decides the strategy for BBOP (e.g. priorities and major areas of work, timelines), based on the advice of the Advisory Group, working within budget considerations from Secretariat. • Defines the governance of the program, including organizing elections. • Reviews and approves annual workplans, based on the advice of the Advisory Group. • Checks that the programme is on track. • Offers advice or takes decisions on issues presented *ad hoc* by Secretariat. • Supports Secretariat in fund-raising • With support from the AG identifies the need for technical inputs and creates working groups.	**Advisory body of BBOP.** Members of the AG: • Elect the ExComm from their ranks. • Decide whether to put their institution's name to final BBOP publications (e.g. the final text of protocols on verification and auditing) Otherwise, AG members play a consultative and advisory role, rather than a decision-making one, contributing to discussions and the drafting of documents The ExComm's decisions will be informed by the views of the Advisory Group, so BBOP will continue to aim for consensus in all its decisions. •	**Legally and fiscally responsible for BBOP.** • Legal and fiscal responsibility for BBOP as a programme of the organisation, and hence overall decision-making power. • Would need to ensure the programme is run within budget, works with appropriate donors, and remains consistent with FT's mission. • However, in practice, the FT Board is likely simply to approve the BBOP annual workplan.
New Pilots	• Investigates potential pilots and proposes suitable ones to ExComm.	• Decides whether new pilots should be taken on by BBOP. • Helps Secretariat identify new pilots.	• Helps Secretariat find new pilots. • Individual members or groups may play an oversight role for pilot implementation	
Election of members of the Secretariat, Advisory Group, ExComm	• Appoints members of staff of the Secretariat organisations (FT, WCS). • Recommends to ExComm new members of the Advisory Group.	• Decides on whether organisations/individuals should be accepted as new members of the Advisory Group.	• Elects members of the ExComm from the AG membership. • Can recommend to ExComm new members of the AG.	

Whether to collaborate with country partnership programmes on offsets (e.g. BBOP-Brazil)	• Recommends to ExComm any proposed collaborations with country partnership programmes. • Develops MoU's with country partnerships • May develop joint fundraising programmes with country partnerships	• Decides whether proposed country partnerships should be created and implemented.	AG membership will include at least one member from each country partnership programme.	
Finalising text in BBOP publications	• Drafts text (unless ExComm takes this on), working with staff, consultants, Advisory Group members. • On 'minor documents (e.g. 'interim' or uncontroversial BBOP publications – e.g. newsletter, factsheets about BBOP, website updates), can take decision to publish.	• On 'major documents' (e.g. 'final' BBOP publications, or those with potential sensitivity), reviews and finalises text. • On 'major documents' where Advisory Group members' support or endorsement is needed (e.g. on amended principles, protocols for verification/auditing, language of support for guidelines and methodologies), will seek support from Advisory Group member organisations individually.	• A members participate in *ad hoc* working groups contributing to the drafting of major documents • May be consulted by ExComm on draft documents. • On 'major documents' where AC members' support or endorsement is needed, individual members decide whether to 'support'/'endorse' etc	
Budgetary expenditure	• Manages the budget and authorises expenditure (with oversight of FT Board for FT-managed funds). Secretariat may seek ExComm advice/decision on expenditure related to strategic decisions. • NB some grants may be made to WCS. In this case, the WCS Board would be fiscally responsible, and will have authority over expenditure.	• Offers advice, when sought.		• Forest Trends' fiscal responsibility, so oversight of Board needed.
Fund-raising and liaison with donors	• Drafts funding proposals consistent with ExComm strategic programme decisions. • Meets and corresponds with donors to manage the grants.	• Decides the fund-raising model for BBOP (e.g. grant vs membership fee), consistent with Forest Trends' requirements as a US non-profit (s.501(3)(c)). • Shares with Secretariat responsibility for identifying potential funding sources for the	• Can recommend to Secretariat potential funding sources.	• During Phase 1 and Phase 2, grants to Forest Trends are the Board's legal and fiscal responsibility, so oversight needed.

		program. • Members support Secretariat's fund-raising efforts by making contacts with potential donors, following up.		
Governance structure and legal status of BBOP after Phase 2	Advises the ExComm on the governance structure for BBOP Phase 3.	• Proposes the governance structure for BBOP (e.g. governance model for Phase 3 and beyond, and any changes that are needed during Phase 2). While BBOP remains a programme of Forest Trends, its governance must be consistent with Forest Trends' status as a US non-profit (s.501(3)(c)).	Approves the governance structure for BBOP Phase 3 proposed by the ExComm.	• During Phase 1 and Phase 2, this is Forest Trends' legal responsibility, so oversight of Board needed.