

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 develop and adopt policies, strategies and operational approaches...which avoid, remedy or as a last option 'offset' adverse impacts on wetland ecosystems, including considering the potential benefits that could be derived from the Business and Biodiversity Offsets Programme...";

NOTING that there are increasing scientific and policy questions being asked about the ecological validity and practical effectiveness of biodiversity offset schemes and related mechanisms, in particular in critical habitat, and that there is increasing work in this area

involving the IUCN Secretariat and Members, plus increasing demand from all sectors for IUCN's advice on biodiversity offsets and related mechanisms; and

ACKNOWLEDGING that the effectiveness of biodiversity offsets in practice is dependent on the existence of an enabling policy environment including, *inter alia*, good governance, the rule of law, and accountable government and corporate institutions;

The World Conservation Congress, at its session in Jeju, Republic of Korea, 6–15 September 2012:

CALLS ON the Director General to:

- a. establish a working group to develop an IUCN general policy on biodiversity offsets. The working group will also consider the desirability of IUCN developing global biodiversity offset guidelines. The working group's membership and mode of operating will be based on the One Programme approach involving relevant experts, including from the Secretariat, Members and Commissions. It should arrive at its recommendations following consideration of:
 - i. an evidence-based analysis of existing offset schemes and standards to identify the conceptual weaknesses and strengths and the opportunities and risks associated with the practical implementation of biodiversity offsets;
 - ii. scientific literature and expertise to ensure that policy is solidly grounded in robust ecological principles;
 - iii. modes of implementation given different national and regional contexts cognizant that biodiversity offset schemes need to specify, among other things, (i) an appropriate conceptual framework(s), (ii) metrics and other methodologies, and (iii) governance and financing mechanisms including means of verification with respect to delivering no net loss, or preferably net positive, outcomes for biodiversity;
 - iv. the theoretical and practical meaning and utility of the terms 'no net loss' and 'net positive impacts' in the context of biodiversity conservation; and
 - v. the particular scientific and practical challenges of applying the full mitigation hierarchy to address the impact of activities in critical habitat;
- b. the working group should expedite the preparation of recommendations for consideration by the IUCN Council by no later than end of 2014; and
- c. as a parallel activity, continue to contribute to the current state of knowledge about the practical implementation of biodiversity offsets by (a) undertaking project work with partners, IUCN Members and Commissions and (b) the sharing of experiences.