

Conservation Offsets and Banking



Last Call for Conservation?

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Range of Stewardship Options for Land Trusts

- Leases/annual contracts
- Conservation Easements
- Conservation Offsets
 - Conservation (biodiversity) offsets are the “conservation activities designed to compensate for the residual, unavoidable harm to biodiversity caused by development projects” (IUCN 2004).
 - Off Site (in-kind or out of kind)

Range of Offset Options

- Voluntary or involuntary”
- turn-key” mitigation/offsets
 - Project based (e.g. Fisheries Act)
- In-lieu fees
 - In-lieu fees used by agency to acquire and manage habitat lands
 - e.g. Alberta Environment Wetland Policy
- Conservation banking
 - A conservation Bank is in-kind, off-site mitigation by a private third party in which multiple projects with like impacts are mitigated at the same location

Mitigation Hierarchy



Types of offset activities

- Enhancing existing protected areas
- Entering into land management agreements with private land owners.
- Restoration of degraded sites

Goals of Offsets

Maintain or Enhance Ecosystem Services

- GW recharge (local)
- Habitat for Biodiversity (regional)
- Recreation (local)

Like for Like Criteria

- Proximity
- Habitat Equivalence
- Risk

*Sell surplus public land in urban areas and use the funds to purchase non-urban lands for conservation and stewardship ,
Alana Delong, PC Platform, 2008*

Offset Activities in Alberta

- **Shell's Athabasca Oil Sands Project (AOSP)** will invest \$2 million with the ACA to identify, purchase and conserve ecologically significant sections of Canada's boreal forest as conservation offsets
- **Boreal Habitat Conservation Initiative:** Suncor Energy Foundation provided \$1 Million to ACA to protect 1750 acres of ecologically significant boreal forest habitat
- **Alberta Environment Wetlands Policy (White Zone) 3:1**
Offset ratio increasing with distance from project

Benefits and Risks of Conservation Offsets

- Benefits (ten Kate, Bishop, Bayon, 2004)
 - License to operate, reputational risk
 - Access to capital, lower costs of compliance
 - Influence regulation
 - Better conservation outcomes
- Risks
 - Public Perception (license to trash)
 - Fragmentation and loss of services

US Experience

- ESA and CWA drivers (regulatory)
- Turn-key offsets
 - Many small disjunct mitigation sites
 - No long term management requirements on the part of landowners
 - Can't be adequately defended from surrounding incompatible land uses
 - Inadequately monitored for compliance and effectiveness of the mitigation

US Experience

Conservation Banks

- Conservation Banking addresses perverse incentives under ESA
- Temporary habitat loss associated with on-site mitigation is avoided
- Goes further than mitigation
- Focus on quality habitat over quantity but long run impacts on biodiversity not known
- Fit within a species recovery or regional conservation plan

US Experience

In-lieu fees

- Government collects development fee, can turn over to third party or directly purchase lands
- Govt. tends to underestimate costs of land acquisition;
- Govt. has conflicted interests in establishing the fees;
- Compete with and undercut private offset opportunities
- Govt. programs not always held up to same standard as mitigation banks

Requirements of Successful Conservation Banks

- Protection and management of lands in perpetuity
 - Banks must come with short run, medium run and long run plans
 - prescribed burns, prescribed grazing, alien species control etc
 - Risk management plan
- Adequate funding
 - Management and Oversight of endowment funds
 - Old banks – communities have had to step in to continue management
 - Role of Bankruptcy Law

A LICENSE TO KILL

Tuesday, May 3, 2005

Lands lose guardian when trust goes bust

Bad investments leave little money for dozens of small preserves

By [ROBERT McCLURE](#)

SEATTLE POST-INTELLIGENCER REPORTER

TET Trust founder Don "Doc" Hunsaker II, a Texas-educated biology professor, said in a recent interview that the idea was to do "passive management. We didn't want to do any heroic work. ... Basically, we were protectionists who wanted to grab land and save it."

Designing for Ecological Outcomes

- Nest within species conservation plans
- Fish Banking
 - Location in areas of biological significance more important than on-site due to migratory patterns
 - Would this be allowed under Fisheries Act?
- Umbrella Banking Agreements
 - Plans that identify criteria/sites for conservation banks and how they will be managed for the long term recovery programs for multiple species (Nature Conservancy Jonah Creek Project)
 - Area wide network of salmon sanctuaries for selected stocks and populations;
 - Regional versus single species approach
 - Provides an improved focus on species recovery
- Provide a testing ground for adaptive management

Designing for Cost Effectiveness

- Ecological Gift Program
 - AB average cost = 3100/ha; avg value of ag land 1800/ha
- Australia's Bush Broker Exchange
 - Victoria requirement for offsets for clearing of native vegetation
 - 14 requirements across 28 bioregions, 300 plant communities, two significant habitat structure classes
- Coordinated (simultaneous) versus Bilateral (sequential) Procurement
 - Coordination through a package auction which united buyers and sellers of bundles of habitat attributes
 - Structured approach increased net benefits by 153%

Multiple Credit Programs

- Credit Stacking
 - Is it appropriate to be awarded credits under independent programs (carbon, species at risk, etc.) for the same land management effort?
 - Why is this an issue?
 - Leverage
 - Additionality
 - US allows bundling for first sale.

Next Steps - Role of Government

- Regulatory drivers and policy direction
 - SARA, Migratory Birds Act, land use plans
- Clarify rules
 - Who can create a bank
 - Protection of the 'property right' (Surface Rights Act)
- Establish species recovery plans that are the basis for crediting and establishing banks
- Set up regulatory/auditing structure for financial management of banks
- Assist in developing procurement policies for banks

Conclusions

- Offsets are the future for land conservation
- Transparency of land trust activities required for success
- Long term financial management
- Offsets are more than easements
 - Goal oriented
 - Areas of strategic importance identified
 - Part of Recovery Plan or conservation strategy
 - Who should develop the conservation strategy?
- Issues of Perpetuity – adaptive rather than permanent?
 - Leasing, options, versus owning