Building better for biodiversity

Our expanding energy, food, mineral and transportation needs are a major threat to biodiversity across the world. Every year we encroach further, rarely replacing what we have lost.

Biodiversity compensation requires developers to make a simple pledge: make biodiversity retention a top priority and, when destruction is truly unavoidable, restore a similar ecosystem of at least the same size, health and ecological value to ensure ‘net-gain’ for nature.

1.6 MILLION KM²
of natural land was lost between 1990 and 2015 because of the expansion of, and increase in, human land use.

Source from partners above: Financing Nature: Closing the Global Biodiversity Financing Gap, the most comprehensive assessment to date on how much the world currently spends to benefit nature, how much more we need to spend, and how we can close the funding gap.

That’s about 178 km² daily. That’s roughly 17 soccer fields a minute.

Projections show that development pressures on land and water will grow, with trillions of dollars in project investments on the horizon.
Compensation for restoration

The mission?
Restoring and creating more nature than the planet currently possesses.

The means?
Significantly reduce the biodiversity lost due to human land use. Then...

1. Compensate for the impacts that do occur (ideally to achieve no loss of critical ecosystems).

2. Financial levers

   - Avoid impacts to critical habitat, and...
   - Compensate for biodiversity impacts with offsets to achieve no net loss or net gain for biodiversity.

   These banks finance about 80% of finance in emerging markets.

   Yet... Impacts on critical habitat continue. Across the globe, only 22 biodiversity compensation schemes have so far been implemented to meet financial performance standards.

The mechanisms?

1. Government policy requirements
   Policies that minimise environmental impacts can be rooted in the mitigation hierarchy.

   - 196 countries party to the UN Biodiversity Convention have signed up to the mitigation hierarchy, requiring them to:
     - Avoid biodiversity impacts - the most important step
     - Minimise impacts - when they can't be avoided
     - Restore ecological function elsewhere - the last resort, ideally implemented in a way that achieves a net gain for biodiversity

2. 42 countries have made biodiversity compensation a regulatory requirement.

3. 66 countries have established other strategies for compensation. Yet only...

4. 9 countries are currently implementing them. This needs to change. Because...

   US$ 6-9 billion: The current annual level of compensation expenditures. Which is only about 5% of the funding needed to compensate for development impacts on biodiversity.

   Develop, strengthen and enforce biodiversity compensation and mitigation hierarchy policies, in order to move beyond a reactive approach to one that is proactive, consistent with broader conservation goals and aims to achieve a net gain for biodiversity.

TO DO

Strengthen the implementation of biodiversity-related performance standards within their investments, mandating that projects they invest in should demonstrate a net gain for biodiversity or, at a minimum, no net loss.
Case study: Mongolia

The Mongolian portion of the Central Asian Gobi Desert ecoregion spans 510,000 km² or the southern third of the country, and is part of the largest steppe ecosystem in the world.

14%

The area is threatened by the rapid growth of mining and related infrastructure. In 2012, 14% of Mongolia’s surface area was leased for mineral extraction or exploration.

However, a government policy commitment to protect 30% of all natural lands has led to the development of a conservation portfolio, covering 195,000 km² across 50 sites that represent the full distribution and diversity of native species and ecosystems.

Mongolian legislation also sets out a method for calculating compensation according to development impacts. These are measured by: area; magnitude; duration; and four landscape conservation factors (ecosystem composition, ecological condition, critical habitat designation, and proximity to portfolio sites).

Embedded into numerous government, lender, and corporate policies, this mitigation hierarchy has become a critical tool in the country’s efforts to prevent the biodiversity losses associated with economic development. In total, 32,712.70 km² of new protected areas have been established based on the national conservation portfolio and planning process, and less than 4% of the country is open for mineral extraction or exploration.