

# What can be learnt from offset mechanisms using market-based instruments?

Journée Biodiversité & Entreprises

Fondation pour la Recherche sur la Biodiversité –  
European Platform for Biodiversity Research  
Strategy

Sarah Hernandez P.

Commissariat Général du Développement Durable

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## Outline

- Two examples using market-based instruments:
  - Mitigations/Conservation Banks – tradable rights and liabilities
  - Brushbroker program (Australie) – auctions mechanisms
- Institutional/economics/ecological settings for a « good » market for biodiversity offsets!
- Why « good market » for offsets is not an easy task in the french context!!

# A market-based tool for biodiversity offset?

- Biodiversity values and Biodiversity costs of loss = (natural) assets
- Liability for offset becomes a (financial) asset
  - Costs of degradation of biodiversity = (financial) asset
  - Creation/restoration of biodiversity = (financial) assets

Habitat banking systems (banque d'actifs naturels en français)

- Role of the State = Quantity of public good
- Role of stakeholders = setting of prices

- New institutional settings for biodiversity conservation (markets with rules and procedures)

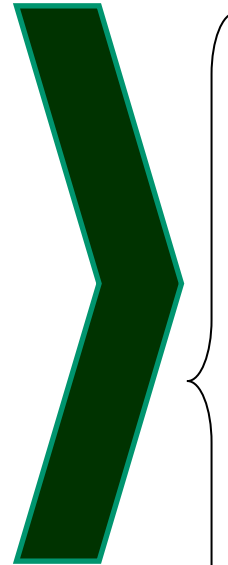
# Mitigation or Conservation banking system

DU DÉVELOPPEMENT DURABLE ET DE L'AMÉNAGEMENT DU TERRITOIRE

## Bank sponsor

### Conservation/ Mitigation banking

Creation, restoration,



## Regulators or State

- Banking instrument (contrat)
  - Regional planning
  - Review team
  - Agreement process (two times, two steps, one market)
  - Geographic localisation, restoration plan, indicators, area of influence, credits values and emissions, reporting.
  - Insurances and guaranties and long tenure for conservation

T= + X

T=0

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l'avenir

Ressources, territoires et habitats  
Énergie et climat  
Prévention des risques  
Développement  
Infrastructures, transports et

# Bush Broker Program (Victoria, Western Australia)

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TERRITOIRE

Auction system  
to preserve natural cover.

Registration of Crédits  
related to Natural  
Cover

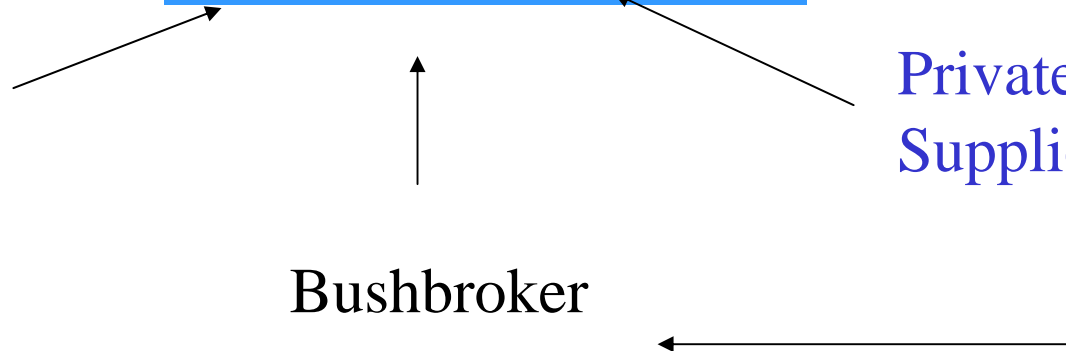
Developper

Private landowner  
Supplier of credits

Bushbroker

Ressources, territoires et habitats  
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Développement durable  
Infrastructures, transports et mer

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# Some final remarks on Mitigation/conservation banking system and Auctions

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Transfer of liability

Risks (financial) guarantees

Regional land planning

No net loss/Net positive impact

Long term tenure conservation  
(easements, land tenure)

Habitat banking  
Bank sponsor

State  
Regulator

Developeppers

Legal requirements  
Law on offset

## Towards a banking system in France????!!

- Institutional/economics/ecological settings for a « good » market for biodiversity offsets!
  - Good opportunities
  - Mutually supportive to the existing French legal requirements for protecting biodiversity
  - Complementary and supportive for conservation objectives/target ... under some conditions (common Bd)
- Why « good market » for offsets is not an easy task in the french context!!

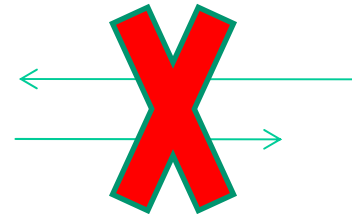
# Challenges related to a potential creation of an habitat banking system in France (Banque d'Actifs Naturels)

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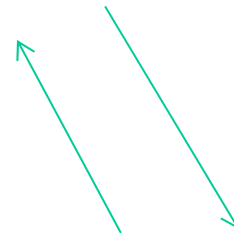
Transfer of liability  
Risks (financial) guarantees  
Long term tenure conservation  
(easements, land tenure)

No net loss/Net positive impact  
Offset in advance  
Regional land planning

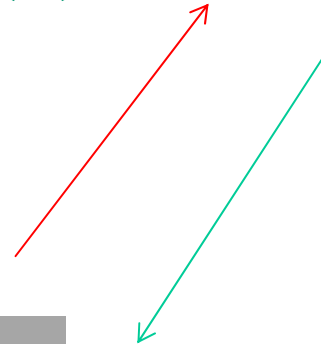
Habitat banking  
Bank sponsor



State  
Regulator



Developpers



??Legal requirements  
??Law on banking  
system





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TERRITOIRE

Merci Beaucoup

[Sarah.hernandez@developpement-durable.gouv.fr](mailto:Sarah.hernandez@developpement-durable.gouv.fr)

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