

**Video 7: Spatially strategic offsets: Coordinating offset actions for greater benefits**

Biodiversity offsets are typically planned and implemented on a project-by-project basis, meaning that the calculations of loss and gain are done independently for each development project and associated offset. This often means that offset assessments and calculations do not fully consider what else is happening in the surrounding landscape. However, in the real world, there are often many impacts on biodiversity happening in the same region. Sometimes, these impacts are also being caused by developments that require offsets. Even if all these individual developments were offset, their cumulative impact through, for example, fragmentation of previously continuous habitat, might be worse than we anticipated when assessing each development and offset in isolation, and the effectiveness of the offsets and their potential to make a contribution to conservation might also be reduced.

Because of this, considering the broader landscape context is therefore important for avoiding and addressing biodiversity loss in the long-term. It can also help increase the gains we get from offsets, allowing us to achieve a larger benefit, or gain, from a given amount of offset action. Strategic offsetting is a general term used to describe offsets that are strategically designed and implemented in order to improve biodiversity outcomes. It’s important to understand that the aim of being strategic is to generate broader benefits. An offset still must create enough biodiversity gain to address a specific residual impact and achieve no net loss. But by being strategic, we could do even better than this minimum requirement. Strategic offsetting is therefore best thought of as a rule or constraint used to decide how, where and when we might implement the offset.

There are many ways in which offsets can be implemented strategically. These include by choosing a strategic location for an offset, but also the careful planning of the type of offset action and coordination of offsetting with other conservation activities in the same region.

Perhaps the most common form of strategic offsetting is the strategic location of offsets. One example of such spatially strategic offsetting is pooling of offsets: offsets from several development projects can be joined to create larger offset areas in desirable locations. This could mean that, in addition to achieving project-level goals for biodiversity gains, the offsets could sustain larger populations or more species and/or habitats and ecosystems, and so be more resilient against disturbances. They could also be more efficient and cost-effective to manage than many small, separate offset sites.

Spatially strategic offsets rely on sound spatial planning and strategic environmental assessments that consider a region’s biodiversity and the desired outcomes for that biodiversity, in the light of potential development and other pressures. These plans also need to integrate with other planning and decision making processes that affect land use. Investment in this kind of strategic spatial planning at early stages can help guide avoidance of biodiversity impacts as well as support more strategic offsetting.

Biodiversity gains from offsets can also be improved by taking into account other conservation priorities and programs in the region. This way, offsets can be strategically designed so that they complement and strengthen other conservation actions and outcomes. Understanding the broader conservation landscape within which species and ecosystems are being managed helps to identify those offset designs that best support their persistence. However, as discussed in video 4, it is also important to remember that offsets always need to create an additional gain – one that would not have occurred without the offset. That means that even if we plan offsets jointly with other conservation actions, we cannot use offsets to replace already existing or pledged funding for those actions. This is because replacing those otherwise- planned actions with an offset-funded activity achieves no additional benefit – without the offset, the action and its benefit would have happened anyway.

Strategic offsetting requires coordination across individual offset projects. This means that, in addition to balancing losses and gains between each development and offset, the design, assessment and approval of offsets should be guided by broader regional land use and conservation plans. Also, the cumulative impacts of all development and offset projects should be monitored at the landscape level, so that we know how they impact the target biodiversity features in the long-term and can adjust future offset plans if needed. We discuss offset monitoring, where we confirm that the gain we aimed to achieve with our offset really occurred, in video 9.