

Workstream: Access to Finance and Innovative Finance Mechanisms



Business @
Biodiversity

Case Study #7:

Ecoacsa: growing the market for biodiversity offsets in Spain

Description of Financial Activity

Ecoacsa Reserva de Biodiversidad is currently engaged in a range of projects related to conservation banking (which has recently been recognised within Spanish national regulation) as well as voluntary carbon offsets.

Ecoacsa provides the following services:

- Consultancy on all aspects of conservation banking: assessment, design and development.
- Project management on habitat banking.
- Cost-benefit analysis of conservation banking investment or alternatives to purchase environmental credits.
- Conservation banking promotion and brokering.
- Training on conservation banking to governments, businesses and educational institutions.
- Public participation programmes, communication and outreach related to conservation banking, courses, seminars, in-company training.

Benefits for business and finance

There are no representative biodiversity funding mechanisms in Spain for biodiversity. Beyond *La Fundación Biodiversidad* (<http://fundacion-biodiversidad.es/>) a public organization belonging to the Spanish Environment Ministry that is the main source of financing, only *La Pedrera Foundation* (<http://www.fundaciocatalunya-lapedrera.com>) has funds for those issues. Nevertheless, changes in the financial state of this bank have meant that almost all funding has disappeared. In addition, there are small philanthropic funding sources such as Andrena, a fund for wetland restoration.

Benefits for biodiversity

Conservation banking schemes will help to meet commitments to compensate for biodiversity loss, beyond the measures required by the Habitats Directive. To begin with, they will focus on priority species and habitats inside and outside of Natura 2000.

The Spanish Government recently approved a new decree to foster voluntary carbon markets that are not included in the Kyoto Protocol. This new rule will permit new forest and agricultural sinks.

Opportunities for growth / future potential in the EU

First estimates of the potential scale of conservation banking suggest that in few years Spain could have a potential market of about 150 million €/year. Ecoacsa is now working on more detailed estimates of the potential scale of conservation banking markets.

Barriers to development of the opportunity

Key challenges to the growth of the market which have not yet been fully addressed include the risks and uncertainties in investing in conservation banking, and the lack of a well-developed system for regulation and enforcement.

Potential actions to accelerate uptake

Conservation banking, in particular, demands a large amount of finance for investment. Spain will adopt the US model of conservation banking, which requires large financing needs for land, conservations planning, and above all long term funding instruments such as endowment funds or similar.

A no net loss policy, setting down clear obligations for offsetting, would provide a huge boost to the market.

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