

**NCSE WILDLIFE HABITAT POLICY RESEARCH PROGRAM**  
**Project Overview**  
**Research Project 1D**

**Design of U.S. Habitat Banking Systems**

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Habitat banking is a market-based instrument for integrating biodiversity conservation into economic decision-making. It provides a way for land developers to compensate for the loss of biodiverse habitat to their projects by supporting the establishment of similar habitats at other locations.

**Key Issue**

To be eligible to receive federal funds from the State Wildlife Grants Program created by Congress in 2000, every U.S. state and territory was required to develop a state wildlife action plan. Although habitat banking offers many opportunities to conserve critical wildlife habitat identified in these plans, only eleven plans even mention it.

**Project Objective**

The objective was to help states recognize and evaluate the potential of habitat banking for conserving priority habitat areas identified in the state plans. The project team set out to produce a basic reference for state officials with little or no habitat-banking experience. For states with more experience, the report would also examine the strengths and weakness of particular bank types and banking practices.

**Approach**

The project team gathered information from:

- federal and state habitat-banking policies
- existing literature
- interviews.

Information analysis included:

- categorizing banks
- developing effective banking practices
- identifying problems, opportunities, challenges and recommendations.

To translate research results into relevant information for its target audiences, the team engaged habitat-banking managers, practitioners and policymakers from various sectors as advisors who

reviewed preliminary products and the draft technical report. The team also drew from expert experience at a meeting on Exploring Opportunities to Integrate State Wildlife Action Plans into Improved Wetland Conservation and Restoration.

## **Key Findings**

Wetland mitigation banks established in response to the Clean Water Act can support priority habitat conservation in state plans through:

- siting and designing banks to protect critical wildlife habitat
- managing banks to protect critical wildlife habitat
- incorporating the goals of wildlife action plans into the watershed approach to compensatory mitigation decision-making.

Conservation banking can support priority habitat conservation by influencing the siting and management of conservation banks established under the Endangered Species Act.

Programs can be created that protect priority wildlife habitat by establishing state-sponsored banks and creating incentives for siting banks in priority conservation areas.

Banking systems can be created that protect priority wildlife habitat by adopting new laws or regulations that require compensation for environmental impacts and favor the use of conservation banking to offset those impacts.

## **Deliverables**

The principal deliverable is a technical report that explores potential contributions of habitat banking to conserving priority habitats in state wildlife action plans. The target audiences are:

- state officials who implement state wildlife action plans
- state and federal officials who develop and implement habitat-banking policy
- public- and private-sector banking interests.

The project team has presented summaries of research results at annual meetings of relevant professional associations such as:

- The Association of Fish and Wildlife Agencies and affiliated regional organizations
- The North American Wildlife and Natural Resources Conference
- The National Mitigation Banking Conference
- The National Mitigation & Ecosystem Banking Conference.