Learnings from England's Biodiversity Net Gain (BNG) & Implementation Potential of BNG in Denmark

English Summary

Biodiversity is in decline in Denmark and globally, and to halt the loss of species and ecosystems, action is needed from a wide range of actors. Cities are responsible for a significant part of the biodiversity crisis. This occurs directly through construction and urban development that encroach on ever-larger areas, but also significantly indirectly through the consumption of natural resources in construction. Additionally, the disconnection of urban life from nature can contribute to consumption-driven behavior that harms biodiversity.

To stop the decline in biodiversity and ensure progress, England implemented an ambitious new regulatory framework for Biodiversity Net Gain (BNG) in 2024. The goal is to ensure that habitats for wild species are left in a measurably better state after the completion of construction or development projects. The legislation requires developers to create a 10% improvement compared to the baseline measurement of biodiversity. The legislation also allows impacts to be compensated through an off-setting register following a proximity principle. This means that compensation for biodiversity degradation that cannot be replaced on-site can be achieved through investments in nature-improving or restorative initiatives in the local area. As a last resort, developers can purchase government biodiversity credits, which are used to finance biodiversity improvements across England[1].

The background and impact of BNG in England and the potential of implementing similar regulations in Denmark was explored, analyzed, and reported in Danish by Planetary Responsibility Foundation and the Green Finance Institute in collaboration with the consultants at Oiko and Upstream Partners. The following is an English summary of the report.

The analysis indicates that BNG in England is contributing positively to more biodiversity awareness and to minimizing harm on nature in construction and urban development. However, it requires adaptation and development 1) in administrative processes, 2) in the methods for measuring biodiversity, and 3) of developers and providers of nature restoration units, where market activity has been slower amid uncertainty in the policy's first year. The regulation has managed to establish a system that ensures stronger integration of biodiversity considerations in the development of new construction and infrastructure projects, and it represents a model for how urban development can contribute to minimizing harm on nature and restoration of nature. BNG is already a model for similar initiatives in other countries, and there is much to suggest that the model could also serve as inspiration for Danish biodiversity regulation in construction and urban development. The key experiences and recommendations for further work on a BNG model for Denmark are summarized in Table 1.

The purpose of the report is to inspire action from authorities and private actors regarding biodiversity in the built environment in Denmark, so we can create the first systematic experiences that, in the long term, can serve as the foundation for national legislation and uniform standards that contribute to biodiversity through construction and urban development.

[1] *GOV.UK. (2023). Statutory biodiversity credits. https://www.gov.uk/guidance/statutory-biodiversity-credits*

Table 1. Key points from the report within the four domains that need to work together to implement BNG.

	Local Planning Authorities	**Developers**	**Nature Provider**	**Metric for Biodiversity**
Description of BNG England	Local planning authorities, equivalent to municipalities, are responsible for enforcing the law by assessing whether building permit applications meet BNG requirements. They can also evaluate nature providers' restoration plans and ensure natural values are maintained. Central government (the Ministry of Environment and its core advisor) is overall responsible for monitoring the legislation and providing advice and guidance to local planning authorities. It also manages the national off-site register and sells biodiversity credits – priced above locally sourced units- to developers needing compensation as a last resort.	Developers are required to deliver a 10% BNG by primarily preserving biodiversity, then improving and creating more biodiversity on-site, purchasing off-site units from local nature providers and, last resort, purchasing or biodiversity credits from central government. Developers are responsible for their on-site BNG habitats, unless legally transferred to a third party – such as an environmental management company.	Local landowners can create or restore habitats on their land to sell biodiversity units to developers. The nature provider must legally secure their land for at least 30 years and commit to a management and monitoring plan. The landowner can partner with a third party to deliver some of their obli gations, such as habitat maintenance. Nature providers must meet two requirements: - A legal agreement with the local planning authority or an equivalent Responsible Body (such as a charity) for monitoring and ensuring delivery of habitat gains for at least 30 years. - Registration in the national off-site register to ensure units are only sold once.	The Statutory Biodiversity Metric is the standard metric for biodiversity – with habitat quality used as a proxy for biodiversity. The metric includes values for habitat condition, area, type and distinctiveness. The unit is termed "Biodiversity Units." Both developers and nature providers must use the same measurement method to ensure the transferability of units. A simpler measurement method has been developed for small development projects (<1 hectare). The metric also stipulates 'trading rules' that support like-for-like compensation and determine how units from different habitats can be traded. For example, impact on habitats of high distinctiveness cannot be as flexibly compensated as for low distinctiveness habitats.
Preliminary learnings from England	The new case processing requirements demand new competencies, guidance, and increased funding to manage the tasks effectively. There is an ongoing debate around how much control is given to municipalities in how they administer BNG policy (local planning) versus national policy. There are challenges in monitoring the effects of BNG at a national level and allocating central funding from last-resort biodiversity credits in compliance with public fund regulations.	There is a need to standardize application procedures and documentation across authorities in order to minimize There is greater work needed on the extent and proper use of exemptions for developers within the BNG framework. There is a need to clarify procedures for on-site effect monitoring and establish legal responsibility for ensuring biodiversity for 30 years, both on-site and off-site. Easier access to off-site units is needed, as there is a perception that there are too few natural units available on the market.	There is a need for clarity on tax conditions and a long-term economic model/financing for nature restoration. The focus should be on ensuring the match between demand and supply of biodiversity units. There is a need for clarity on the effectiveness of the BNG scheme and its connection to other environmental and agricultural schemes. There must be a clear understanding of the legal responsibility for enforcing restoration plans in potential worst-case scenarios, such as a fire in year 20.	Biodiversity must be measured in a meaningful and appropriate way that makes the method useable for the target audience but also achieves the desired results. Proxies will always be used for measuring biodiversity uplift, but using the right combination of proxies with a proven scientific basis is vital. The metric will be iterated with real-world data from the policy, but introduction of changes needs to be balanced with maintaining market stability. The usability of changing versions and non-digital data registration is challenging and needs improvement.
Recommendations for implementation of BNG in Denmark	Implementation through collaboration across municipalities and private actors to ensure the necessary expertise and minimize the administrative burden. The first step could take the form of pilot trials in municipalities, possibly in connection with new guidelines in the Danish Planning Act (Planlov).	The individual initiatives already taken by some developers could be followed up by more, providing valuable experience before broader implementation and regulation are introduced.	The providers of nature restoration units as compensation are unclear. Potential actors include nature funds and private landowners. The need for land conversion in connection with other environmental policies (Den Grønne Trepart) could create opportunities for linking investors and nature providers, contributing to achieving national biodiversity goals.	In Denmark, an UrbanBioScore has been developed based on the English "Biodiversity Metric". The method forms a solid foundation for measuring and setting requirements for the biodiversity impact of construction and urban development. Additionally, consideration could be given to measuring derived effects and impacts through the construction value chain.

The full report can be downloaded in Danish for free: www.planetaryresponsibility.org

The report is published by Planetary Responsibility Foundation and Green Finance Institute and developed by advisors in Oiko and Upstream Partners.

The English summary of the report is developed by Upstream Partners.

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