

Can biodiversity offsets help the rural population?

Biodiversity offsets are meant to ensure that local people are no worse off as a result of the presence of a project, and preferably even benefit from it. The Business and Biodiversity Offset Program (BBOP) is a partnership between companies, governments, conservation experts and financial institutions to design and demonstrate the methodology for biodiversity offsets.

While new construction and development measures are important for economic growth, the destruction and fragmentation of natural habitats also represents a major cause of the current unprecedented loss of biodiversity. By converting habitat and polluting soil, water and air, many infrastructure projects have a significant, adverse impact both on biodiversity and on the livelihoods of local people. Such projects create liabilities for companies and harm their reputations, often for decades after an operation ends. It is in the developers' own interest to avoid harm to biodiversity wherever possible, and then to use innovative mechanisms to compensate for residual losses to biodiversity and impacts on people's well-being.

What are biodiversity offsets and why are they needed?

Biodiversity offsets are conservation actions that lead to measurable in situ conservation outcomes. They are designed to compensate for a project's significant residual impacts on biodiversity after appropriate prevention and mitigation measures. Their goal is to ensure "no net loss", or, preferably,

a net gain, of biodiversity with respect to structure, function and ecosystems services, including livelihood aspects. Biodiversity offsets can contribute to the conservation of priority areas beyond the immediate sites affected by development and help developers account for a project's full impact on biodiversity, assisting companies to manage their risks, liabilities and costs. Laws in several countries – from the US, Australia and Europe to Brazil and South Africa – now require biodiversity offsets for some projects, setting "no net loss" or "net gain" thresholds.

Companies can often see business advantages in undertaking voluntary biodiversity offsets, too. They can secure their license to operate, obtain permits rapidly, maintain a competitive advantage as preferred partners with governments and other stakeholders, access capital from banks, and operate cost-effectively with the support of local communities. Conversely, bad environmental practice can lead to higher operating costs, expensive permit delays, liabilities, and lost revenues.

Despite these potential advantages, biodiversity offsets need to be handled with care. Before developers contemplate offsets, they should first avoid and minimise harm to biodiversity, where practicable. Also, biodiversity offsets are only appropriate where the nature of the impact to biodiversity can genuinely be offset. For instance, you can't offset an impact that pushes a species closer to extinction. And the design and implementation of biodiversity offsets requires a detailed assessment of a

project's impact on biodiversity and the offset's gain. Also, close cooperation with local communities and government representatives is necessary.

The Business and Biodiversity Offsets Program

The Business and Biodiversity Offset Program (BBOP), managed by a Secretariat comprising Forest Trends and Conservation International, is a partnership between companies, governments, conservation experts and financial institutions to design and demonstrate the methodology for biodiversity offsets.

BBOP is working with companies such as Shell, Newmont, Rio Tinto, Anglo American, Sherritt and others that include public sector developers to ensure that new capital projects integrate a conservation component to

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offset their residual impact on biodiversity. The offset conservation activities will protect threatened habitat and contribute to national biodiversity strategies, as well as addressing local communities' biodiversity-related livelihood needs. In its first phase, the objectives of BBOP are:

- to test the mechanism of biodiversity offsets with a portfolio of pilot projects worldwide;
- to develop and disseminate a practical toolkit of good practice methodologies, principles and key questions for biodiversity offset design and implementation, using an International Advisory Committee and broader Learning Network; and
- to catalyse the policy changes needed to stimulate and support broad use of biodiversity offsets by companies and governments worldwide.

The BBOP Advisory Committee comprises 36 non-governmental organisations, companies, government agencies and financial organisations with an interest in biodiversity, business and development from around the world. The members support the pilot projects in their offset design and are helping in the preparation of the BBOP Toolkit. In addition, BBOP has a Learning Network, which anyone is welcome to join. To date, over 500 interested individu-

als and organisations worldwide are involved in the network.

BBOP's vision is that all developers with a significant impact on biodiversity, whether in the public or private sector, will undertake biodiversity offsets to ensure "no net loss" in the context of their operations, and preferably promote a net gain. BBOP aims to stimulate a major shift in industry practices resulting in significantly more, and better prioritised, conservation outcomes that benefit local people as well as addressing national conservation priorities.

How could biodiversity offsets help the rural population?

At the level of individual projects, there is an important livelihood and amenity component to biodiversity offsets. An additional goal of each biodiversity offset is to ensure that local people are no worse off as a result of the presence of the project, and preferably demonstrably better off. Secondly, in order to succeed in achieving no net loss of biodiversity at the offset sites, it is generally vital to address local communities' biodiversity-related livelihood needs (e.g. for food, energy and medicinal plants) and to link biodiversity offsets to achieving priority development outcomes.

Biodiversity offsets may be able to help rural populations on a broader scale: they provide local communities with an opportunity to be involved in planning at the national and landscape levels, to collaborate with companies, governments and conservation experts to establish national conservation and sustainable use priorities and to plan how to achieve them at the ecoregional level. So perhaps the greatest promise of mechanisms such as biodiversity offsets is that they offer an opportunity to encourage better participatory land-use planning.

Biodiversity offsets are designed to compensate for a project's significant residual impact on biodiversity.

Zusammenfassung

Biodiversitätsprogramme sind Maßnahmen zur Ressourcenerhaltung mit lokal messbaren Ergebnissen, die die Auswirkungen von Projekten auf die Biodiversität durch angemessene Präventions- und Linderungsmaßnahmen dämpfen. Ziel dieser Maßnahmen ist „kein Reinverlust“ beziehungsweise sogar ein Reingewinn für die Biodiversität in Bezug auf Struktur und Funktion des Ökosystems, einschließlich Sicherung der Existenzgrundlage der Menschen. Biodiversitätsprogramme sollten auch gewährleisten, dass die Bedingungen für die lokale Bevölkerung als Folge eines Projekts nicht schlechter, sondern eher besser als vorher werden. Damit keine Biodiversität verloren geht, müssen die biodiversitätsrelevanten Bedürfnisse der lokalen Bevölkerung (z.B. Nahrung, Energie und Heilpflanzen) betrachtet werden. Durch Biodiversitätsprogramme kann die lokale Bevölkerung in die Planung auf nationaler und regionaler Ebene einbezogen und eine partizipative Landnutzungsplanung ermöglicht werden.

Resumen

Las medidas compensatorias de la biodiversidad son acciones de protección con resultados mensurables de conservación *in situ*, que compensan los impactos residuales significativos de un proyecto sobre la biodiversidad, después de haber tomado las medidas apropiadas de prevención y mitigación. El objetivo es lograr una "ausencia de pérdida neta" o – preferiblemente – una ganancia neta de biodiversidad con respecto a la estructura y la función del ecosistema, incluyendo los aspectos relacionados con los medios de vida. Las medidas compensatorias de la biodiversidad deberían también garantizar que la población local no salga perjudicada como resultado de la presencia del proyecto; por el contrario, es preferible que el proyecto implique beneficios tangibles para los habitantes del lugar. A fin de lograr una ausencia de pérdida neta de biodiversidad, es importante considerar los requerimientos del sustento de las comunidades locales que se vinculan con la biodiversidad (por ejemplo, alimentos, energía y plantas medicinales). Las medidas compensatorias de la biodiversidad pueden ayudar a las comunidades locales a tomar parte en la planificación a nivel nacional y en el entorno del paisaje local, y alentar a una mejor planificación participativa del uso de la tierra.



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