



WORLD RAINFOREST MOVEMENT

"Mainstreaming biodiversity" in extractive industries: **Concealing devastation and land grabbing**



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A compilation of articles from the World Rainforest Movement Bulletin on the occasion of the Fourteenth meeting of the Conference of the Parties to the **Convention on Biological Diversity (CBD)**, to be held 17 - 29 November, in Sharm El-Sheikh, Egypt.

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Mining giant Rio Tinto operates a mine in Fort Dauphin, Madagascar, in the Anosy region. This is, in fact, the most widely advertised biodiversity offset project in the mining sector. It is intended to compensate for biodiversity loss resulting from the destruction of coastal forest at Rio Tinto QMM’s ilmenite mining site, by “preserving” a forest in Bemangidy-Ivohibe, some 50 kilometres to the north of the mining site.

Also access the Bulletin article from 2016, “[Rio Tinto’s biodiversity offset in Madagascar: How culture and religion are used to enforce restrictions](#)”.

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Minera Panamá, owned by Canadian company First Quantum, has a concession to conduct open-pit copper mining in the Donoso District, within a protected area. The company has also built a 200-hectare deep-water port on the Caribbean Sea, which will use to export the mineral, as well as a coal-fired power plant to provide energy for its operations. In order to obtain the environmental permits, the company has presented plans to “offset the loss in biodiversity”.

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If one sees the world as a huge market, it is necessary to level, standardize and define common measures that enable trade. In this view, anything can supposedly be “offset;” thus deforestation can go on destroying natural and biodiverse areas. It is not a matter of stopping, reducing, or avoiding; just that the sum total after offsets is zero, according to those who have taken over the definition of measures and the system of adding and subtracting.

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1. Introduction

Biodiversity Offsets: Legalizing destruction

Proposals to "mainstream biodiversity in the energy and mining, infrastructure, manufacturing and processing sectors" will be on the agenda of the UN Convention on Biological Diversity (CBD) conference in November 2018. This WRM compilation of articles highlights the many dangers and threats that proposals for biodiversity offsetting pose for forest dependant populations, biodiversity, forests and the climate.

In November 2018, Parties to the UN Convention on Biological Diversity (CBD) will gather at their 14th meeting to discuss, among others, proposals to "mainstream biodiversity in the energy and mining, infrastructure, manufacturing and processing sectors."

The focus of the meeting is not a surprise. **The reality is that these industry sectors are responsible for large-scale destruction of biological diversity; and policy makers, conservation NGOs, multilateral and donor organizations and the industries themselves are looking for tools to conceal this devastation.** Many adverts, PR campaigns and initiatives from these actors have begun to reframe biodiversity (and 'nature' in general) as 'natural capital'. They also refer to nature's vital and diverse functions and cycles—such as the living spaces of a diverse web of plants and animals, nutrient cycling, water and air filtration and soil fertility-, as 'ecosystem services'. In this vein, according to the Executive Secretary of the CBD, the current global economic and development model must "account for natural capital and the ecosystem services provided by biodiversity." (1)

This is no random choice of words. As the WRM has pointed out on many occasions, reducing nature's interconnected cycles and functions to market-friendly concepts paves the way for a key tool used to expand the destructive economic model: offsets. Whether for biodiversity, carbon or anything the like, offset schemes have become the way to give a green light to destructive corporate activities that have increasingly faced popular opposition and legal hurdles.

In the case of biodiversity offsets, the requirement for allowing destructive operations in places where environmental regulation would otherwise not allow it is that the biodiversity destroyed at the site of interest to the company be recreated or replaced elsewhere. The lost biodiversity is supposed to be 'equivalent' to the alleged protected or (re)created area. Yet, in addition to no two places really being equivalent, **the manufactured 'equivalence' in fact silences important contradictions and issues of power, territorial rights, inequalities and violence** (see articles in this compilation).

The CBD and the World Bank: Paving the way for mainstreaming biodiversity loss

While the terms ‘biodiversity offsetting’ or ‘compensation’ do not appear in the draft CBD conference decisions on mainstreaming biodiversity, the mechanism shines through in proposals for a ‘long-term strategic approach’ of the CBD to mainstreaming biodiversity post-2020. (2)

UN institutions, such as its Environmental Programme (UNEP), have been working with the mining and energy industries to influence November’s CBD conference agenda. The UNEP World Conservation Monitoring Center, for example, organised a meeting hosted by the oil and gas industry association IPIECA in October 2017 in London, aimed at providing “an opportunity for industry, trade associations, investors, governments and other experts to provide substantive input to the process leading up to the 2018 Conference of the Parties to the Convention on Biological Diversity.” (3)

A preparatory paper from the CBD Secretariat published in May 2018 notes that “A large number of mining dependent and biodiversity rich countries now have offset policies in place. Australia, for example, has policies at both the national and subnational level, including guidance and calculator tools. Other countries have legislation or policy that helps to facilitate voluntary offsetting.” (4)

Moreover, a Note by the CBD’s Executive Secretary from October 2017 highlights the central role of multilateral banks, such as the World Bank, for establishing standards and safeguards for others to follow. (5)

Predictably enough, the International Finance Corporation (IFC), the private sector arm of the World Bank, changed its Performance Standard 6 in 2012. Any company wishing to access an IFC loan for a project that will destroy what the IFC considers to be ‘critical habitat,’ must present a plan stating that the biodiversity destroyed will be compensated elsewhere. Accordingly, **governments mainly from the Global South are increasingly relaxing their environmental laws by including provisions for biodiversity offsetting, to follow the ‘rules’ established by financial institutions and their corporate allies.**

Liberia and Mozambique, for example. The World Bank has been funding biodiversity policy initiatives in both countries. **In Liberia, World Bank consultants even developed a national biodiversity offset road map.** In this World Bank proposal, mining and other extractive projects are to be allowed in protected or high-biodiversity areas with the only condition that developers pay a biodiversity offset fee that is then used for maintaining and managing (other) national parks and protected areas (see more information on the Liberia case in the articles of this compilation.)

According to a support organization to the biodiversity offset road map in Mozambique, “far from being a burden to private companies, this new regulation may actually speed up the approval process for new projects by clarifying procedures, giving companies a way forward to comply with national rules and international standards, for which they are increasingly accountable.” (6) So, in reality, **not only can companies have quicker access to concessions but also the ‘rules**

and standards’ that they claim to be accountable to have, in fact, turned into market mechanisms that allow destruction as long as a promise to compensate elsewhere is given.

Another clear example of how World Bank standards influence policy worldwide is the COMBO Project. This project, carried out by three international conservation NGOs, aims to work with governments, corporate developers and industry to expand and improve the application of biodiversity offsets in Guinea, Madagascar, Mozambique and Uganda. (7)

It is imperative to halt the underlying causes of biodiversity and forest loss and degradation. The CBD and its allies, however, seeking ways for corporate destruction of biodiversity to continue – or, in their words, to mainstream biodiversity within these sectors - is steering policy, funds and discussions towards a dangerous path. The idea of offsetting is fundamentally flawed. **With its promise to compensate the corporate destruction of biodiversity, it does nothing to stop the destruction caused in the first place!**

(1) Interview with the Executive Secretary of the UN CBD, Dr. Cristiana Paşca Palmer, September 2018, <https://www.unenvironment.org/news-and-stories/story/more-needs-be-done-protect-biodiversity>

(2) See for example, CBD (2018): Mainstreaming of Biodiversity in the Energy and Mining Sector. 26 May 2018. <https://www.cbd.int/doc/c/278a/e222/7deeb28863d046c875885315/sbi-02-04-add3-en.pdf>

(3) <http://www.ipieca.org/media/3671/unep-wcmc-cbd-mainstreaming-workshop-12oct-invite-v10.pdf>

(4) CBD (2018): Mainstreaming Biodiversity in the Energy and Mining Sector. CBD/SBI/2/4/Add.3. Paragraph 34. <https://www.cbd.int/doc/c/278a/e222/7deeb28863d046c875885315/sbi-02-04-add3-en.pdf>

(5) Note by the Executive Secretary, CBD, 12 October 2017, Page 5: “Standards and safeguards such as those established by multilateral development banks and industry guidelines historically have set the global norm, and other multilateral development banks as well as other institutions are likely to follow suit,” <https://www.cbd.int/doc/c/8f3a/1121/6734c3a8082948ad3ee71a44/sbstta-21-05-en.pdf>

(6) PROFOR, In Mozambique, government, conservationists and private sector come together to protect biodiversity, January 2018, <https://www.profor.info/content/mozambique-government-conservationists-and-private-sector-come-together-protect-biodiversity>

(7) The COMBO Project: COnservation, impact mitigation and biodiversity offsets in Africa, <http://combo-africa.org/>

The COMBO project claims to use the ‘mitigation hierarchy’, a tool that involves a sequence of four key actions: ‘avoid’, ‘minimise’, ‘restore’ and ‘offset’. Although offsets are supposed to be the last resort for companies, it ends up being the only option when, for example, a mine needs to clear up a forest to operate.

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March to the Asian Development Bank's (ADB) headquarters in Manila, Philippines to call on the governments and people's representatives to strip ADB's immunity (2017). Ph: Focus on the Global South.

2. Compilation of WRM bulletin articles

Destroy here and destroy there: The double exploitation of biodiversity offsets

[From WRM Bulletin 232, July-August 2017](#)

A strong corporate push is trying to get governments to relax their environmental laws, and thus allow industrial activities in areas previously considered to be unviable. The requirement is that the biodiversity destroyed upon implementing the industrial activity be “offset.” These offset projects incur double destruction and domination: on areas affected by industrial activities, and on areas targeted for offset projects. The latter generally entail social and cultural destruction.

This issue of the WRM bulletin is focused on one of the key strategies that (mainly extractive) industries use to expand within the framework of the so-called “green economy”: biodiversity offsets. We believe it is important to warn about the strong corporate push that is trying to get governments to relax their environmental laws, and thus allow certain industrial activities to take place in areas previously considered to be unviable. The only requirement is that the biodiversity destroyed upon implementing the industrial activity be “offset.” These offset projects incur double destruction, exploitation and domination: on the one hand, of lands affected by industrial activities, and on the other hand, of lands targeted for offset projects. The latter generally entail severe social and cultural destruction.

In order to understand the rationale behind “offsets”, whether they be for biodiversity, carbon, water or anything the like, it is important to always keep the following in mind: the main purpose of these compensation mechanisms is to enable the dominant economic model—which is dependent on fossil fuels—to continue to thrive and expand. In the context of the current socio-environmental crises, adopting offsets was necessary for both governments and companies responsible for these crises to appear to be taking action to move towards a “greener” model. Yet this smokescreen, full of misleading discourse and empty promises, actually further deepens these crises.

Considering this starting point, we can understand why offset mechanisms do not seek to stop the driving forces behind the destruction of territories and forests. On the contrary, they enable destructive activities to expand into areas which, until recently, were impossible to imagine being handed over for exploitation. This is how mining, petroleum, infrastructure, monoculture plantations, mega-dams and many other industries—along with the thousands of kilometres of access roads, workers’ camps, drainage ditches and other impacts these industries cause—continue to grow their operations and profits. Let us not forget that the dominant

economic model, which is structurally racist and patriarchal, unloads almost all of its destruction, invasion and violence on indigenous peoples and peasant families, so as to keep exploiting, producing and accumulating profits.

Offsets also make it easier for industries and their allies (governments, conservation NGOs or others) to access more and more land. At the end of the day, offsets have become a green light for destructive activities to proceed within a legal framework; never mind that areas which previously could not have been legally or legitimately destroyed now will be. The only requirement is that the biodiversity destroyed at the site of operations be recreated or replaced elsewhere. In order to achieve this, the argument goes, the biodiversity lost in the area that is destroyed must be “equivalent” to the alleged protection or (re)creation in the area chosen to supposedly replace what is destroyed. Yet this “equivalence” argument actually covers up important contradictions and questions of power, territorial rights, inequalities, violence and colonial history.

Since the aim is not to stop the destruction, but rather to “offset” it, most offset projects are focused on indigenous peoples’ and other traditional forest-dependent communities’ territories. In many cases, forest-dependent communities are required to surrender their land—or control of it—in the name of the offset project. Offset mechanisms thus incur double destruction, exploitation and domination—on the one hand, of land affected by extractive/capitalist industrial activities, and on the other hand, of territories targeted for offset projects. The latter generally do not involve environmental destruction, since they supposedly protect an area for conservation; however experience has shown that they do, indeed, entail severe social and cultural destruction.

“Offset areas” must be under some kind of threat, at least on paper—since, if this were not the case, why would a project be needed to protect them? Thus, almost all projects identify traditional communities as the main threat to conservation. Numerous restrictions are placed on communities’ access to, control of, and rights to use these forests that are turned into offsets. Project proponents argue that “conservation” can only be “successful” through the dominant Western approach (which has its roots in colonization); that is, through the creation of fenced-off parks, or “nature without people.” Usurping forest-dependent communities’ customary rights and territorial control—and hence also their traditions, cultures and livelihoods—is fundamentally racist and violent. (See more on Environmental Racism in Bulletin 223 from April 2016.)

So, how do so-called biodiversity offsets work in practice?

First and foremost, offsets for loss of biodiversity must be able to measure and quantify “biodiversity.” The elements that will be destroyed must be established and categorized in order to later be recreated elsewhere, or to ensure that the protection of another area has an “equivalent” amount of these elements. Of course, reducing the destruction of a territory—in a specific place and time, and with a specific history and stories—to mere categories and measurements, ignores the coexistence of peoples, cultures, traditions and interconnections within forests and lands, as well as many other aspects. The only thing that matters in this logic is that which

can be measured, and therefore exchanged or replaced.

The investment criteria of multilateral banks—such as regional development banks or the World Bank—aim to influence countries’ environmental legislation. In this vein, the International Finance Corporation (IFC), the private sector arm of the World Bank, changed its Performance Standard 6 in 2012. Any company wishing to access an IFC loan for a project that will destroy what the IFC considers to be “critical habitat,” must present a plan stating that the biodiversity destroyed will be compensated elsewhere. Accordingly, governments mainly from the Global South are increasingly relaxing their environmental laws to follow the “rules” established by corporate power—concentrated in financial institutions. They can now accept the viability of certain operations previously considered to be unviable, as long as they offset the biodiversity which will be destroyed upon project implementation.

Many biodiversity offset projects are presented as “conservation projects”. About many of them, there is scarce and difficult-to-access information. In these cases, forest-use restrictions imposed on communities are also framed within conservation arguments. This is very problematic: it covers up the fact that, in practice, offset projects prevent communities from carrying out subsistence agriculture, hunting or fishing activities, meanwhile permitting corporations to extract petroleum or build mega-dams in areas that are often protected due to their biological diversity. Once again, the prevailing economic model—reinforced by the offset system—reveals its dominating and racist characteristics.

Worse yet, in some cases, companies claim they even “create” “more biodiversity”; for example, when in addition to the offset project, they implement complementary activities—such as planting trees to “enrich the biodiversity” of the area. They call this having a “net positive impact.” The result is that a mining company—which is extremely destructive—can advertise that its activities not only have no impact, but are also positive for the environment. Meanwhile, communities are forced to change their practices, a few might be offered employment as park rangers – reporting on whether their relatives and neighbours comply with the rules imposed by the offset project –, or leave their territories because they can no longer obtain a livelihood from the land.

In other words, biodiversity offset mechanisms are a strategy for destructive industries to expand even more without violating legislation. The diverse life that is destroyed can never be recreated or replaced. Each space, time and interconnection is unique. These kinds of compensation mechanisms—whose proponents seek to turn them into national and regional policies, international treaties, and ultimately the “status quo,”—impose a worldview based on dominating others’ lives. Clearly, this is not a fortuitous imposition, but rather a violently racist one.

Therefore, it is essential to actively stand in solidarity with struggles to defend lands and territories, and simultaneously expose these mechanisms for what they are. This is necessary in order to break paradigms of domination and open up space—not only to respect, but to learn from, the many other worlds that exist.

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Brazil, Mining and Biodiversity: From environmental degraders to environmental services providers.

When the line between destroying and conserving is merely rhetorical

[From WRM Bulletin 232, July-August 2017](#)

The strategy that has dominated Brazilian policies in the last years refers to developing a rhetoric that seeks to create equivalence between degradation and conservation. At the heart of the argument is the hypothesis that it is possible to strike a balance between a project's impacts on biodiversity, and the benefits obtained through its voluntary offset initiatives.

The parliamentary coup that brought Michel Temer's illegitimate government to power, was not what set in motion one of the central goals of Brazil's current mining policy: to expand mineral production and its contribution to the national GDP. That goal, recently announced by the Temer government, already existed in President Dilma Rousseff's 2013 presentation of motions, when she sent the Legislature a proposal for a new Mining Code for the country. The crucial difference between the two governments is perhaps that with Rousseff the State was given a greater coordination and planning role given to the State in that process. During the debate on a new Code, Congress blocked these intentions. The group of congress people financed by large mining companies (1) made sure to remove all proposals guaranteeing any kind of public governance on mining policy from the new law, and to include articles that further expanded market access possibilities for mineral resources (2).

Congressional parliamentary amendments restricted the conditions the government had proposed on the authorization of titles; and they simplified concession procedures, diminishing the State's ability to define priorities on which minerals and areas should be exploited. The amendments also included articles that increased guarantees to mining companies to access land and water, granting them the right to use all the water necessary to operate their concessions. Likewise, they gave the National Mining Agency—to be created under the new law—the prerogative to expropriate lands for mining. The new Code sought to neutralize the effects of laws and regulations that, by guaranteeing rights, create restrictions on mining activity. One of the proposed amendments was to allow mining exploitation in conservation areas, where this activity is currently prohibited; and to require the National Mining Agency's approval to create protection areas for certain stakeholders (such as conservation units, indigenous lands and quilombola territories—communities formed by slaves who managed to escape captivity).

With Temer, the debate on the Code has lost centrality, as the government itself has accelerated the implementation of Parliament's proposals through provisional measures and ordinances.

The current fall in the price of mineral commodities creates a favorable climate for these measures to be implemented, as a way to sustain a sector that brings

commercial revenue to the country, and to maintain the stability of an economic policy that is highly dependent on external resources. However, considering cycles of rise and fall in commodity prices, the Temer government's greatest legacy on mining policy will be laying the foundation for the country's mining companies to maximize profits during the next price boom.

Auctioning off borders, reserves and traditional peoples' lands to Big Capital

In one swift movement, Temer's government wants to create the National Mining Agency through a precautionary measure, and open up Brazil's border areas to mining exploitation. This takes decision making on border area activities away from the National Defense Council, and allows companies mostly with foreign capital to act in these areas—which is currently prohibited.

In order to restore “investor confidence and re-establish legal certainty”, the Ministry of Mines and Energy (MME) has publicly committed to simplifying concession procedures in order to reduce the timeframe to begin mining projects. It has also committed to auctioning more than 300 areas that the Mining Resources Research Company (state entity linked to the MME) has already investigated, most of which contain confirmed deposits (3). Through a provisional measure, the MME also aims to define changes in calculation rates and the distribution of mining royalties, which were under discussion for the new Code (4). Since the objective is to attract investors, the tax burden will probably continue to be highly beneficial for this sector. In addition to enjoying countless tax benefits, the mining sector in Brazil has one of the lowest royalty rates in the world; the formula used to calculate these rates is very attractive, since—unlike in most countries—it uses net instead of gross turnover (5).

Another measure that supports mining expansion in the country is the MME's Ordinance N° 126, which initiated the decline of the National Copper Reserve and Associates. The Reserve was created in the early 1980s, with the intention of exploiting existing mineral reserves in the area—mostly rich in gold—through a special regime, and under the control of the Mining Resources Research Company. The Reserve area, located in Pará and Amapá states, covers 46,000 square meters; and it was kept closed to mining companies. With the disappearance of the Reserve, the government wants to leave the area to private initiatives, catering to constant demands by mining companies, which consider its mineral reserves volume to be as important as the Carajás mining province. The bad news for the mining sector is that 69 percent of the reserve area currently overlaps with indigenous lands and conservation units, where mining is not permitted.

The declarations made in April by then president of the National Indian Foundation (FUNAI, by its Portuguese acronym) that indigenous lands should be opened to mining, as well as the modification of provisional measures MP 756 and 759 which propose to reduce protected areas in the Amazon by thousands of hectares—areas where there are strong mining and agricultural interests—points to the convergence between the government and sector representatives that have control in Congress. Bills that attack the national system of conservation units, aim

to change environmental licensing laws or even eliminate them (PL 3729/2004, PL 654/2015, PEC 65/2012), and seek to open indigenous lands and traditional populations' territories to mining and other economic activities with huge socio-environmental impacts (PL 1610/1996, PEC 215/2000), are gaining momentum at this juncture. And the government shows willingness to move them forward.

The perverse logic of conservationist rhetoric that creates equivalence between degrading and conserving

So far, this is nothing new. Relaxing constitutional environmental protections and restricting territorial rights do not, in and of themselves, constitute new agendas for the mining and agribusiness sectors. The new strategy refers to developing a rhetoric that seeks to create equivalence between degradation and conservation. At the heart of the argument is the hypothesis that it is possible to strike a balance between a project's impacts on biodiversity, and the benefits obtained through its voluntary offset initiatives.

This transformation occurs through a set of strategies that include deregulating mandatory environmental protections (as we are currently seeing), and creating legal, conceptual and methodological bases to measure both the biodiversity losses caused by large development projects, and the gains in conservation obtained through biodiversity offset activities. In practice, these are investments to conserve areas where there is an ecosystem similar to the one destroyed. Supposedly, this could enable companies to have a "zero net loss" in biodiversity, and even a "net gain" for conserving a "quantity" of biodiversity equal to or greater than that which was destroyed. In addition to creating a positive image for certain sectors (whose activities have known negative impacts on biodiversity), achieving "measurable net gains" in biodiversity makes it possible to create environmental "assets," which, transformed into commodities of comparable quality and quantity, could be sold.

Through a discursive political maneuver, polluters become "environmental service providers," and new commodities are created, enabling the emergence of new markets. These initiatives also increase access to land for companies which, in addition to already having territorial and spatial control over the areas where they conduct their activities, also end up having control over lands used for offsets.

This lobby has already been effective in Brazil. In 2014, the Biodiversity and Forests Secretary of the Ministry of Environment participated in a gathering about offset models applied to mining. The global mining sector, by the way, is the one that has subscribed most to this initiative (6). The Secretary publicly defended the importance of developing tools to build the biodiversity market (7).

In 2010, the Brazilian Business Movement for Biodiversity was created (MEBB, by its Portuguese acronym). This entity seeks to influence the development of Brazil's biodiversity strategy, and one of its central goals is to improve legal and regulatory frameworks on issues such as appraisal of and access to biodiversity.

As of 2017, the company Hydro, which has a bauxite mine in Paragominas (Pará State), has purported to achieve a "no 'net loss' in biodiversity." To reach this goal, it has financed "biodiversity restoration" and monitoring activities in the only

remaining forested area in Paragominas. Such activities include cataloguing of the variety of species and their behaviors, and developing pilot research on restoration techniques and methods to measure results (8).

Alcoa has followed a similar path in Juruti Velho (west of Pará state), where it also extracts bauxite. With the goal of “generating a net positive impact” on biodiversity, the company has voluntarily invested in the maintenance of three environmental parks, in Poços de Caldas (18 hectares), São Luís (1,800 hectares) and Tubarão (12 hectares). It has also developed programs to rehabilitate mining areas, where it defines biodiversity “indices,” in order to establish performance metrics for ecosystems businesses. According to the company’s sustainability manager, this is “one of the main challenges of corporate biodiversity management.” (9)

While Brazil anticipates requiring mandatory offset actions for biodiversity loss due to activities with high environmental impact, mining companies’ interest in carrying out these actions has led to territorial disputes. In the state of Minas Gerais, the National Steel Company (CSN, by its Spanish acronym) and Ferrous Resources of Brazil are in a legal battle over an area which, despite having no iron ore, is valuable for creating environmental offsets for their mining activities (10).

Behind the conservationist rhetoric on biodiversity offsets, there is a consolidation of new biodiversity markets in the medium term, which will impose new forms of territorial regulation connected to institutions and multi-scalar actors (financial market operators, cooperation agencies, consultants, etc.). This market consolidation also grants companies—which have been heavily denounced for socio-environmental impacts and rights violations—the power to define nature, place a value on it, and protect it under a utilitarian and colonial paradigm. This paradigm ignores and imposes upon the multiple forms of biodiversity stewardship and production that peasants, indigenous peoples and other traditional peoples have historically carried out, through their creativity and social struggle. The areas where they live are now the frontiers for these new forms of capital accumulation.

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(1) The study [Quem é quem nas discussões do novo código da mineração](#) (“Who’s who in the discussions on the new mining code”), prepared by the Brazilian Institute for Social and Economic Analysis (IBASE, by its Portuguese acronym), analyzed campaign donations made by the largest mining companies operating in the country (Vale, Votorantim, AngloGold, Usiminas, Kinross and MMX). It showed the enormous political influence that mining companies have, along with parliamentarians who make decisions on the issue: those who received the most donations are precisely the members of the Mines and Energy Commission—a permanent fixture in the House and the Special Commission on Mining—which exists specifically to discuss reform of the Code.

(2) For an analysis of the proposal for the new regulatory framework on mining, and the amendments made by congressional representatives, see: <https://fase.org.br/pt/acervo/documentos/o-novo-codigo-mineral-menos-governanca-publica-sobre-o-aproveitamento-dos-recursos-minerais-e-mais-imprescricao-na-garantia-de-direitos-aos-afetados/>

(3) See <http://www.brasilmineral.com.br/noticias/governo-quer-restaurar-confian%C3%A7a-de-investidores> and <http://www.cnf.org.br/noticia/-/blogs/setor-mineral-espera-capital-estrangeiro->

em-futuros-leiloes

(4) See <http://economia.estadao.com.br/noticias/geral,mp-que-cria-agencia-da-mineracao-esta-pronta-para-ser-publicada,70001784332>

(5) See the technical note, recently published by the Institute for Socio-Economic Studies (INESC, by its Portuguese acronym), which analyzes in detail the fiscal and tax aspects of big mining in Brazil (referring to, respectively, the State's capacity to access mining revenues, and the means or instruments through which these revenues are collected).

(6) In 2012, 38 companies signed onto "net loss zero commitments," which consist of developing "offset" activities for "losses" in biodiversity. 15 of them were industries from the mining sector. See Environmental regulation in the Green Economy: Changed to facilitate destruction. WRM Newsletter 212. <http://wrn.org.uy/articles-from-the-wrm-bulletin/section1/environmental-regulation-in-the-green-economy-changed-to-facilitate-destruction/>

(7) See <http://www.canalrural.com.br/noticias/agricultura/compensacao-voluntaria-para-biodiversidade-tera-projeto-piloto-brasil-45300>

(8) See <http://www.otempo.com.br/capa/economia/mineradora-destr%C3%B3i-em-minas-e-compensa-no-nordeste-1.811277>

(9) See <http://www.hydro.com/pt-BR/a-hydro-no-brasil/Imprensa/Noticias/2014/Biodiversidade-na-floresta-tropical-do-Brasil/>

(10) ABDALA, Fabio. Mineração e biodiversidade: uma associação viável e necessária para a sustentabilidade dos territórios com mineração. 3º. Anuário Mineral do Pará 2014. Simineral, Belém/PA, March 2014.

Also access the Bulletin article from 2016 analysing the problems and interests embedded in the Brazilian Biodiversity Law at: [The Brazilian Biodiversity Law: Progress or Threat?](#), Bulletin 227 – November-December 2016

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Biodiversity offsetting and biodiversity corridors in Asia: Nature destruction and protection acting in tandem

[From WRM Bulletin 232, July-August 2017](#)

For 50 years, the Asian Development Bank (ADB) has invested on a large amount of projects that have left behind a record of environmental and social destruction. With its recent so-called “safeguard” policies, it allows to continue promoting destructive projects while claiming sustainability. This article focuses on biodiversity offsets and corridors. The new wolf disguises to allow the continuation of an expanding economic model based on large-scale extraction.

This year, 2017, the Asian Development Bank (ADB) celebrates its 50th anniversary. Since the Bank was founded, it has invested more than US\$ 250 billion dollars in the region. Much of this money has been allocated into large-scale extractive projects as well as in regional “economic corridors” that integrate infrastructure to facilitate the export flows of minerals and other commodities. Although lending to projects that cause significant deforestation is, in theory, not permitted, a significant number of ADB-funded projects have left behind a record of environmental and social destruction: deforestation, biodiversity loss, displacement of forest-dependent peoples and destruction of their livelihoods (1). Confronted with this, people have resisted the Bank’s lending policy, organized mobilizations and struggles throughout the continent to defend their territories, forests and livelihoods.

After 50 years, however, instead of a fundamental change, the Bank’s response has been to implement specific so-called “safeguard” policies that allow it to continue promoting destructive projects while claiming sustainability. We focus this article on the biodiversity offsets and biodiversity corridors. The new wolf disguises to allow the continuation of an expanding economic model based on large-scale extraction.

ADB’s biodiversity offset policy: a “gain” in biodiversity?

In theory, the Bank’s safeguards should secure that no destruction takes place. The latest version of the ADB’s safeguard policy document dates from 2009. Two striking aspects should be mentioned.

The first one is the fact that the ADB does not make a link between its lending practice to destructive projects and to what the ADB itself recognizes as a situation with “declining water quality and quantity, loss of biodiversity, deforestation and desertification, elevated pollution levels, and negative impacts on human health.” It also recognizes that “these threats tend to disproportionately affect the poor”. However, the ADB does not assume responsibility for this. At best, one can read statements that point out to the safeguard policies as the “remedy”.

The second striking aspect, which derives from the first, is that instead of the logical decision to halt or at least drastically reduce its lending to destructive projects, the ADB suggests that if significant environmental destruction which cannot be avoided, minimized or mitigated is the result, the project holder can use the

compensatory mechanism of biodiversity offsetting in order “to achieve no net loss or a net gain of the affected biodiversity” (see introductory article in this bulletin). The document further explains that projects inside “natural habitats”, “critical habitats” or “legally protected areas” – where no destructive intervention should be allowed at all -, still can be allowed if “mitigation measures” make sure that there will be “no net loss of biodiversity”. Such measures “may include a combination of actions, such as post project restoration of habitats, offset of losses through the creation or effective conservation of ecologically comparable areas that are managed for biodiversity while respecting the ongoing use of such biodiversity by indigenous peoples or traditional communities, and compensation to direct users of biodiversity”. (2)

The policy not only opens the door for protected areas to be exploited but also, and even more astonishingly, it suggests that continuing with destructive projects can result in a “gain of the affected biodiversity” if an “ecologically comparable area” that is threatened, according to the project holder, is being conserved.

Since biodiversity offsetting is a 2009 ADB policy, several borrowers of the Bank’s money have set up biodiversity offset projects since, as is the case with the Sarulla Geothermal Power Development Project in Indonesia (3) and the Nam Ngiep 1 Hydropower Project in Lao PDR (4). The offset projects will in fact allow the geothermal power plant and the hydropower dam to claim to be sustainable as their unavoidable destruction is being offset somewhere else even though they have clear social and environmental impacts. But overall, still few biodiversity offset projects appear in a search on the ADB website. One way to explain this is the fact that biodiversity offsets is considered a “last resort”, which means that, according to the ADB, often measures to “minimize” or “mitigate” would be sufficient. At the same time, related to biodiversity, the ADB, at least for the Greater Mekong Region, has given a lot of emphasis on biodiversity conservation corridors. Another tactic of the ADB to attempt addressing the critique of being actively promoting environmental destruction but paving the way for more “compensatory” measures instead in order to justify the continuation of the destruction.

Biodiversity Conservation Corridors: another economic corridor

The “biodiversity conservation corridors initiative” (BCI) is a plan supported by the ADB, Greater Mekong Region governments – China, Lao, Myanmar, Cambodia, Thailand and Vietnam – and big conservation NGOs like WWF, Birdlife International, IUCN, Wildlife Conservation Society and Conservation International. The plan has also received support from some Northern governments. The objectives are to improve connectivity of habitats, combating the forest fragmentation as a result of drivers of deforestation. And at the same time, the BCI aims to reduce poverty of the communities. (5)

BCI’s approach has been to identify the most important biodiversity conservation landscapes/watersheds in the region. By 2005, nine of these were already identified. The role of the BCI has been then to connect these so-called core conservation areas, as a way to combat the on-going process of forest and biodiversity fragmentation and conserve “ecosystem services” (such as carbon or

water cycles). In the first phase of the project (2006-2011) eight pilot sites of BCI were set up, totalling more than 1.2 million hectares. According to the project document, many things have been achieved, like the setting up of “development funds” or the establishment of “forest ecosystem services/hectare”, “conservation practices” by communities and the creation of “livelihoods opportunities to reduce dependence on forest resources”.

However, the BCI approach actually prepares the floor for REDD+, which is one of the explicit objectives of the new phase of the BCI project in Lao, for example. (6) This means that local communities’ use of and access to the forests they have been conserving tends to become restricted through this plan, as ecosystem services need to remain “preserved”, threatening peoples socio-cultural practices that depend on the forests. In October 2016, the ADB approved a US 12.8 million dollars for the BCI project in Lao, a grant from the ADB’s strategic climate fund and the World Bank’s Forest Investment Programme (FIP), with the latter also set up to prepare for REDD+. According to a Lao newspaper article about this grant approval, “In the project area, Attapeu and Xekong provinces stand out as hotspots of rapid deforestation and forest degradation, mainly due to swidden agriculture by local communities (..)”. (7)

The BCI acknowledges that economic growth in the region has resulted in severe threats for biodiversity conservation as well as been a notorious driver of large-scale deforestation due for example to the expansion of road networks that improve the regional “integration” or the several large-scale hydrodam projects, both activities funded by the ADB over the years. But instead of putting a halt to investments into such activities, the BCI states that “these investment plans need to be embedded within an ecosystem management approach”. The Plan goes on arguing that if not it will put at risk “the nature and magnitude of ecosystem service flows, including biodiversity conservation and carbon sequestration benefits for local communities and undercutting the performance and sustainability of investments”. In other words, destructive projects can continue as long as some sort of “compensatory” conservation measures are put in place for the remaining most conserved areas, with an emphasis on protecting “ecosystem services”. This in turn would benefit communities and investors.

Looking at the figures of identified ecosystem services in the BCI plans, carbon turns out to be the most important “service” in terms of its financial value. The experience with forest carbon credits –also known as REDD projects- has been that this mechanism is in the interest of the polluting industry in the first place as a way to continue polluting. Also, a handful of conservation NGOs are very much in favour of this, working in tandem with polluting companies; and finally, consultants, carbon companies and certifiers, as well as governments are also interested for the money that can be obtained from this market and business. Communities living within such corridors receive little or no benefits, they rather receive restrictions and prohibitions to their forest use as if they were the main threat for the forests. (8)

It is no surprise and at the same time very concerning that the BCI blames first the people living in the areas to be conserved and their shifting cultivation practices when it starts pointing to the drivers of deforestation, before mentioning others such as concessions for forestry and logging activities. Population growth

in the communities, including the influx of migrants, is also being mentioned as a factor that would put more pressure on forests, without however questioning why and where these people are migrating from in the first place?

Another thing that calls attention in this approach is that the project documentation of the BCI curiously makes a parallel between economic and ecological corridors. It argues that in both cases an “unhindered” movement, either of goods, or of natural species, is crucial. Besides, if both types of corridors would not exist, the argument continues, the “Greater Mekong Subregion development agenda is likely to be threatened”. Indeed, this revealing remark makes sense because, in their view, for economic growth to continue within a “green economy” framework there is a need for “compensatory” conservation practices, like biodiversity corridors based on ecosystem services, REDD+ and biodiversity offsets. The real “price” is then paid especially by forest-dependent communities as it is mostly their territories which are the target for implementing the compensation projects. Another sign of how much the biological corridor is based on the economic one becomes visible in the language adopted in the BCI project documentation, for example, giving local indigenous communities the title of “resource managers”.

The strategic role and relation between economic and biodiversity corridors for governments in the region and their cooperation with the ADB becomes even more evident in the 2016 ADB publication called “ASEAN-ADB Cooperation Toward the Asean Community”, presenting a vision for 2025. Among the six priorities highlighted to realize this vision, one says that “through environmental sustainability we can help to mitigate the negative effects of integration by managing critical ecosystems and biodiversity corridors”. What “integration” means is explained in the main of the other six priorities: “The first priority is physical connectivity. Connecting markets and propelling future growth by upgrading parts of the ASEAN Highway Network (..)” and “greater energy security through cross-border power interconnection and trade”(9).

It is urgent to better understand the impacts of the biodiversity corridors and biodiversity offset projects on forest-dependent communities in Asia, both those promoted with support of the ADB as well as others promoted by other financial institutions, conservation NGOs and private companies. Moreover, it is imperative to understand that these measures are just another disguise for allowing extractivist industries and infrastructure projects to continue and expand. The underlying logic of these plans shows the real interests and beneficiaries of the Asian Development Bank and other project promoters. Forest-dependent communities on the other hand, are the true face and practice of conservation, radically opposed to a destructive economic system.

If someone has more information of what is happening on the ground where such projects are being promoted and/or would like to denounce negative impacts of these projects, please get in touch with the WRM international secretariat.

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- (1) <https://focusweb.org/page/adb50/>
- (2) ADB “Safeguard policy statement”, 2009. <https://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>
- (3) Sarulla Geothermal Power Development Project, biodiversity offset-management plan, 2015, <https://www.adb.org/sites/default/files/project-document/213991/42916-014-emp-02.pdf>
- (4) Nam Ngiep 1 Hydropower Project in Lao PDR, 2014, Biodiversity offset design plan, <https://www.adb.org/sites/default/files/project-document/81682/41924-014-eia-03-jul-2014.pdf>
- (5) <http://www.gms-eoc.org/uploads/resources/40/attachment/Biodiversity%20Conservation%20Corridors%20Initiative%202006-2011.pdf>
- (6) <http://www.gitec-consult.eu/index.php/en/projects?view=project&id=50>
- (7) <https://laotiantimes.com/2016/10/19/adb-supports-sustainable-biodiversity-management/>
- (8) <http://wrm.org.uy/books-and-briefings/redd-a-collection-of-conflicts-contradictions-and-lies/>
- (9) <http://www.thejakartapost.com/academia/2016/07/13/supporting-aseans-2025-vision.html>
A 2014 Gabonese law on “Sustainable Development” permits the trading of carbon, biodiversity, ecosystem and community capital credits to offset destruction that companies cause. However, this law is still unclear and is open to various interpretations.

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Colombia: Environmental Offsets, Legitimizing Extraction

[From WRM Bulletin 232, July-August 2017](#)

Colombia is one of the first Latin American countries to set up and implement specific rules and regulations on biodiversity offsets. Companies applying for an environmental license in the mining, hydrocarbon, infrastructure, electrical, maritime or port sectors in this country are obligated to determine and quantify offsets, starting from the planning stage of licensable projects.

Colombia is one of the first Latin American countries to set up and implement specific rules and regulations on biodiversity offsets. In addition to article 50 of law 99 from 1993, both resolution 1503 from 2010, and law 1450 from 2011 establish the need to standardize environmental offset mechanisms. And in 2012, the Ministry of the Environment approved the National Policy for the Integral Management of Biodiversity and its Ecosystem Services (PNGIBSE, by its Spanish acronym), whose strategic focus is to “strengthen activities and institutions related to the evaluation of environmental impacts, the recovery of environmental liabilities, and the allocation of environmental offsets for biodiversity loss, linked to environmentally licensable projects, at the national, regional and local levels” (1).

Later that same year, with the support of transnational NGOs like WWF and The Nature Conservancy, the Manual for Allocating Offsets for Loss of Biodiversity (MACPB, by its Spanish acronym) was adopted through Resolution 1517. Companies applying for an environmental license in the mining, hydrocarbon, infrastructure, electrical, maritime or port sectors are obligated to use this manual. Applying the manual involves determining and quantifying offsets, starting from the planning stage of licensable projects. This must take into account three aspects: establishing how much to compensate in terms of area, where to compensate, and how to do so with a “no net loss” approach—wherein the loss in biodiversity in one site can be offset at another site using “ecological equivalence”; that is, through deceptive accounting.

Colombian environmental sectors criticized both the 2011 law and the manual. One of the main criticisms was that the handful of transnational NGOs involved have close ties to, and receive funding from, the very corporations that need the offsets in order to maintain and increase their levels of destruction. Also, there was no consultation with various Colombian actors, such as academia and national and local organizations (2).

Based on these regulations, and on the discourse that promotes reducing the carbon footprint, the Regional Autonomous Corporation of the Negro and Nare River Basins (CORNARE) proposed the creation of “BanCO2” to carry out biodiversity offset plans, through an alliance with Bancolombia, the Climate and Development Alliance (CDKN), WWF and the Natura Foundation (3).

Cornare launched BanCO2 in 2013, and it was rapidly adopted by other Regional Autonomous Corporations. It is being implemented through an alleged cooperation

or payment to rural families, through the support of the Regional Autonomous Corporations (currently numbering 20) and the investment of companies such as the energy companies ISAGEN, Ecopetrol and Petrobras, the mining companies AngloGoldAshanti Colombia and Antioquia Gold, the cement company Argos, the public utilities company EPM, and others. These companies are listed as “offsetters;” that is, they are the ones that pay a fee to supposedly compensate for their environmental degradation. In this way, paying to conserve a certain area in some part of Colombia allows these companies to continue with their extractive industries in others.

Three examples of BanCO2:

- To the east of Antioquia department in the San Roque municipality, the Gramalote project of multinational mining company, AngloGoldAshanti Colombia, pays 15 farming families to protect 215 hectares. However, this gold mining project covers an area greater than 9,413 hectares in six municipalities, potentially affecting 50,000 people. What’s more, while AngloGoldAshanti is able to present itself as an “environmental caretaker” in the BanCO2, this South African multinational has 504 mining titles in Colombia and another 3,074 applications which could possibly displace and affect thousands of families throughout the country (Censat Agua Viva, 2016).
- The Public Utilities Companies of Medellín (EPM, by its Spanish acronym) is a Colombian multinational which is currently building the Hidroituango mega-dam, for which it has cut down more than 4,500 hectares of tropical dry forest, one of the most threatened ecosystems in Colombia. Through BanCO2, this company’s offset for its enormous environmental damage has been a payment to 56 families, which over three years will amount to 1,209 million Colombian pesos (about US \$421,482). EPM’s profits in 2016 were 1.86 billion Colombian pesos (about US \$619,392,994) (Gómez & Echeverry, 2017).
- “Peace Forests” is a Ministry of Environment and Sustainable Development program which proposes to design productive activities “in order to generate marketable goods and services and contribute to conservation...” through 2017 resolution 0470. Through this program, 3,500 million pesos (about US \$1,172,409) will be invested in the municipality of Granada in agroforestry practices on 1,200 hectares of forest (4). The goal is to create 150 Peace Forests throughout the country by planting around 8 million trees in the next two years, along with with environmental offset strategies such as BanCO2 (5).

The implementation of BanCO2 launches a real debate on the rights of use in peasant and farming territories. Even though ownership of lands does not change, when farmers enroll in the BanCO2, those who exercise power over land use does change. Farming families lose decision-making power over their territory, and they give it to regional corporations who are in charge of enforcing compliance with these commitments, in service to the market.

Additionally, the “Habitat Bank” strategy was recently created through Decree 2099 in 2016, and the Ministry of Environment and Sustainable Development

publicly launched it in 2017. The Habitat Bank will be launched with a private investment of US \$1.5 million, to restore and conserve 605 hectares of land in the municipality of San Martín, Meta department. This program “seeks to have companies, which are obligated to offset the negative impacts they cause on the environment, do so through lands predestined for conservation and restoration.” This US \$1.5 million investment is financed by the Multilateral Investment Fund (MIF) and the Inter-American Development Bank (IDB) (6).

As we can see, conservationist offset projects which play up companies’ “social and environmental responsibility” are a deft maneuver to double their profits. Legitimizing their policies translates into higher stock prices for them; it is a kind of endorsement to continue expanding. Companies aim to construct an image of themselves as redeemers of territories, focusing on highly publicized offset measures; yet their ecological credentials are questionable, to say the least.

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Censat Agua Viva. 2016. Lavado de imagen corporativa + negocio financiero = BanCO2 <http://censat.org/es/analisis/lavado-de-imagen-corporativa-negocio-financiero-banco2>

Gómez & Echeverry. 2017. BanCO2 o el premio a la contaminación. In *Ecología Política Magazine*, Nº 53, under review.

(1) Ministry of Environment and Sustainable Development. National Policy for the Integral Management of Biodiversity and its Ecosystem Services

<http://www.humboldt.org.co/en/component/k2/item/647-pngibse-en?highlight=YToxOntpOjA7czo3OiJwbmdpYnNlIjt9>

(2) <http://blogs.elspectador.com/actualidad/conspirando-por-un-mundo-mejor/665-2>

(3) Regional Autonomous Corporations (CARs, by their Spanish acronym) are corporate public bodies, integrated by local authorities, commissioned by law to manage the environment and renewable natural resources within the areas of their jurisdiction, and promote sustainable development in the country.”

<http://www.minambiente.gov.co/index.php/component/content/article/885-plantilla-areas-planeacion-y-seguimiento-33>

(4) <http://www.eltiempo.com/colombia/medellin/nuevo-bosque-de-paz-en-granada-antioquia-76834>

(5) www.minambiente.gov.co/index.php/noticias/2975-las-compensaciones-ambientales-son-el-motor-de-un-nuevo-modelo-de-desarrollo-sostenible-para-colombia

(6) <http://www.elspectador.com/noticias/medio-ambiente/colombia-estrena-el-primer-banco-de-habitat-de-latinoam-articulo-677536>

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Madagascar: The “offsetting non-sense”

From WRM Bulletin 232, July-August 2017

Mining giant Rio Tinto operates a mine in Fort Dauphin, Madagascar, in the Anosy region. This is, in fact, the most widely advertised biodiversity offset project in the mining sector. It is intended to compensate for biodiversity loss resulting from the destruction of coastal forest at Rio Tinto QMM’s ilmenite mining site, by “preserving” a forest in Bemangidy-Ivohibe, some 50 kilometres to the north of the mining site.

“It is an absurdity, as well as an injustice that they take away our forest claiming that they want to protect it, while in reality it is only a way for them to continue to devastate, with their mines, another forest somewhere else.”

This is how we were received sometime ago by the assembly of the village of Antsontso, a small community at the far south of Madagascar. It was September of 2016. For the third time in a few years, the Italian organization Re:Common decided to go back to the big island to continue unveiling the scam of biodiversity offsetting, which is making the fortune of mining companies and the misery of communities around the world.

What is biodiversity offsetting about?

For some years now, transnational companies, mostly involved in mining, industrial agriculture and construction of large infrastructure projects, along with international financial institutions such as the World Bank and the European Bank for Reconstruction and Development, some major international groups for the conservation of nature and an increasing number of governments have started to use, more and more frequently, a strategy known as “biodiversity compensation,” or biodiversity offsetting.

According to them, this mechanism would help protecting biological diversity, with the argument that for every hectare destroyed by the companies’ operations, the biodiversity and ecosystem functions linked to those same hectares of land would be protected or restored elsewhere.

“A mine at the rescue of biodiversity”?

Rio Tinto’s QMM mine in Fort Dauphin, Madagascar, in the Anosy region, has been operating since 2005. It has a permit to dredge 6,000 hectares of unique littoral forest, in order to extract ilmenite, an industrial whitener used in a number of products, from paint to toothpaste. The operation has been removing the last strands of forest in the south-eastern edge of the island, one of the most biologically and culturally diverse areas in the world.

In order to counter-balance the talks around the negative impacts to such a fragile and precious environment, in the past years, Rio Tinto (RT) has paved the way to push back against environmental criticisms of its operations by investing millions of dollars into an internationally supported Biodiversity Action Plan.

Despite being the most powerful multinational mining company in the world, with socio-environmental conflicts spread across six continents, RT managed to obtain recognition as the “global champion” in the protection of biodiversity. To achieve that, the multinational company made strategic alliances with influential conservation groups as well as with accredited experts in the academia, who enabled the corporation to publicly claim that the ilmenite mine “came to save the unique biodiversity of the coastal area of Fort Dauphin”. (1)

The Rio Tinto/QMM biodiversity offset project in Madagascar is, in fact, the most widely advertised offset project in the mining sector. It is intended to compensate for biodiversity loss resulting from the destruction of the unique and rare coastal forest at Rio Tinto QMM’s ilmenite mining site, by “preserving” a forest in Bemangidy-Ivohibe, some 50 kilometres to the north of the mining site. “Preservation” however is translated in the introduction of restrictions to local communities on their forest use.

A joint Re:Common and World Rainforest Movement (WRM) field investigation in September 2015 aimed to collect the views of villagers living in the vicinity of one of the three sites that make up the Rio Tinto QMM biodiversity offset plan for the company’s ilmenite mine in Fort Dauphin (2). Our conversations with the villagers of Antsontso, where the compensation project is carried out, revealed that the real situation is very different from the stories told by the company abroad.

In particular, the biodiversity offsetting project has made the livelihoods of the people living at the compensation site even more precarious by imposing extremely severe restrictions to their forest use, almost the unique source of survival for the people in the area. Income-generating alternatives to alleviate the loss of access to the forest had been promised but have yet to materialise. Meanwhile, people are confronted with a daily struggle to feed themselves.

In September 2016, about one year later, the ground-braking video-documentary, *Your Mine* (3), was shot with the inhabitants of Antsontso, which allowed to unveil who is really benefiting from the biodiversity offsetting project, and who is carrying the unbearable consequences of it.

Scaling up the protest

In order to strengthen the solidarity with the people of Antsontso, so harshly impacted by the restrictions imposed on the access to their forested lands, as well as to support their quest for justice, Re:Common, together with a group of European-based groups, engaged in supporting the community’s attempt to bring their voices to where decisions are usually taken, and where often stories told much differ from the reality on the ground. Rio Tinto’s 2017 Annual General Meeting with the Shareholders was going to be unusual, since it would host Antsontso community representatives, as part of the wider civil society joint action to draw attention on QMM’s social license to operate. The villagers representing the community affected by QMM’s biodiversity offsetting programme, which has left them without fertile lands and no compensation for the loss of their forest access, food security and livelihoods, were supposed to bring new questions for the company to answer.

But Antsontso villagers were told a few days before their travel date that their

UK visas were denied. The reasons given belied not only questionable prejudices of the UK Government towards indigenous peoples but also raised serious, unaddressed suspicions of company interference.

The community member who had planned to attend the Annual General Meeting was outrageously informed by British officials that he had a “lack of qualification” to speak about environmental and human rights concerns (4). This, in fact, makes Rio Tinto to rapidly lose its credibility. Interestingly enough, back in October 2016, QMM’s much hailed biodiversity committee had already resigned, stating that Rio Tinto and QMM had watered down their commitment to responsible mining by creating “a vague and fundamentally weakened strategy” (5).

The story however does not end here. Even though Antsontso community’s struggle for justice is still on going, and any prediction of an end to that struggle is probably still far away, some more general reflections can be drawn from this very telling story.

Offsetting for whom?

In recent years, we are assisting an increasing number of researchers, activists and practitioners engaging in discussions and analysis focused on how to assign economic values to nature, under the assumption that the only way to protect it is by making it “economically visible”. This quest for measuring the immeasurable has produced a plethora of metrics, accounting systems and even biodiversity banks, together with large debates surrounding these tools, with the only result being that the most fundamental issues of social justice have remained largely unaddressed.

We take a fundamental opposition to an approach that wants to lock “people” and “nature” into two separate opposing blocks as well as an ethical rejection of a process aimed at abstracting complex and dynamic habitats into equivalences based on questionable metrics and units, with the short-lived experience of carbon credits in mind. However, we even question the effectiveness of biodiversity offsets as being able to make ‘biodiversity credits’ both financially appealing and efficient in terms of biodiversity conservation at the same time.

However, it is not on the (lack of) efficiency and effectiveness of these mechanisms that we want to build our argument, but rather on questioning their very purpose.

Protecting nature and biodiversity has little or nothing to do with biodiversity offsetting as the actual goal of these schemes is to allow further destruction and appropriation, by way of legitimizing or even legalizing environmental crimes. Behind the gloomy story of the protection of nature, in fact, there are hundreds of millions of public money being diverted into the pockets of transnational companies.

Extractivism, meant as the systematic extraction of wealth and sovereignty from territories, is in constant need of new mining projects or large dams in biodiversity-rich areas (more often in the South), as well as mega infrastructural projects such as highways or residential areas in more anthropized areas.

In order to achieve control over these resources, the extractive machine has to overcome increasing opposition from those communities that would simply not give up on their right to decide what will happen on their territories. From here

comes the necessity for companies to elaborate new and more sophisticated ways to gain their license to destroy.

By launching and promoting offsetting projects, companies not only can continue undisturbed with their business as usual, but they can do so while at the same time presenting themselves as champions of nature conservation, with the active support of well-accredited research institutes, conservation NGOs, a part of the academia, and with the support of another powerful ally, the State. The State is in fact structurally indispensable for this predatory model to succeed, as it has the power to make it legally possible – by adjusting the rules of the game – but also socially justifiable – by allowing it in the name of a ‘public interest’ that is reframed so as to equate with private profit. This way, entire territories that are most targeted by extractive companies become also subject to repressive militarization, leaving little room for discussion and let alone opposition.

The evidence collected during our journeys through biodiversity offsetting areas raises a fundamental question of justice (6).

Hundreds of families are losing their means of survival to allow the world’s mining giants to increase their profits. Private companies and conservation organizations supporting these projects with their sustainability trademarks do not even feel obliged to inform affected communities about the real motivations behind the restrictions imposed on the use of their territories.

However, perverse mechanisms such as biodiversity offsetting are extremely effective in one thing: to shift the attention from the what to the how. By focusing on how to make business-as-usual more socially acceptable or ecologically sustainable, they prevent the emergence of a truly democratic and transparent discussion about meaningful alternatives to a predatory development model that continues benefiting only a few at the expense of many.

It is crucial not to waste precious time searching for ways to reform a broken system that should instead be rejected as such. We can no longer afford distractions.

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- (1) http://wrm.org.uy/wp-content/uploads/2016/06/Article_Rio_Tinto_in_Madagascar.pdf
- (2) <http://wrm.org.uy/books-and-briefings/rio-tintos-biodiversity-offset-in-madagascar-double-landgrab-in-the-name-of-biodiversity/>
- (3) https://www.youtube.com/watch?v=_x-ZB2xyCfQ&feature=youtu.be
- (4) https://www.theguardian.com/global-development/2017/apr/07/madagascar-farmer-mining-firm-rio-tinto-agm-ousted-from-land-athanase-monja?mc_cid=c25820a07c&mc_eid=5e52a8e9f0
- (5) http://www.theecologist.org/_download/403726/qmm_biodiversity_committee_resignation_statement_final.pdf
- (6) <http://www.recommon.org/eng/biodiversity-offsetting-license-destroy/>

Also access the Bulletin article from 2016, “[Rio Tinto’s biodiversity offset in Madagascar: How culture and religion are used to enforce restrictions](#)”

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Environmental offsets in Panama: A strategy that opens up protected areas to mining

[From WRM Bulletin 232, July-August 2017](#)

Minera Panamá, owned by Canadian company First Quantum, has a concession to conduct open-pit copper mining in the Donoso District, within a protected area. The company has also built a 200-hectare deep-water port on the Caribbean Sea, which will use to export the mineral, as well as a coal-fired power plant to provide energy for its operations. In order to obtain the environmental permits, the company has presented plans to “offset the loss in biodiversity.”

Minera Panamá (MPSA), owned by Canadian company First Quantum, has a concession to conduct open-pit copper mining in the Donoso District, Colón Province, which covers an area of 13,600 hectares within a protected area of Panama. Additionally, the company has built a 200-hectare deepwater port on the Caribbean sea,—which it will use to export the mineral from the country—as well as a coal-fired power plant to provide energy for its operations. The concession is located about 120 kilometers west of Panama City. In order to obtain the environmental authorizations, the company has presented plans to “offset the loss in biodiversity.”

Who is First Quantum?

In 2013, Canadian company First Quantum bought 80 percent of Minera Panamá SA's share capital (MPSA), which was mostly owned by Canada's Inmet Mining/Petaquilla; the latter already had the concession to extract copper and gold in the area. Like the vast majority of Canadian companies operating in Latin America, First Quantum has a history of allegations of human rights violations in other countries where it has operated. A report by OECD Watch, Oxfam Canada and the Zambian organization, DECOP, has denounced the company's involvement in the eviction of villagers from an area in Zambia that they had traditionally occupied, causing serious harm to these communities. Another report claims that the company was involved in the illegal extraction of natural resources in the Democratic Republic of the Congo, in 2002 (1).

The 13,000-hectare concession in Panama lies within the Mesoamerican Biological Corridor—a biologically rich connecting region which will be severely damaged by MPSA's copper extraction. Its forests are in an excellent state of conservation and harbor incredible wealth in terms of biodiversity. The adjacent population are mainly peasant and indigenous peoples, engaged in subsistence farming and ranching.

Neighboring towns have already experienced the impacts of mining firsthand, since Petaquilla Gold has already operated in the region. In its 100-hectare concession area, the company caused contamination of rivers, deforestation, and health impacts in the communities—not to mention its hundreds of unfulfilled promises. The company was plunged into a financial scandal. It was then abandoned, leaving in its wake open cracks and pools of cyanide, which today are still a latent

threat to the rivers and people of the area. This is in addition to the thousands of workers who were not paid, and other unmet labor obligations on the part of the company.

Offsetting damage that cannot be repaired

According to environmental authorization requirements outlined by the government, Minera Panamá/First Quantum must offset the irreparable losses to the environment that the large-scale copper mining will cause. The company has committed to following the standards imposed by the International Finance Corporation (IFC), the private sector arm of the World Bank, and it has presented plans to “offset the loss in biodiversity.”

The mine has not yet begun to operate. Nonetheless, the company has mounted a strong campaign promoting its activities, perhaps to appease both the conservation NGOs that pushed to declare the Mesoamerican Biological Corridor as a protected area, and the local residents who oppose the massive destruction the project will cause. These activities include several programs that are part of its offset strategy. According to its website, the company “is committed to maintaining a net positive impact on biodiversity and to being a global leader in biodiversity management.”

WRM visited the area in late 2016, to talk with local people and learn firsthand what is happening on the ground.

Among the company’s projected biodiversity offset plans is the reforestation of 7,300 hectares. This plantation would serve to offset the irremediable losses that the mining project will cause in the Mesoamerican Corridor area. The local people we talked to in the Coclecito area knew that the company was carrying out reforestation plans. In spite of all the propaganda on the company’s website, on our visit we saw just a few coffee plants and a few native trees planted along a steep edge of the road.

In the already absurd logic of offsets, it seems even harder to imagine how a few coffee plants and trees could compensate for the loss of forests in the area, which harbors enormous diversity of flora and fauna—including endangered endemic species, which are also highly important for local communities, who use them on a daily basis (2).

Furthermore, since several species that inhabit the area will evidently have their habitat destroyed, the company has made agreements with international organizations in an attempt to save some of these species—and thus improve its image. For example, its partnership with the Sea Turtle Conservancy seeks to protect endangered sea turtles that nest precisely on the part of the Caribbean coast that will now be impacted by the deepwater port used for exportation.

The company also presented another offset plan to support management of the protected areas surrounding the concession—the Santa Fé and Omar Torrijos National Parks—and to create a third multipurpose area in Donoso, altogether totaling some 250,000 hectares. Minera Panamá says it will cover the costs of equipment, infrastructure, biological monitoring, education, and a training

program for park rangers in all of Panama's protected areas.

Here lies another great fallacy of offset mechanisms: Corporations do not even have to carry out their own offset plans. They have found a way to free themselves of the responsibility of implementing offset projects, and of the costs to maintain said projects—especially once the mine has ceased to operate.

Furthermore, one of the underlying concepts of offsets is that they should be “additional.” That is, offset project promoters have to demonstrate that if it were not for their project, the area they are now conserving would have been destroyed—which is not the case in protected areas.

Using illegitimate methods—as is the case with offsets for irreparable damages—Minera Panamá is preparing to open up and destroy Panamanian forests in the Biological Corridor. Offset mechanisms are based on mercantilist logic that sees a forest as a set of independent and interchangeable parts. This is vastly different from the worldview of indigenous and farming communities, who see the forest as an interconnected and interdependent whole that includes even them. For these peoples, allowing the destruction and fragmentation of an area as rich as the Caribbean Atlantic is criminal.

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(1) See the Mining Watch Canada report, “Supporting Communication to the Special Rapporteur on the Rights of Indigenous Peoples”, <https://justiceprojectdotorg1.files.wordpress.com/2012/03/supporting-communication-jcap-mw-dsg-final-english-1.pdf>

(2) Economic and distributive analysis of mining activity in Panama, The Nature Conservancy, <http://bit.ly/2C5NWEi>

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From Biodiversity Offsets to Ecosystem Engineering: New Threats to Communities and Territories

[From WRM Bulletin 227, November-December 2016](#)

If one sees the world as a huge market, it is necessary to level, standardize and define common measures that enable trade. In this view, anything can supposedly be “offset;” thus deforestation can go on destroying natural and biodiverse areas. It is not a matter of stopping, reducing, or avoiding; just that the sum total after offsets is zero, according to those who have taken over the definition of measures and the system of adding and subtracting.

At a meeting in a wixárika community in Jalisco, México, with organizations and villagers from other areas, the language we used to communicate was Spanish. We discussed threats to territories, corn, transgenics, agrochemicals, “biopiracy” and the patenting of plants and indigenous knowledge. Most participants were wixáritari (called huicholes in Spanish). During the meeting, they talked amongst themselves in their language. They say words like “transgenics” and “biopiracy” in Spanish.

What struck me was that in their conversations, the wixáritari also said the words “plants” and “animals” in Spanish. I thought it was strange that those words would not exist in their language; and so I asked Lauro, one of the older community members, who confirmed that this was indeed the case. I was surprised and tried to understand why. Lauro thought for a moment and said “We do not have a word for all animals that does not include us, or all plants without us, as if everything were one and we are not included.” Every animal, every plant and every living thing, just like every mountain, river, road —and even rock and stone— has a name; because they are all subjects, part of the same continuum of beings that make up community in a territory.

How far “biodiversity,” “biocultural heritage,” and other similar concepts are from these much deeper conceptions. These concepts group together “categories” that do not exist, because they are not categories of the same thing. Every community and traditional culture has a unique way of being in their territory and of relating with the elements it comprises.

To place all living things, their systems of relationships, subsistence and mutual support, and their cultures and histories under one term that synthesizes and paradoxically standardizes everything is useful to create international laws, regulations and commercial transactions; but it is far from reality. An example of this is using the term “environmental services” to describe the vital functions of very complex and diverse systems —such as forests, rivers, soils, air, and breathing and nutritional systems of nature’s elements. Yet this extreme conceptual simplification is useful for trading, selling or issuing bonds for “services,” as it eliminates all complexities and thus enables “biodiversity offsets.”

Using this definition, mining, oil or timber companies with extensive and deforesting monoculture, justify the destruction of large natural areas —which are

often the basis of communities' livelihood— if the company or an allied international “conservation” NGO “protects” an equally “biodiverse” area elsewhere, even if in another part of the world. As if the destruction of a forest or community could be compensated by sparing another community's life, or by letting another forest stand elsewhere. Nonetheless, this is exactly the basis of so-called “biodiversity offsets,” one of the recent additions to the lucrative “zero net damage” market: zero net carbon emissions, zero net deforestation, zero net destruction of biodiversity.

If one sees the world as a huge market, it is necessary to level, standardize and define common measures that enable trade. In this view, anything can supposedly be “offset;” thus greenhouse gases can continue being emitted, and deforestation can go on destroying natural and biodiverse areas. It is not a matter of stopping, reducing, or avoiding; just that the sum total after offsets is zero, according to those who have taken over the definition of measures and the system of adding and subtracting.

There are many examples that demonstrate the injustice of applying this mentality. One of WRM's most recent reports on biodiversity offsets by mining company Río Tinto in Madagascar is a clear example of how unjust the biodiversity offset system can be, even if it is presented as a model in international negotiations. (1).

Offset systems, whether biodiversity, carbon or others, offer additional benefits to the companies and NGOs involved. They allow them to continue with destructive activities, as well as to generate speculative financial market niches from the bonds and credits obtained from the “offset.” Really they do not offset anything, but rather those secondary actions are a source of business and additional profits.

In the case of REDD and biodiversity offset programs, the “protection” of forests and other areas also restricts or severely limits communities' management of their own territories, and often their sources of livelihood. This occurs by limiting or preventing their traditional uses of the forest and other areas, now subject to plans of non-intervention or management that must be adjusted to international standards, exogenous to the communities.

In this perverse dynamic, communities not only can have their territory contaminated or partially destroyed; they can also be displaced or forced to migrate due to the lack of livelihood possibilities in other territories that will be used to “offset.”

Metrics, monitoring and control

Another collateral effect of these programs is the increase in quantity, precision and technology of surveillance instruments; which are used to explore various kinds of resources—from aquifers and mines, to plants that could be subject to biopiracy—as well as for other undesirable uses.

In order to get to “zero,” everything must be measured. In the case of forests and other live ecosystems, this is very difficult because of natural dynamics (for example, forests breathe: they absorb but also emit carbon dioxide), and also because all forests are inhabited. To measure accurately and with minimal uncertainties or

variables—in order to “monitor, verify and report,” but mainly to sell—life gets in the way.

Instead of accepting the dynamics of life and understanding that it is impossible to subject basic cycles to market demands, REDD systems have invented expensive and sophisticated ways of measuring “carbon permanence,” in order to put a price on it for bonds and projects, etc. It is not about the permanence and wellbeing of people, communities and natural systems, but rather about reducing everything to a single measure: carbon dioxide and carbon credits equivalent, which according to the dominant mentality will be the new measure of all things. (2)

In order to measure the immeasurable (soils, water, forests —which are alive, dynamic and interacting systems and therefore not measurable), REDD promoters have developed a combination of three tools: high-resolution satellite systems; infrared photographs or videos from fixed-wing drones that can produce even three-dimensional reconstructions; and teams of individuals who go to places to corroborate and complete data on vegetation and soils, and to establish GPS reference points. These local teams, generally comprised of people from the very communities that will be affected, have unique knowledge of the area, but do not necessarily understand the implications of their participation in these tasks. There are extreme cases, such as what happened in Chiapas, Mexico in 2011 with the Lacandona community. Members of one of the indigenous communities to be affected in the area were paid a minimum amount to guard the chosen area with guns, and make sure nobody entered, even blocking passage of members from other indigenous groups from the same place.

This form of “monitoring” to comply with REDD project requirements, also facilitates new forms of biopiracy —since vegetation can now be detected in detail, and paired with local knowledge on its uses and exact location. (3) Combined with the information in gene banks and genetic sequencing databases—which contain data on tens of thousands of plant varieties and species —and coupled with the possibility to reconstruct genes through synthetic biology, this allows for kinds of biopiracy not even considered in international standards, like the Nagoya Protocol of the Convention on Biological Diversity (CBD). This UN Convention, with the pompous name, “Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization,” is a legally binding instrument established after many years of negotiations. It is supposedly meant to regulate access to genetic resources and ensure the sharing of benefits obtained from their use. Even before the appearance of these new technologies, the Protocol was already unable to prevent true biopiracy, which is the privatization of resources wherein the State or communities do not receive a percentage.

Furthermore, it does not take into account new forms of digital biopiracy that are replacing the conventional ones.

Digital Biopiracy, Synthetic Biology and New Threats

Until a few years ago, companies needed a physical sample of a plant, insect or microorganism in order to analyze and patent it. Now, with the lowering costs

of genetic sequencing, and the fact that the vast majority of information exists in easily accessible databases; companies, researches and even “biohackers” can download this information online and reconstruct genetic sequences of interest in a laboratory. People have already and repeatedly built entire organisms, such as viruses. It is increasingly easy to do so, and increasingly harder to know who is doing what. Bacterias, yeasts and more complex organisms have also been built synthetically, but this is still a slow process with uncertainties. This does not stop the development from continuing at a dizzying speed, and there is even an initiative to construct a synthetic human genome in the next decade. (4)

Gene banks related to food and agriculture, most of them public or semi-public, have initiated a global collaboration (DivSeek) to share all the information from the different banks. Their main intention seems to be to facilitate or sell access to the private sector and transnational companies; as well as to avoid even minimum regulations to publish and state the origin of samples, or to “share benefits,” as required by the FAO’s International Seed Treaty (5) and the CBD. La Vía Campesina (6), the Third World Network and other organizations warned against this initiative. (7)

This kind of digital biopiracy is not even considered in the CBD’s Nagoya Protocol on Access to Genetic Resources —an agreement which nonetheless seems designed more to give companies legal certainty over their patents and investments, than to enforce and recognize the rights of indigenous and farming communities, and their enormous historical and present contribution to the sustenance of the whole world. (see [article in the bulletin on the Constitutional Court ruling in Guatemala](#)) This can only occur by respecting all their rights and supporting them to remain in their territories, not through bilateral contracts between a community and a company.

Synthetic biology also encompasses many other threats

“Genome editing” is now the main instrument that transnational pharmaceutical, agribusiness and timber companies use, thus named in an attempt to dissociate new biotechnologies from the generalized resistance to transgenics. However, all synthetic biology techniques are forms of genetic engineering; some make even more disturbing interventions than previous transgenics.

One of these applications, the construction of “gene drives,” is potentially more devastating than everything we have seen until now. It could be used to extinguish entire species or manipulate ecosystems, which is why it is called “ecosystem engineering.” This system ensures that a manipulated wild organism’s offspring go against the natural laws of heredity (wherein each parent contributes 50% of genetic information), and instead transmits only the manipulated gene or genes to all its descendants. This would be a way to genetically manipulate wild (uncultivated) organisms and let them reproduce indefinitely. Technically, this technology has already been successfully applied in laboratories, and some of its developers have called for it not to be released. In nature, there will surely be many factors, mutations and other interactions that could keep this technology from thriving. However, it

is extremely worrisome that its designers' intention is explicitly to wipe out species they consider to be "pests," which is highly risky and could throw species and entire ecosystems out of balance. (8) Furthermore, the potential to use this technology for warfare or hostile ends, to inoculate pests or even human diseases, is very high. (9) For these reasons, the Convention on Biological and Toxin Weapons already has this technology on its agenda.

The ETC Group and other organizations believe that this technology should be banned or at least placed under international moratorium. This issue will be discussed at the 13th Conference of the Parties of the Convention on Biological Diversity in Cancun, Mexico, in December 2016.

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(1) http://wrm.org.uy/wp-content/uploads/2016/04/RioTintoBiodivOffsetMadagascar_report_EN_web.pdf

(2) On this topic, it is very useful to read the essay La métrica del carbono: ¿el CO2 como medida de todas las cosas? de Camila Moreno, Lili Fuhr, Daniel Speich. https://mx.boell.org/sites/default/files/carbon_metrics-impresion.pdf

(3) Silvia Ribeiro, 2011. REDD, satélites y biopiratería. La Jornada, México, Mayo 2011. <http://www.jornada.unam.mx/2011/05/07/opinion/027a1eco>

(4) Silvia Ribeiro, 2016. ¿Seres humanos sintéticos? La Jornada, 28/5/16. México. <http://www.jornada.unam.mx/2016/05/28/opinion/021a1eco>

(5) The FAO Seed Treaty: <http://www.fao.org/plant-treaty/en/>

(6) Press release from La Vía Campesina: <https://viacampesina.org/en/index.php/main-issues-mainmenu-27/biodiversity-and-genetic-resources-mainmenu-37/1877-peasants-rights-belong-to-peasants-don-t-take-a-single-one-away>

(7) The Third World Network (TWN) has published a series of critical documents about the DivSeek initiative <http://www.divseek.org/>, available at www.twn.my/DivSeek.htm

(8) Summary of gene drives and their implications <http://www.etcgroup.org/es/content/impulsos-temerarios-los-impulsores-geneticos-y-el-fin-de-la-naturaleza>

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Destructive companies “creating more biodiversity”?

[From WRM Bulletin 222, March 2016](#)

The World Bank, through its private sector arm—the IFC—claims that biodiversity offset projects should ideally result in “more biodiversity”. In technical terms this idea is called “net positive impact,” even when it involves the destruction of thousands of hectares of forest, and with it the livelihoods of forest-dependent communities.

As we have already argued in previous bulletins, it is absurd to accept the idea that companies can freely destroy an area—for example to conduct mining activities—as long as they “offset” these activities. The World Bank, large corporations, conservationist NGOs and, increasingly, national governments argue that it is acceptable to “offset” the biodiversity destroyed by mining, as long as an “equivalent” area is protected or re-created elsewhere. The absurdity of this idea does not stop here. The World Bank, through its private sector arm—the IFC—claims that this kind of “offset” project should ideally result in “more biodiversity” (1): in technical terms this idea is called “net positive impact,” even when it involves the destruction of thousands of hectares of forest, and with it the livelihoods of forest-dependent communities.

The “biodiversity offsets” proposal is based, in the first place, on accepting mining and other destructive activities as inevitable. These activities must go on, as if they were the only way towards a “better future” or “progress”—which are some of the promises made to people when another major development project is announced. Continued destruction is so essential to the concept of “biodiversity offsets,” that this proposal would not be viable or even exist if there were no destruction. It is a perverse logic, since anyone with a bit of common sense would seek first to avoid destruction, rather than facilitate its continuance. But in the current capitalist economic system, destruction makes sense; from the perspective of those who continue to destroy with impunity in order to create new opportunities to profit.

In the perverse logic of “offsets,” its proponents seek an area “equivalent” to that which will be destroyed, and in the case of “biodiversity offsets,” in the same region or country. Then they invent a story – very much like what happens with [REDD+](#) projects – in which they claim that the area runs the risk of being destroyed or deforested in the future, not by the company, but by the population using the forest. The mining company appears, generally with the support of large conservationist NGOs, proposing conservation as a way to “save” the area from “destruction,” which involves restricting local communities’ access to the forest and their traditional activities, such as agriculture. A report soon to be released describes what this means for the people living in an “offset” area (2). It focuses on one of the most internationally known “biodiversity offset” projects, developed by mining company Rio Tinto in Madagascar. While local peoples are blamed for total destruction of the “offset” area, and have their rights to use the forest restricted, Rio

Tinto QMM is allowed to freely deforest 1,500 hectares to install a mine and extract the mineral ilmenite.

But the perversity of such projects goes even further. In some cases companies claim they even “create” “more biodiversity,” for example, when —in addition to protecting the “offset” area— they carry out complementary activities such as tree-planting to “enhance” the region’s biodiversity. The project is thus even more perverse, since they present mining —which is extremely destructive— as an activity that contributes positively to the environment. It is also perverse because they usually promote reforestation activities as social projects, when, in practice, participating community members —and it’s never all of them— are paid very little. Meanwhile, communities are restricted in their livelihood activities, a situation which jeopardizes their food sovereignty. Worse yet is when reforestation involves monoculture plantations of fast-growing species that require a lot of water and chemicals, a frequent scenario.

In order for this “offset” logic to thrive, it is necessary to have laws and regulations protecting companies so that they can destroy legally, as long as they carry out “offset” activities. The World Bank, for example, encourages this. The first article of this bulletin addresses those dangerous changes in laws and regulations, offering a glimpse into the growth of this phenomenon in the global South. Another article reflects on how the green economy logic, which tries to reduce “biodiversity” and “nature” to a mere group of species and “ecosystem services,” increases the impunity of companies that destroy them. Another article describes how this logic has played out in Colombia, in the context of peace negotiations to end the armed conflict in the country. One article offers a critical reflection on local community “consultations,” which also abide by the logic that a destructive project is inevitable, and wherein decisions are usually taken long before the community knows about the project. This bulletin also includes an article on how REDD is failing to protect forests: After the Nigerian government implemented REDD projects restricting communities’ traditional use of forests, it proposed the construction of a mega-highway that not only will destroy forests and communal territories, but also cut through three REDD project areas. The final article, from India, shows how extractive industry’s corporate interests run roughshod over communities’ collective rights, even when these rights have been legally recognized.

False promises tied to proven destructive activities —both in terms of “offsets” and claims to create “more biodiversity”— are not just restricted to “biodiversity offset” schemes. In the last Paris climate conference, different versions of the idea to “Capture and Store Carbon,” combined with activities like tree-planting, suggest it would be possible to develop projects that result in “negative emissions.” Corporate interests primarily spread these ideas. This means, for example, that oil companies could continue to burn this product, to “capture” the carbon emitted and to “store” it somewhere through a given technology, often uncertain. And, if a project like that is linked to another one that involves large monoculture tree plantations that “store” carbon from the atmosphere in a country in the global South, the company claims it has not only “offset” its emissions, but also helped solve the climate crisis, since it created a situation of “negative emissions.” Indeed, at the Paris Conference

we saw ambitious plans to “reforest” Africa, and in this bulletin we have included an article about a conference that took place this month in Ghana, which seeks to promote this idea even more.

One positive aspect of these plans is that, in their absurdity, they make more evident how unviable the current destructive model of production and consumption is. We see this daily in the ever more serious environmental destruction and its impacts. We must therefore continue exposing and denouncing the increasingly absurd and irrational ways that such group of destructive businesses explore to preserve their interests.

1. http://www.ifc.org/wps/wcm/connect/bff0a28049a790d6b835faa8c6a8312a/PS6_English_2012.pdf?MOD=AJPERES

2. The report on the Rio Tinto project in Madagascar and the impacts of the company’s “biodiversity offset” project, production of Re:Common and WRM, will be published shortly.

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Biodiversity offsets facilitate continuation of business-as-usual destruction by mining companies

[From WRM Bulletin 215, June 2015](#)

For well over a decade, mining corporations like Newmont and Rio Tinto have been participating in voluntary biodiversity offset programmes even where the law does not require such compensation. So, what is the interest of mining companies to engage in offsetting programmes even where there is no legal obligation to do so?

For well over a decade, mining corporations like Newmont and Rio Tinto have been participating in voluntary biodiversity offset (1) programmes even where the law does not require such compensation. So, what is the interest of mining companies to engage in offsetting programmes even where there is no legal obligation to do so? The report from a workshop jointly organized by the International Union for Conservation of Nature (IUCN) and the International Council on Mining & Metals (ICMM) in 2003 provides a first insight: “participants agreed to explore the use of biodiversity offsets in recognition that there may be a point at which investment in biodiversity offsets provides greater social, environmental and economic benefits than trying to mitigate all impacts.” (2) These ‘greater benefits’ (for the mining corporations) become even clearer when one considers the “significant overlap between active mining and exploratory sites and areas of high conservation value,” which a 2003 World Resources Institute (WRI) report showed. With its focus on areas considered ‘high conservation value’, the WRI assessment disregards that the damage from mining to communities is real also in areas not considered ‘high conservation value’ by such international biodiversity assessments. Nonetheless, the report convincingly suggests that international opposition to the destruction caused by the mining industry is likely to increase the more the mining industry pushes into the remaining ‘high conservation value’ areas.

The same view is echoed in a 2005 briefing paper to the mining industry, where ICMM reinforces the potential that lies in offsets as a tool to reduce the reputational risk from biodiversity destruction. The briefing concludes that biodiversity offsets “could offer a means of ensuring continued access to resources, securing licence to operate.” (3) They focus in particular on offset schemes as part of a strategy for “maintaining licence to operate and access to land that might otherwise have been unavailable to the company”. The report cites the example that “Alcoa’s investment in biodiversity management activities at Jarrah forest mines in Australia is made in part to help ensure they retain the right to lease land for mining.” In the same vein, Rio Tinto – one of the ‘road testers’ of an initiative by the World Business Council for Sustainable Development (WBCSD), the Guide to Corporate Ecosystem Valuation – talks about its interest in biodiversity offsets. “The growing focus on exploration in developing countries means that the potential for landuse conflict will become an increasingly significant issue for Rio Tinto. [...]” (4)

A joint IUCN and Rio Tinto report and a presentation by a Rio Tinto

representative at a mining conference suggest an additional motive for the interest in the mining industry for biodiversity offsets. The report and presentation also show that for Rio Tinto, REDD+ is merely a variation of biodiversity offsets: “For companies like Rio Tinto, robust methods of valuing ecosystem services and the development of well-functioning markets for ecosystem services could provide an opportunity to use large non-operational land holdings to create new income streams for Rio Tinto to be used for conservation activities,” the report states, while the conference presentation slides note that “REDD projects represent a significant opportunity for Rio Tinto to capitalise on its non-operational landholding” The presentation mentions that “REDD projects can potentially be used to help meet Rio Tinto’s climate change commitments [sic]”, that Rio Tinto is “currently exploring REDD type projects in Madagascar and Guinea,” and that the company “is looking to identify opportunities to create conservation banks on its non-operational land holdings”. (5)

Another aspect related to money that explains the mining industry’s interest in biodiversity offsets is that they facilitate access to capital. Mining requires large investments and much of that money (still) comes from banks, both private and public. For many of those banks, the so-called “IFC Performance Standards” are an important reference. The International Finance Corporation (IFC) is the arm of the World Bank which lends money to corporations in the private sector. Since 2012, the IFC Performance Standard No. 6 requires that companies seeking IFC funding must show how they will “offset” the damage their activities will cause to biodiversity. (see WRM 213 Bulletin article, April 2015).

This reference to biodiversity offsets in the IFC Performance Standards has triggered a noticeable increase in corporate interest in biodiversity offsets, in particular in the mining industry. Consultancy firm Hardner & Gullison, for example, note on their website that the company “has assisted some of the world’s largest extractive-sector companies in the development of biodiversity management practices and compliance with the International Finance Corporation’s (IFC) Performance Standard 6 (PS6).” The consultancy’s website specifically mentions advise on biodiversity offset programmes for Rio Tinto, Minera Panama (Cobre Panama copper mine in Panama), Barrick Gold (Pueblo Viejo gold mine expansion in the Dominican Republic, Pascua Lama gold mining project in Chile, Lumwana copper mine in Zambia) and Newmont (Conga project in Peru, Akyem project in Ghana) as well as on a voluntary biodiversity offset programme for Antamina in Peru. (6) Rio Tinto explains their engagement in biodiversity offsets, in this case related to their mining operations in Mongolia: “Oyu Tolgoi – Mongolia: This developing project is required to meet specific biodiversity offset and nonetloss requirements under the International Finance Corporation’s Performance Standard 6 on biodiversity.” (7)

The trend-setting power of the IFC Performance Standards brings into focus the importance not just of the private sector arm of the World Bank but of the institution as a whole in working with the mining industry to create the regulatory environment that facilitates continued access to metal ore deposits. “The goal is to transform environmental legislation into tradable instruments”, the co-founder of

the environmental stock exchange Bolsa Verde Rio de Janeiro, Pedro Moura Costa, has stated on various occasions in reference to offset initiatives. And the World Bank is busily exploring how this transformation of environmental legislation into tradable instruments could be done.

Liberia is one of the countries for which the World Bank chose to develop a national biodiversity offset strategy. In March 2015, the Bank presented “A National Biodiversity Offset Scheme: A Road Map for Liberia’s Mining Sector”, a report “which explores the feasibility of implementing a national biodiversity offset scheme in Liberia to help minimize adverse impacts on biodiversity and ecosystem services resulting from mining.” (See WRM 213 Bulletin, April 2015). The report describes biodiversity offsets as “an opportunity for the private sector to contribute to an underfunded protected areas network.” Thus, lack of funding to implement government policy on protected areas (which itself was heavily pushed by the World Bank and international conservation NGOs engaged in corporate partnerships with companies in the mining sector) is used as a justification to make mining in ‘biodiversity hotspots’ easier as long as the destruction of one ‘biodiversity hotspot’ is compensated for by funding protected area management (probably by an international NGO) of another ‘biodiversity hotspot’. What the World Bank proposal consequently does not mention is that the mining concessions that will most benefit from such a biodiversity offset programme in Liberia are located in the most biodiverse region of the country. And of course, mining in these areas will destroy not only forests rich in biodiversity but also the livelihoods of communities who depend on those forests and the biodiversity they contain. In Panama, too, the mining industry focuses on their contribution to funding protected areas rich in biodiversity. Minera Panama S.A. (MPSA)’s biodiversity offset “includes support to three protected areas: Santa Fe National Park (72,636ha), Omar Torrijos National Park (25,275ha) and a new protected area to be established in the District of Donoso (ca. 150,000ha). These protected areas have limited funding support and are vulnerable to deforestation. [...]. MPSA [...] seeks to achieve a net benefit for the natural habitats it will affect with its 5,900ha footprint and potential associated indirect impacts.” (8)

The many forms of conflicts, contradictions and lies associated with implementation of offset initiatives, especially related to carbon offsets, have been documented by WRM and other organisations (see for example, [WRM website on the Mercantilization of Nature](#)). And while there is still little documentation about community experiences with biodiversity offset programmes linked to the mining industry, there is no reason to believe that the situation for communities affected by these biodiversity offset projects will be any different than the experience of forest-dependent communities with REDD+ projects (see for example [“REDD: A Collection of Conflicts, Contradictions and Lies”](#)). The WRM collection cites a report from Colombian organisation Fundepublico which highlights that in addition to the land taken for the mining and infrastructure, such offset schemes will also occupy large areas of land. Conflict is thus predictable: “Companies cannot find the land to establish the offsets, and the puzzle of matching offset demand with offset supply has yet to be solved.” And it is hard to see how this puzzle can be solved

without negatively affecting the livelihoods of many communities dependent on the land – not just in Colombia where solving the puzzle would involve finding offset locations for over 8 million hectares under mining concessions, at least 1.5 million hectares under oil and gas concessions, and thousands of kilometres of highways in the pipeline.

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1. Offset programmes are based on the assumption that biodiversity can continue to be destroyed without causing environmental harm as long as the destruction in one place is being compensated (“offset”) by additional protection of biodiversity of a comparable type elsewhere. The concept was first applied in the 1970s in the USA to enable continued destruction of wetlands even though the ecological functions of wetlands were protected by the Clean Water Act. In 1997, the Kyoto Protocol, the UN’s climate treaty, incorporated carbon offsets as a way for industrialized countries to avoid reducing their greenhouse gas emissions at home through paying for emission reduction projects elsewhere in the global South.
2. International Council on Mining & Metals (2005): Biodiversity Offsets – A Briefing Paper for the Mining Industry.
3. International Council on Mining & Metals (2005): Biodiversity Offsets – A Briefing Paper for the Mining Industry.
4. WRM (2014): Trade in Ecosystem Services. When Payment for Environmental Services delivers a Permit to Destroy. <http://www.wrm.org.uy/html/wp-content/uploads/2014/04/Trade-in-Ecosystem-Services.pdf> and link to WBCSD report with corporate biodiversity offset case studies: <http://www.wbcsd.org/work-program/ecosystems/cev/roadtesters.aspx>
5. IUCN and Rio Tinto (2011): Exploring ecosystem valuation to move towards net positive impact on biodiversity in the mining sector. IUCN and Rio Tinto Technical Series No1. Gland, Switzerland: IUCN. http://www.google.de/url?url=http://www.wbcsd.org/pages/adm/download.aspx%3Fid%3D5911%26objectypeid%3D7&rct=j&q=&esrc=s&sa=U&ei=xP2OVb_KI8u3sQG57IXwCw&ved=0CBYQFjAA&usg=AFQjCNEwIgB460oaKzP-tmwXcT6T0T9HQ Presentation by Stuart Anstee at 19 September 2008 AEMEE Conference. Title of the presentation: Opportunities and Risks for Rio Tinto Biodiversity & Ecosystem Services. 21 Slides. http://www.aemee.org.au/common/pdf/anstee_stuart2008.pdf
6. <http://www.hg-llc.com/corporate-biodiversity-management.html>
7. WBCSD (2012): Biodiversity and ecosystem services scaling up business solutions. Company case studies that help achieve global biodiversity targets. <http://www.wbcsd.org/Pages/EDocument/EDocumentDetails.aspx?ID=14923&NoSearchContextKey=true> 31
8. ICM & IUCN (2012): “Independent report on biodiversity offsets. Prepared by The Biodiversity Consultancy”

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World Bank paving the way for a national biodiversity offset strategy in Liberia

[From WRM Bulletin 213, April 2015](#)

The World Bank has been a central player in the development of carbon offsets. In March 2015, the World Bank presented a report that will help mining companies operating in Liberia present themselves as saviours of biodiversity even though their operations will continue to destroy some of the country's most biodiverse forests.

In March 2015, the World Bank presented a report that will help mining companies operating in Liberia present themselves as saviours of biodiversity even though their operations will continue to destroy some of the country's most biodiverse forests. The report "explores the feasibility of implementing a national biodiversity offset scheme in Liberia", and the World Bank sees potential for profiting from such a plan not only for the mining industry but also for oil palm and forestry corporations. Whether the authors of the report consulted with local communities who risk losing access to the land that provides their livelihoods not only through the mining operations but also from the biodiversity offset areas that are meant to compensate for the mining companies' destruction, is not known. What is known, however, is that they consulted international conservation NGOs and mining and oil palm corporations: They are explicitly thanked for their contributions in the report.

The World Bank has been a central player in the development of carbon offsets. The idea behind carbon offsets is that polluting industries can continue to do so as long as they "compensate" their pollution through the implementation of some "offset" project that claims to reduce an equivalent amount of pollution elsewhere. The Bank manages 10 "carbon funds" that help industrialized countries buy carbon credits. These credits allow them to continue burning fossil fuels in their own factories and refineries and claim this has no negative impact on the climate because they have paid someone else to supposedly reduce an "equal" amount of greenhouse gas emissions for them. But these fossil fuel emissions in industrialized countries are the principal cause of climate change, and it is in those countries that the excessive use of fossil fuels must stop.

The World Bank is experimenting on how to expand the flawed idea of carbon trading. Its Carbon Unit is managing five funds that aim to expand carbon markets, for example by including emissions from deforestation and from agriculture into carbon markets (see [WRM Bulletin of January 2014](#) and (3) for the problems with this idea). And the World Bank sees potential in offset markets far beyond the carbon market. Since 2012, the International Finance Corporation – the arm of the World Bank which lends money to corporations in the private sector – requests that companies it funds show how they will "offset" the damage their activities will cause for biodiversity. (4) As long as a company can show a plan that explains how what is destroyed in one place will be recreated elsewhere, the destruction can continue. Offsets need destruction! WRM has documented extensively what is

wrong with this concept, how the impacts of industrial land use on communities are ignored in the offset idea and how many carbon offset initiatives have caused harm to communities and resulted in conflict (see among others WRM report [REDD: A Collection of conflicts, contradictions and lies](#)). Because the idea of offsets is flawed – it justifies more destruction or pollution on the promise that the damage can be undone elsewhere and therefore does nothing to stop the mining and the destruction it causes in the first place – offsets are as much a false solution to the biodiversity crisis as they are for the climate and forest crises.

This does not stop the World Bank, however, from proposing that Liberia implement a national biodiversity offset strategy – and the World Bank has already worked out for Liberia what such a plan should look like. In March 2015, the Bank presented “A National Biodiversity Offset Scheme: A Road Map for Liberia’s Mining Sector”, a report “which explores the feasibility of implementing a national biodiversity offset scheme in Liberia to help minimize adverse impacts on biodiversity and ecosystem services resulting from mining.” The two consultants who had written the report summarised their proposal during an online seminar on 27 March 2015, hosted by BBOP. (1) BBOP stands for ‘Business and Biodiversity Offsets Programme’. (2)

The report looks at different ways in which money from the mining sector can be used to fund “protected areas” in Liberia. What the report does not mention is that the mining concessions are located in the most biodiverse region of Liberia and will destroy not only forests rich in biodiversity but also the livelihoods of the communities who depend on those forests and the biodiversity they contain. Instead, the report describes biodiversity offsets as “an opportunity for the private sector to contribute to an underfunded protected areas network” – possibly leading to communities losing access to land they rely on for their sustenance not just to the mining but also to the biodiversity offset that is meant to compensate the destruction from the mining.

There is little information in the report about how local communities were consulted in the preparation of the World Bank proposal for a national biodiversity strategy for Liberia. By contrast, the report’s authors thank among others individuals from international conservation NGOs Flora Fauna International and Conservation International, the International Council on Mining and Metals, mining corporations ArcelorMittal Liberia, BHP Billiton, Vedanta, Putu Iron Ore Mining, oil corporation Exxon Mobil, and oil palm corporation Golden Veroleum Liberia for their contribution. One of the authors also proudly commented during the online seminar that during the report’s launch at a meeting in the Liberian capital Monrovia the day before the online seminar, they “had every single mining company operating in Liberia present at the workshop, as well as the minister.” She further explained that “a couple of mining companies in Liberia [...] would like to offset inside protected areas,” and that this had contributed to the idea of developing the proposal for a national biodiversity offset plan for Liberia. The discussion that followed the online presentation of the report also revealed the World Bank’s intention to explore how other industries that rely on destruction of biodiversity to carry out their business could be included in the national biodiversity offset plan.

Asked about the possibilities for other sectors, one of the report authors commented that “the oil palm sector would be an obvious one.” Oil palm companies, Sime Darby and Equatorial Palm Oil PLC (EPO) in particular (see action alert [Support the Jogbahn Clan in Liberia: Tell Equatorial Palm Oil NO means NO!](#) and WRM Bulletin of April 2014), have faced severe opposition from communities in Liberia and caused significant conflict with their plans to expand oil palm plantations onto land that communities rely on. Without any reference to this history of conflict, one of report’s authors considers the “high-conservation value forest” areas that an oil palm company like Sime Darby might set aside to comply with the RSPO standard as possible biodiversity offset sites. (5) By dedicating such “high-conservation value forests” as biodiversity offset, the oil palm company that spares this piece of forest from destruction for oil palm plantations can still generate a profit from the land by selling the biodiversity as an offset to a mining company!

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1. http://bbop.forest-trends.org/documents/files/liberia_webinar.pdf
2. The BBOP initiative was set up by Forest Trends, an organisation promoting markets in ‘ecosystem services’. BBOP members include companies, financial institutions, government agencies and conservation NGOs. Their aim is “testing and developing best practice on biodiversity offsets and conservation banking worldwide.” http://bbop.forest-trends.org/pages/about_bbop
3. Report about the World Bank Forest Carbon Partnership Facility by FERN and Forest Peoples Programme (2014): Implement in haste, repent at leisure. <http://www.fern.org/implementinhaste>
4. IFC Performance Standard 6 on ‘Biodiversity Conservation and Sustainable Management of Living Natural Resources’.
5. For more information on the Round Table of Sustainable Palm Oil, RSPO, and how it helps companies greenwash their expansion of oil palm plantations, see <http://wrm.org.uy/books-and-briefings/12-replies-to-12-lies-about-oil-palm-monocultures-plantations/>. One of the RSPO requirements is for companies to agree on a map with NGOs about what areas are considered ‘high-conservation-value-forests’ within the concession, and spare these from conversion to plantations. Many communities, however, consider the whole of their territory ‘high value’.

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Minining in Mandena, Madagascar.

3. Further readings

- **Trade in Ecosystem Services. When payment for environmental services delivers a payment to destroy** | WRM Publication
- **Video “Your Mine”**. Available only in English | Produced by the NGO Re:Common
- **Rio Tinto’s biodiversity offset in Madagascar**. Available only in English and French. Publication by Collective Tanny, Re:Common and WRM
- **Rio Tinto in Madagascar: A mine destroying the unique biodiversity of the littoral zone of Fort Dauphin**. Available only in English | Produced by London Mining Network, Re:Common, and WRM
- **Bulletin on the new legal framework on biodiversity and the commodification of nature in Brazil**. Available only in Portuguese | Produced by the NGO Terra de Direitos.
- **What goes behind the idea of biodiversity offsetting: The case of Nam Ngiep Dam in Lao PDR** | WRM Bulletin article
- **Financialization of Nature. Creating a new definition of Nature** | Friends of the Earth International, 2015. Available only in English and French.

About the World Rainforest Movement (WRM)

The World Rainforest Movement is an international initiative set up in 1986 by activists from different countries to facilitate, support and reinforce the struggle against deforestation and land grabbing in countries with forests and forest-dependent communities. In a gender sensitive way, it aims to assist communities in their struggle to secure access and control over their lands, forests and livelihoods. The WRM supports efforts that defend forests and forest-dependent communities from commercial logging, dams, mining, tree plantations, shrimp farms, agribusiness, as well as other forest preservation-type projects that threaten them, like REDD+ and other offset projects that are part of the increasing trend of commodifying nature.

About the WRM Bulletin

The electronic bulletin of the WRM is intended as a tool to support the struggles of peoples defending their lands and forests as well as to give visibility to the voices of many resistance struggles. Furthermore, the bulletin aims to inform and alert on international initiatives dealing with forests that might have impacts and risks for forest-dependent peoples and other populations. It has been published since 1997 and is currently distributed in four languages: Spanish, English, French and Portuguese.

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