



# The local costs of biodiversity offsets: Comparing standards, policy and practice



Cécile Bidaud<sup>a,1</sup>, Kate Schreckenberg<sup>b</sup>, Julia P.G. Jones<sup>a,\*</sup>

<sup>a</sup> School of Environment, Natural Resources and Geography, Bangor University, Bangor, Gwynedd, LL57 2UW, United Kingdom

<sup>b</sup> Department of Geography, Kings College London, London, WC2R 2LS, United Kingdom

## ARTICLE INFO

### Keywords:

Biodiversity offsets  
Forest conservation  
Livelihoods  
Environmental justice  
Performance standards  
No net loss  
Net biodiversity gain

## ABSTRACT

Biodiversity offsets seek to counterbalance loss of biodiversity due to major developments by generating equivalent biodiversity benefits elsewhere, resulting, at least in theory, in ‘no net loss’ (or even a ‘net positive gain’) in biodiversity. While local costs of major developments themselves receive significant attention, the local costs of associated biodiversity offsets have not. In low income countries, where local populations often depend heavily on natural resources and access to land for their livelihoods, the conservation restrictions introduced around biodiversity offsets can have significant local costs. We consider the international standards which underpin the development of biodiversity offsets around the world and look at the biodiversity offset programme of the Ambatovy nickel mine in eastern Madagascar: a company at the vanguard of biodiversity offset development. Using document review and interviews with key international and national stakeholders (as well as previous fieldwork on local impacts of the Ambatovy biodiversity offset) we identify a mismatch between policies which make clear commitments to avoiding harm to local people, and somewhat weaker implementation on the ground. We explore this policy-practice gap and suggest that it is due to: 1) different interpretations of the meaning of international standards, 2) weak incentives for companies to comply with policies, 3) separation of responsibilities for social and environmental impacts of interventions in operating companies, 4) assumptions that conservation is a ‘good thing’ causing reduced scrutiny of biodiversity offsets relative to other activities of major developments. Biodiversity offsets are resulting in a rapid increase in protected areas funded by corporations (and their international lenders). Many conservation projects in low income countries have local costs. The existence of stringent standards which recognise these costs in the case of biodiversity offset projects is very positive. Biodiversity offsets have the potential to be a successful addition to the conservationist’s toolkit but the real challenges of addressing the local costs of this novel conservation approach need to be resolved.

## 1. Introduction

Biodiversity offsets seek to compensate for the damage to biodiversity caused by developments such as mines, dams or roads by creating an ‘ecologically equivalent’ benefit elsewhere (Quétiér and Lavorel, 2011). They are seen as a mechanism to allow economically important infrastructure which can contribute to human development to be built while ensuring, at least in theory, that ‘no net loss’, or even ‘net positive gain’, in biodiversity is achieved (Bull et al., 2013; Gardner et al., 2013; Maron et al., 2016a,b). Their use is rapidly expanding, with many countries having national level policies (Maron et al., 2016a,b; IUCN, The Biodiversity Consultancy, 2018) and a growing number of companies having made voluntary commitments to offset their unavoidable biodiversity impacts (Raine et al., 2015). Lender

requirements are also increasingly driving their use: since 2012 offsets have been mandated wherever a development financed by institutions applying International Finance Corporation standards affects an area of high biodiversity importance (IFC, 2012a, p2 PS6). Despite this rapid spread, their use remains controversial (Ives and Bekessy, 2015).

There is a sizable academic literature focusing on the challenges of ensuring that biodiversity offsets deliver on their promises in terms of biodiversity conservation itself (Bull et al., 2015; Bull et al., 2017; Curran et al., 2014; Maron et al., 2015a; Maron et al., 2015b; Virah-Sawmy et al., 2014; Watson et al., 2010). However, biodiversity offsets also pose important social challenges. There has been criticism that they fail to take account of the unique, place-based values which sites may hold; instead treating sites as equivalent if their biodiversity values, as defined by experts, are equivalent (Hannis and Sullivan, 2012;

\* Corresponding author at: School of Environment, Natural Resources and Geography, Bangor University, Bangor, Gwynedd, LL57 2UW, United Kingdom.

E-mail addresses: [kate.schreckenberg@kcl.ac.uk](mailto:kate.schreckenberg@kcl.ac.uk) (K. Schreckenberg), [julia.jones@bangor.ac.uk](mailto:julia.jones@bangor.ac.uk) (J.P.G. Jones).

<sup>1</sup> Permanent address: Is'art Galerie/Lot VC 59Q Rue Vittori François 101 Antananarivo.

Ives and Bekessy, 2015; Robertson, 2000; Scholte et al., 2016). There is also a rich and rapidly growing literature critiquing the concept of biodiversity offsets from the perspective of political economy; emphasising the equity implications of the distributions of the new environmental values which biodiversity offsets create through the commodification of nature (Neimark and Wilson, 2015; Robertson, 2000, 2004, 2011; Sullivan, 2013; Sullivan and Hannis, 2015; Vaissière et al., 2017). For example, where threats to biodiversity come from the livelihood activities of poor local stakeholders such as agricultural expansion, hunting or wild-product harvesting (as is often the case in low income countries) biodiversity offsets which seek to reduce these threats will bring local costs (Kraemer, 2012; Seagle, 2012; Bidaud et al. 2017). In fact a recent study suggests that a third of offsets displace people and negatively affect livelihoods (Sonter et al., 2018). Such local costs of conservation-related land use restrictions are well recognised in the context of protected areas (Brockington and Wilkie, 2015; Holmes and Cavanagh, 2016; Oldekop et al., 2016), but the extent to which biodiversity offset schemes consider and mitigate the local costs of their conservation activities has not been extensively studied.

A company carrying out a major infrastructure development, as well as following its own company policy and the laws of the country, will have to follow the standards set by its lender. The performance standards of the International Finance Corporation (IFC) are increasingly influential and apply not only to IFC-funded investment but also investment in low income countries from any financial institutions who have signed up to the Equator Principles (a voluntary set of standards for determining, assessing and managing social and environmental risks; Anon., 2013). IFC Performance Standard 6 mandates biodiversity offsets in certain circumstances (Maron et al., 2016a,b) and is likely to drive further spread of biodiversity offsetting. The IFC recommends that projects follow the guidance on biodiversity offsets provided by the Business and Biodiversity Offsets Partnership or BBOP (IFC, 2012a), an international collaboration between companies, financial institutions, government agencies and civil society organisations to develop best practice in biodiversity offsets. The IFC standards themselves provide explicit guidance on mitigating local costs of infrastructure development projects for affected communities (IFC, 2012a). However, there has been limited research looking at how the potential local costs of biodiversity offsets are considered across the available standards, and how these are interpreted by those involved in the design and implementation of schemes.

Madagascar is a country with very high biodiversity (Myers et al., 2000) and extreme poverty (World Bank, no date). The mining sector is expanding rapidly (Canavesio, 2014) and the country has two very high profile internationally-funded mining developments (QMM-Rio Tinto and Ambatovy) which have publicly declared they have achieved respectively net gain (Temple et al., 2012) or no net loss (von Hase et al., 2014) of biodiversity. A recent study (Bidaud et al., 2017) investigated the local impacts of the offsets implemented by Ambatovy. This shows that while the development activities associated with the offset were positive and well-received locally, those benefiting were often not the same people as those bearing the cost due to restrictions to land access and natural resource use. Overall Bidaud et al. (2017) illustrate that some very poor people have lost out as a result of the offset.

In this paper we review how the potential local costs from biodiversity offsets implemented in low income countries are considered in international standards and how these standards are interpreted by stakeholders. Using the case of Madagascar's national policies towards biodiversity offsets, and the implementation of the offsets carried out by Ambatovy, we then argue that while international standards, and their incorporation into national policies, both make clear the need for local costs to be mitigated, this does not always happen in practice. We use detailed interviews with international and national stakeholders to explore the reasons for this gap between policy and practice. We offer recommendations for how the implementation of biodiversity offsets can be improved to ensure potential negative impacts on local people

are mitigated.

## 2. Methods

### 2.1. Review of international standards, national and company policies for biodiversity offsets

We reviewed the IFC Performance Standards and BBOP Standards (to which the Ambatovy mine has signed up), noting the commitment to biodiversity offsets, the way in which local costs are considered (focusing especially on the impacts on livelihood, on poverty and vulnerability and equity issues), and the requirement for compensating local people for economic displacement. In relation to equity, we mainly discuss the distributive dimension, with less attention to contextual and procedural dimensions (McDermott et al., 2013).

We reviewed Madagascar's national policies with relevance to biodiversity offsets including the Mining Code (2005) and its revision (draft dated March 2016), the law regarding the impact of large investments on the environment (the MECIE decree, 2004), environmental policies governing decentralization of natural resource management (GELOSE 1996 and GCF 2001), and the Protected Area Code (République de Madagascar, 2015).

We reviewed publicly available information from Ambatovy, such as their environmental impact assessment, annual reports to the National Environment Office (ONE), sustainability reports, BBOP reports, and monthly newsletters.

### 2.2. Interviews with key stakeholders

We conducted semi-structured interviews with international stakeholders expected to be well-informed about biodiversity offsets because they were involved in developing biodiversity offset standards, engaged in the debate around biodiversity offsets, or implementing biodiversity offset schemes in low income countries. Informants were selected to reflect the range of international stakeholders involved in the design and implementation of schemes: lenders, consultants, international conservation NGOs and academics. We targeted experienced and relatively senior people who had often authored influential documents or play a decision-making role in their organisation. We developed an initial list of individuals and organisations we would like to interview based on our extensive reading in this area. We built on this list during the research process as those approached to interview (both those who accepted and those who declined) often suggested additional contacts. After background checks to ensure these suggested people met our criteria, they were approached. In total we attempted to contact 60 international stakeholders for interview, but some did not respond to our contact, passed us onto someone else within their organisation, or felt they were not qualified to answer our questions. A total of 30 interviews were carried out between August 2015 and May 2016 (coded from IS01 to IS30 in Appendix A in Supplementary material, and where quotes are presented in the text). Interviews were conducted mostly face to face (in Washington, London, Cambridge and at an International Conference in Montpellier) but some were conducted over skype. Interviews covered: interpretation of IFC standards, experience of biodiversity offset implementation, who should be considered as 'affected by the project', and how costs and benefits should be distributed (for full details of the interview guide see Appendix A in Supplementary material). At the end of the interview we presented the results from our earlier research exploring the impact of the biodiversity offsets in the Ambatovy case study in Madagascar on local people (Bidaud et al., 2017). This research shows a significant gap between the standards and their implementation as, while the micro-development projects implemented as part of the scheme are well received, they deliver too small benefits, too late and not targeted to the people bearing the greatest cost. After presenting these results we asked interviewees for their perceptions of the reasons for the existence of this gap.

Download English Version:

<https://daneshyari.com/en/article/6546110>

Download Persian Version:

<https://daneshyari.com/article/6546110>

[Daneshyari.com](https://daneshyari.com)