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## Colombia: Environmental Offsets, Legitimizing Extraction

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:**

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

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(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."

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

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