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

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.

Enjoy the reading!