NO NET LOSS OF BIODIVERSITY: A FALSE SOLUTION

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WHAT IS NO NET LOSS?

No net loss (NNL) is a goal that is intended to be achieved when compensation mechanisms are used. In some cases it is also referred to as a net positive impact or net gain.

Biodiversity offset mechanisms are measurable outcomes resulting from actions designed to compensate for a significant adverse impact on biodiversity that is considered residual after the implementation of prevention and mitigation measures in a given project. The purpose of these compensation mechanisms is to obtain NNL or at best, net gain with respect to species composition, habitat, ecosystem functions, use by people, and cultural and social values associated with biodiversity. It is claimed that various governments, financial institutions and corporations around the world adopt the NNL goal by using compensation as part of the mitigation hierarchy.

NNL does not mean that there will be no loss. By adding “net”, it means that the various activities with negative impacts on biodiversity will continue to be carried out. Net refers to a form of accounting: the loss and destruction of biodiversity that occurs in one place will be compensated by the protection or restoration of biodiversity in another place, and thus the result will be zero. Net therefore means allowing the destruction of biodiversity in one place under the assumption that biodiversity will be protected elsewhere. Thus, NNL cannot exist without destruction and loss of biodiversity.

HOW NNL WORKS

The term NNL does not refer to the situation before the implementation of a specific project (a road or the construction of a mine for example) but rather to what would have happened in the absence of impact and compensation. This becomes clearer if we remember that compensation can be carried out in two ways:

- improving or creating habitat from “nothing”;
- to avoid an existing habitat. This is known as avoided loss and is the most common form of compensation.

The logic at work here is this: protecting a habitat from destruction or degradation will result in a gain compared to the situation of what would have happened without that protection. The gain is obtained through development models (dealing with fossil fuels and the destruction and degradation of biodiversity) to continue to advance and to be extended. Compensation mechanisms present a green image because there are no structural changes involved, and without these, there can be no talk of a change in the system needed to stop the loss and degradation of biodiversity. This system change or transformational change is key to stopping the loss, erosion and extinction of biodiversity.

A fundamental criticism of the use of compensation mechanisms is that biodiversity, like nature as a whole, is not a sum of units that can be exchanged among themselves. Biodiversity is not only a complex of relationships between the different components of biological diversity, but it is also culture, it is spirituality. Therefore the idea of equivalence that compensation mechanisms entail is simply impossible.

THE MITIGATION HIERARCHY

Today, many countries are allowing compensation. It is estimated that the annual market represents 2.4 to 4 billion dollars. The potential for this market is over $46 billion because 9 percent of global ecosystems can be restored using compensation mechanisms.

Compensation mechanisms are part of the mitigation hierarchy, i.e. all those instruments that are used to mitigate the negative environmental impacts of a given project. First, every effort will be made to nullify or minimise the impact; if the impact is not nullified or minimised and in cases of residual impacts (however, this is an increasingly used mechanism). "This hierarchy of mitigation involves several steps: 1) avoid, 2) minimise, and 3) remediate on site, and then, if residual impacts remain after the first three steps have been implemented, 4) offset biodiversity on site. The steps are sequenced in order of preference from an environmental perspective: avoiding impact is far more reliable and desirable than trying to restore damaged or degraded habitats later." "The Convention on Biological Diversity (CBD) recommends ecosystem services and environmental compensation as a final step in the sequence.

From all of the above – market value, business – it is clear that there is pressure towards the CBD to have an NNL target. In 2010, at CBD COP10 in Nagoya, Japan, governments agreed that by 2020, the rate of loss of all natural habitats, including forests, should be at least halved and, where feasible, brought close to zero, and that degradation and fragmentation should be significantly reduced (Aichi Target 5) and have also agreed that by 2020 the extinction of known threatened species should be prevented and their conservation status improved and maintained, in particular for those that are most in decline (Aichi Target 12). In 2012, at the Rio+20 Summit, governments agreed to promote a sustainable development agenda and the United Nations has established a series of consultative processes to achieve an agreed development agenda beyond 2015 with a set of sustainable development goals.
OTHER DANGERS

Biodiversity offsets involve land grabbing: a company will no longer only own the site where it carries out the polluting or destructive project, but also the site where the offsets will take place. In some parts of the world there is simply not enough land for offset mechanisms to balance future biodiversity losses and to achieve profits. One issue with offset activities – whether to restore degraded land or to protect existing biodiversity – is that they require vast amounts of available land even when the impact is only on a small area. In many countries, there is simply no land available to fully compensate for the enormous losses of biodiversity expected in the future. The requirements for compensation also differ between policies. Some require more conservation per unit of biodiversity lost. Other policies allow compensation for impacts on already rare habitats, which means that the areas available for compensation are even more restricted and may therefore be depleted sooner. The solution: avoiding, rather than compensating for, biodiversity losses.

At the same time, obstacles to the use of land are created and the rights of Indigenous Peoples or local communities to the land or its use may be affected. Thus, instead of compensating, it will not be necessary to think first about whether the destructive project is actually necessary.

This mechanism also does not provide real solutions but rather builds an image that something is being done to protect the environment when it is not.

This type of “solution” to the impacts on biodiversity depoliticises the discussion and turns it into something technical when what needs to be discussed is whether or not the project is necessary in the first place, and this entails a discussion on the economic model whose main characteristic is its predatory action on biodiversity.

Although it is true that compensation mechanisms do not implicitly entail putting a price on biodiversity, the current context and the balance of power among their proponents will surely lead to the application of economic valuation of biodiversity. This has been the case in the carbon markets, forest restoration credits in Brazil and various situations at EU level.

NNL therefore does not guarantee that there will be no loss of biodiversity, but rather the opposite. At the same time it entails other negative impacts that are far from the transition to the transformational change that is needed to stop the loss, erosion and extinction of biodiversity. For this, we need real solutions, a commitment to build and implement new paradigms that leave behind proposals that would rather perpetuate the current situation. NNL cannot be in the new Global Framework for Biodiversity if it is to point the way to the system change we need.

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ENDNOTES

1 Presentation by Marta Echavarría and Kerry ten Kate, BBOP and Forest Trends, 6-9 March 2012, Quito, Ecuador; Scaling up Finance for Biodiversity
2 Biodiversity Offsetting, a threat for life, Counterbalance, Challenging Public Investments Bank, re:common; Oct 2017
3 See: (http://theconversation.com/biodiversity-offsets-could-be-locking-in-species-decline-14177)
4 The terms biodiversity offsets and biodiversity credits are used synonymously. (In https://www.boell.de/en/2017/08/17/glossary-key-terms-new-economy-nature)
5 Echavarría and ten Kate; op. cit.
6 See https://www.cbd.int/financial/0017.shtml
7 Boell, op cit.
8 THE CONSERVATION HIERARCHY Underpinning the Post-2020 Biodiversity Framework; Samuel Sinclair, Simon Stuart, James Watson,
10 No Net Loss of Biodiversity and Ecosystem Services; Applying the Mitigation Hierarchy and Biodiversity Offsets as tools to achieve sustainable development in the WIO Submitted by: Wildlife Conservation Society, Madagascar & Western Indian Ocean Program (In https://wdocs.unep.org/bitstream/handle/20.500.11822/25692/Biodiversity_Offsets.pdf?sequence=1&isAllowed=y)
11 Braulio Ferreira, Former CBD Director at the Biodiversity Compensations Conference, 13 February 2014, Ottawa, Canada