

New Briefing from Carbon Trade Watch

by Carbon Trade Watch
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EU policy aims to rapidly introduce biodiversity offsetting into current legislation. This briefing aims to highlight the flaws to this approach.

Although the idea behind putting a price on natural systems has been around for several decades, the concept of "innovative financial mechanisms"™ for pricing biodiversity was popularized at the 2010 United Nations Convention on Biological Diversity (CBD). Parallel to this, the Economics of Ecosystems and Biodiversity (TEEB) project, led by the Deutsche Bank, was launched, advancing the idea of incorporating the economic "value"™ of ecosystems into governmental and corporate decision-making. Funded by the EU Commission, Germany, the UK, the Netherlands, Norway, Sweden and Japan, TEEB was welcomed by the CBD.

Proponents affirm that to consider the economic "value"™ of biodiversity, separated accounting "units"™ are necessary. These units "can also be leveraged as a new class of capital asset"• since the real revenues stand in financialised products derived from the credits, as experienced with carbon trading. Hence, by "turning-nature-into-numbers"™, proponents construct apparent equivalences between different biodiversity types, locations, times, and contexts. The argument then goes that the destruction in one place could be compensated with the supposed protection, or re-creation, in another "equivalent"™ place, so that the overall result is no net loss in biodiversity. This completely ignores other knowledges and values attached to "biodiversity"™ by local communities. In addition, it ignores the foundation of what makes a natural system unique or what defines the area as an ecosystem in the first place.

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"A Fish for a Tree: Understanding the (il)logic behind Biodiversity Offsets"

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