

# Habitat Banking in Colombia: Preserving Biodiversity and Creating Economic Opportunities

## THE ISSUE



The country's Biodiversity Action Plan maintains a funding deficit of 32%, amounting to **USD \$1,4 BILLION** (UNDP 2021).

Habitat banks are a cost-effective mechanism for mobilizing environmental offset resources that stimulate investment through their pay-for-performance scheme.

Habitat banks, considering nature values, can mobilize **\$4,9 BILLION** for the country.

## WHAT IS A HABITAT BANK?

It is an area of either public or private ownership, characterized by its richness in natural resources and managed through preservation, restoration, rehabilitation, and sustainable use practices, aimed at ensuring the conservation of biodiversity.

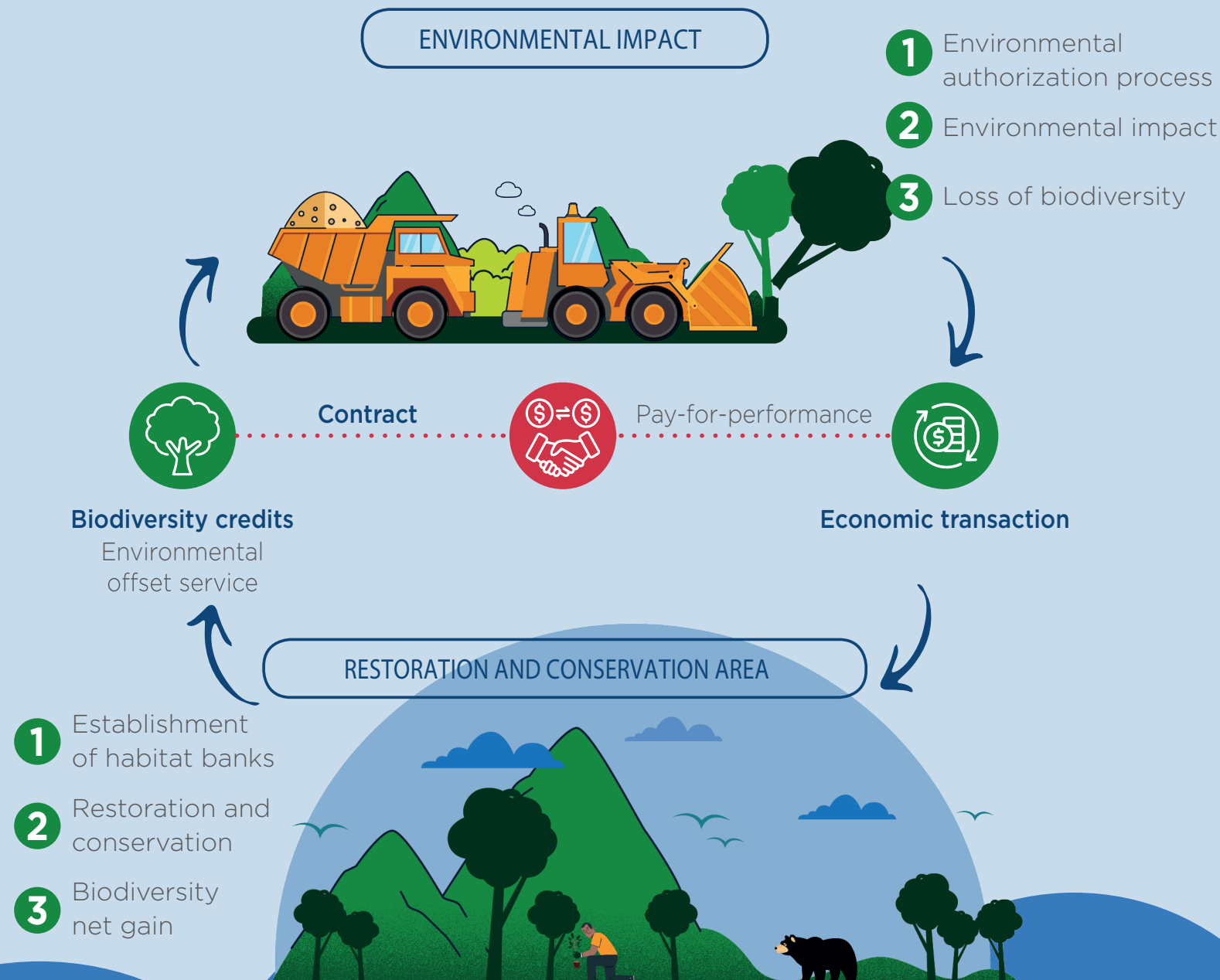
In return for the protection, management, and permanent monitoring of the area, the responsible party for the bank may establish agreements with third-party holders of environmental obligations to compensate for the impacts of development projects.

1 ha = 1 credit

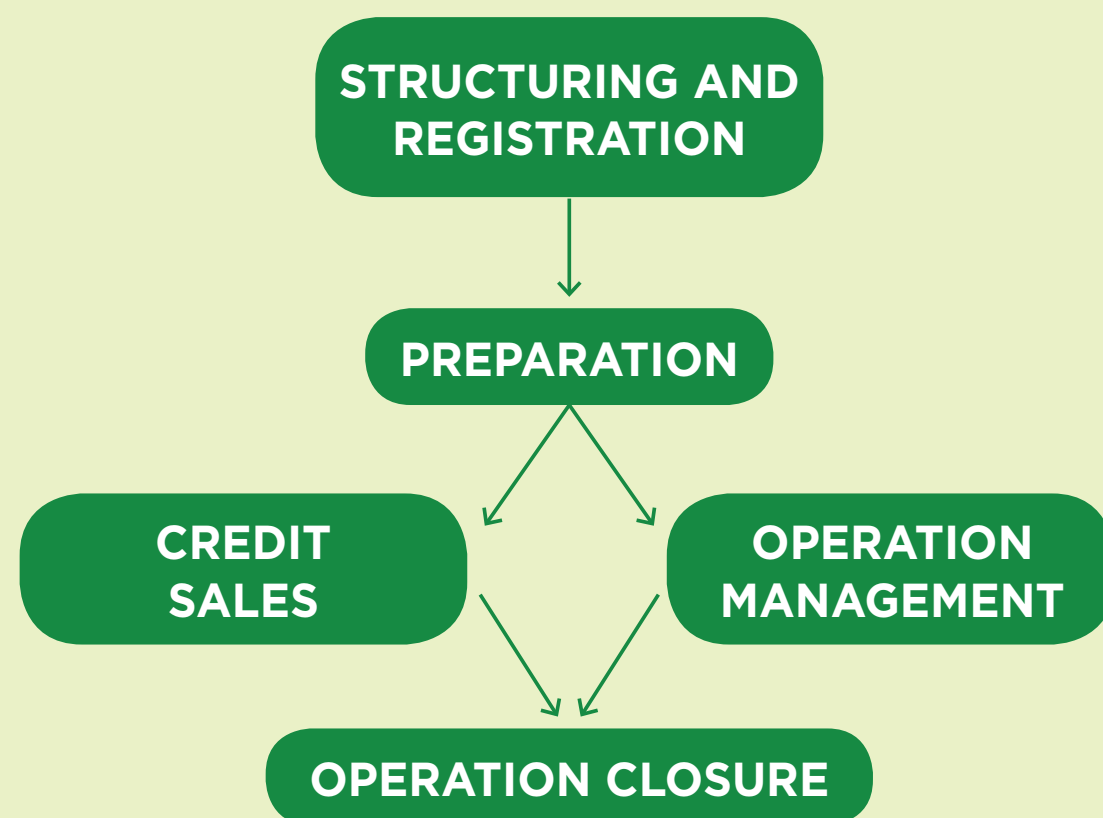
A biodiversity credit is equivalent to one hectare of protected land that was managed by the habitat bank.

It allows for the aggregation of environmental offset.

## HOW DOES A HABITAT BANK WORK?



## STAGES OF A HABITAT BANK



## ADVANTAGES

- Reduces and provides clarity in transaction costs.
- Guarantee of long-term results and greater likelihood of success in offset measures.
- Has measurable and quantifiable actions in biodiversity conservation.
- Mobilizes private environmental investment.
- Creates dignified rural employment.
- Promotes new economies based on nature conservation.

## PUBLIC POLICY REQUIREMENTS

- Transparency and monitoring in the use of resources, and in the accounting of biodiversity quotas.
  - Regulation of the minimum duration term of habitat banks that ensures clear standards for the mechanism.
  - Strengthening the information systems of habitat banks and their access to them.
  - Strengthening the monitoring and follow-up scheme of habitat banks by the Ministry of Environment.
  - Tax incentives for landowners.
- The Ministry of Environment Guide recommends a minimum of 20 years. International best practices recommend 30 years.

## OTHER FINANCE SOLUTIONS IN COLOMBIA

