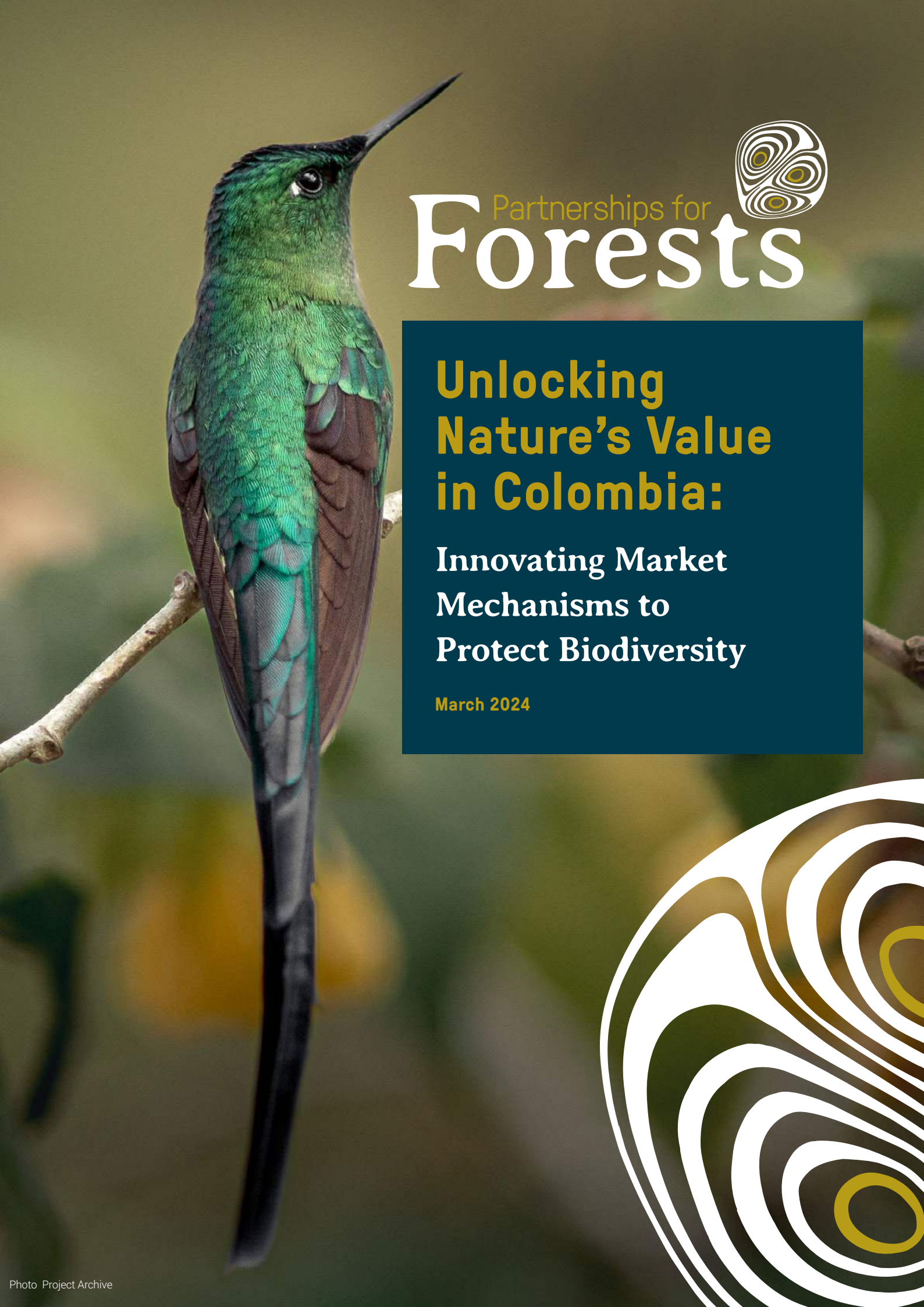

Partnerships for Forests

Unlocking Nature's Value in Colombia:

Innovating Market Mechanisms to Protect Biodiversity

March 2024

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Summary

Human activities have significantly disrupted biodiversity, posing serious economic and survival risks. With 70% of food crops dependent on pollinators and 25% of medicines originating from plants and other life forms, species diversity is crucial for ecosystem health and global economic stability. But one million species face imminent extinction. Despite a growing focus on sustainable business practices, there's an urgent need for regulatory and market-driven incentives for businesses to invest in biodiversity conservation.

Colombia holds 10% of the world's biodiversity across 60 million hectares of natural forest, and faces rapid habitat and species loss, alongside challenges in channelling funds towards conservation.

Terrasos is a Colombian B corporation and has dedicated the last decade to transforming biodiversity conservation into a financially viable and sustainable endeavour. By establishing Habitat Banks, they address the widespread inefficiencies that contribute to a $700 billion annual financing gap of in current conservation efforts, which have also been insufficient to curb biodiversity loss and meet large developers' offset requirements.

The goal of Terrasos is to discover biodiversity investment strategies that provide both ecological impact and financial returns. Biodiversity credits emerge as a promising solution, offering lasting, positive contributions from corporations and individuals in both compliance and voluntary markets.

Partnerships for Forests (P4F) supports business models for nature restoration and protection. This case study highlights P4F's role in Latin America, fostering biodiversity protection and the development of biodiversity credits as an innovative financial tool.

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Introduction:
the quest to maintain and recover biodiversity

'Biodiversity' is a term for the variety of species, genetics, ecosystems, and biological communities that make up the biosphere, and 'ecosystems' are the combination of distinct biological communities of organisms and their physical environment. The health of an ecosystem is directly related to the breadth and depth of the biodiversity contained within it[1]. But biodiversity is also at the heart of socio–ecological systems – providing services such as climate change adaptation and water regulation – and the basis of all our agriculture and food systems. This means biodiversity is fundamental for infrastructure, medicine, and overall human health and well-being.

Human activity means that biodiversity is declining at an unprecedented rate, leading to a crisis parallel to that of climate change. The decline – characterised by land degradation, conversion of ecosystems to agriculture, and destruction of unique areas – is driving many species towards extinction. With one million of the world's eight million species at risk, we are in the midst of a sixth mass extinction[2]. Climate change and the loss of biodiversity are interconnected, with changes in land use and ecosystem destruction both contributing to and exacerbated by climate change. This cycle increases greenhouse gas emissions and undermines natural systems' ability to regulate environmental processes, so worsening climate change impacts.

This vicious cycle requires solutions that address the twin crises holistically to provide lasting positve impacts for nature, wildlife, and people. External factors cause ecosystems to change over time, leading to shifts in species mix and habitat states, and habitat fragmentation and disturbance result in significant losses in structure, function, and biodiversity. Once disturbed, recovery is uncertain, and it can take decades for ecosystems to

1. Making Forests and Biodiversity work for all. 2020. Available at: https://partnershipsforforests.com/resources/making-forests-and-biodiversity-work-for-all/

2. Sucesión ecológica y restauración en paisajes fragmentados de la Amazonia colombiana. Tomo 1 Composición, estructura y función en la sucesión secundaria. Source: https://sinchi.org.co/files/publicaciones/novedades%20editoriales/pdf/sucesion%20ecologica%20tomo%201.pdf

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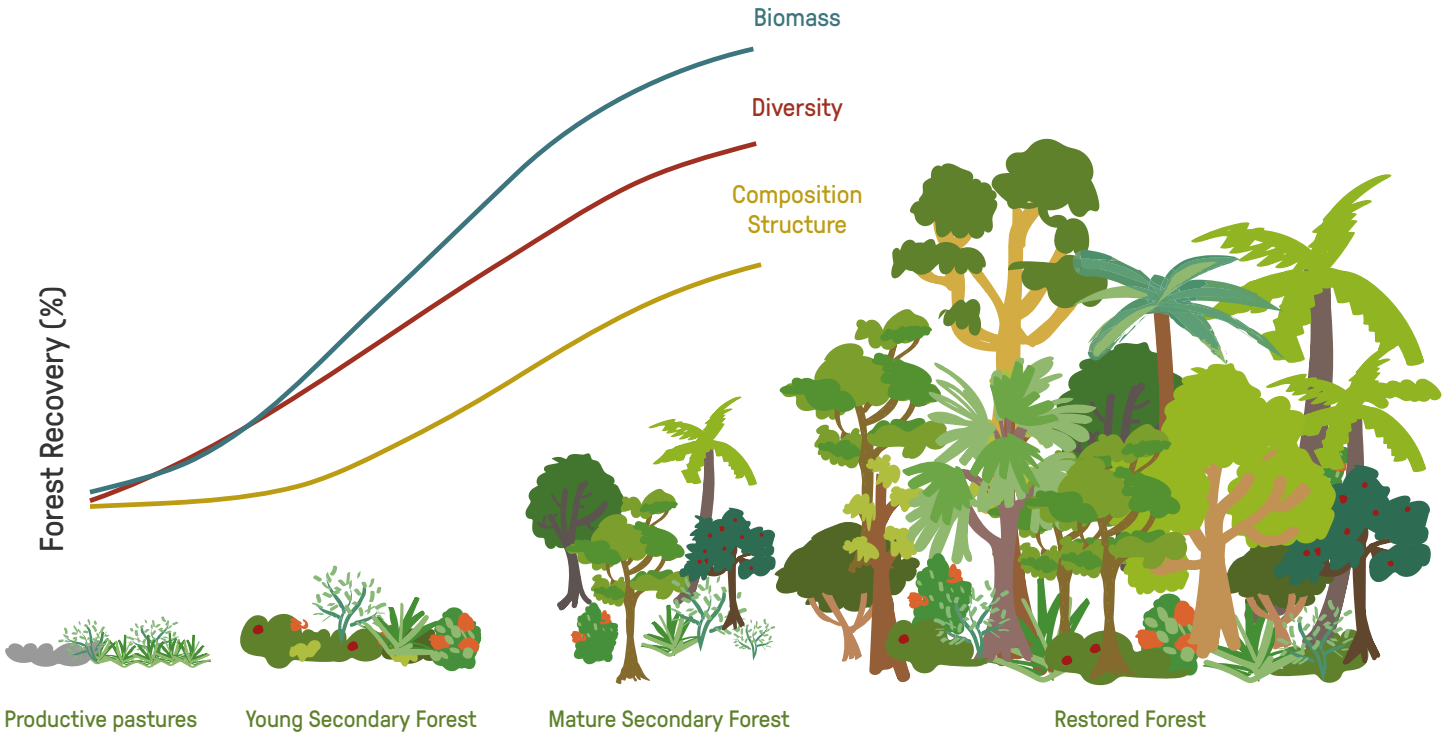
resemble their original state. Ecological succession drives recovery, improving soil conditions and species composition for restored ecosystem function and structure.

Given the urgent need to stop human-driven biodiversity loss, strategies that contain habitat transformation are needed. These are usually grouped under preservation efforts such as those traditionally conducted by private and public areas fully devoted to conservation, where threats are removed or controlled. However, to restore nature and enable biodiversity gain, it is necessary to both control threats and take action to foster the transition and speed up the successional process.

Combined public and private sector effort is key to enabling transformation in the ecosystems that preserve biodiversity. This case study illustrates how the Habitat Bank mechanism has proven effective in achieving this in Colombia by the assessment of vegetation composition, structure, and biomass as crucial ecosystem features. It also explores the technical strategies used to preserve biodiversity in Colombia, and the regulatory framework that has established a biodiversity credit market. It highlights how Habitat Banks have become a cost-effective solution for funding preservation and restoration efforts, using performance-based indicators to measure success.

Figure 1

General representation of ecological succession in tropical ecosystems, where biomass, diversity and composition and structure increase over various decades.



'Composition' is the total numer of different living organisms within a given biome or ecosystem. For this case study, it includes all plant species found in the area, including trees, shrubs, forbs (non-grass-like herbaceous flowering plants), and grasses.

'Structure' is the physical geography of the forest at a range of spatial scales (such as canopy and understory geometry, continuity or fragmentation of canopy cover), and the species composition and age structure of stands. The plant diameter associated with specific habitats is used as an indicator of age.

'Diversity' indicates the number of species and their relative abundance in each location.

'Biomass' is the total mass of living organisms. Plant biomass is used as a proxy of the ecosystem in this case study.

The four key features of ecosystems – composition, structure, diversity, and biomass – develop over time through the natural process of ecological succession, particularly in forest ecosystems. These changes serve as indicators of ecosystem recovery and can help in the assessment of conservation and restoration efforts. The rate of change is influenced by factors such as historical land use, and varies widely across different ecosystems and habitats. Usually, biomass recovers more quickly, followed by incremental recovery in species composition, richness, and diversity[3]. Successional stages have shown a relationship between species richness and biomass: communities with few species have a low biomass which then rises as there is no competition and resources are available; this leads to an increase in the number of species, in turn increasing to an accumulation of organic matter. During the initial phases of succession, biomass and species richness increase and a positive relationship is expected. This relationship might change over time, as individuals grow larger some resources become limited

3. Guariguata, M. R., & Ostertag, R. (2001). Neotropical secondary forest succession: changes in structural and functional characteristics. Forest ecology and management, 148(1-3), 185-206.

(such as light, nutrients or overlapping root systems) and so competition increases. As forests grow, many understory species will eventually disappear and there might be a decline in biomass in the late successional stages[4].

Whilst substantially different from old-growth forests, the increase in ecosystem supporting services in forests that are recovering – such as carbon sequestration, protection from erosion, support for pockets of biodiversity, and income generation from non-timber forest products – still has significant value for people and nature. Although biomass remains the primary driver of change in ecological succession, ecosystem services can increase alongside species diversity and with functional and structural parameters that contribute to ecosystem processes[5,6]. For instance, improvements in the pH, organic carbon, and fertility of soil are also key indicators that land is recovering function and developing a more complex structure and composition, resulting in significant uplift in biodiversity.

However, scientific knowledge and technical expertise alone are not enough to tackle the biodiversity crisis. Solutions also need strategies to secure the funding to protect, restore and sustainably manage natural systems. Tripling net-zero and nature-positive investments by 2030 and effectively halting biodiversity loss requires collective and cross-sectional action to close the US$700 billion annual financing gap. Leaders point to the critical role played by business and financial sectors and the need to go beyond the current 14% investments made annually[7]. Now, more than ever, the critical lack of investment in nature requires regulatory mechanisms to streamline the flow of capital towards cost-effective and market-driven initiatives for habitat creation and biodiversity protection.

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4. Guo, Q. (2003). Temporal species richness biomass relationships along successional gradients. Journal of vegetation Science, 14(1), 121-128.

5. Lohbeck M, Poorter L, Martínez-Ramos M, Bongers F. Biomass is the main driver of changes in ecosystem process rates during tropical forest succession. Ecology. 2015 May;96(5):1242-52. doi: 10.1890/14-0472.1. PMID: 26236838.

6. Sharafatmandrad, M., Khosravi Mashizi, A. Ecological succession regulates the relationship between biodiversity and supporting services in arid ecosystems. Arab J Geosci 14, 1370 (2021). https://doi.org/10.1007/s12517-021-07796-8

7. https://www.cbd.int/doc/speech/2021/sp-2021-10-12-cop15-hls-en.pdf

Biotic offsets:
an enabling policy for biodiversity investments

Governments, companies, and institutions have started to shift to a 'No net loss' approach to managing the environmental impact of changes in land use. This principle aims to maintain overall levels and quality of biodiversity. It is based on the balancing habitat, ecological and biodiversity losses with verifiable biodiversity gains through specific interventions. Ways of capturing the value of natural capital and finding better outcomes for people and planet have started to emerge. Among them are policies that introduce mandatory environmental 'Net gain' requirements for developers and others whose work results in damage to the natural world. In Colombia, these efforts are not new and legislation on biodiversity and forest management has been a foundation for some of the market-based mechanisms that are thriving today.

Colombia's 1993 Law 99 introduced environmental licensing under the Ministry of Environment, and the 2011 Decree 3573 created the Autoridad Nacional de Licencias Ambientales (ANLA, Environmental Licencing Authority) to manage the process for oil, gas, mining, and infrastructure developments to offset the environmental damage they caused. In addition, the 2018 launch of the Manual of Biotic Compensation, under Resolution 1428, dictated that compensation must follow the 'No net loss' principle alongside ecosystem equivalence for all projects with environmental licences granted by ANLA. Limitations – such as the absence of investable projects that would enable developers to fulfil their obligations and ineffective interventions and limited impact caused by a lack of technical expertise in restoration and biodiversity – led to an offsetting backlog of over 1.6 million hectares and GBP148 million.

Colombia launched the National Strategy of Environmental Compensation, under Resolution 256 of 2018 that mandates developers to work within a mitigation hierarchy. This involves ensuring that all preventable impacts are avoided before mitigating, and ultimately offsetting, the impact of biodiversity loss and habitat destruction. This bold and innovative mechanism ensures accountability from developers and imposes rigorous offset requirements. These go beyond recovery of an area equivalent to the one that was affected, to an area up to ten times its size, depending on the vulnerability and overall threat to the affected ecosystem. As a result, funding is channelled to areas where restoration and preservation activities are needed, so providing the pathway to bridge the financing gap for nature.


Photo: Project Archive

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Colombia's pioneering Habitat Bank mechanism

Habitat Banking is a system where organisations or companies rehabilitate, establish, improve, or preserve natural areas. They then sell parts of these areas as 'credits' to developers or permit holders. These developers use the credits to compensate for the environmental impact of their construction or resource extraction activities. In Latin America and the Caribbean region, countries including Colombia, Mexico, Costa Rica, Panamá, Brazil, Peru, Chile, and Argentina[8] have adopted or tested Habitat Bank or similar systems.

The Habitat Bank approach is distinguished by its commitment to prioritizing nature in both development and policymaking. It demonstrates the emergence of business opportunities that are in harmony with the protection of biodiversity. By incorporating investment elements that capture changes in natural capital and ecosystem services, Habitat Banks deliver standardised interventions that are sensitive to economic and market dynamics. They build on and complement other market-based interventions to protect and restore nature, such as Payments for Ecosystem Services which can be added to landscape strategies across the world.

The portfolio of Habitat Banks includes all types of forest ecosystems, including cloud forest, tropical dry forest or savannah, that need restoration or protection. The solution fills a gap in the current compensation market by creating long-term 30-year projects and grouping offsets for maximum impact. The Habitat Banks are run through an independently managed trust fund, which gives private investors returns once credits are sold and pays restoration and conservation on projects in a payment-by-results scheme[9].

The Habitat Bank mechanism offers an integrative and effective compensation strategy – which considers its impact at landscape level, recognises the regional context, and takes a holistic view, making dialogue and participation of different actors of the territory possible – that will generate permanent and sustainable conservation results.

Resolution 256/2018[10] complements Colombia's regulatory framework for Habitat Banks (Resolution 1051/2017[11]), under which companies are able to comply and ensure long-lasting impact and allowing business opportunities and profitable conservation alternatives to develop. In 2017, Colombia became a pioneer in the region by adopting the Habitat Bank model as a way to address existing risks. The mechanism includes the technical, financial, and legal management of designated areas, and has successfully facilitated conservation and restoration efforts, effectively protecting over 5,000 hectares of key ecosystems. It has also created economic opportunities through the generation of biodiversity credits for offsets or voluntary contributions.

8. Bovarnick, A., Knight, C., & Stephenson, J. (2010). Habitat banking in Latin America and Caribbean: a feasibility assessment. United Nations Development Programme. Available at: https://www.undp.org/sites/g/files/zskgke326/files/publications/Habitat%20Banking%20in%20Latin%20America%20and%20the%20Caribbean-Report.pdf

9. For more detail, please visit: https://en.terrasos.co/bancos-de-habitat

10. https://www.minambiente.gov.co/documento-entidad/resolucion-0256-de-2018/

11. https://www.minambiente.gov.co/documento-normativa/resolucion-1051-de-2017/

Terrasos and its biodiversity assessment method

Terrasos is a private company that specialises in providing alternatives to environmental impact and designing high-quality and high-integrity conservation projects. It has pioneered the Habitat Bank mechanism in Colombia and, with the support of P4F, has expanded from one initial Habitat Bank to reach a total of ten properties, covering 3,774 hectares. A further four properties are in the process of being registered, adding an additional 1,584 hectares. Each Habitat Bank goes through Terrasos' assessment process.

Terrasos' Habitat Bank monitoring process

Terrasos collects baseline biodiversity information and monitors the results achieved, allowing an effective impact-based, payment-by-results mechanism. There are five steps:

RAPID ASSESSMENT *(YEARS 0 TO 5)*

establishing a baseline of the area's biophysical aspects (soil, geomorphology, and biodiversity) and landscape variables such as additionality[12]. The results are incorporated into the Habitat Bank's registry document.

REGISTRATION *(YEARS 0 TO 5)*

requested by the project developer and approved by the Environmental Authority in line with the guidelines in the 2017 Resolution 1051, under which cartographic measurements and verification of biophysical and landscape variables are completed.

CHARACTERISATION *(YEARS 0 TO 5)*

this process begins once the registration is completed and aligned with the Habitat Bank's operational activities for starting activities and engaging with clients. It can be conducted in multiple stages, reflecting the requirements placed on Terrasos and the client by the Environmental Authority. Based on those requirements and the rapid assessment, Terrasos builds Management and Monitoring plans that will guide activities over 30 years. These plans also consider the site's specific pressures and land-use history (e.g., cattle ranching) and, more importantly, the broader mission of Habitat Banks on top of compliance purposes.

MONITORING *(YEARS 0 TO 30)*

this process evaluates the objectives of the Habitat Bank as a whole, and includes soil condition, vegetation, landscape, and biodiversity variables that reflect advances at different stages of the successional process. To ensure rigour, Terrasos has developed a camera trap protocol, is building new soundscape proxy protocols, and will be looking for measurements that include environmental DNA.

KNOWLEDGE SHARING *(YEARS 0 TO 30)*

Terrasos' commitment includes uploading information on all identified species of flora and fauna into Colombia's biodiversity database, the SiB. This aligns with Terrasos' mission to make knowledge available for decision making.

12.. In a Habitat Bank, 'additionality' seeks to demonstrate that it provides new contributions to the preservation, recovery, rehabilitation, or restoration of biodiversity, and that they are the product of the Bank's management. This means that the offset obligation investments must achieve demonstrable gains in the conservation status of biodiversity and ecosystems, which would not be obtained without its implementation. (Sarmiento, et al., 2015).

These steps are incorporated into the Establishment and Management Plans developed for each Habitat Bank during the inception period, and shared with the Environmental Authorities in Colombia during the registration process. All of the Habitat Banks managed by Terrasos use a set of indicators to monitor progress and inform performance-based payments. These indicators include changes in vegetation cover, above-ground biomass, species richness, recruitment, and mortality rates, along with measures that reflect the ecosystems' function, structure, and diversity. The information gathered in the first three steps provides a baseline that guides the action plan for the site, including a zoning exercise which identifies landcover and studies its composition, structure, and function. While some areas might need fences to prevent cattle reaching the growing seedlings, others might need active removal of invasive species, whilst others can be left untouched for natural recovery. This variation means that the detailed interventions need to be developed on a case-by-case approach, and include budget, timelines, and precise performance indicators thatr eflect the projects' 30-year lifespan.

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The first Habitat Bank in Colombia

El Meta Habitat Bank, the first in Latin America, was established by Terrasos in 2017 with an initial area of 206.88 hectares[13] of highland savannah placed under restoration and conservation actions and incorporated into a payment-by-results mechanism. The area is in La Union, Municipality of San Martin de los Llanos, Meta Department, in the hydrographic sub-zone of the Metica River. Seasonal precipitation and natural fires have created a unique landscape that is dominated by grasses, with 'gallery' forests growing along the streams within the tropical savannah's ecosystem. Gallery forests have characteristic open canopies and high steam density, and dynamic landcover that can range between as few as a single species in forest patches dominated by palms up to 200 species per 400m². However, despite being highly isolated from large continuous forests, gallery forests are naturally dynamic habitats that hold high species richness and use canopy gaps as a common regeneration mechanism[14].

The tropical savannah ecosystem, including gallery forests, has transformed from natural landcover to crops and pasturelands for cattle ranching. These activities pose a significant threat to ecosystems as they tend to clear forest and promote the introduction of non-native species such as exotic grasses (e.g., *Brachiaria brizantha*). At the same time, they promote a transformation towards agricultural fields and the subsequent loss of habitat from an environment that is naturally rich and home to a vast biodiversity.

Now recognised under El Meta Habitat Bank, Matarredonda and Rey Zamuro private reserves are farms that have been in the Enciso family for more than 100 years. Ecosystem preservation has been possible due to a generational

13. El Meta Habitat Bank registered under Resolution 1051 of 2017 is made up of two areas, A1 with 206.88 hectares in 2017 and A2 with 409 hectares as documented in 2020. In 2023 the area was extended by 497.13 hectares thus increasing the overall size of the Habitat Bank.

14. Veneklaas, Erik & Fajardo, Adriana & Obregon†, Sandra & Lozano, Jaime & Beaulieu, Nathalie. (1998). Forests in the Colombian savanna: distribution, dynamics, and conservation. 10.13140/RG.2.2.23187.78884.

commitment to water resources and forests in the face of extremely challenging circumstances.

In the 1980s, the Enciso family shifted their focus and chose to stop deforestation despite facing higher costs. This decision, however, was challenged by Colombia's 1994 Law 160, which allowed the government to revoke ownership of land if it was not demonstrably used for three consecutive years, inadvertently promoting deforestation as a means for landowners to prove possession. As a result, the family was compelled to transform 40 hectares of their forest into pastureland, during a period of violence in Colombia that further endangered their already fragile cattle business through low prices, governmental disputes, and export limitations.

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Maintaining their conservation efforts became increasingly difficult due to the constant threat of poaching, illegal logging, and agricultural expansion. Despite these hurdles and the impact of conservation initiatives they engaged in, the Enciso family stayed committed to protecting biodiversity. They established a civil society natural reserve in the 1990s and actively supported research projects with universities, aiming to underscore the conservation value of their land.

Their commitment finally found a sustainable outlet with the introduction to the Habitat Bank scheme, which transformed their ongoing conservation efforts into a viable business model. This scheme allowed them to profit from preservation and restoration activities, validating their long-held belief in the importance of conservation as both an environmental imperative and an economic opportunity.

In 2017, Terrasos and the Inter-American Development Bank made a long-term project proposal to the Enciso family, with legally binding elements that prevented land fragmentation and resonated with the vision the family had been pursuing. The area was registered as the first Habitat Bank in Colombia, and came with a significant outcome that land taxes were incorporated into the operational costs, so shifting the burden of conserving the land where no agricultural activities were conducted. Fencing and land distribution were given approprioate attention and resources, and the incentives for conservation became even more important. As a result of all of these chanegs, reverting pasturelands back into forest became an attractive financial and ecological alternative. The family has seen the opportunity to engage in regenerative cattle ranching with more intensive production systems, and adjacent areas where conservation and restoration activities resulting in biodiversity, ecosystem function, and structure are monetised.

Due to its potential and robust business proposition, in 2021 P4F decided to support Terrasos so that Colombia could replicate and scale-up this model to generate valuable social, economic, and ecological transformation.

About the project

P4F worked with Terrasos in a two-year project and successfully delivered ten additional Habitat Banks (registered under the Colombian regulation) in different ecosystems, covering 3,774 hectares. Following the regulated market, Terrasos provided development companies with alternatives ways to meet offset requirements in a cost-effective way, where long-term action and high-quality conservation and restoration efforts take place. To learn more about Terrasos and their work visit https://www.terrasos.co/

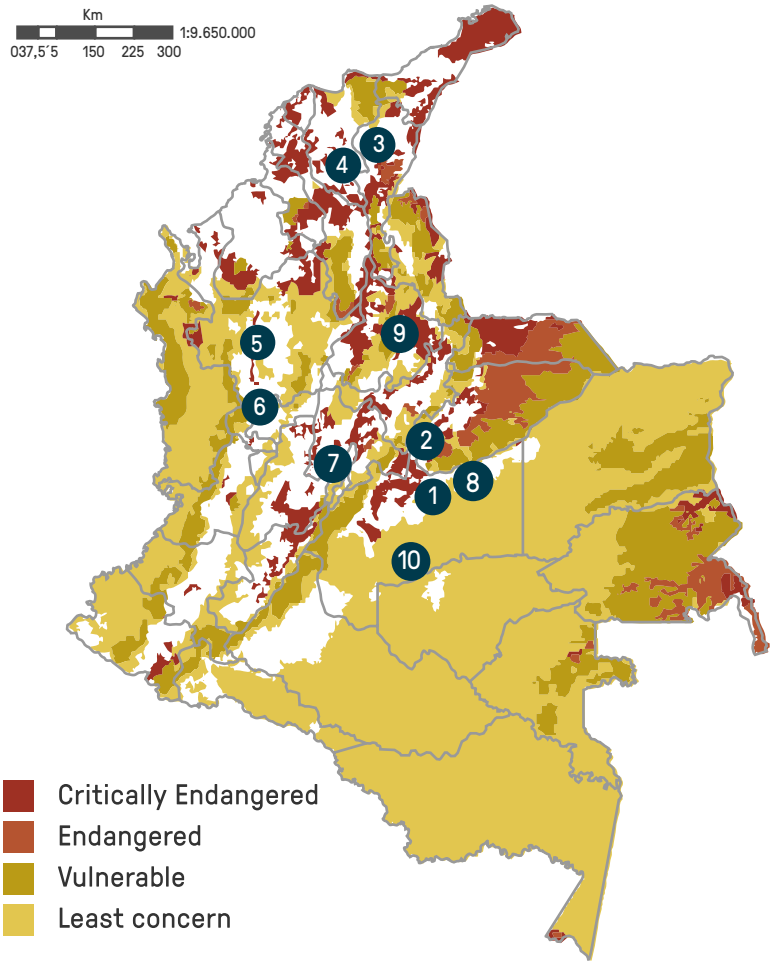


Figure 2
Assessment of threatened ecosystems and habitat banks

#	Habitat Bank	Area	Operation	Ecosystem	Location
1	El Amparo	430,37	Inactive	Savanaha	Puerto López, Meta
2	San Pedro	255,73	Inactive	Piedmont	Sabanalarga, Meta
3	La Lope	469	Active	Dry Forest	Valledupar, Cesar
4	Nueva Bethania	349	Inactive	Dry Forest	El Copey, Cesar
5	Cañon del Rio Cauca	132,67	Active	Dry Forest	Liborina, Antioquia
6	El Globo	345,47	Active	Cloud Forest	Tamesis, Antioquia
7	Aguadulce	124,76	Active	Tropical Forest	Nilo, Cundinamarca
8	El Tigrillo	569,77	Inactive	Flooding Forest	Puerto Gaitan, Meta
9	Cañon del Rio Sogamoso	600,52	Inactive	Dry Forest	Zapatoca, Santander
10	Matarredonda (extesion 1)	497,13	Active	Savanaha	San Martin, Meta
Total		3,774.42			

Setting a trajectory for enhanced biodiversity

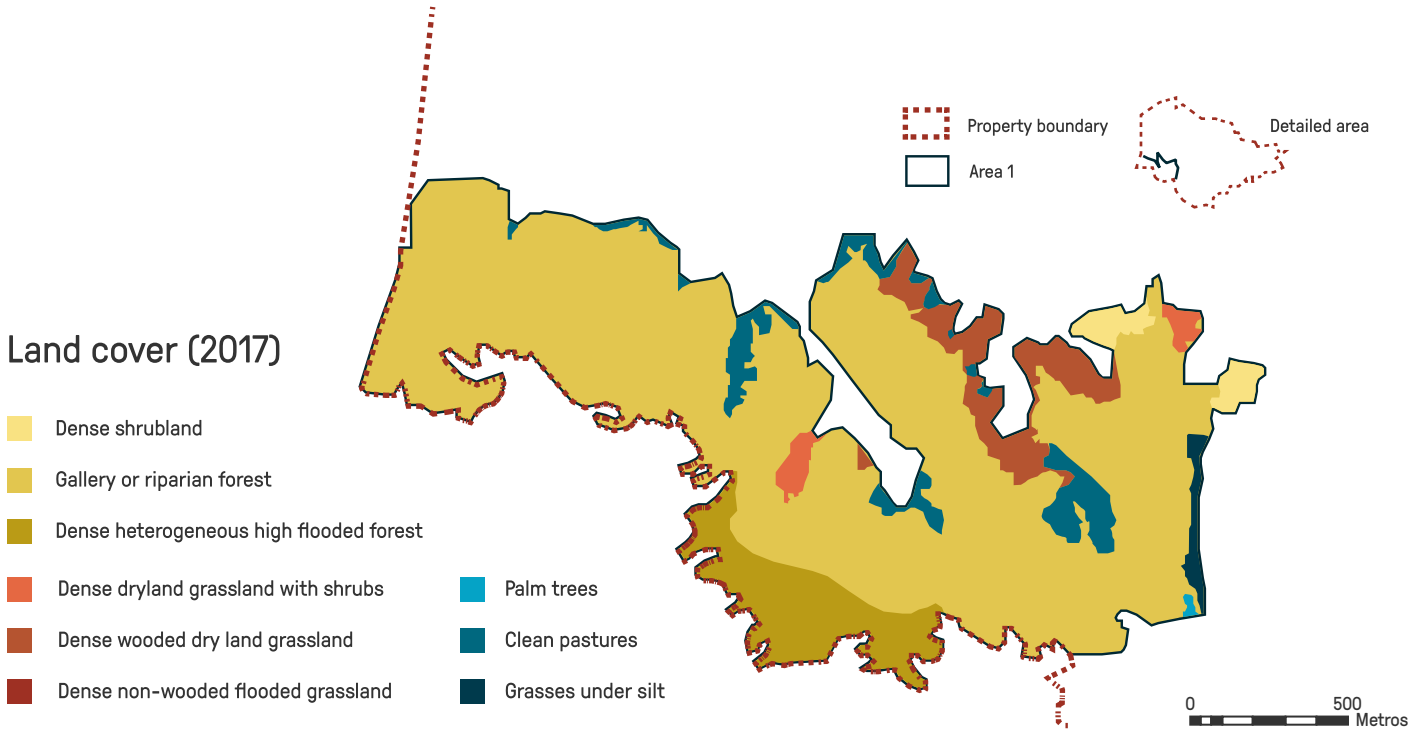
A detailed understanding of the land history as well as ecosystem dynamics sets the basis for a direct and adaptable management of the ecosystems under protection. Through periodic monitoring, Terrasos has begun to study the ecosystems condition at El Meta Habitat Bank through indicators that encompass composition, structure, and function and initial information has been collected and used in compliance documents presented to the Environmental Authorities in Colombia to meet companies' environmental offsets.

El Meta Habitat Bank was assessed for the first time in 2017 to collect the baseline information that would guide the establishment and management plan. Key results showcased five different vegetation types, including gallery forests, herbs, transition vegetation, grasses and palm-dominated environments that have changed over time in extension and features as the ecosystem starts to transition the recovery process for ultimate gains in biodiversity.

Vegetation Types	Area in 2017 (hectares)	Area in 2023 (hectares)	Difference
Bushes	13.1	20.89	5.79
Ecotone	3.3	1.87	-1.43
Grassland	13.2	9.15	-4.05
Forest	183.5	180.73	-2.77
Palm trees	0.2	0.66	0.46
Total	**213.3**		**0**

Figure 3

El Meta Habitat Bank and its vegetation types (2017)



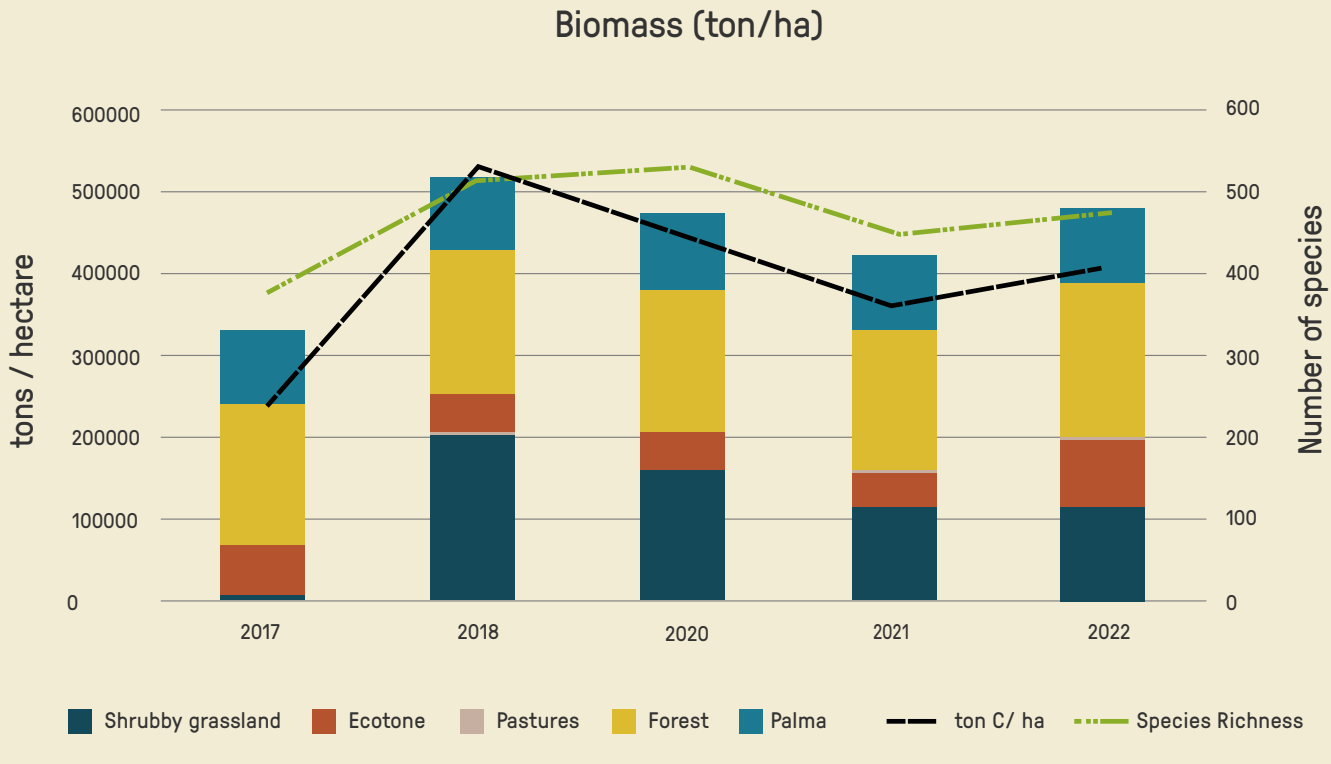
Vegetation cover changes in response to expected changes in the ecosystem, which represent the process that the system is going through, and the outcomes of management actions such the establishment of fences in El Meta, so that cattle were restricted from entering forest areas and water sources. Understanding the history of ecological systems – such as their previous composition and structure, their spatial and temporal variability, and the principal processes that influenced them – helps managers set goals that are more likely to maintain and protect them and meet the desired social outcomes for an area.

The Habitat Bank has seen a 5.79 hectare (61.5%) extension in shrub and bush landcover and a more than 4 hectare reduction in grasslands, which suggests that the successional process has been active over a six-year period, and that enrichment or restoration activities have contributed to the development of a larger area where secondary forest is expected to emerge. Activities such as restriction of agriculture and cattle ranching have been crucial for the natural regeneration process, and seedling planting in restoration areas has also begun to increase the overall area under transition. At the same time, data recorded through the monitoring events also suggest that there have been increases in biomass in the bush and shrub category, indicating that the ecosystem is transitioning towards a new equilibrium state.

The monitoring process also shows that species composition has been under the constant change expected during the early years of a succession process. Climatic and interannual variations influence the processes. Even though some years exhibit lower diversity than the baseline, there is an overall increase in species richness after five years of work in the area. The biodiversity assessment indices do not exhibit significant variations over time and the introduction of a confidence interval reflects a stable biodiversity, which might suggest that it is still too early in the successional process to observe uplifts in biodiversity.

Figure 4

Summary of ecological features of El Meta Habitat Bank during the first years of intervention

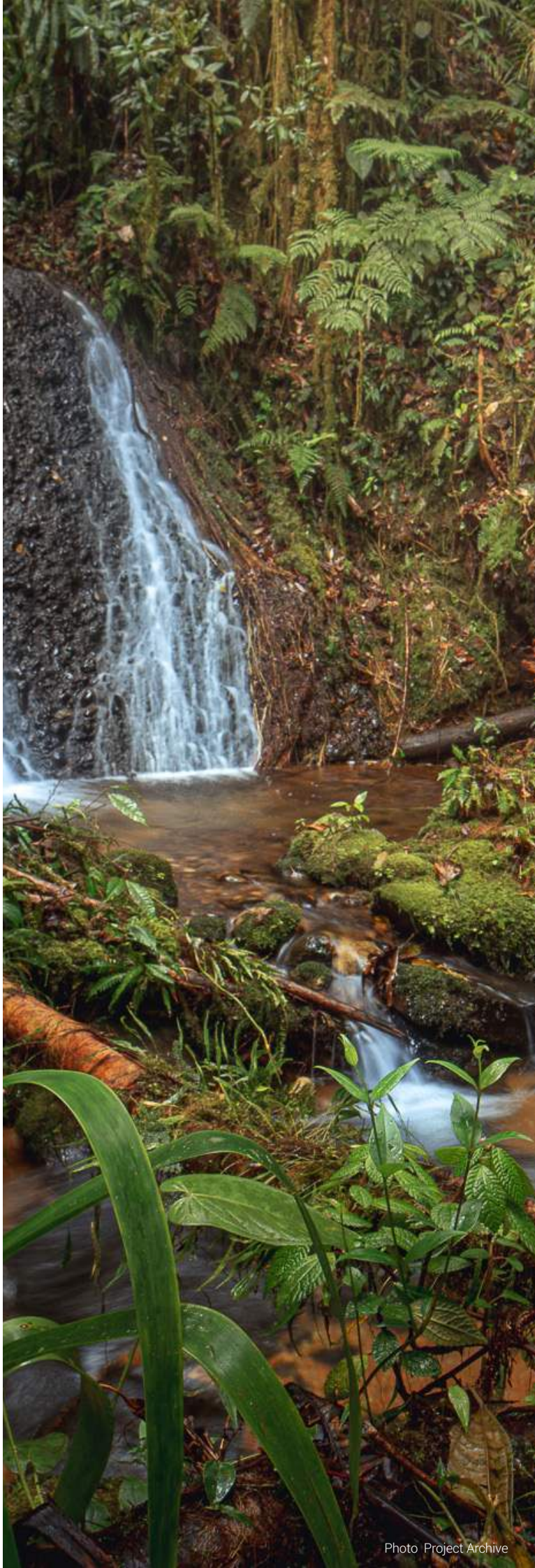


Conclusion

Habitat Banks represent a groundbreaking approach in Latin America and the Caribbean, seamlessly blending conservation and economic incentives. The model allows organisations to offset or preserve natural areas, selling this work as environmental compensation 'credits' to developers. Countries like Colombia, Mexico, Costa Rica, and Panamá have recognised the model's dual potential, and so have either adopted or explored Habitat Banking.

Colombia stands out for its pioneering role, integrating Habitat Banks into its regulatory framework to encourage long-term environmental stewardship and create new economic pathways through biodiversity credits. The experience of Terrasos, a company that has expanded its Habitat Bank initiative across different ecosystems, exemplifies how scientific assessment and market mechanisms can collaborate to produce significant conservation outcomes. Their approach of combining detailed ecosystem evaluations with strategic management plans, demonstrates the Habitat Bank model's ability to match ecological restoration with financial viability.

Habitat Bank's innovation lies in its ability to offer a sustainable solution to environmental degradation, making it a key player in the global effort to conserve biodiversity. Its adaptability across different ecosystems and its capacity to provide economic returns make it an attractive model for scaling up conservation initiatives. As Habitat Banks continue to evolve, they present a hopeful path for reconciling development pressures with the urgent need for environmental protection, illustrating that it is possible to achieve economic growth without sacrificing ecological integrity.



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This case study was developed by Partnerships for Forests in Latin America, in collaboration with the Monitoring and Evaluation global team

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