



## forest & biodiversity

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# Financialization & biodiversity

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### Biodiversity is not for sale

FoEI has developed a wide range of work on biodiversity: we've fought against biopiracy, we've defended biodiversity against the destruction caused by mining and policies that promote false solutions, we've promoted community management and control of biodiversity and the collective rights of communities and indigenous peoples; some of our groups carry out demonstrations and protests to defend biodiversity, others advocate for national and international public policies that are fair and responsive to the needs of the peoples. FoEI has shown through its local, national and international campaigns that biodiversity is an integral part of the territory we defend together with many communities around the world. Biodiversity and forests are essential for the survival of many peoples and the planet, and consequently can't be given a price tag.

### Financialization and Nature: we need to stop the financial sector's takeover of biodiversity

Today we are witnessing a new wave of privatization through the implementation of financial mechanisms. The financialization of nature involves segregating the natural elements from each other, including water, air, biodiversity, landscapes, and even their cultural and spiritual value. Once segregated, new property titles are assigned to each one of them, or their parts - no longer associated with land ownership, collective rights over the territory or the social function of land. Thereby, new sources of capital reproduction and accumulation are created, leading to a process of further appropriation and concentration of the means of production, which are also means for the reproduction of life. These new property titles, which are often referred to and accounted for as

"natural capital", are acquired by corporations to offset their overuse, degradation or pollution of the environment; and they can be traded in financial markets on the basis of contracts signed between corporations and States, local authorities or the communities themselves. This allows the same actors that are responsible for environmental conflicts and injustice to not only benefit from the concentration of their power over resources but also to generate new profits for themselves through speculation in futures markets with these new property titles. Meanwhile, nature and the commons become increasingly scarce and expensive, once they have been commoditized and a price tag assigned as a result of these corporate actions. Consequently, the rights to make decisions about life in the affected territories and how to manage their resources are increasingly transferred from the local sphere to powerful economic actors and new financial markets. In this current conjuncture, finance and its relationship with Nature have become very important. Recent financial deregulation has turned commodities into financial assets for the first time in history: until the beginning of the last decade, having one ton of corn didn't allow you to generate an income flow or profits. Something like this is possible today thanks to financial engineering. Contrary to common-sense civil society beliefs, financial markets are penetrating ever more deeply into the real economy as a response to the financial crisis - naming these inroads under the common concept of natural resources economy - and speculation capital is mixing itself with production capital.

Financialization represents a new form of domination we reject. It is nothing more than a new manifestation of the predatory and exclusionary development model that we've been fighting against for many years.

## Some ideas to be strengthened

Government authorities must play a strong and important role in searching for and establishing funds and mechanisms that generate funding for the conservation of biodiversity. Existing tools such as taxes, incentives, and the elimination of perverse incentives are not expensive for governments to apply. This government role runs contrary to many arguments that tend to weaken the role of governments, believing they need to play a secondary role. The funds to be used or any mechanism established to obtain financial resources should always respect the rights of Indigenous People and local communities, and should be guided by principles of respect for diversity, justice, equity and sustainability, among others. Both these rights and principles should set limits on trade agreements, so that economy becomes a tool, rather than the only solution, as regarded by the prevailing development model.

In the search for funds for the conservation of biodiversity we need to take into account solutions that already exist, many of which are being implemented by Indigenous Peoples and local communities nowadays. It is neither necessary nor good to experiment with the so-called new solutions or innovative mechanisms, since many of them are just experiments that can have negative impacts. Such mechanisms open the door to financialization, and the great majority of them are in the first stages of discussion and experimentation. The logic behind them promotes the commodification of biodiversity and therefore generates negative impacts, aside from the fact that they are mere copies of false solutions to climate change and the logic that has supported them. Thus, they shouldn't be applied to biodiversity given their potential negative impacts on biodiversity itself and on communities and Indigenous Peoples rights.

It is important to allocate public funds for the conservation of biodiversity in order to ensure the continuity of local communities and Indigenous Peoples in their territories and promote their traditional and sustainable use of land, as currently practiced in many countries. The use of these funds should not lead to the implementation of market mechanisms and the commodification of nature, and they shouldn't either adopt offsetting mechanisms.

Social movements and governments ought to attack the causes of the loss and degradation of biodiversity. The defense of the territory, the culture and identity of communities as key to the strengthening of local initiatives, are the basis of these struggles. There are thousands of initiatives currently underway throughout the world that we need to strengthen. One of them is food sovereignty, based on diverse systems under peasants and Indigenous Peoples' control through their agricultural practices that produce food and other goods for local markets. We should be struggling for land to be in the hands of small farmers and Indigenous Peoples, because food sovereignty is not possible without control over land. We need to continue to strengthen communities and Indigenous Peoples' control of forests and biodiversity in the hands of communities and Indigenous Peoples through proposals such as community based governance of both. As we've been able to show through various specific experiences, community based governance of forests is a proposal that protects, preserves and improves biodiversity; it strengthens historical and collective rights; it favors community control and ensures that forests are not chopped down, making it a real solution in the struggle against climate change. Strengthening local markets as a tool to reduce consumerism and strengthening local economies are also important. Strong local markets contribute to the improvement and generation of dignified jobs, in sharp contrast to the action of transnational corporations. Many of these proposals only require that governments reallocate resources instead of starting discussions and proposals on new financial mechanisms.

We need to reject the logic of the prevailing economic system, based on the exploitation of Nature and the concentration of wealth at the expense of huge environmental and social costs. Economy, a peoples-centered economy, should ensure dignified living conditions for all people and should not be exclusionary.

The CBD, as an international arena where many of these proposals are discussed, should step away from the path of false solutions. It needs to respect the principles that formed the basis for its establishment. It needs to respect the rights of local communities and Indigenous Peoples, which it should be more strongly promoting by itself. The CBD should not favor financial mechanisms that involve false solutions. The perverse logic of paying to continue polluting perpetuates and further entrenches the causes of degradation and destruction of biodiversity and it should be eliminated from every proposal. There are enough financial resources, and those who, through their development models, have caused this destruction, are historically obliged to provide these resources.

