



To the Climate Change Secretariat
PO Box 260124, Bonn
email: secretariat@unfccc.int

Asunción, 2 March 2012

Dear Madam, Sir,

Referring to your call for submissions from Parties and accredited observer organizations on modalities and procedures for financing results-based actions and considering activities related to decision 1/CP.16, paragraphs 68 - 70 and 72 (Decision [-/CP.17] Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention, paragraph 69), I would hereby like to submit the views of the Global Forest Coalition, a worldwide coalition of 53 NGOs and Indigenous Peoples' Organizations from 35 different countries striving for rights-based, socially just forest conservation. This submission includes a compilation of views of civil society organizations on Scaling Up Biodiversity Finance, Resource Mobilization and Innovative Financial Mechanisms that was prepared by the CBD Alliance as well as a letter signed by over 170 groups and individuals on Innovative Financial Mechanisms.

Sincerely yours,

Simone Lovera-Bilderbeek
Executive director and UNFCCC focal point
Global Forest Coalition



**Submission by the Global Forest Coalition on
modalities and procedures for financing results-based actions and considering
activities related to decision 1/CP.16, paragraphs 68 - 70 and 72.
(Decision [1/CP.17] Outcome of the work of the Ad Hoc Working Group on Long-term
Cooperative Action under the Convention, paragraph 69)**

**Civil society views on Scaling Up Biodiversity Finance, Resource
Mobilization and Innovative Financial Mechanisms.**

**Compiled by Simone Lovera (Global Forest Coalition) and Rashed Al Mahmud Titimur
(Unnayan Onneshan) for the CBD Alliance¹**

Summary

The Convention on Biological Diversity includes a clear commitment that "*The developed country Parties shall provide new and additional financial resources to enable developing country Parties to meet the agreed full incremental costs to them of implementing measures which fulfill the obligations of this Convention and to benefit from its provisions*".²

In a position paper for the 10th Conference of the Parties of the Convention on Biodiversity, members of the CBD Alliance recommended that "*Strategies to provide financial and other support to biodiversity conservation and restoration should not embrace risky approaches like forest carbon offset markets, biodiversity offsets and the Green Development Mechanism. Parties at COP 10 should agree on an ambitious target for developed countries to provide new and additional public financial resources.*"

From a legal point of view, it is important to make a clear distinction between two kinds of strategies for resource mobilization. One strategy is to raise money from developed country governments, funds that enable them to comply with their financial commitments under the CBD. The other strategy is to facilitate increased financial contributions of the private sector to biodiversity conservation. Regardless of the desirability of private sector contributions, overall they do not support compliance with the legally binding commitments of the CBD, which are oriented towards Parties to the CBD, to governments.

In the light of the above-mentioned recommendations found in the CBD Alliance briefing paper on financial resources, this paper will focus on some of the risks of the so-called 'innovative financial mechanisms'. It will analyze some of their social risks, but also elaborate on the economic sustainability and feasibility of some of the mechanisms proposed. Moreover, the paper will

¹This contribution to the CBD meeting on Scaling up Biodiversity Finance has been compiled by Rashed Al Mahmud Titimur of Unnayan Onneshan and Simone Lovera in consultation with the members of the CBD Alliance. It includes a summary of the Top10 for COP10 papers that were submitted by the CBD Alliance to the 10th Conference of the parties of the Convention on Biodiversity, as well as elements of submissions by individual NGOs like Exconexus and Forest Peoples Program. As with other CBD Alliance briefings, this should not be understood as representing the position of the CBD Alliance nor civil society in general, but rather as providing background and current information, as well as some viewpoints on key issues.

² Article 20.2 of the Convention on Biodiversity, 1992.

discuss alternative strategies to mobilize new and additional financial resources to support biodiversity conservation in developing countries.

1. Financial Needs for Biodiversity Conservation: Estimations and Review

While large conservation organizations and international financial institutions that depend on significant financial support have often stated that biodiversity conservation requires significant financial investments, there is remarkably little well-founded research on the costs of biodiversity conservation. The late-night-negotiations clause that was incorporated in the Convention itself *"...which costs are agreed between a developing country Party and the institutional structure referred to in Article 21, in accordance with policy, strategy, programme priorities and eligibility criteria and an indicative list of incremental costs established by the Conference of the Parties"*³ has not proven to be very helpful in terms of providing concrete guidance in this respect. Estimates tend to be very rough or otherwise unfounded - e.g. the Little Biodiversity Finance Book (Parker et. al. 2010) mentions an estimate of 290 USD billion that is not reflected in one of the presumed sources (IUCN 2010) and the other source (Hansen et. al. 2001) based this figure on the very rough estimations that were mentioned in Agenda 21, a 20 year old policy document, stating that *"The figures for marine areas, freshwater ecosystems, forests, and agriculture suggest that conserving biodiversity in the wider matrix of landscapes would cost perhaps \$290 billion per year."*⁴

More recent research on policies to Reduce Emissions from Deforestation and forest Degradation and enhance forest carbon stocks (REDD+) has provided some estimates, but they also vary by several hundreds of billions of dollars (e.g. Dutschke, 2008, Lubowski, 2008, Eliasch, 2008). Moreover, most of these estimates are heavily inflated by the costs of setting up a REDD+ mechanism itself, which are estimated between 11 and 19 billion USD per year in public investments alone (Eliasch, 2008), regardless of whether the subsequent mechanism will indeed generate any significant funding at all - which seems increasingly unlikely (see below).

Meanwhile, an analysis of the drivers of forest loss collated from 43 national multi-stakeholder workshops in 23 different countries by the Global Forest Coalition (GFC, 2010) provided better news: *"An inspiring conclusion in this respect is that addressing the underlying causes of forest loss does not require a huge financial investment, but rather a redirection of the financial flows that currently support bio-energy, large-scale tree plantations, mining and other destructive projects."* In fact, it should be emphasized that perverse subsidies are widely recognized as a major driver of biodiversity loss, which implies that the quality and direction of financial flows is obviously significantly more important than the quantity as far as biodiversity conservation is concerned. As IUCN points out *"One vast pot of potential conservation finance lies in the billions of dollars that are tied up in environmentally harmful or 'perverse' subsidies—government fiscal policies that give an advantage to some consumers or producers, but also create unintended incentives to damage the environment. These include agricultural subsidies that destroy forests and deplete water supplies, or fossil fuel subsidies that contribute to climate change"* (IUCN, 2008).

It is clear that the main challenge as far as financing biodiversity is concerned is not so much how much financial resources there are, but what they are spent on. So a good place to start for any strategy on resource mobilization would be to review the existing financial flows which include those channeled through international financial institutions like the World Bank and ensure that they are coherent with the Convention on Biodiversity. In the absence of such coherence, there is a significant risk mobilizing additional resources will have a futile or even counterproductive effect.

³ Ibid.

⁴ Please note the total estimate in their paper is actually higher: 317 USD billion annually (James et. al. 2001)

2. The Financialisation of Biodiversity: Issues and Concerns

Biodiversity and ecosystems characterise properties of public goods as being non-rival in consumption, or non-excludable in use, or both.⁵ This implies that putting a price tag or charging consumers for the use and exchange of biodiversity and ecosystem services is often difficult, if not impossible. These realities make the introduction of 'Innovative Financial Mechanisms' (IFMs) such as payment for ecosystem services (PES), biodiversity offsets, or carbon credits, difficult to implement in practice.

Some of these instruments are best described as forms of financialisation.⁶ The financialisation of biodiversity is a by-product of a neoliberal economic system where monetisation has been regarded as the most important tool for using and conserving biological resources. Under a neoliberal frame, money is the means whereby all significant aspects of environment can be valued. In other words money is the only "universal yardstick" of value that can be used and understood (Harvey, 1996). Accordingly, the capitalist production of nature is the process by which nature is changed, capitalized, circulated, exchanged and consumed, materially and ideologically, as a commodity. Financialised nature then becomes part of "accumulation strategy."⁷

Yet developing the necessary financial architecture for a market in biodiversity conservation remains highly contestable as pricing of many of the intangible benefits provided by nature is theoretically and practically impossible. Some of the risks associated with the financialisation of biodiversity are given below:

- First, most of the ecosystem goods and services are produced through complex processes involving different stages, inputs and processes that are invisible, intangible or difficult to ascertain. Assigning values to each of these stages and processes is incredibly difficult., yet suggested frameworks for pricing of biodiversity in its core are pursuing conventional frameworks used for visible commodities (both product and service)., If valuation and pricing is based on conventional approach many of the complex and perhaps less visible products and processes contributing to ecosystem functioning may remain under-valued and potentially unable to find attention for conservation. There have been some institutional attempts to value of ecosystem services (or putting a price on nature) [e.g. 'The Economics of Ecosystems and Biodiversity (TEEB)' study by UNEP]. Such studies are based upon standard neo-classical techniques with their associated follies (viz. Market Price Method, Hedonic Pricing Method (HPM), Travel Cost Method (TCM), Contingent Valuation Method (CVM), Contingent Choice Method). Even its background 'Foundations' text states the limitations of these approaches: "A reliance on these existing measures will in all likelihood capture the value of only a few species and ecosystems relevant to food and fibre production, and will miss out the role of biodiversity and ecosystems in supporting the full range of benefits, as well as their resilience into the future (Reyers, B *et al.*, 2010)"
- Second, often the objectives of conservation and consumption sit diagonally opposite. The question arises as to how conservation would be sustained in a consumption-dominated world. Practically, we live in a world that is bounded by planetary limits, but many of the market-based mechanisms being promoted do little to address these limits in that they do not address the consumptive economy and primitive accumulation (for example, especially around the 'worst offenders' for land use change i.e. agofuels, soy, corn, palm oil, etc).
- Third, the new ecological commodification in the name of IFMs predominately originates

⁵ Non-rival means that one person's consumption of the good does not reduce its availability to anyone else, non-excludability means that once the good is provided the provider is unable to prevent anyone from consuming it.

⁶ Financialisation is a term that describes an economic system or process with many different facets that attempts to reduce all value that is exchanged (whether tangible, intangible, future or present promises, etc.) either into a financial instrument or a derivative of a financial instrument.

⁷ Nature as an accumulation strategy denotes that faced with the loss of extensive nature, capital regrouped to examine and ransack an everyday more intensive nature, a shift largely propelled by corporate environmentalism, and which is now linked to the privatization of nature and the instrumentalist view of nature as a source of value (Katz, 1998).

from a few developed countries and politically powerful corporations. For example, the recent 'Livelihoods Fund', which emerged out of a partnership between the major multinational company Danone, the Ramsar Convention, and IUCN purports to support livelihood and ecosystem based carbon offsets with 30-50 million Euros of "patient capital" invested over a 10-year period. The fund is already creating carbon offsets through mangrove restoration. While the fund claims to support local communities and Peoples through job creation, it is important to note that the Livelihoods Fund has returns of over 11% Internal Rate of Return, which flows back to the investors, which are European companies.⁸ An 11 % return is not small change, and represents the way that the flow of benefits and profits flow in the 'ecosystem economy' of the future, once again from South to North – with the South providing the laboring bodies, and the North providing the capital investment, and reaping most of the profit and rewards. As the profit shrinks from traditional goods and services, such investment funds are attempts to find products that are speculative in nature, and embody higher profits.

- Fourth, existing markets that biodiversity IFMs aim to replicate, such as the carbon market, are already facing problems with crime, corruption, institutional malfeasance and incompetence, compounded by a lack of regulatory oversight and lack of acceptability across and within countries (FPP, 2011). The issue is hugely complicated in case of ecosystems and biodiversity markets with their non-fungibility and non-exclusivity characteristics, and with the always-present land use and property conflicts.
- Fifth, in most cases because of play of power and tilted decision making in favour of a few, the poor, particularly the traditional users of biodiversity like indigenous and local communities who have been identified as the most efficient users and conservationists of biodiversity and ecosystems, are likely to be worse-off.⁹ (UO, 2008).

The above outlines some key problems with the financialisation of biodiversity. Without developing satisfactory answers or methodologies in regard to these complexities and uneven power relations, new and innovative mechanisms are likely to have adverse implications on the poor and the women, particularly indigenous peoples and local communities.

3. Payments for Environmental Services

Payments for Environmental Services (PES) are mentioned prominently amongst the innovative financial mechanisms proposed in the CBD's Strategic Plan for Resource Mobilization¹⁰. PES can be defined as "*(a) a voluntary transaction where (b) a well-defined environmental service (ES) or a land-use likely to secure that service (c) is being 'bought' by a (minimum one) service buyer (d) from a (minimum one) service provider (e) if and only if the service provider secures service provision (conditionality)*".(Wunder, 2005).

PES schemes and other market-based conservation mechanisms have come under increasing scrutiny for their social impacts. PES as a national system implies that every forest owner is given an entitlement to receive a payment. To be effective as an economic incentive, such payments should be able to compensate the opportunity costs of conservation. Some experts have pointed out that PES is only cost-efficient if applied in areas where the opportunity costs are relatively low, which means they are considered mostly suitable for small-scale agriculture activities (Wunder

⁸ Current investors are Danone (a multinational corporation that produces yogurts, but also bottled water; they are the biggest producer of fresh dairy products in the world and the second-largest producer of bottled waters (including Evian) and baby food, generating €17.010 million in sales in 2010.), Schnieder-Electric (an energy management company with operations in over 100 companies, with sales of 20 billion Euros in 2010), CDC Climat (a subsidiary of Casse de Depots), and Credit Agricole Group (French bank, one of largest in Europe).

⁹ There are numerous examples of how biased political accumulation leads to unsustainability of conservation of biodiversity and over accumulation nature, resulting in loss and damage of the ecosystem and impacting on the livelihoods of the indigenous and local communities (e.g. UO, 2008)

¹⁰ Convention on Biodiversity Decision IX/11, Review of Implementation of Articles 20 and 21, Strategy for resource mobilization in support of the achievement of the three objectives of the Convention, CBD 2008

2007, Wunder 2008). Meanwhile, several Indigenous Peoples' Organizations¹¹ have demanded that PES systems should be strategically targeted to benefit poor and marginalized communities only. The relatively social success of the RUPES scheme¹² is actually based on such specific targeting of a scheme for marginalized communities living in upland areas that form the source of important freshwater resources. However, as pointed out by Karsenty (2008), such theoretical proposals can easily overlook the risk of potential threats by powerful landowners to destroy their forests if they are not granted the same rewards. They also ignore the political reality in many countries, which is that large landowners and influential politicians tend to belong to the same societal class, and as Karsenty points out there often is a "gap between private interests of politicians and collective interests of the nation". As a result, PES schemes in countries like Paraguay are often designed in a manner that benefits large landowners most (GFC, 2008). Meanwhile, Wunder (2007) rightfully points out that the economic rationale behind PES, and the requirement of 'additionality' in REDD+ schemes, would limit PES to threatened ecosystems only, thus excluding Indigenous Peoples and traditional communities who have conserved their forest until now.

A large number of research institutions and international organizations have highlighted significant additional social and cultural risks of PES (see amongst others WRI 2005, Karsenty 2008, GFC 2008, Peskett et. al. 2008, Milder et. al. 2010, FPP, 2011, Econexus 2011, Broughton and Pirard, 2011). At the outset, it should be emphasized that many NGOs, Indigenous Peoples' Organizations and social movements reject the term "environmental services" as they consider it a dangerous simplification of the holistic, mutually beneficial and bioculturally determined relationship communities and individual human beings foster with the environment. See also the attached letter that was signed by over 200 groups and individuals. Another overall concern with PES is that it is based on a rather simplistic analysis of incentives for conservation, in which financial incentives are considered the main and dominating incentive. However, in reality social, cultural and educational incentives have played at least as big a role in motivating people to conserve biodiversity as economic incentives, while there is a risk PES systems undermine some of these other incentives (GFC-CEESP, 2009 and GFC, 2010).

There are also strong socio-economic concerns about PES. As they are linked to formal land tenure titles, PES tends to provide more benefits to wealthy landholders than to economically marginalized groups like women, Indigenous Peoples and small farmers, who often lack formal title to their land. These groups also often lack the legal and economic skills to engage in 'environmental services' markets, which implies they become more dependent upon conservation groups and other intermediaries, something some Indigenous Peoples' groups have expressed concern about¹³. Most market-based mechanisms require significant upfront investments in terms of elaborating contracts, adapting management and monitoring performance, which excludes participation by the poorest sectors of society. PES and other market-based mechanisms also restrict land uses essential for the customary biocultural livelihoods of traditional communities, leading to the erosion of traditional knowledge and triggering rural-urban migration, especially of the youth. As Forest Peoples Programme (2011) points out in their submission to the CBD on this issue *"there is a significant risk of top-down actions obliging local people and others to change their behaviour while allowing the PES contracting parties to reap most or all of the benefits. PES schemes often seek to change local livelihood practices, and ill-conceived initiatives risk imposing unjust and unscientific restrictions on the livelihoods and customary resource use of indigenous peoples and local communities. Poorly designed PES finance for national or local conservation schemes may thus have direct negative implications for the fulfillment of country commitments under CBD Articles 10c and 8j under which Parties have duties to respect and protect the customary use and traditional practices of indigenous peoples and local communities."*

There also is a tension between PES and well-founded national and international legal principles. By giving them an entitlement to a payment, PES suggests countries and actors within those

¹¹ E.g. AIDESEP, 2011, "Constructing Indigenous REDD+, Inter-cultural Modification of REDD+ in Peru to the Territorial and Collective Rights of Indigenous Peoples", AIDESEP, Peru

¹² <http://rupes.worldagroforestry.org/>

¹³ See AIDESEP, *ibid.*

countries have a legal right to destroy the 'environmental services' of an ecosystem. An international PES system for watershed services, for example, could lead Brazil to claim compensation from its neighboring countries like Paraguay for efforts to combat deforestation, as these neighboring countries see their international rivers and regional climate threatened by the impact of this forest loss and thus enjoy the 'environmental service' provided by standing forests in Brazil. This assumption is in contradiction with legal principles as enshrined in the Convention on the protection and use of transboundary watercourses and international lakes¹⁴ and the very Convention on Biodiversity itself, which emphasize that States, while having the sovereignty over their natural resources, have an obligation not to cause harm to the natural resources of other countries.

While they are often mixed up in the literature (for example Landell-Mills and Porras, 2002), there is an important legal and economic distinction between programs to "reward" certain communities for environmental services (e.g. the above-mentioned RUPES scheme) and laws that create a nation-wide PES system. The latter implies each and every landowner is granted an entitlement for compensation if he or she decides not to destroy the forests or other ecosystems on his or her property. Such PES legislation, as now adopted in countries like Costa Rica and Paraguay, is violating well-founded legal principles by changing the polluter pays principle into a 'beneficiary pays principle' (Wunder, 2007). More importantly, such laws have also proven to be a significant financial burden for the countries involved as they have overlooked a small but economically crucial detail of establishing a legal obligation for beneficiaries to pay, which results in governments having to pay up most of the time. (GFC 2008 and GFC 2009).

In fact, it is highly remarkable that PES is even seen as an IFM, as PES as applied in most situations does not really manage to generate funding, rather, it is an expensive environmental policy option that creates an obligation for Governments or other actors to pay for 'services' that were previously provided, or could be provided, for free. Governments play a key role in practically all PES systems, often as a buyer of services: Some 99% of the estimated 1460 million USD that is annually spent on PES is paid by public sources (Milder et. al. 2010, Vatn et. al. 2011 See also Broughton and Pirard, 2011). The conclusion by Vatn et. al. that private sector engagement is "relatively marginal" in PES is quite an understatement in this respect. In a country like Costa Rica, the national PES system requires no less than 25% of the entire budget of the Ministry of Environment (FoEI, 2010), while Broughton and Pirard point out that "the Costa Rican PES programme looks more like a flat subsidy" rather than a market (Broughton and Pirard, 2011). Without a firmly established, though legally and morally questionable, obligation for the beneficiaries to pay, PES are a significant financial burden for public budgets rather than a funding mechanism as they force Governments to pay for compliance with environmental policies. The argument that PES would make the enforcement of environmental policies cheaper is not based on any evidence or sound analysis as it forces public authorities to not only monitor compliance with environmental rules - and experiences with REDD+ have shown this is highly complicated as there is a significant risk of fraud due to the potential profits at stake (Lohmann 2006, Munden 2011) - but they have to administer complicated compensation schemes on top of that.

4. REDD+

Most theories that classify PES as an IFM are based on supply-based calculations rather than demand-based calculations of the financial resources that could be generated. This is true especially in the case of Reducing Emissions from Deforestation and forest Degradation and enhancing forest carbon stocks (REDD+). REDD+ is generally seen as the 'environmental service' that could be most profitable (Richards and Jenkins, 2007). The estimated revenue flows are based on potential financial flows generated by the potential supply of carbon offsets rather than the question whether there is, or will be, a significant demand for such offsets (e.g. Chomitz, et. al. 2007, Dutschke et al. 2008, Lubowski, 2008, Peskett et. al. 2008, Peskett and Harkin, 2007, Richards and Jenkins, 2007). A significant demand for forest carbon offsets can only be created with a combination of ambitious legally binding emission cuts and the possibility to offset such cuts

¹⁴Convention on the Protection and use of Transboundary Watercourses and International Lakes, Helsinki, 1992, <http://www.unece.org/fileadmin/DAM/env/water/pdf/watercon.pdf>

with forest-based projects. A remarkable amount of literature on the theme mentions deep emission cuts as a pre-condition for REDD+ without any proper analysis of the political feasibility of such cuts.

Regretfully, the outcomes of the 17th Conference of the Parties to the Framework Convention on Climate Change (UNFCCC) in December 2011 make it clear that legally binding emission cuts, and/or an international obligation for the beneficiaries of carbon-related environmental services to pay, will not exist before 2020. And it is highly uncertain whether such an obligation will exist thereafter as countries have only committed to an undefined "legal outcome" that should be in force by then¹⁵. Whether this legal outcome will include the "deep" legally binding emission cuts that are mentioned as a pre-condition for international forest carbon offset schemes in most literature is highly uncertain. For example, China, India and other developing countries have, for very good legal and moral reasons based on the common but differentiated responsibilities principle enshrined in the UNFCCC itself, made it clear they will not be willing to commit to quantified legally binding emission cuts if the world's largest per capita polluter, the US, does not do so¹⁶. However, unless the upcoming elections result in a US Government that has a significantly more progressive environmental agenda than the current US administration (which is rather unlikely anno 2012) the chances that the US will be willing to agree on quantified legally binding emission cuts by 2015 are very low.

The EU and a number of relatively small emitters have indicated their willingness to commit to legally binding emission cuts within the framework of a second commitment period of the Kyoto Protocol, but the EU does not allow forest carbon offsets in its internal Emissions Trading System (ETS) until at least 2020¹⁷. Here again, it is uncertain whether this position will be revised after 2020, as the main arguments for this decision, which include both technical concerns like governance, permanence and leakage and an economic concern about an overflow of supply of carbon credits in a market that is already plagued by a lack of demand, are unlikely to disappear between now and 2020. Meanwhile, the ETS already represents 97% of global emissions trade¹⁸, and this percentage might increase if the large developed countries refuse to take up binding emission cuts as part of the second commitment period of the Kyoto Protocol are subsequently excluded from the flexible mechanisms in that protocol (e.g the Clean Development Mechanism). So even if market mechanisms "could" play a role in financing REDD+, as stated in the outcomes of the Durban Summit¹⁹, it is not very realistic to assume there will be a significant demand for forest carbon offsets before, or even after 2020.

There will be undoubtedly be a continuation of some of the existing forest carbon offset markets, which are voluntary, and thus rather a form of philanthropic funding flows merged with green marketing considerations than a real market. But aside from the many concerns mentioned about such market-based conservation mechanisms in general, the financial flows from the voluntary market have been around 5% of the total funding flow to REDD+ only. Even in 2010, when there was still some expectation that REDD+ might be included in global carbon markets any time soon, the total value of transactions was only 178 million USD²⁰, including both direct investments in projects and indirect transactions. In comparison, in June 2011 the REDD+ Partnership Database reported that donor countries had already committed more than 7.7 billion USD in public funding to REDD+²¹. So if the purpose of these public investments were to generate private investment, they have not been very successful. As far as speculative motivations played a role in some of the

¹⁵http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_lcaoutcome.pdf Advanced unedited draft. See also http://www.twinside.org.sg/title2/climate/news/durban01/durban_update25.pdf

¹⁶http://www.twinside.org.sg/title2/climate/news/durban01/durban_update25.pdf

¹⁷<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0645:FIN:EN:PDF>

¹⁸http://siteresources.worldbank.org/INTCARBONFINANCE/Resources/StateAndTrend_LowRes.pdf

¹⁹http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_lcaoutcome.pdf Advanced unedited draft.

²⁰Forest Trends, 2011. State of the Forest Carbon Markets 2011. http://www.forest-trends.org/publication_details.php?publicationID=2963

²¹REDD+ Partnership, 2011. REDD+ Partnership Voluntary REDD+ Database Updated Progress Report, 11 June 2011, page 6, table 1. See <http://reddplusdatabase.org/>

voluntary forest carbon offset initiatives, the rapidly decreasing chances of a global binding cap and trade system before or even after 2020 is already having a depressing effect on the market.²²In any case it is clear that carbon offset finance as an IFM has proven to be a highly volatile, instable and uncertain source of funding that is fully dependent on the outcomes of one of the most difficult and frustrating international negotiation processes ever.

The uncertainty about future carbon offset markets is something that should be strongly taken into account by the more than 35 Governments that are receiving REDD readiness funding at the moment. There is a clear need to ensure policies and strategies to conserve and restore forests are not dependent upon highly uncertain future forest carbon offset investments. As an excessively expensive policy measure, national PES systems will create a permanent dependency on external funding flows, as the Costa Rican Government has learned the hard way. This will significantly undermine the independence of national governments to determine their own conservation priorities. The often-heard suggestion that a dependence on private investments and environmental services markets would create relatively greater independence and stability than dependence on public ODA is not based on any proper analysis or experience. Rather, the main market for environmental services has proven to be a highly insecure source of financial support for biodiversity, and there is an inherent risk that profit-oriented actors offering investments in biodiversity conservation will try to use the opportunity to expand their own business, regardless of the impacts this might have on biodiversity or people.

5. Biodiversity Offsets

Similar to carbon offsets, in a biodiversity offset the polluter pays for damage they have done to biodiversity by creating or buying an offset/credit. An offset implies that a certain biodiversity conservation initiative serves as a compensation for a project or policy that destroys biodiversity, so the net outcome for biodiversity is at most zero. Considering the bad experiences²³ with carbon offset markets, it is remarkable that proposals have been developed for biodiversity offset markets and even a Green Development Mechanism to play the role of an international broker of biodiversity offset agreements similar to the role of the Clean Development Mechanism. This paper focuses on five issues relating to biodiversity offsets.

First, the major problem of biodiversity offset arises from the 'non-interchangeable' and 'difficult to measure' characteristics of the biodiversity, which make it difficult to trade. The process of measuring two biological sites as 'equivalent' is incredibly challenging – if not impossible – because biodiversity in two locations can be completely different in many ways such as species composition, ecosystem process, food web and ecosystem services provision. Unlike carbon markets, biodiversity offsets deal with physical objects like plants and animals; and biodiversity is so much more than just simple concepts of a list of species or the size of a population, which may be undermined by the over simplification for ease of monetary valuation of biodiversity of project and offset site.

Second, biodiversity offsets can have potential adverse social impacts. For example, the project itself may exclude indigenous peoples and local communities or it may take the form of a Protected Area with restricted accessibility to those who have been there for centuries. Forest Peoples Programme (2011) states: *"A further potential problem with offsets is that they could be used to either strengthen existing or create new protected areas at other sites that may apply exclusionary conservation approaches at the expense of local people (in disregard of CBD and other standards requiring inclusive and rights-based approaches to protected area establishment and management."*

Third, such mechanism may provide the right to continuation of destruction and pollution, acting as incentives to development. Indeed, there is evidence that the wetland banking in the US focuses almost predominately on compensation rather than the other aspects of the mitigation hierarchy

²² Wynn, Gerard. "Carbon Offsets Near Record Low, Worst Performing Commodity" Reuters, August 8 2011.

²³ There are numerous studies and cases that demonstrate problems associate with carbon credits and offset mechanisms. For example, the CDM Watch carries a plethora of resources in its website, www.cdm-watch.org

such as avoidance and minimization (Hough and Robertson 2009). This finding is also found in other jurisdictions, such as in Canada (Clare et al. 2011). This means that the offsets work as an incentive to developments that may be ecologically problematic, by incorporating compensation costs into the business model.

Fourth, and perhaps most worryingly, there is little evidence that offset programs work, even in those established offset and mitigation programs such as US wetland banking. A study conducted in Ohio (Mack and Miacchion 2006), scientists looked at the 12 oldest of the state's 25 wetland mitigation banks. Although these had been studied and monitored by the Army Corps and EPA [Environmental Protection Agency], the study found that many were not up to standard when checked against stringent scientific criteria. Indeed, against these measurements only three banks scored in the "successful category," while five passed in some areas and failed in others. The remaining four failed nearly every assessment, functioning more like shallow dead pools than wetlands. More disturbing, none of the government agencies charged with oversight were taking the bank managers to task for this fact.

Fifth, the efficiency claim behind offset programs – meaning that a cap and trade system based on offsets is more economically efficient (compared to say command and control regulation) – has also not been proven in practice, especially when transaction costs are factored into the equation. Economists themselves have questioned this assumption, particularly when it comes to biodiversity, as the 'commodity' is location-specific and spatially non-fungible. This restricts the geographic scale of the market, which also means it loses "much or all the ...efficiency advantage competitive markets have over alternative resource allocation strategies" (Kroeger and Casey 2007, see also Muradian et al 2010). As concluded by Vatn et. al. (2011) "transaction costs are high and there are reasons to expect them to be largely borne by the public sector". This implies that, similar to carbon offsets, Governments risk investing significant amounts of public funding in setting up a system that might hardly generate any funding for effective biodiversity conservation.

Sixth, biodiversity offsets will tend to concentrate on high value conservation areas leaving less value ones open for environmentally destructive activities. While this might be positive according to environmental criteria, there are serious human rights issues to be addressed if the 'less value' areas are already being used for farming, ranching, or pastoralism. There are demonstrated cases observed in instances such as extractive minerals (FPP, 2011) and the conversion and grabbing of agriculture land. In some cases resettlement and relocation schemes are offered theoretically, but effective compensation and mitigation are less offered in reality or neither the principle of free, prior and informed consent is respected (FPP, 2011).

6. Tax, Allowances, Concessions

Different innovative financial mechanisms are also being advocated either in the form of voluntary or non-voluntary arrangements. Tax and allowances are examples of non-voluntary mechanisms through which funds are raised that could be used in biodiversity conservation.

A **natural capital tax** can either impose a price on the extraction of natural resources (fee on timber extraction, mining) or activities that negatively impact the provision of biodiversity or ecosystem services (development tax). However, considering the complexity in estimating non-use value (ecological functions), pricing of natural resources mostly focuses on the use (direct and indirect) value. Moreover, natural capital tax continues to enable timber traders or miners for example to harvest resources beyond the ecological limit where return to the original environment may not be possible even with the highest amount of investment. Another potential problem of this approach is susceptibility to corruption by government or accrued benefit by politically powerful actors. A further shortcoming of this approach may arise from enforcement, where the local community may be penalized instead of real polluters. Despite such criticism, this tax has been advocated against perverse subsidies in natural resource extraction (e.g. timber trading, mining).

A **Greenhouse Gas Allowance** is a new financial mechanism for biodiversity and ecosystems services that has been discussed under the UNFCCC. Under the mechanism, a percentage of

assigned amount units or allowances could be withheld from national or international quota allocations and auctioned via an appropriate institution. The criticism of this mechanism is that it will allow developed countries to emit more and makes them less responsible for environmental degradation as anyone can easily buy an allowance regardless of the global climate status. From the perspective of developing countries, access to this money through this mechanism would entail complex scientific, legal and policy frameworks including a baseline study.

National **Concessional loans** (or concessional debt) are delivered to governments or private companies for ecosystem protection or ecosystem-friendly activities by the donor countries with a provision of repayment. Mostly the developing countries are the recipients of such loans. Quite clearly, such mechanism weakens the obligation of developed countries in protecting the environment as they are mostly responsible for global climate change. Instead of solidarity they are using this mechanism as a business to make money.

An **aviation and maritime tax or levy** has been put forward under international biodiversity, climate change and development discussions. Aviation and maritime emissions are two important sources, and proposals, therefore, have been made to impose tax or levy on the passengers (in case of marine vessels tax on transport freight operated by developed countries and tax on bunker fuels for refueling planes or ships). It seems the proposals are interesting and innovative, and can be put in place with an accepted operational framework. Even though there is no direct connection between biodiversity with aviation or maritime sector, increased emissions from these sectors and resultant impacts will degrade biodiversity.

A **Financial transaction tax**, as originally suggested by James Tobin (also known as Tobin tax) discourages investing in unsustainable financial speculation and collected funds could be utilized for biodiversity conservation. Imposing such tax is technically possible and efforts could be put in place for implementation and enforcement, with an effective accountability framework.

7. Conclusion

Ecosystems are about relationships and interaction, and therefore these behave differently than regular commodities. Therefore ecosystem services are difficult to convert into commodities, posing political, ethical and environmental risks.. Case studies around the world do not rigorously support the argument of promoting Innovative Financial Mechanisms (IFMs) such as PES and biodiversity offsets, to achieve objectives of CBD. In our view, many of the IFMs are pre-mature and have potential to produce counter benefits that could undermine the objectives of CBD. Furthermore there is little evidence from other existing environmental markets that this is a road we should travel.

As the CBD Alliance members argued in the Top10 for CDOP10 "the move to private sector, voluntary and offset approaches to conservation (i.e. like the GDM) is part of a larger trend of moving governance and decisions away from governments and communities. It is part of a trend in which various international NGOs, consulting firms, intergovernmental entities are positioning themselves to profit as brokers, middle-men, certifiers, and/or actual project proponents/ investors. As such, the move to market approaches is not only a way to 'find more funds', as is commonly articulated by Northern delegates, but it is also about privatizing and commodifying people's commons, bypassing governance systems in the South, all in order to achieve 'northern' style conservation with access to resources through private, or 'voluntary' means. Further, based on these concerns, there is growing opposition to market approaches from social movements, worldwide."

Forest Peoples Programme (2011) recommends, amongst others: *"Given the unproven sustainability of different innovative finance mechanisms, Parties should apply a precautionary approach and avoid decisions and commitments on this topic until reliable evidence is available to demonstrate the usefulness of different funding mechanisms in helping to achieve the objectives of the Convention."* They also recommend that *"Upcoming public participatory consultations on the revision and updating of NBSAPs should include open public debate on different finance options*

for implementation of the CBD at the local and national levels. Such debates should cover a range of innovative options and measures as well as existing tools, including reform of existing taxes and subsidies that may be harmful to biodiversity (such as subsidies to fossil fuels) and the creation of taxes and subsidies that promote the conservation and sustainable use of biological resources."

In their recommendations to COP10, the members of the CBD Alliance argued: "*In the absence of a firm and ambitious target to provide new and additional financial resources as agreed in the Convention, any discussion on so-called "innovative financial mechanisms" is premature.*" They pointed out that "*at height of the global economic crisis in 2008, more than 6.9 trillion US dollars were mobilized by developed country governments to ensure the survival of private banks and other financial institutions that had been engaging in risky, speculative economic practices*" and that it was obvious in this light that public resources could be mobilized to fulfill the financial commitments of the CBD provided there was the political will to do so. "*Instead of taking a narrow, mercantilist approach that "pays" for environmental "services", we urge governments to provide a broad range of social, cultural, legal and economic incentives for biodiversity conservation, restoration and sustainable use, especially by women, Indigenous Peoples, local communities and small-scale food providers like farmers, fisherfolk, and pastoralists. Such incentives must also recognize and respect the historical territorial and use rights of Indigenous Peoples and local communities and support the significant contribution of Indigenous territories and community conserved areas.*"

References:

Agrawal, A. 2008. Livelihoods, carbon and diversity of community forests: trade offs and win wins?. Presentation to Rights, Forests and Climate Change - A joint conference convened by Rights and Resources Initiative and Rainforest Foundation Norway Oslo, Norway, 15-17 October 2008

Bishop, J., Kapila, S., Hicks, F., Mitchell, P. & Vorhies, F. 2008. Building Biodiversity Business. Shell International Limited and International Union for the Conservation of Nature: London, UK, and Gland, Switzerland. 164 pp.

Business and Biodiversity Offsets Program: <http://bbop.forest-trends.org>

CBD 2010. Innovative Financial Mechanisms: Report of the proceedings of the International workshop on Innovative Financial Mechanisms. Convention on Biological Biodiversity. Nairobi

CBD 2011. Notification Ref: SCBD/ITS/YX/75558

CBD .2008. Findings of the First Meeting of the Second Ad Hoc Technical Expert Group on Biodiversity and Climate Change, London 17-21 November, 2008 at paragraph C

CBD Alliance. 2010. Finance, Economic Instruments and Biodiversity. Briefing 2. www.cbdalliance.org

Clare S., Krogman N., Foote L. & Lemphers N. 2011. Where is the avoidance in the implementation of wetland law and policy? Wetlands Ecology and Management 19(2): 165-182.

Chomitz, K. M., Buys, P., De Luca, G., Thomas, T. and Wertz- Kanounnikoff, S., 2007. At loggerheads? Agricultural expansion, poverty reduction, and environment in the tropical forests. A World Bank Policy Research Report. The World Bank, Washington, DC.

EC, 2008, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss, European Commission, Brussels.

Cranford, M., Henderson, I. R., Mitchell, A. W., Kidney, S., and Kanak, D. 2011. Unlocking Forest Bonds: workshop report. WWF Forest and Climate Initiative, Global Canopy Programme and Climate Bonds Initiative.

DEFRA. 2011. The Natural Choice: Securing the value of nature. National Environment

White Paper. DEFRA, UK. <http://www.defra.gov.uk/environment/natural/whitepaper/>

Dutschke, M. and Wertz-Kanounnikoff, S. "How do we match country needs with financing sources?" in Angelsen, A. (ed.), 2008. Moving ahead with REDD: Issues, options and implications. CIFOR, BOGOR, Indonesia, pp. 41 - 52.

Econexus 2011. Information concerning innovative financial mechanisms. Submissions to the CBD secretariat according to the decision X/3 A. paragraph 8 (C).

Ecosystem Marketplace: US Wetland Banking.
http://www.ecosystemmarketplace.com/pages/dynamic/web.page.php?section=biodiversity_market&page_name=uswet_market

Eliasch, J., 2008. Climate change: financing global forests. The Eliasch review. Office of Climate Change, London.

Euractiv 2009. Carbon trading 'stifling EU energy-savings potential'. 22 April 2009.
<http://www.euractiv.com/en/energy-efficiency/carbon-trading-stifling-eu-energy-savingspotential/> article-181502

Europol 2010. Further investigations into VAT fraud linked to the Carbon Emissions Trading System. Press release, 28 December 2010. <https://www.europol.europa.eu/content/press/further-investigations-vat-fraud-linked-carbon-emissions-trading-system-641>

FAO 2008. Climate change, bioenergy and land tenure. High-level conference on food security: the challenges of climate change and bioenergy. Rome, 3-5 June 2008.
http://www.globalbioenergy.org/uploads/media/0805_FAO_climate_change_bioenergy_and_land_tenure.pdf

Fisher, B. Lewis, S.L., Burgess, N.D., Malimbwi, R. E., Munishi, P.K, Swetnam, R.D, Turner, R. K, Willcock, S., and Balmford, A. 2011. Implementation and opportunity costs of reducing deforestation and forest degradation in Tanzania. *Nature Climate Change* 1, 161–164 (2011)

Friends of the Earth International 2010. REDD Realities in Black and White, FoEI, Amsterdam

Forest Peoples Programme (FPP) 2011, Submission to the Convention on Biological Diversity relating to innovative financial mechanisms and the rights of indigenous peoples and local communities

Global Business of Biodiversity Symposium: <http://www.businessofbiodiversity.co.uk>

Global Forest Coalition 2008. Climate Change, Forest Conservation and Indigenous Peoples' Rights Briefing paper

Global Forest Coalition and IUCN CEESP, 2009, The Hottest REDD Issues: Rights, Equity, Development, Deforestation and Governance by Indigenous Peoples and Local Communities, GFC, Amsterdam

Global Forest Coalition, 2009. REDD Realities: How strategies to reduce emissions from deforestation and forest degradation could impact on biodiversity and Indigenous Peoples in developing countries, GFC, Amsterdam.

Global Forest Coalition 2010, Getting to the Roots: Underlying Causes of Deforestation and Forest Degradation, and Drivers of Forest Restoration, GFC, Amsterdam.

Greiber, T. (Ed.) 2009. Payments for Ecosystems Services: legal and institutional aspects. IUCN Environmental Policy and Law Paper No. 78, Gland, Switzerland

Griffiths, T. and Anselmo, L. 2010. Indigenous Peoples and Sustainable Livelihoods in Guyana: an overview of experiences and potential opportunities FPP, APA, NSI

Harvey, David. *Justice, Nature and the Geography of Difference*. Cambridge: Btackwett Publishers, 1996

Hough P. & Robertson M. 2009. Mitigation under Section 404 of the Clean Water Act: where it comes from, what it means. *Wetlands Ecol Manage* (17): 15–33.

- IUCN, 2010. Saving biodiversity: An economic approach. In: KNEE, A. (ed.). International Union for Conservation of Nature and Natural Resources.
- James, A., Gaston, K. & Balmford, A. 2001. Can we afford to conserve biodiversity? *Bioscience*, 51, 43–52.
- Karsenty, A., 2008. The architecture of proposed REDD schemes after Bali: facing critical choices. In *International Forestry Review* Vol. 10(3), 2008 (pp. 443 – 457)
- Katz, Cindi. "Whose Nature, Whose Culture?" *Remaking Reality*. Ed. Bruce Braun and Noel Castree. New York: Routledge, 1998. 46-63.
- Kettlewell, C., V. Bouchard, D. Porej, M. Micacchion, J. Mack, D. White and L. Fay. 2008. An assessment of wetland impacts and compensatory mitigation in the Cuyahoga River Watershed, Ohio, USA. *Wetlands* Volume 28, Number 1, 57-67, DOI: 10.1672/07-01.1
- Kroeger, T. and F. Casey. 2007. An assessment of market-based approaches to providing ecosystem services on agricultural lands. *Ecological Economics* 64(2):321-332.
- Landell-Mills, N. and I.T. Porras, 2002. Silver bullet or fool's gold? A global review of markets for forest environmental services and their impacts on the poor. International Institute for Environmental and Development, London, UK.
- Leach, P. 2008. Carbon Sunk: The potential impacts of avoided deforestation credits on emissions trading mechanisms. Rainforest Foundation, UK.
- Lohmann, L., 2006. Carbon Trading, a critical conversation on climate change, privatization and power. What Next Development Dialogue September 2006, Dag Hammarskjöld Centre, Uppsala, Sweden.
- Lovera, S. 2008. REDD: The Pay-the-Polluter principle. In Holopainen, J. and Wit, M. (eds). *Financing Sustainable Forest Management*. Tropenbos International, Wageningen, the Netherlands, (p 28 – 32)
- Lubowski, R., 2008, "What are the costs and potentials of REDD?" in Angelsen, A. (ed.), 2008. *Moving ahead with REDD: Issues, options and implications*. CIFOR, BOGOR, Indonesia, pp. 23 - 30.
- Luca, T., Sango, M., and Helen, S. 2011. *Payments for Environmental Services, Forest Conservation and Climate Change: Livelihoods in the REDD?*. Edward Elgar Pub.
- Mack, JJ, and M. Micacchion. 2006. An ecological assessment of Ohio mitigation banks: vegetation, amphibians, hydrology and soils. Ohio EPA technical report WET/2006-1. Ohio Environmental Protection Agency, Division of Surface Water, Wetland Ecology Group, Columbus OH.
- Milder, J.C., S.J. Scherr and C. Bracer, 2010. Trends and Future Potential of Payment for Ecosystem Services to Alleviate Rural Poverty in Developing Countries. *Ecology and Society*, 15(2):4.
- Muradian, R., E. Corbera, U. Pascual, N. Kosoy and P.H. May. 2010. Reconciling theory and practice: An alternative conceptual framework for understanding payments for environmental services. *Ecological Economics* 69(6):1202-1208.
- Munden, L. 2011. REDD and forest carbon: Market-Based Critique and Recommendations. The Munden Project <http://www.mundenproject.com/forestcarbonreport2.pdf>
- Parker, C., Cranford, M. *The Little Biodiversity Finance Book* (2010)
- Peskett, L., Huberman, D., Bowen-Jones, E., Edwards, G. and Brown, J., 2008. Making REDD work for the Poor. Overseas Development Institute and IUCN, London, UK.
- Peskett, L. And Harkin, Z., 2007. Risk and responsibility in Reduced Emissions from Deforestation and Degradation. Overseas Development Institute, London, UK.
- Reyers, B et al. 2010. "Measuring biophysical quantities and the use of indicators, *The Economics of Ecosystems and Biodiversity: The Ecological and Economic Foundations*, UNEP
- Richards, M. And Jenkins, M., 2007. Potential and Challenges of Payments for Ecosystem Services from

Tropical Forests. Overseas Development Institute, London, UK.

Robertson, M. & Hayden, N. 2008. Evaluation of a Market in Wetland Credits: Entrepreneurial Wetland Banking in Chicago. *Conservation Biology* 22(3): 636-646.

Ruhl, J. B. and J.E. Salzman. The Effects of Wetland Mitigation Banking on People (January 1, 2006). FSU College of Law, Public Law Research Paper No. 179; FSU College of Law, Public Law Research Paper No. 179. Available at SSRN: <http://ssrn.com/abstract=878331>

UNEP 2009. The Economics of Ecosystems and Biodiversity for national and international policy makers. UNEP, Nairobi, Kenya

UNEP 2008. Public Finance Mechanisms to Mobilize Investment in Climate Change Mitigation. United Nations Environment Programme.

Unnayan Onneshan 2008. Desertification of the Sundabans

Vatn, Arild, David N. Barton, Henrik Lindhjem, Synne Movik, Irene Ring and Rui Santos, 2011, Can markets protect biodiversity? An evaluation of different financial mechanisms Noragric Report No. 60

World Resources Institute (WRI) in collaboration with United Nations Development Programme, United Nations Environment Programme, and World Bank. 2005. *World Resources 2005: The Wealth of the Poor—Managing Ecosystems to Fight Poverty*. Washington, DC: WRI

Worldwatch 2008. *State of the World 2008: Innovations for a Sustainable Economy*. <http://www.worldwatch.org/node/5559>

Wunder, S., 2005. Payments for environmental services: Some nuts and bolts. CIFOR, Bogor, Indonesia.

Wunder, S. 2007. The Efficiency of Payments for Environmental Services in Tropical Conservation. In *Conservation Biology* Volume 21, No. 1. 48 – 58, Society for Conservation Biology.

Wunder, S., Engel, S. and Pagiola, S., 2008. Taking stock: a comparative analysis of payments for environmental services programs in developed and developing countries. *Ecological Economics* 65(4): 834-852.

**ANNEX:
OPEN LETTER
TO THE SECRETARIAT OF THE CONVENTION ON BIOLOGICAL DIVERSITY AND THE
GOVERNMENTS OF JAPAN, INDIA, NORWAY, SWEDEN AND ECUADOR**

On 6 to 9 March 2012 the Global Dialogue Seminar on Scaling Up Finance for Biodiversity, co-hosted by the Convention on Biological Diversity and the Governments of Ecuador, India, Japan, Norway and Sweden, will be held in Quito, Ecuador with the aim of exploring financial mechanisms and resources for biodiversity. This is part of an agreement among the signatory countries to the Convention on Biological Diversity to mobilize financing to facilitate implementation of a strategic plan and the achievement of the Aichi Biodiversity Targets, in which Strategic Goal D aims to enhance the benefits from biodiversity as a commodity and from environmental services. The meeting in Quito is one more step in this direction.

In the midst of the current environmental, financial and economic crisis, biodiversity has gained enormous importance because of the role it can play for the “green economy”, which will be consolidated through the agreements reached at the upcoming Rio+20 summit. This economic proposal is nothing more than a new face for capitalism, through which biodiversity, water, soils, biogeochemical cycles, photosynthesis, and all the other functions and structures of nature can be converted into commodities.

Forming part of this process are the false solutions to climate change such as REDD (Reducing Emissions from Deforestation and Forest Degradation) and so-called TEEB (*The Economics of Ecosystems and Biodiversity*). *A tangled web of proposals that essentially seek control over land, forests, water and biodiversity as means to compensate for the loss of biodiversity or as raw materials for new technologies.*

In practice, they promote the implementation of neoliberal measures to address the climate problem, biodiversity management and protection of forests. They extol the paradigm that the solution lies in the market, in property rights, in the proper assignment of prices and the commodification of all of nature, traditional knowledge and cultures associated with it, to the detriment of justice, sovereignty and respect for human rights and the rights of nature.

At the meeting in Quito, as well as during the run-up to Rio+20 and at the CBD COP-11 in India, steps will be taken to define the financial instruments, policies and public-private partnerships needed to achieve the biggest land grab and trampling of people’s rights ever seen in the history of humanity. Due to the scale and sphere of action, what is proposed will have devastating effects on territories and rights.

Just as the Green Climate Fund is aimed at promoting market mechanisms to ineffectively confront the climate crisis, financing for biodiversity is being diverted towards means of privatization and control of biodiversity.

With the same discourses of poverty relief, conservation and sustainability that have benefited the industrial, military and financial sectors, they are once again trying to convince us that the “green economy”, promoted by the same actors, is the solution.

In view of this situation, we the undersigned organizations, networks and social movements urge the governments hosting the meeting in Quito to stop the commodification of nature; likewise, we call on the participants in the meeting to prevent the further advance of the green

economy that is being hatched and to act instead in line with models of society that differ from the capitalist system and are built on the principles of community and on relationships with nature based on the protection of life.

Signed:

ORGANIZACIONES

A Sud, Italia
Aaranyaa, United States
Acción Ecológica, Ecuador
Acción por la Biodiversidad, Argentina
AFES, Brasil
Aitec-Ipam, Francia
Alianza Global de Pueblos Indígenas y Comunidades
Locales sobre Cambio Climático y Contra REDD
AMAP, México
AlianzaVerde, Honduras
Alliance contre la Pauvreté au Mali "AP/MALI", Mali
Alternatives Asia, India
Amandla, Sudáfrica
AMB, Brasil
Amigos da Terra, Brasil
Amigos de la Tierra América Latina y el Caribe -
ATALC
ANB/ AFM, Roseria Peningo, Brasil
ANINPA, Paraná, Brasil
ARPIN PAN, Brasil
ARPIN-SUDESTE, Brasil
ASEPEP, Colombia
ASPPA, Colombia
ASUFFPU, Brasil
ATTAC, Francia
Billioteca, Ñuble, Chile
BIOFUELWATCH, Reino Unido (UK)
Both ENDS, Países Bajos
CAF, Argentina
Campaña Amazonia por la vida, Ecuador
Carbon Trade Watch
CEADESC, Gustavo Soto, Bolivia
Centro da Mulheres do Cabo, Marlis Schmeing, Brasil
CDCA, Italia
Centro de Mujeres Candelaria Patacamaya, Bolivia
CEPPAS, Argentina
Centro Educativo Mapuche de Neuquén, Argentina
Cnocip/OCSB, Paraguay
CTCV, Venezuela
Coastal Rural Youth Network, Vizag, India
COECOCEIBA-Amigos de la Tierra, Costa Rica
Comité Pro-Haiti, Brasil
Comuna El Bosque, Chile
Confederación de Pueblos Autoctonos de Honduras
Convergencia de Movimientos de los Pueblos de las
Américas
Coordinación por los Derechos de los Pueblos
Indígenas
Coordinadora Andina de Organizaciones Indígenas
Coordinadora Binacional Indígena MUIHKA,
Honduras
Corporación Mujeres y Economía, Colombia
CRBM, Italia
Daughters of Mumbi Global Resource Center, Kenya
Democratic Left Front (DLF), Sudáfrica
Development Institute, Ghana
DIALOGO 2000, Argentina
Diemoc global, Reino Unido (UK)
Ecologistas en Acción, España
EcoNexus, UK
Economic Justice Network, Sudáfrica
EPAGRI - Estação Experimental de Lages-SC, Brasil
Ermelinda Benitez, COORCOPPAY, Paraguay
ETCgroup, México
Fabio Merlodet, Programa Pólos de Ciudadania,
Brasil
FADA, Força ação e defesa ambiental, Parana, Brasil
Fatima Bracho, Asoc. Campesina de Desarrollo
Integrado, Paraguay
FBB, Maria Helena Stein, Brasil
Federación Indígena Tawahka de Honduras
FEPAM, Paraná, Brasil
FERN, Reino Unido (UK)
FGC, Suiza
Focus on the Global South
Foro del Agua de Santa Elena, Ecuador
Foro Norteño, Paraguay
Fórum do movimento ambientalista do Paraná, Brasil
Franciscanos por la Justicia Ambiental, Brasil
Macnumby, Paraguay
Fundacao Banco do Brasil, Brasil
Fundacion ANINPA, Argentina
Fundacion ANINPA, Paraguay
Fundación Numashir, Ecuador
Gears of Change, Vermont, Estados Unidos (USA)
Ginlka, LIBERA, Italia
Global Forest Coalition
GRAIN
Grupo de Reflexión Rural, Argentina
Grupo Winpi Asangni "GWA", Honduras
Hawai'i Institute for Human Rights, Estados Unidos
(USA)
HHR, Venezuela
Human Affect Ad Hoc Unit, Estados Unidos (USA)
Instituto brasileiro de agroecologia e sustentabilidade
IBON International
ICAE, Uruguay
IIIC, Austria
ILARMAH, Brasil
ILSA, Colombia
INESC, Brasil
Informationsgruppe Lateinamerika, Austria
Instituto de Estudios Ecologistas del Tercer Mundo
IRAE/MIDES, Uruguay
ITCPCSAL, Brasil
Jharkhand Jangal Bachao Andolan, India
Jubileu Sul, Brasil
Keystone Foundation, Odisha, India
Land is Life, Amazon Program, Ecuador
Les Amis de la Terre, France
Libera, Italia
Articulación Feminista Mercosur, Uruguay
Instituto litoral sul de meio ambiente, Sta Catarina,
Brasil
MAP, Paraguay
Marcha Mundial de Mujeres, Colombia
MOAPA, Paraguay
Movimiento Antinuclear de Chubut (MACH), Argentina
Movimiento Estudiantil Crear, Cecilia Uruyk, Paraguay

Movimiento Mesoamericano contra el Modelo Extractivo Minero (M4)
Mapder, México
Movimiento Popular La Dignidad, Argentina
MST, Brasil
NAPE, Uganda
Nat. Forum of Forest People and Forest Workers, India
Núcleo Universitario "Rafael Rangel", Colombia
OLCA, Chile
OCMAL
OFRANEH, Honduras
Oilwatch International
OPAN, Brasil
OTROS MUNDOS A.C., México
Pablo Cardoso, No Lejos. Artistas en Acción, Ecuador
Instituto de Políticas Alternativas para o Cone Sul, Brasil
PAPDA, Haiti
Partido Verde, Brasil
PDTG, Perú
Peace and Democracy Party, Belgica
People's Dialogue, Sudáfrica
Plataforma Boliviana Frente al Cambio Climático
Profesionales del Poder Popular, Venezuela
Federación Luterana Mundial
Programa de Polos de Ciudadanía, Brasil
PSOL, Brasil
PSOL/BH, Brasil
Public Citizen, Estados Unidos (USA)
RALLT – Red por una América Libre de Transgénicos
Red de Acción Ciud. frente al Libre Comercio, El Salvador
Red de Ecologistas Populares, Ecuador
Red de Semillas, España
REDLAR
RMALC, México
Red Mexicana de Afectados por la Minería
Red mundial derechos colectivos de los pueblos, España
Red Nacional de Acción Ecologista, Argentina
Regional Centre for Development Cooperation, India
REMTE, Perú
RDL/AFEF, Malí
Rettet den Regenwald, Alemania
Revista o vies, Brasil
Indian Biodiversity Forum, India
SAAPE, Nepal
Salva la Selva, España
SAMATA, India
Savia - Escuela de pensamiento ecologista, Guatemala
SINASEP, Brasil
Socieda Brasil Progreso Ciencia, Brasil
Solidaridad/IBON, Filipinas
The Citizens Concern for Dams and Development, India
The Corner House, Reino Unido (UK)
The Renewable Energy Centre, South Africa
Transition Network, Port Elizabeth, South Africa
UFRGS, Brasil
UNC, Argentina
Union paysanne, Québec, Canada
UNIÓN Universal Desarrollo Solidario, Ecuador
WomanHealth, Philippines
World Development Movement, Reino Unido (UK)
World Rainforest Movement
Worldview, The Gambia
ODG, Estado español
Ya'ax chac, Quintana Roo, México

MÁS FIRMAS

Adriana Lucia Soto Trujillo, La Paz, Bolivia
Alexandra Costales, Ecuador
Alfonso Román, Ecuador
Alvaro Barros López, España
Ana Balogh, Brasil
Ana Beatriz Hernandez, Costa Rica
Blanca Chancoso, Líder indígena, Ecuador
Camila Rodriguez, Brasil
Carmen Garcia, Paraguay
David Grimm
Delia Gómez de Agüero
Edgardo Lander, Universidad Central de Venezuela
Evilene Porixao, Periodista, Brasil
Hartman de Souza, Goa, India
Javier Rodríguez Pardo, Argentina
Jessica Eugenia Daminelli, Brasil
Jesús Leandro Velasco Vicente, España
Joao da Silva, Universidad Amazonas, Brasil
Juan Pedro Schaad
Judy Marcela Chaves Agudelo, Colombia
Julian Daminelli, Brasil
Julio Suarez, España
Karina Fernandez, Brasil
Leane Almeida, Brasil
Lucia Aichino, Argentina
Marcelo Montenegro, Brasil
Maria Laura Ramognino, Argentina
Maria Roseme, Brasil
Marianna Montandon, Brasil
Mariano Dedonatis, Argentina
Matheus Sehn Kordig, Brasil
Matt Rider, Estados Unidos (USA)
Nilza Castilho, Brasil
Omar Callisaya, La Paz, Bolivia
Paul Mitchell
Pedri Calvillo Serrano, Jerez, España
Pedro M. Cruz Delgado, Palomares del Río, España
Peter van Den Ende, Bélgica
Raphael Hoetmer, Perú / Holanda
Rejane Medeiros, Brasil
Ricardo Corrales, Costa Rica
Ricardo Tonds, Brasil
Rivea M. Borges, Brasil
Serapio Laje Liberio, Ecuador
Silvio Rivas Neto, Brasil
Subrat Kumar Sahu, India
Viana do Nascimento, Universidad do Amazonas, Brasil
Virfinie Vargas, Perú

