NATURE - COMMONS OR COMMODITY?

HOW THE COMMODIFICATION AND FINANCIALIZATION OF NATURE ENDANGER THE RIGHTS OF NATURE

A Discussion Paper by Maude Barlow on behalf of the Global Alliance for the Rights of Nature

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The Earth is a living breathing entity, just the same as our bodies are. Our survival utterly depends on living in nature, not apart from it. In addressing climate change, we need to move away from focusing solely on the language of economics, which further adds to the destruction of our atmosphere, our land, our waters, and wildlife, and we need to emphasize and consider the impact on human life and rights as well. Climate change is very much about a moral and ethical imperative.

Sheila Watt Cloutier, Inuk environmentalist and activist

If the soil is washed off the land, we cannot grow crops on a bed of derivatives.
George Monbiot, author, Guardian columnist

Introduction

Mother Earth is in peril. It is very well documented that our planetary crisis includes climate chaos due to run-away carbon emissions, rapidly dwindling clean water supplies, warming of the oceans, mass extinction of species and historic biodiversity loss.

A December 2023 report by the UN Environment Programme found that close to US$7 trillion is invested each year from both public and private sector sources in activities that have a direct negative impact on nature - 30 times more money than flows to investments that protect nature and biodiversity.[1]

This is the bad news. But there is good news.

There has been an awakening, often led by Indigenous Peoples and their teachings, about the urgent need to protect Nature if we are to survive. While understanding the importance of continuing to fight greenhouse gas emissions and transition to climate friendly energy alternatives, there is a growing understanding that humans must stop seeing Nature as a vast resource for our convenience and profit, but rather the very life source of our planet's existence.

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[1] *State of Finance for Nature*, UN Environment Programme and partners, December 9, 2023

It is becoming increasingly evident that protecting and restoring watersheds, wetlands, forests and soil, will positively impact the climate as well as safeguard the planet and all living entities. Healthy forests and soils are carbon sinks and restored watersheds and wetlands green deserts, bring back the rain, and cool local hydrologic cycles.

In 2021, the UN published a major report saying that the world needs to quadruple its annual investment in Nature if the planet is to have a future. Investing just 0.1% of global GDP every year in restoring agriculture, forests, pollution management and protected areas would close a US$1.1 trillion funding gap by 2050 and avoid ecological collapse. *The State of Finance for Nature* report said a total investment of US$8.1 trillion was required to maintain the biodiversity and natural habitat vital to human civilization.[2]

Movements to protect local land, water and forests have grown up in many parts of the world. Youth climate activists are taking their governments to court for not protecting their futures from climate chaos. Many First Nations are using the United Nations Universal Declaration on the Rights of Indigenous Peoples to claim their rightful stewardship to protect the lands and waters in their territories.

In 2022, the United Nations listened to the grassroots movements around the world and adopted a resolution recognizing the right to a clean, healthy and sustainable environment.[3] And all over the world, people and organizations are joining the exciting movement for the Rights of Nature (**RON**) and taking rivers, forests and lands under local, community protection.

Nowadays, the Rights of Nature movement is present in 39 countries, 17 with legal provisions and 22 with advanced projects towards the recognition of Nature as a subject of rights. According to UN Secretary General, Antonio Guterres (July 26th, 2019), "over the last decade, Earth Jurisprudence can be seen as the fastest growing legal movement of the twenty-first century." In countries such as Ecuador, that has recognized rights of Nature in its Constitution since 2008, two endemic frogs were able to appear in court allowing lawyers to litigate on behalf of Nature to stop a large-scale copper mining project that was threatening a highly biodiverse cloud forest. This is a movement that is growing and is proving that when Nature's inherent rights are guaranteed a new paradigm, a balanced relationship with Nature is possible.

[2] *Investing 0.1% of global GDP could avoid breakdown of ecosystems, says UN report*, *The Guardian,* May 27, 2021
[3] *In historic move, UN declares healthy environment a human right,* United Nations Environment Programme, July 28, 2022

Governments and international institutions are listening. Recent international gatherings have emphasized the need for radical protection and restoration of watersheds, forests, wetlands and biodiversity, as well as funding for the restoration of ecosystems upon which all life depends. While many nations continue to fall behind on their commitment to the conversion from fossil fuels to renewable energy, nevertheless, there has been an acceptance at the highest levels of leadership of the need to do so.

At the Climate COP26 gathering, 40 countries agreed to phase out coal-fired power altogether At COP28, nearly 200 countries agreed to transition away from all fossil fuels. In 2023, the United Nations adopted a landmark legally binding marine biodiversity agreement covering the two-thirds of the planet's oceans outside national jurisdictional boundaries.[4] Momentum is growing for a moratorium on deep-sea mining, with 27 countries already pledged. Over 100 countries have pledged to end deforestation by 2030, having committed billions toward forest protection and tree planting. And the member states of the UN are well on their way to a binding treaty on plastics.

Importantly, by fall, 2024, 196 nations had ratified the Convention on Biological Diversity, an international legal instrument to implement the 2030 Agenda for Sustainable Development which, among other promises, calls for US$30 billion per year to flow from developed to developing countries by 2030 for biodiversity restoration.

At the October 2024 Biodiversity COP in Colombia, ministers from around the world declared that climate and biodiversity can no longer be treated as independent issues if either crisis is to be resolved. Calling nature and climate as "two sides of the same coin," Colombia's environment minister Susana Muhamad, said, "There is a double movement humanity must make. The first one is to decarbonize and have a just energy transition. The other side of the coin is to restore nature and allow nature to take back its power over planet Earth so that we can really stabilize the climate."[5]

The national climate plan of most governments now includes a detailed commitment to 'nature-based solutions.' The International Union for Conservation of Nature and Natural Resources (**IUCN**) coined the term Nature Based Solutions (**NBS**) two decades ago, and developed global standards for governments and international institutions. Nature-based solutions, says the organization, act to protect, sustainably manage and restore Nature and harmed ecosystems, benefiting Nature and people at the same time.

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[4] *IMO welcomes adoption of new oceans treaty,* International Maritime Organization, June 19, 2023
[5] *'Two sides of the same coin': governments stress links between climate and nature collapse, The Guardian,* November 4, 2024

Their stated intent is to provide resilient ecosystems and ecosystem restoration, thus harnessing Nature to fight climate chaos. Examples include mangrove restoration along endangered coastlines, green roofs, gardens, parks and walls to reduce the effects of urban heat islands and sponge cities, to capture rainwater and control stormwater.

Proponents point to studies such as a 2021 one led by scientists at England's Cambridge University and the Royal Society for the Protection of Birds, that analyzed 24 sites in six continents and found that returns of the 'ecosystem services' created by conservation work was greater than manmade capital created by using the land for activities such as farming and forestry. Natural sites are more valuable 42% of the time when left as they are, found the scientists, in the largest study of its kind to date.[6]

In Canada, a 2021 study showed that ancient trees in the Fairy Creek region of Vancouver Island are worth considerably more left standing than logged. Protecting these old growth forests could add another US$30 million in benefits to the local First Nations in the form of carbon sequestration, recreation, tourism, coho salmon habitat and plant harvesting.[7]

On his foundation's website on nature-based solutions, renowned Canadian environmentalist David Suzuki writes, "Ultimately, we must work with nature to prevent and adapt to problems such as flooding, water scarcity, wildfires and climate disruption. When we work against nature, we work against ourselves."[8]

Nature-based solutions have become the cornerstone of the European Commission's climate plan and has been built into international climate and biodiversity gatherings, including the March 2022 fifth United Nations Environment Assembly, Climate COP27, the February 2024 Kunming Montreal Global Biodiversity Framework - which pledged to raise US$700 billion a year to reverse the loss of Nature with a decade - and the Ramsar Convention on Wetlands.[9] Between 2012 and 2021, the World Bank funded over 100 nature-based solution projects valued at US$5.5 billion.[10] The program has accelerated since then.

A report prepared by the UN Environment Programme, the World Commission on Protected Areas and others for the October 2024 Biodiversity COP in Colombia, found that many countries were on target to meet the 30 by 30 goals of expanding the global

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[6] *Land could be worth more left to nature than when farmed, study finds*, *The Guardian*, March 8, 2021

[7] *Old-growth in contentious Fairy Creek region could be worth more standing than logged, Globe and Mail,* June 30, 2021

[8] *What are nature-based solutions?* David Suzuki Foundation website

[9] *Nature-based solutions*, web-site of the Directorate-General for Research and Innovation, European Commission

[10] *Nature-based solutions for climate resilience are catching on in World Bank projects,* World Bank blog, March 29, 2023

network of protected and conserved areas to 30% by 2030. *The Protected Planet Report 2024* said that the global coverage of protected terrestrial and inland waters is now 17.6% and of marine and coastal areas, 8.4%. While much remains to be done in order to achieve the goal, 51 countries have already established networks of protected areas exceeding the 30% target.[11]

What all these commitments have in common is that they are made by governments and international institutions like the UN and the World Bank, and when they are followed up on, and the large funds available from international conservation organizations are factored in, huge amounts of public money become available to address the urgent crises we face.

Not surprisingly, many in the private sector are looking to get access to these funds. Transnational corporations, global equity funds, large agribusiness, energy, and chemical companies and private water utilities and bottled water companies are keen to become players in the new transition to nature-based solutions. The same corporations and industries that brought us to the ecological brink have jumped on the 'Nature' bandwagon, and are appropriating the language of environmental groups and the UN to show their commitment to the need to protect biodiversity.

Their answer to the climate crisis: bring Nature into the market, put a price on it, and let the market - not governments - guide the process. Where governments might use regulatory measures to protect Nature, the market treats Nature as assets to be bought, traded and sold. Carbon trading, water pollution trading, biodiversity credits, wildlife conservation bonds, nature bonds, nature-based solutions, REDD+, green growth, water futures, ecosystem services; this is the new language of the multitude of private interests keen to profit from the growing global commitment to protecting Nature.

This development is a direct threat to the goals and values of the rights of Nature movement.

The Global Alliance for the Rights of Nature (**GARN**) is clear that, in order to ensure an environmentally sustainable future, humans must reorient ourselves from an exploitative and self-destructive relationship with Nature, to one that honours the deep interrelation of all life and contributes to the health and integrity of the natural environment.

In order for this to happen, we need to establish a system of jurisprudence that sees and treats Nature as a fundamental rights-bearing entity and not as mere property to be exploited at will. This "needed system of jurisprudence" is already underway, guided

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[11] *Protected Planet Report, 2024,* UNEP, IUCN, WCPA, October 2024

by local communities, municipal councils, Indigenous groups, and in some cases, state, provincial and national governments as well. In order to protect Nature as an entity with rights, we need democratic governance, community oversight and transparency.

Allowing the movement to protect Nature and biodiversity to be controlled by private for-profit corporations and global investment funds is to take it out of the hands of elected governments and communities and put it into the market where profit is, and always has been, the driving motive.

It is the contention of this paper that the Financialization of Nature (**FON**) is in true conflict with the deep core values and goals of the Rights of Nature (**RON**) movement.

Enclosure, privatization and commodification of the commons

The current push to marketize Nature is, of course, not the first manifestation of this trend. Before the Industrial Revolution, many communities were organized around the principle of the commons, a system of food production and daily life whereby natural resources were accessible to all, managed for the benefit of all and in harmony with Nature. The notion of a commons was - and still should be - not that land is 'owned' by a community, but rather that the people live in Nature as part of it. To protect the commons, it was necessary to protect the land and water that sustained it.

The 'enclosure of the commons' took place in England in 1740, when common grazing land was seized and privatized. Indian physicist and environmentalist Vandana Shiva writes that the privatization of the commons was essential to the Industrial Revolution in order to supply a steady source of raw materials to industry. (Today, half of England's land is owned by less than 1% of its population.)

In 1865, a law in India that protected forests as commons, was lifted, paving the way for the commercial exploitation of both land and forests. "In Australia, the concept of terra nullius (literally meaning 'empty land') was used to justify the appropriation of land and its natural resources, by declaring the entire continent of Australia uninhabited," Shiva wrote for the Third World Network. "This declaration enabled the colonizers to privatize the commons relatively easily, because as far as they were concerned, there were no commons in the first place."

In Africa, European colonizers claimed land as a reward of conquest, replacing the Indigenous way of food production that operated within a tradition of respect for Nature, with one that mercilessly cleared land, forests and wetlands for industrial farming, write community water organizers Minni Jain and Philip Franses in their 2024 book, *The Language of Water*. Land was cleared of trees to make way to grow food for export. Highly cherished wetlands were drained and the land used for monoculture crops for market.[12]

In the first decade of this century, so much land in Africa was 'grabbed' by wealthy countries and large corporations to grow food for export, the United Nations introduced a plan to prevent uncontrolled purchase of land by foreign investors in the Global South. However, a 2021 report by the Land Matrix Initiative found that between 2010 and 2020, 7.3 million hectares of land in sub-Saharan Africa alone were leased by foreign investors.[13]

The enclosure of this land also gave foreign countries and large corporations control over the water on and under that land, essentially privatizing vast amounts of local water. Water was also enclosed and commodified through long-term mining contracts, where foreign mining companies gain access to local watersheds to dump their water tailings.

The modern enclosure of the commons started with economic globalization and the introduction of free trade agreements that limited the ability of governments to regulate and protect their forests, minerals, fisheries and water sources - now often seen as tradable commodities - and ceded their fate to the market.

Steven Bernstein, a political scientist at the University of Toronto, says that a market framework for environmental policy was already formed in the late 1970s and 1980s by experts in the OECD's environment committee and brought the liberal market consensus to the Brundtland Commission in the 1980s. Market-based solutions were well established when the climate issue made its debut at the Rio UN Conference on Environment and Development in 1992.

"By 1992, a shift in norms of environmental governance had occurred, characterized by a general acceptance of liberalization in trade and finance as consistent with, and even necessary for, international environmental protection. These norms also promoted market and other economic mechanisms (tradable pollution permits, privatization of the commons, and so on) over command-and-control methods (standards, bans, and quotas) as the preferred method of environmental management. The concept of sustainable development legitimated and masked this compromise at the heart of international environmental governance."[14]

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[12] *The Language of Water,* Minni Jain and Philip Franses, Synergetic Press, 2024
[13] *Taking Stock of the Global Land Rush*, Land Matrix Analytical Report 2021, Centre for Development and Development, University of Bern
[14] *The Compromise of Liberal Environmentalism,* Steven Bernstein, Columbia University Press*, 2001*

Seed patenting by transnational corporations posed a direct threat to biodiversity, writes Shiva, transferring traditional knowledge held by the community to private corporations in the form of patents. Thus, "the corporation was now treated as the only form of association with legal personality."[15] In fact, corporations in the United States have legally recognized 'personhood' rights, including property rights, that can be used to challenge laws regulating their behaviour.

Thousands of investment agreements, most of them negotiated in the last 30 years, now give private investors the right to challenge the environmental regulations and standards of governments. Called Investor-State Dispute Settlement (**ISDS**), these deals enable foreign investors to sue countries in secretive tribunals when they believe their profits have been harmed by public policies.

A 2024 analysis found that, since 1998, this secretive court system has awarded well over US$100 billion in public money to corporations. Not surprisingly, fossil fuel companies have been the biggest beneficiaries to date as they challenged laws intended to fight climate change.[16]

Financialization of Nature

A recent and dangerous development has been the trend to financialize Nature, following the earlier financialization of the economy.

Financial speculation allows investments not in tangible things such as goods and services, but in risky financial transactions that attempt to profit from the fluctuations in the market values of assets. In a financialized economy, trading money and speculating become more profitable than producing goods or providing services. Financial markets, financial institutions and financial elites gain great influence over economic policy and government authority. This, in turn, limits the role of governments and local communities in protecting the environment.

Much of the initial impetus to apply the financialization of the economy model to Nature was grounded in a genuine concern for the environment. For decades, environmentalists and scientists have been touting the virtues of what they call 'ecosystem services' - the many benefits that humans receive from Nature - in an attempt to get governments to enact environmental protection. They reasoned that if

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[15] *The Enclosure and Recovery of the Commons: Biodiversity, Indigenous Knowledge, and Intellectual Property Rights,* Vandana Shiva, Research Foundation for Science, Technology and Ecology, New Delhi, 1997

[16] *How Corporate Courts Threaten Our Future*, Global ISDS Tracker Website, Transnational Institute and others, 2024

we can prove that Nature has a concrete monetary value, it can compete in its natural state with the other uses to which the forests, watersheds and land might be put.

But this approach started a dangerous trend. US-based Food and Water Watch says that the process of bringing Nature under control of the ‘logic of the market’ happens in stages. First, it is made a commodity - the commercialization of something not generally seen as a product. Commodification turns an inherent value into a market value, enabling it to be bought and sold.

Privatization transfers control and management of commoditized resources from public ownership to private ownership. The commodities can then be priced and a market can be created for them. At this point, financialization acts upon the commodity as an asset and applies various financial instruments to it, such as water futures contracts or carbon credit options.[17]

In 1997, a group of American ecologists and economists teamed up for the first attempt to put a price on Nature. Published in the journal *Nature,* the experts said that, every year, the world’s diverse ecosystems combined produced on average US$33 trillion worth of ecosystem services. For context, they noted, worldwide gross national product that year was around US$18 trillion.[18]

The report was met with caution by some conservationists. Dr David Ehrenfeld of Rutgers University told the *New York Times* that common sense and “what little we have left of the wisdom of our ancestors” tells us that if we ruin the earth, we will suffer grievously. “I am afraid that I don’t see much hope for a civilization so stupid that it demands a quantitative estimate of the value of its own umbilical cord.”

But a number of senior scientists and economists said that the report laid the foundation for a whole new way of looking at and protecting Nature. Columbia University economists Drs Graciela Chichilnisky and Geoffrey Heal used the report to call for selling investment shares in ecosystems. Using the Catskill watershed as an example, they wrote that the capital thus raised would pay for preserving the watershed. “Returns to investors would come either from a share of the costs saved by not having to build a treatment plant or, if the investment were private, by actually selling ecosystem services. In the case of a watershed, clean water would be sold.”[19]

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[17] *Don’t Bet on Wall Street:The Financialization of Nature and the Risk to our Common Resources,* Food and Water Watch Fact Sheet, June 2012.

[18] *The Price of Our Planet: The First Economic Valuation of Global Ecosystem Services,* National Center for Ecological Analysis and Synthesis, 1997

[19] *How Much is Nature Worth to You? New York Times*, May 20, 1997

This initiative led international institutions and governments in many countries to begin the process of collecting concrete data on the 'natural assets' of their territories.

In 2001, the UN launched the Millennium Ecosystem Assessment, a four-year study involving more than 1,300 leading scientists from 95 nations, that provided detailed scientific documentation of the planet's ecosystems and the services they supply. They grouped ecosystem services into four categories in an attempt to quantify Nature's contribution to our well-being and health. Ecosystems provide us with food, clean air, and drinking water; they regulate climate and help control disease; they support nutrient cycles and crop pollination; and they provide us with cultural, spiritual and recreational services as well.

The World Resources Institute said that the report offered the first truly comprehensive picture of the health of the planet. "The Millennium Ecosystem Assessment provides an indispensable baseline of information for researchers, scholars, and students, as well as informs public decision-making for decades to come."[20]

It is important to note that, although this report provided much badly needed information on the planet's ecosystems and documented the harm to Nature caused by human activity, the framework for this in-depth analysis was entirely human-centred and basically ignored the ecological damage to Nature and biodiversity itself. In fact, by framing Nature as providing 'services' to humans, the UN set the stage for others to view Nature as a market commodity and put a dollar figure on it.

At the 2012 Rio+20 Summit held in Brazil, The Nature Conservancy and Corporate EcoForum as well as 24 global Fortune 500 companies, including Coca-Cola, Weyerhaeuser, General Motors and Dow, released a report based on the findings of the UN undertaking. Called *The New Business Imperative: Valuing Natural Capital,* the report estimated that the world's ecosystem contributed about US$72 trillion in goods and services every year to the global economy. As with many other 'market goods' - food, housing, energy - the price of a marketized Nature continues to grow. In its 2018 *Living Planet Report,* the World Wildlife Fund estimated that Nature was now providing services to humans worth US$125 trillion a year.

The corporations involved in the Brazil gathering clearly laid out their blueprint for the role they intended to take as the earth's population was starting to truly grapple with the enormity of the climate crisis. Their message was not subtle. The private sector has the power to "leapfrog over government inertia," said the report, giving private companies a "new business imperative in ecosystem management." Corporations

[20] *Millennium Ecosystem Assessment: Ecosystems and Human Well-being*, World Resources Institute, Executive Summary, March 1, 2005

stand to benefit from prioritizing ecosystem services in four ways: reducing risks; cutting costs; enhancing brand; and growing revenues.

The 24 corporations that signed this document clearly stated their intentions: "Exploit opportunities to educate consumers about the high-performance products to increase demand and create new market segments…Leverage emerging 'natural capital' markets such as water-quality trading, wetland banking and threatened species banking, and natural carbon sequestration." Communities are called "customers" and corporations are urged to position themselves for long term success by "putting a monetary value on what nature does for their business." The benefits to Nature of financializing it are hardly mentioned in the report and only as a backdrop to the key economic message.[21]

Opposition forms

This trend drew concerns from environmental, Indigenous and social justice movements from the beginning. Antonio Tricarico, Italian energy researcher and reporter who first coined the term 'financialization of nature,' warned that this trend could put the management of the commons into the hands of financial markets for years to come.

"This approach is a long-term project that aims to lock natural resources management into the future structure of capital markets in a way that will dramatically reduce the possibilities to reclaim the commons and their collective management by affected communities. This systemic financial enclosure of the commons, coupled with existing trade and investment liberalization agreements, would produce a long-lasting legal enclosure that drastically shrinks the political space for social movements to reclaim the commons as the basis of their livelihoods," he told a water justice conference in 2012.[22]

In her groundbreaking 2022 book, *The Value of a Whale*, Adrienne Buller, Senior Fellow with the British think tank Common Wealth, laments that we have already put a value on a whale - US$2 million over its lifetime for contributing to ecotourism and carbon sequestration. Buller writes that the strategy for catalyzing investments in protecting biodiversity is a new iteration of the "Wall Street Consensus," a coordinated government effort to sell new financial opportunities to the market and "escort private capital into new desired spaces." In practice, this means financial incentives in lieu of firm regulation, and public de-risking of private finance, rather than direct public investment.

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[21] *The New Business Imperative: Valuing Natural Capital*, Ecolab and Nature Conservancy, 2012

[22] *Financialization of Water*, Antonio Tricarico and Caterina Amicucci, Alternative Water Forum, Marseilles, December 16, 2012.

“It seems that in its relentless pursuit of new opportunities for investment and fixation on risk, finance has finally turned to a new frontier: nature. Betting that ecosystems could be to the 2020s what subprime mortgages were to the noughties, financial institutions have been laying the groundwork for the emergence of ‘nature as asset class’ – that is, the transformation of the natural world into a new suite of tradable assets, and hoping that through securitization (taking a group of illiquid assets, like mortgages, and bundling them together into a security) the risks of its collapse can be mitigated.

“The language of ‘natural capital’ and ‘ecosystem services’ now tidily segments the complexity of nature and biodiversity into discrete, measurable and – critically – costed units, a clever sleight of hand that opens the door to the commodification of the natural world while passing as an innovative mechanism for its protection. Ecosystems, its advocates argue, are being destroyed because they currently have no economic value; the right price tag could be their saviour.”[23]

Friends of the Earth International (**FOE**) - the world’s largest grassroots environmental network - has published a comprehensive series of critiques on the financialization of Nature. “Green Growth” redefines “green,” not “growth,” says FOE. Nature is divided into different ecosystem services that can be quantified, measured and above all, broken up into individual units so profit can be made from selling rights to these units of Nature. Markets in ecosystem services need clear and measurable units. But Nature doesn’t come with neat beginnings and ends - Nature is a dynamic interaction, says the network.

“The environmental justice perspective understands that economic valuation and financialization of nature are simply the latest examples of capital markets using nature for profit maximization, as they have been doing for centuries…. It is such a perverse world where corporations are people and forests are bundles of carbon, water and biodiversity offsets. Financialization represents further reduction of community control over their territories and an extension of the local licence for corporations to destroy the web of life we depend on and which is showing increasing signs of multiple crises.”[24]

Concern has also been voiced by those critical of the history of funding projects by the World Bank (**WB**) and the International Monetary Fund (**IMF**) - the two institutions established at the end of World War II to rebuild the international economic system and that now have great influence in where and how nature-based solutions projects will be launched.

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[23] *What’s the Value of a Whale?* Adrienne Buller, novaramedia, October 16, 2020
[24] Financialization of Nature, Creating a New Definition of Nature, Friends of the Earth, 2015

London-based Bretton Woods Project monitors and critiques these two institutions, seeking to help amplify the voices, many of them Indigenous, from the Global South that have been impacted by their projects and loans. The group reports that the original apolitical mandate of the WB and the IMF was transformed to align with the 'Washington Consensus' to focus on free-market economic policies such as free trade, deregulation, privatization and unlimited growth.

Bretton Woods Project documents the harm caused by these institutions, including mass evictions and the forced displacement of local communities and marginalized people. The continued commitment by the WB and the IMF to a growth-based model has done great harm to the environment in many countries, and they have helped create the climate crisis by investing in fossil fuels and mega-projects.[25] Water activists have long criticized them for promoting privatized water services in the Global South, giving water corporations great control over local water sources.

Many Indigenous organizations and communities are also strongly opposed to the commodification and financialization of Nature. With more than 28% of global land under some form of Indigenous management or tenure, their perspective is crucial. Indigenous People view themselves as part of the ecosystem rather than apart from it and understand they are the guardians of Nature and biodiversity in their territories. They are sounding the alarm as their lands, forests and waters are divided up to be 'protected' by investors trading in carbon and water markets.

US-based Indigenous Environmental Network (**IEN**) believes the good intentions of some who promoted nature-based solutions have been overtaken by those who seek to profit from the climate crisis. Nature-based solutions is a "greenwashing tool" that does not address the root causes of climate change, says the organization, and coops effective ecological practices based on traditional Indigenous knowledge. "The narrative and framework of nature-based solutions transforms effective ecological practices into financialized instruments that exacerbates the climate and biodiversity crises."

IEN writes that calling NBS a solution to the climate crisis is a public-relations scheme that "commodifies the sacred" and entrenches the exploitative power dynamics of colonialism. "The hidden agenda behind nature-based solutions is to facilitate the absorption of climate change policy further into the private sector."[26]

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[25] *What are the main criticisms of the World Bank and the IMF?*, The Bretton Woods Project, June 4, 2019

[26] *Nature-Based Solutions,* Indigenous Environmental Network Climate Justice Program Series, November 2022

At the Climate COP25 in 2019, a new network, the Climate Land Ambition and Rights Alliance, reported that Indigenous and farmers' movements had begun to reject the phrase nature-based solutions because it is "becoming a meaningless term that legitimizes harmful approaches." Instead, said a representative of ActionAid International, "We will be using the specific terms that we want to advocate for, such as restoration of biodiverse ecosystems, agroecology, etc., under a rights-based approach." Network members expressed strong concerns that concentrating on market-based nature solutions could serve as a smokescreen to hide the lack of progress in putting a stop to the use of fossil fuels to meet the goals of the Paris Agreement.[27]

La Via Campesina, an international movement representing millions of peasants, landless workers, Indigenous Peoples, small farmers and fishers, is equally clear in its opposition to the commodification and financialization of Nature. "The discourse of green capitalism and agribusiness on 'climate-smart' agriculture, presented as regenerative, along with other mechanisms such as carbon markets and nature-based solutions, is part of a greenwashing strategy. These false solutions have led to failures in climate and biodiversity COP processes in recent years and decades, under the influence of the market and multinational corporations."[28]

Via Campesina has long been concerned that the system to defend peasants' rights to their seeds and genetic resources set up decades ago by the UN Food and Agriculture Organization (**FAO)**, has been violated by big seed companies protected by rich countries. The organization says that the establishment of a system to gather information of the majority of food we derive from plants into a global pool of genetic resources has been a boon to the big seed companies who do not recognize the rights of peasants and small farmers or compensate them.

A new concern is the technology that allows open access to genetic sequencing digitally, called Digital Sequence Information (**DSI**), touted as a nature-friendly development but seen by those who are daily keepers of the land as another way to steal their seeds and knowledge.

Presenting at Biodiversity COP15, the International Planning Committee for Food Sovereignty, representing millions of small-scale food producers, was very clear. "Some propose DSI to save biodiversity, as if you can just de-materialize our Mother and piece her back together and hope she functions better. Turning nature into capital is anything but 'living in harmony with nature.' The 'nature-based solutions' debated here and at the climate COP put nature on a ledger and then sell her to polluters at the

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[27] *Can 'nature-based solutions' be more than a buzzword? Devex, December 13, 2019*
[28] *Climate Catastrophes require urgent global attention and response! Enough of False Promises and False Solutions!,* Via Campesina, June 3, 2024

expense of biodiversity, land, and the rights of Indigenous Peoples, small-scale food producers, and local communities."[29]

Others sound the alarm over another nature-based solution promoted by the United Nations and many countries. 30 by 30 is a global initiative for governments to designate 30% of the Earth's land and oceans as protected areas by 2030. Launched in 2020 by the UN High Ambition Coalition for Nature and People, its stated purpose is the need to expand nature conservation and biodiversity protection in order to mitigate climate change. US$5 billion was committed to the project and to date, 190 countries have taken the pledge, many of them with very good intentions.

But Robert Williams, a law professor and faculty chair of the Indigenous Peoples law and policy program at the University of Arizona, warns that the 30 by 30 project is being used to displace Indigenous Peoples in many communities. In the name of re-wilding Nature and creating 'protected' areas, millions are at risk. Williams says that the project is sold as a way to protect Nature, but it opens opportunities for economic development, such as eco-tourism and carbon credits. He points out that people have lived on these lands and cared for them for millennia.

"Indeed, an estimated 476 million Indigenous People dwell on lands that are home to 80 percent of the world's biodiversity. When governments decide that nature conservation and potential revenue from it take priority over existing human activities, too often they resort to eviction, destruction of agricultural fields and confiscation of livestock, sometimes through stupefying violence, to get residents off the land." He cites as examples; tiger preserves in India to attract foreign tourists that have displaced Adivasi people and the planned removal of nearly 100,000 Maasai people from Tanzania's Ngorongoro Conservation Area in order to increase the number of tourists who come to see the annual Great Migration.[30]

Scientific American journal gives another example. It reports that in the Congo Basin, armed eco-guards brutally evicted Indigenous Pygmies from the rain forest to carve out protected areas following a 2010 resolution by the UN Convention on Biological Diversity to dedicate 17% of Earth's terrestrial surface to Nature. "Yet the protected areas are surrounded by or sometimes even overlaid with oil, mining or logging concessions. Unsurprisingly, chimpanzee, gorilla and elephant populations have continued to decline even as Pygmy peoples have been consigned to poverty and misery."[31]

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[29] *We are not here to re-negotiate the Convention, says IPC,* Transcript of presentation published by Via Campesina, December 21. 2022

[30] *Kicking Native People Off Their Land Is a Horrible Way to Save the Planet*, Robert Williams, *New York Times,* February 20,2024

[31] *Biodiversity's Greatest Protectors Need Protection, Scientific American,* October 1, 2021

A fall 2024 report by the Oakland Institute exposed abuse of Indigenous Peoples in the Eastern Democratic Republic of the Congo (DCR) in the name of conservation. “Removing Indigenous communities from lands earmarked as a protected area has created a political vacuum filled by outside commercial actors seeking to exploit the DRC’s natural resources. This conservation model negatively harms both biodiversity and people, while contributing to the ongoing political instability in the region… Uganda and Rwanda, who receive every year millions of dollars of military and economic assistance from Western countries, are profiteering from the exploitation of the DRC’s vast gold, tantalum, and cobalt reserves, while fuelling the conflict in the already war ridden country,” says the organization’s policy director, Frederic Mousseau.[32]

Powerful promoters

However, there are influential and well-funded environmental and conservation organizations that have championed the financialization of Nature and they have friends in high places. Transnational Institute (**TNI**), an international research and advocacy organization, is deeply critical of the promotion of ‘conservation finance’ by leading NGOs.

“The basic premise of conservation finance is that saving nature and averting the climate crisis requires enormous funds, but money derived from public and philanthropic grants is woefully insufficient. Proponents argue that the only way to bridge this funding gap is to tap into the trillions of dollars of private capital circulating through global financial markets. To do this, saving nature must be turned into a profit-making endeavour, appealing to what are known as ‘impact investors.’

“The rise of conservation finance has transformed not only the way in which conservation is addressed, but by whom. People with backgrounds in finance, banking and business consulting are taking over the management of most of the big conservation organizations. Their governing boards are stacked with investment bankers, hedge fund managers and venture capitalists. Consequently, risky and opaque financial instruments, originating in financial markets, are being repurposed for environmental projects…This process represents another dimension of financialization;

[32] *From Abuse to Power: Ending Fortress Conservation in the Democratic Republic of Congo,* Oakland Institute, August 27, 2024

the process whereby financial markets, financial institutions, and financial elites are gaining greater influence over almost all aspects of society."[33]

The Nature Conservancy (**TNC**), the world's largest environmental organization with total assets of US$9 billion, has helped to protect huge swathes of land areas and billions of hectares of marine habitat. But the organization has long been criticized over its close relationship to some of the biggest corporations and investment firms on the planet. Board members have included CEOs from Alibaba, Duke Energy, China Capital Group, Carlyle Group, BlackRock, JP Morgan and Hewlett-Packard.

Politico reporter Zack Coleman wrote that Mark Tercek, who came from Goldman Sachs in 2008 to run the TNC until his departure in 2019, brought with him "Wall Street-style practices." In 2013, Tercek wrote a book called *Nature's fortune: how business and society thrive by investing in nature*. He set up an investment project called NatureVest and partnered with corporations that had reputations as environmental offenders, including Coca-Cola, oil giant BP, mining heavyweight BHP Billiton and Dow Chemical. Coleman reports that CEO Tercek leveraged his investment banking background and a partnership with JPMorgan Chase to drive US$1 billion of private capital for conservation investments, including carbon credits. He also hired former investment bankers and added alumni from big agriculture companies, including Monsanto.[34]

NatureVest's website spells out its mission clearly. "Private investment and capital markets have a crucial role to play in addressing the climate and biodiversity crises. We are dedicated to developing a pipeline of impactful investments and broader market interventions that can deliver conservation at scale…. Our investment and market innovation strategies focus on forestry and carbon, water and agriculture, fisheries and aquaculture, infrastructure and renewable energy, sovereign debt solutions, and conservation tourism."

In 2023, The Nature Conservancy launched a "Nature Bonds Program," where it works with governments of the Global South to refinance debt and "generate new funding" to invest in conservation and fight climate change. This is the newest iteration of debt-for-nature swaps that involve some of the largest corporate investors in the world who then get not only significant control over policies of the debtor country, but must find a way to profit from their investments. TNC is promoting nature bonds in spite of the fact, as reported by the *Financial Times*, it has said it has dropped its 'blue bonds'

[33] The financialization of conservation, Transnational Institute, November 21, 2022
[34] *'The system was broken:' How the Nature Conservancy prospered but ran aground*, *Politico*, July 7, 2019

program for marine conservation as bonds issued to finance a deal with Gabon were used to help the country refinance other debt rather than being used for conservation.[35]

World Wildlife Fund (**WWF**) is another highly influential environmental organization that promotes nature-based solutions and ecosystem services. It calls itself the world's largest conservation organization, working in over 100 countries. Like The Nature Conservancy, WWF has long been criticized for its close alliance with big corporations. A 2014 book by German author Wilfried Huismann exposed that the WWF has accepted large donations from Coca-Cola, Shell, Monsanto, HSBC, Cargill and BP, among others, that benefitted from the organization's green image to counter criticism of their environmental footprints. The WWF has an elite club of 1001 of wealthy members who advise the organization on projects and policy.[36]

WWF recently announced it is setting up the Nature-Based Solutions Platform to create a new model of scaling up private investments in "high quality" projects. One could be forgiven for finding it difficult to understand the real purpose of the project from its description. "The NSB-OP will generate a supply of high-quality landscape investments and link it with diverse funding sources. The platform aims to showcase high-quality interventions that address threats and drivers efficiently, incorporate transparent and equitable governance and benefit-sharing mechanisms; and generate durable impacts for climate, biodiversity, and sustainable development."

The World Wildlife Fund has called for nature-based solutions to be included in the Convention on Biological Diversity's' Global Biodiversity Framework. In 2022, the organization teamed up with the World Economic Forum (**WEF**) to promote a "nature-positive economy" and influence the upcoming COPs on climate and biodiversity to include nature-based solutions in all their commitments. The World Economic Forum is a powerful international organization that promotes public-private partnerships and meets in Davos Switzerland every year to bring senior politicians and business leaders together. While the language of their campaign may sound as if these organizations are all about stopping biodiversity destruction and addressing climate change, the details of their plan, expressed in an open letter, tell another story.

Green Finance Observatory is a European watchdog (definitely not a powerful promoter) that monitors and critiques the trend toward the financialization of Nature. In a response to the WEF and WWF call to action, it said that in their proposal for a nature positive economy roadmap, the groups are clearly calling for 'nature markets' to be embedded in the values of natural capital. The WEF and WWF document also references the Taskforce on Nature Markets - "a newly created lobby group that

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[35] *'Sustainable' debt pioneer ditches controversial 'blue bond' label*, *Financial Times*, September 22, 2023,

[36] *WWF International accused of 'selling its soul' to corporations*, *The Guardian*, October 4, 2014

promotes nature markets that ‘deliver nature positive outcomes’ such as intrinsic markets, offset markets and derivatives markets on nature.”[37]

As well there are many new investment institutions and foundations that are promoting the natural capital vision for the planet. NatureFinance is a Geneva-based foundation whose mandate is “integrating natural capital into the world’s sovereign debt markets, including scaling the issuance of sustainability performance-linked sovereign bonds,” and “advancing effective governance of nature markets (those markets that explicitly value and trade nature) including voluntary carbon credits, conservation, soft commodities.”

NatureFinance launched the Taskforce on Nature Markets, referred to above, that submitted its final report at the August 2023 Amazon Summit for a Fair Nature Economy in Belem, Brazil. “‘Markets’ - including voluntary carbon credits, conservation and soft commodities - produce and trade over US$7 trillion worth of goods and services annually, equivalent to the 3rd largest economy after the USA and China. A new era of natural markets is emerging,” said the report.

The Finance for Biodiversity Foundation was established in 2021 to promote financial investments in biodiversity. Already, 177 financial institutions representing 28 countries and over US$24 trillion in assets, have joined and taken the Finance for Biodiversity Pledge, calling on global leaders to commit to protecting and restoring biodiversity through their finance activities and investments. The signatories are aiming to have influence at the UN biodiversity COPs and members include major banks, portfolio and asset management companies, and pension and investment funds. HSBC Global Asset Management CEO Nicolas Moreau, explains, “We are committed to putting natural capital on the map as a new asset class that can no longer be overlooked by investors.”[38]

Financialization of Nature growing deep roots

Indeed, the global campaign to commodify and financialize Nature is becoming more and more entrenched in the circles of power, almost always dressed up in language of Nature protection.

The World Bank has taken a very strong stand in promoting the financialization of Nature. In reports such as *Unlocking Nature-Smart Development* (2021) and *Economic Case for Nature*, (2021), the Bank clearly states its goals for future financing. The Washington-based World Bank Group is the largest development bank in the world,

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[37] *We Need to Save Nature From the “Nature Positive Economy,”* Green Finance Observatory, September 2022
[38] Finance For Biodiversity Foundation website

providing around US$100 billion in loans and assistance to developing countries every year. A stated goal of the Group is to strengthen the private sector, including financial institutions, in developing countries.

"The World Bank Group's work on biodiversity goes beyond conserving and protecting nature. Biodiversity is integrated into the broader portfolio of the World Bank in sectors like agriculture, forestry, watershed management, fisheries, and coastline zone management," says the Group on its website. It promotes mobilizing finance through the design and application of financial instruments for nature such as "labeled bonds, transition bonds, sustainability-linked bonds, and insurance products." Over the last decade, the Group has created a US$750 billion green bond market "connecting environmental projects with capital markets and mainstream investors."[39]

Three decades ago, the World Bank and the United Nations created the Global Environment Facility (**GEF**), a "family of funds" that has provided more than US$25 billion in financing for conservation and biodiversity protection. GEF has wholeheartedly adopted the natural capital framework. The World Bank says that with external financing from GEF, it offers "blended and flexible financing options, often serving as the initial funding that facilitates larger projects and attracts additional private investment. In this way, it has played a key role in de-risking investments, piloting innovative solutions, and mobilizing private capital for climate and nature."[40]

On Earth Day, 2022, President Biden signed into law a new "national strategy to reflect natural assets on America's balance sheets…leading to the first government-wide natural capital accounts… These natural capital accounts will measure the economic value that natural resources provide to society and illustrate how a robust economy depends on a healthy natural environment," said the press release.

From a rights of Nature perspective, the stated goals of this initiative fall very short. It says the government will develop statistics for environmental-economic decisions, to "reflect natural assets on the national balance sheet… highlight a framework for investment opportunities…and take stock of our wealth of natural assets."[41]

In Great Britain, a multiyear report on the economics of biodiversity commissioned by the UK Treasury and led by economist Sir Partha Dasgupta, was published in early 2021 to much fanfare. It was widely reported on and understood to set the 25-year plan for environmental policy in Great Britain. The launch was attended by the Prince of

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[39] *Investing in Nature Unlocks Development Benefits,* World Bank Group, Featured Story, August 5, 2021

[40] *World Bank Group and the Global Environment Facility,* World Bank Brief, August 11, 2023

[41] *A New National Strategy to Reflect Natural Assets on America's Balance Sheet*, White House announcement, August 18, 2022

Wales and the Prime Minister and endorsed by the reverend Sir David Attenborough. The report clearly sets out a nature-based solutions approach to environmental policy.

As Fredric Hache of Green Finance Observatory and Clive L. Spash, with the Vienna University of Economics, write, the report claims that economic growth is compatible with sustainable development provided that the stock of natural capital (nature) is large enough. Biodiversity conservation is compared to asset management and biodiversity loss is presented as a problem of asset allocation.

“At the heart of this initiative is the idea that sustainable economic growth requires a different measure than Gross Domestic Product (**GDP**). However, the objective is not to abandon or replace the concept of economic growth, but instead to continue maximizing it under a set of new sustainability constraints. Indeed, The Dasgupta Review supports the idea that GDP growth is compatible with sustainable development, provided the stock of natural capital is large. In addition, an analogy is being made that biodiversity protection is similar to asset management. Destruction is being blamed on a misallocation of capital, with too much invested in produced and human capital, and not enough in natural capital. Curbing biodiversity destruction is thus reframed as a problem of asset management with people needing to act as ‘citizen investors’.”[42] The UK has already started to publish natural capital accounts.

China is pioneering a new ecosystem measurement and accounting system called the Gross Ecosystem Product (**GEP**). The Chinese Academy of Sciences is partnering with Stanford University’s Natural Capital Project whose mandate is to “improve the well-being of all by motivating greater investment in natural capital.” The world’s ecosystems can be seen as capital assets, according to Stanford, and the aim of this project is to “make policies and movements that empower green growth.”

“Gross ecosystem product (GEP) is a measure of the aggregate monetary value of final ecosystem-related goods and services in a specific area and for a given accounting period. GEP accounting captures the use of many ecosystem services in production processes across the economy, which are then valued in terms of their benefits to society. GEP has five key elements that make it transparent, trackable, and readily understandable: (1) a focus on nature’s contributions to people; (2) the measurement of ecosystem assets as stocks and ecosystem services as flows; (3) the quantification of ecosystem service use; (4) an understanding of ecosystem service supply chains through value realization; and (5) the disaggregation of benefits across groups,” explains a research paper on the Stanford site.[43]

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[42] *Nature, Life & Relations - ‘Optimized’ - A policy Brief on the Dasgupta Review*, Frederic Hache and Clive L. Spash, April 2021

[43] *Gross Ecosystem Product (GEP) (China)*, Stanford University Natural Capital Project Website

Again, from a rights of Nature perspective, this increasingly cold and bureaucratic language to describe the natural world is deeply alienating. As well, the consistent message is that Nature exists to serve humans and human well-being and all of these proposed solutions are designed to protect our societies and lives with as little disturbance as possible.

The European Union has taken the lead in promoting 'Ecosystem Accounting,' to integrate Nature and its benefits into existing political and economic frameworks. Says the Union, "The underlying premise of natural capital accounting is that since the environment is important to society and the economy, it should be recognized as an asset that must be maintained and managed, with its contributions (services) measured and considered in decision making. Through the rigorous and consistent presentation of the connections between the economy and the environment, natural capital accounting provides essential information for the public and private sectors."[44]

The United Nations has formally joined the nature-accounting club. In 2021, ecosystem accounting was standardized via the System of Environmental-Economic Accounting-Ecosystem Accounting (**SEEA-EA**), in response to the call in Agenda 21 that the values of Nature be recognized within all the information systems of member states and all relevant UN agencies. The SEEA- EA is an internationally agreed upon statistical framework that describes ecosystems and the services they provide to people and the economy. Under this accounting system, ecosystems are considered to be assets.

Five countries were chosen to pilot this project, co-sponsored by the European Union, UNEP and the Convention on Biological Diversity. Organized by South Africa, the "Africa Natural Capital Accounting Community of Practice" was created in 2019, and the continent now holds an annual Global Policy Forum on Natural Capital, whose mandate is "to connect users - primarily the investment community and policy makers - with both data and analytics, and data providers, to share knowledge and experiences on incorporating natural capital accounting and approaches in decision-making."[45]

How the financialization of Nature works

The market approach to Nature is now deeply entrenched in many governments and international institutions and trading in Nature's 'assets' is now a huge business. Most people around the world know little or nothing about this fast-moving development. But its reach is astounding.

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[44] *System of Environmental Economic Accounting*, United Nations report, funded by the European Union.
[45] Natural Capital Accounting Community of Practice Africa, website.

Indian conservation journal *Mongabay* explains biodiversity financing as the practice of raising capital and managing funds for biodiversity conservation. It says that it is still mostly dependent on funds from governments, international development banks and private philanthropies. But the focus is shifting toward sourcing finances across a variety of public and private funders through loans, grants, tax incentives and market mechanisms, which include tourism-related taxes and fees, debt for nature swaps, conservation trust funds and direct payments for environmental services.[46]

A consortium of European journalists and leading media outlets reported in 2022 that European investment funds labelling themselves as sustainable totaled over US$4.5 trillion, amounting to the stock market value of Alphabet, ASML, Coca-Cola, Nestle, Pfizer, Samsung, Shell, Toyota, Walmart and Walt Disney combined. The journalists studied 838 funds that label themselves "dark green," the highest possible sustainability label, and found that half of these also invest in fossil fuels and aviation.[47]

In December 2023, French President Emmanuel Macron announced his intention to create an international carbon and biodiversity exchange, a business opportunity estimated by the World Economic Forum at US$10 trillion by 2030.

A World Bank blog promotes the use of national public parks - what it calls Protected Areas (**PAs**) - around the world to meet the 30 by 30 pledge of biodiversity protection. It would shift the ownership of these parks from governments to a public/private/partnership model, where the government still technically owns the land, but the use to which it is put is privatized. To pay for the pledge, the WB would turn to public pension funds so large they now, in effect, "own a slice of the global economy," and public companies, often referred to as "Sovereign Wealth Funds" that governments invest in on behalf of their citizens.

The World Bank points out that together, the global top 10 public pension funds combined with the global top 10 sovereign wealth funds control US$15 trillion in assets. Together, they could fund 'Natural Asset Companies' (**NACs**) that would invest in the newly privatized parks.

"The land would still be owned by the national government with universal investors (international and local pension funds) making an equity investment in a NAC, which would have the sole purpose of maximizing Nature and biodiversity. Sustainable revenue generated by the parks (through concessions for tourism, agriculture, sustainable timber or new revenue streams – including the sale of carbon or biodiversity offsets) would create "dividends" that could contribute to sustainable

[46] *What is biodiversity finance? Mongabay*, September 13, 2022
[47] *The Great Green Investment Investigation, Le Monde, EL PAIS,* and eight others, November 29, 2022

livelihoods for local community members, be reinvested in the NAC, shared with the government and invested in new PAs.

“The NAC would be valued based on the intrinsic value of the natural asset as well as the value of the revenue streams coming from ecosystem services which can be monetized (now and in the future)… Ultimately, the NAC could be listed on a stock exchange (preferably a local emerging market exchange to support capital market development) enabling all interested investors to invest in nature. This would create a new and uncorrelated asset class.”[48]

Note that this model takes public funds and public parks and protected areas funded by the public and governments and protected by government regulations and hands them over to the service of private capital and the control of the market.

Sure enough, in the fall of 2021, the New York Stock Exchange **(NYSE**) partnered with Intrinsic Exchange Group (“a financial innovation company with a mission to enable sustainable, market-based solutions to some of our most intractable problems”) to open up investment opportunities in “nature’s economy” by creating a “new kind of listing vehicle” - natural asset companies.

“Using NACs, governments, farmers, and other owners of natural assets will be able to form a specialized corporation that holds the rights to the ecosystem services produced on a given chunk of land, services like carbon sequestration or clean water. Then the company will tap the U.S. public markets by way of the NYSE like any other entity would…In return, investors will get access to a new form of sustainable development - a space that has enthralled the likes of BlackRock CEO Larry Fink over the past several years”[49]

It is worth noting here that BlackRock is a very controversial company. The world’s biggest asset manager, with US$8.5 trillion in assets, is also a major investor in climate destruction, says a global coalition of social justice and environmental NGOs, including Sierra Club, Amazon Watch and Rainforest Action Network. “Global asset managers, like BlackRock, supply fossil fuel companies with a steady stream of capital. They also invest heavily in companies driving deforestation and back firms that undermine Indigenous rights.”[50]

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[48] *Harnessing the power of capital markets to conserve and restore global biodiversity through ‘Natural Asset Companies,’* World Bank blog, October 12, 2021
[49] *NYSE’s new investment vehicle - ‘natural asset companies’ - will tap into ESG fever, Fortune,* September 14, 2021
[50] *BlackRock invests in climate destruction,* BlackRocksBigProblem. Website and reports, 2021

The UK has launched a biodiversity unit market and ‘habitat banks’ - areas of land that are “restored to create a bank of offset units that can then be allocated and sold,” according to Wild Capital, a British “elite consultancy” company. Wild Capital is clear about who its clients are - “Land Promoters, Developers, Brokers and Affiliates.” One product they offer: “Bespoke schemes that deliver multiple habitat types, including high-distinctiveness habitats, specifically delivered for individual developments or pipelines. Developers have access to the specific number and type of offsets they need quickly and at competitive prices within the location where they need them.”[51]

New South Wales in Australia launched a similar environmental offset scheme. It allows landowners to establish a conservation deal on their property that generates credits which then can be sold on a biodiversity market to compensate for environmental destruction elsewhere. A 2022 review by the state’s auditor general revealed serious flaws and conflict of interest concerns, leading to further investigations. Jacqui Mumford, chief executive of the Nature Conservation Council of NSW, said the review was “utterly damming,” reports *The Guardian*, and has failed by every measure. She said that offset schemes reduce Nature to a “bunch of financial formulas” that do not capture the true value of unique and rapidly disappearing bushland.[52]

Physicist and environmentalist Vandana Shiva says that NACs are the next step in the commodification of Nature for profit and will use the debt crisis as a takeover of the real resources and real wealth of the Global South - its forests, lands, rivers and biodiversity. Local communities will serve as agents of the new ‘owners’ - the banks, foreign corporations and investment companies.

Frederic Hache spent 12 years as an investment banker and understands the market intimately. He is the co-founder of Green Finance Observatory. Hache says that the beauty of the financialization of nature model for investors is that governments take all the risk and the private sector gets the profits. It favours the corporations and investors in that it removes existing environmental regulations or prevents new, tighter ones, enabling destructive companies to keep their profits. And it creates a new asset class for financial institutions, a “new playground that is lowly regulated and not very competitive, hence with very fat margins.”

The failure of carbon offsets and trading

In order to meet the Paris Agreement goals, a formal international carbon offsetting and credit system has been developed, based on previous projects, such as acid rain credit

[51] *Secure BNG Units for the Future,* Wild Capital website

[52] *‘Utterly damning’ review finds offsets scheme fails to protect NSW environment, The Guardian,* August 30, 2022

trading in the US and the first international carbon markets that emerged from the 1997 Kyoto Protocol.

Essentially, offsetting is a carbon trading mechanism that allows corporations and governments to 'compensate' for their greenhouse gas emissions - and continue to pollute - by investing in projects that allegedly reduce emissions elsewhere. One UN-issued carbon credit represents an emissions reduction or removal of one metric tonne of greenhouse gasses somewhere. When the company or government invests in a carbon offsetting project, it receives a credit that can then be traded.

Closely linked to carbon offsets is another UN program called **REDD+** - "**R**educing **E**missions from **D**eforestation and Forest **D**egradation" - that was introduced into UN climate talks in 2005 and incorporated into the Paris Agreement. REDD+ is a highly financed payment for environmental services scheme that offers financial incentives to reduce deforestation and therefore lower the greenhouse gas emissions resulting from forest loss. REDD+ is a major boon for the carbon markets industry as it is funded through the sale of carbon credits, allowing polluters of greenhouse gases to claim that the climate damage from their own greenhouse gas emissions has been cancelled out by someone foregoing a planned emissions activity elsewhere, explains the German-based Heinrich Boll Foundation.

"Forests are much more than stores of carbon, and the root causes of deforestation are complex and political as well as financial in nature. In addition, forest use is often caught up in conflicts over rights to access and ownership, and carbon storage levels in forests fluctuate naturally… The REDD approach includes multiple accounting levels, certification standards assessing hypothetical scenarios of what might happen to the forest carbon, and a growing number of secondary objectives and safeguards addressing the conflicts often associated with forest use…The result 15 years on is that REDD has become a huge accounting exercise, but it has been unable to tackle the root causes of forest loss, with the outcome being the continued destruction of forests around the globe."[53]

The system has been plagued by failures from the beginning. "The Global Carbon Trading System Has Essentially Collapsed" announced the United Nations University in 2012, having lost "tens of billions" of dollars after the collapse in the price of the UN credits. Yet the program has expanded dramatically since its inclusion in the Paris Agreement, driven by a host of private sector players not willing to give up on their new frontier.

Economist Mark Carney has served as governor of both the Bank of Canada and the Bank of England, is a senior officer in both Brookfield Asset Management and

[53] *REDD: The pitfalls of market-compliant conservation,* Heinrich Boll Stiftung, August 28, 2020

Bloomberg and is the UN Special Envoy on Climate Action and Finance. In 2021, he predicted the carbon offsetting market could be worth US$150 billion a year if given the right political backing.

Heinrich Boll has documented a number of stunning failures, including a 2015/2016 Green Climate Fund US$28.2 million payment to Colombia for alleged greenhouse gas emission reductions when in fact, deforestation levels rose sharply in 2016, and a 2020 US$103 million payment to Indonesia for reducing emissions several years before, when in fact, fires in forests and peatlands had released unprecedented greenhouse gases.

A 2022 investigation by Voxeurop, a group of independent British journalists, alleges a US$95 million rubber project by French tire giant Michelin in Jambi Sumatra, was marred because its local partner in the area has deforested much of the tropical rainforest, destroying wildlife habitats. The investigation found that the 8,468 hectares of pristine rainforest that were to be 'protected' were industrially deforested to make way for monoculture rubber plantations, displacing villagers from their ancestral lands and endangering key tiger and elephant corridors.[54]

The failures are legion. A 2022 investigation by the NGO Carbon Market Watch found that millions of "hot air" carbon credits designed to curb deforestation in Colombia were sold to a Colombian fossil fuel company as a substitute for paying the country's carbon tax, costing the country millions in tax revenue and undermining its climate goal.[55] The UN has called into question the transparency of a 2021 nature conservation agreement between Hoch Standard, a Singaporean company, and the Sabah state of Borneo which gives the company rights to carbon and "other marketable ecosystem services" from more than half of the state's forests. One major concern is that Indigenous Peoples, who make up half the population, were not consulted.[56]

A particularly contentious carbon market project is one by Blue Carbon, a company owned by the UAE royal family that has secured rights to more than 100 million hectares of land in five African countries in order to generate carbon credits for the UAE. In October 2023, Zimbabwe signed away control over 20% of the country's land in the deal and Blue Carbon will receive 70% of the revenues from selling the carbon credits. It recently signed a deal for millions of hectares of forests in Kenya. So far, the company has made deals in Africa amounting to a total land area the size of the UK,

[54] *New Investigation Alleges Deforestation and Greenwashing Linked to Michelin*, Mighty Earth, November 15, 2022

[55] *'Hot air' carbon offset scheme undermines Colombia's climate goal, experts warn,* Climate Home News, June 30, 2021

[56] *UN probes controversial forest carbon agreement in Malaysian Borneo,* Mongabay, November 9, 2021

and the UAE has pledged to buy US$450 million of African credits by 2030.[57] This is a petrostate that says it plans to extract its every last barrel of oil 50 years from now, when its reserves are projected to dry up.

In 2023, an in-depth investigation by Corporate Accountability, a non-profit corporate watchdog, and *The Guardian* - found that the majority of offset projects that have sold the most carbon credits are "likely junk," and have such fundamental flaws, they cannot be relied upon at all to cut planet-heating emissions. Researchers looked at data from AlliedOffsets, the most comprehensive emissions trading database in the world, and found that 39 of the top 50 emissions offset projects were worthless, and 8 others were "problematic." These include a giant forest conservation project in Zimbabwe that had so many exaggerated claims, it was described by *Bloomberg* as "having more financial holes than Swiss cheese." This project's emissions cuts were overestimated by 5 to 30-fold.[58]

A 2024 investigation of Australia's carbon offsets market found it to be a "failure on a global scale" doing little if anything to help address the climate crisis. The academics analyzed 182 projects in the country's arid and semi-arid desert areas and found that forest cover had either barely grown or gone backwards in nearly 80% of cases. Australia's forest regeneration project is the world's fifth biggest nature-based offsets project and more than 37 million carbon credits worth almost US$1 billion have been issued.

Megan Evans, with the University of New South Wales and co-author of the study, said: "What this means is that the projects are not actually sequestering the amount of carbon claimed, and we've got a whole bunch of carbon credits in the system that don't represent one tonne of CO_2. Most of these credits are being used to offset heavy emitters under the safeguard mechanism, so we're not actually reducing carbon emissions at all. The overall outcome is we're increasing the amount of carbon pollution. We're ultimately getting worse outcomes for the climate than if we didn't have these [forest regeneration] projects."[59]

A 2023 *Euronews* investigative report tallied the main reasons for the failure of carbon trading: artificial inflation of baseline emissions in order to take credit for what the project did not do; reliance on vague and often inaccurate predictions, including promises of carbon sequestration that may take 50 years to realize; forceful eviction of local communities and Indigenous populations; high risks to planted forests from

[57] *The new 'scramble for Africa': how a UAE sheikh quietly made carbon deals for forests bigger than UK, The Guardian,* November 30, 2023

[58] *Revealed: top carbon offset projects may not cut planet-heating emissions, The Guardian,* September 19, 2023

[59] *Australia's carbon credit system a failure on global scale, study says, The Guardian,* March 26, 2024

logging and cattle grazing after the project ends; and, most importantly, failure to contribute to achieving additional overall climate benefits, compared to if the project had not existed.[60]

With the widespread publicity of these and other failures, it is no surprise that the market for carbon trading is faltering. In May, 2024, Washington-based Ecosystem Marketplace, a global source of information on nature-market trends, reported that the market for carbon offsets shrunk dramatically between 2022 and 2023, by 61%.[61] Green Finance Observatory reports that carbon markets have spectacularly failed to curb greenhouse gas emissions and they suffer from unresolvable conceptual issues such as the inexistence of a reliable price signal. The group calls for binding regulations, not failed carbon markets, to address climate change. “Carbon markets have never worked and should be abandoned.”[62]

In October 2024, 60 renowned scientists from around the world warned that carbon offsets used by corporations are not cutting emissions overall and, in fact, are hindering the energy transition. They called on the world to take what they call the “real zero” pledge in place of “net zero,” which they call a “counting game.”

“A reliance on carbon offsets without the needed emission reductions is dangerous and detrimental,” said Katrin Meissner, director of the Climate Change Research Centre at the University of New South Wales. To keep global warming within the guardrails of the Paris agreement, the timeframe is now so tight that there is no space for companies to use offsetting to continue high-carbon activities. We need to turn the fossil fuel taps off, all of them.”[63]

Yet, plans for large-scale carbon markets expansion are in place at upcoming climate and biodiversity COPs, where Article 6 of the Paris Agreement, which promotes market-based approaches to mitigating climate change, could be used to launch a kind of “climate stock market” according to a growing number of Indigenous, environmental and human rights organizations.

During the spring 2024 UN Permanent Forum on Indigenous Issues, the Indigenous Environmental Network said that after 25 years of evidence of failures, Article 6 could become “largest carbon offsets trading platform” in history. On behalf of many international Indigenous communities, IEN called for a permanent end to carbon

[60] *Community conflict and vague predications: The five biggest reasons carbon offsetting schemes fail, Euronews, January 10, 2023*
[61] *2024 State of the Voluntary Carbon Market,* Ecosystem Marketplace, May, 2024
[62] *Carbon Markets “will never work and should be abandoned,”* Green Finance Observatory, Press Release, March 2019
[63] *Corporations using ‘ineffectual’ carbon offsets are slowing path to ‘real zero’, more than 60 climate scientists say, The Guardian,* October 27, 2024

markets. IEN's executive director, Tom Goldtooth, told the assembly, "We are long overdue for a moratorium on false climate solutions like carbon markets. It's a life and death situation with our people relating to the mitigation solutions that are being negotiated. Article 6 is a smokescreen, a loophole that keeps fossil fuel polluters from agreeing to phase out carbon."[64]

Next in line: biodiversity offsets and trading

While it has been used in limited ways for decades in a number of countries, biodiversity offsetting is a more recent manifestation at the international level than carbon offsetting and has consequently flown under the public radar. Biodiversity trading places a value on a habitat, plant or animal, and a credit is created that can be offset, or traded. This allows a company or government to continue to harm a local habitat while claiming to conserve natural assets elsewhere.

It also allows some to consider endangered species as candidates for biodiversity offsetting. Dr Ralph Chami is an economist on leave from the IMF who founded Blue Green Future, a group of "innovators and thought leaders for natural capital finance and a nature-based economy in order to translate ecosystem services into monetary values." On the potential to harness wild animals into the market, Chami says, "Incorporating the carbon services of wild animals into financial markets has the potential to benefit both climate and conservation through the development of carbon offsets that are equitable and nature positive."[65]

CarbonBrief is a UK-based website covering climate science and policy supplied by a large international team of climate experts and journalists. Biodiversity offsetting is the latest chapter in a long history of debates that has pitted the environment against development, says the organization.

To counter strong proposed nation-state regulations to protect biodiversity and wildlife, mining and energy industry consortiums teamed up with conservation organizations such as The Nature Conservancy, to instead allow industry to introduce voluntary land-use commitments and offsetting, using market-based mechanisms to solve environmental problems instead of state regulation. It was only a matter of time before biodiversity offsetting would become a formal part of the CBD process.

CarbonBrief says that while biodiversity-offset markets have so far escaped the intense critique that carbon-offsetting has been subjected to, they are growing in prominence

[64] *Indigenous people rush to stop 'false climate solutions' ahead of COP29, High Country News,* April 22, 2024

[65] *Value wild animals' carbon services to fill the biodiversity financing gap, nature climate change* journal, June 27, 20

and were included as one of the ways to finance a global deal for nature agreed at the Biodiversity COP15.

At the October 2024 Biodiversity COP in Colombia, a framework laid out principles and guidelines to develop “high integrity” biodiversity credits by the International Advisory Panel on Biodiversity Credits, a powerful new global network dedicated to promoting biodiversity trading. “High integrity biodiversity credits represent a unique opportunity to scale up private finance for nature and engage the private sector in the ecological transition” said co-chair Sylvie Goulard, at an event organized by the European Commission.[66]

Like carbon offsets, biodiversity offsets are built around the idea of ‘no net loss,’ on the assumption that damage to ecosystems wrought by large-scale development projects - from mining and industry through to highways and land-use planning - can be balanced or outweighed by preserving or ‘producing’ Nature elsewhere. Unlike carbon offsets, there is currently no international marketplace for buying or selling biodiversity credits or offsets, although, as reported earlier in this paper, there is political will in France and the UK for such a market.[67]

Critics point out that valuing biodiversity is extremely difficult because of how complex and unknowable any ecosystem is. Many schemes simply divide the ecosystem into units of species or plants. The Conservation Foundation, an American land and watershed conservation organization operating since 1972, describes one of their biodiversity credit pricing schemes as “a unit of space and time: a set number of square meters being actively conserved for a defined number of years. The credits enable companies to buy units of conservation projects simply as an investment in the cost of doing business.”[68]

Critics say biodiversity offsetting outsources Nature protection to the market, relieves governments of environmental responsibility, allows corporations to continue to destroy Nature, and perpetuates colonial inequities allowing countries and corporations of the Global North to offshore their biodiversity conservation to cheap areas of the Global South.

Comparing carbon and biodiversity offsets, Frederic Hache writes, “For biodiversity, the problem is the same, but infinitely worse, in the sense that this type of market involves transforming into financial instruments not six greenhouse gases, but millions

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[66] *A Way Forward for High Integrity Biodiversity Credits*, International Advisory Panel on Biodiversity Credits, October 28, 2024
[67] *In-depth Q&A: What are ‘biodiversity offsets’?* CarbonBrief, September 26, 2023
[68] *Biodiversity Credits and Conservation,* The Conservation Foundation, February 12, 2024

of species, interdependent on each other. It is simply not possible to standardize and boil down biodiversity to a few tradable financial instruments.

“Furthermore, ecological priorities are not those of the markets. These may favour a type of ecosystem that is quicker and less costly to restore, and underfunds the protection of species and ecosystem functions critical to our survival. Academic research has amply demonstrated that conservation policies based on economic incentives are much more fragile than those based on regulations, because destroying is often more profitable than preserving.”[69]

Plastics offsets

The proliferation of plastics is a major global environmental and health issue and a direct threat to Nature everywhere. Every day, says the UN, we dump the equivalent of 2,000 garbage trucks full of plastics into the world’s oceans, lakes and rivers. Plastic contaminants have been found in Arctic ice, the stomachs of ocean whales and in freshwater fish of the Great Lakes at 900 particles per fish.

As governments and international institutions try to tackle the plastics crisis, fossil fuel, chemical and bottled water corporations are promoting a plastics offsets credit scheme similar to carbon markets, that allows them to continue to produce plastic while offsetting their environmental footprint elsewhere.

Companies pay for a weight of plastic to be collected somewhere in the world, generating a credit that justifies their production or use of the equivalent amount of plastic. The exchange is facilitated by accreditors, explains a report in *Canada’s National Observer*, that trade in credits. When companies buy enough plastic credits to offset their own plastic footprint, they can claim plastic neutrality or ‘net-zero plastic.’[70]

Companies such as Vancouver’s Plastic Bank, “a for-profit social enterprise company,” New York-based rePurpose, “the world’s leading plastic action platform” and Australia-based Plastic Collective that partners with the World Bank to “channel private capital to projects that reduce plastic waste,” claim to be helping not only the environment but poverty in the Global South by paying low-wage workers there to recycle plastic that would cost far more to recycle in the Global North.

In a May 2024 expose, journalist Kate Aronoff explained that most projects involve funding waste-processing facilities and waste-collection efforts in the Global South and are on the cusp of major expansion. The first plastics credit market, 3R Initiative, was

[69] *Can finance save polar bears?* Frederic Hache, *The Mint Magazine,* March 26, 2024
[70] *What on earth are plastic credits and will they really reduce plastics pollution? Canada’s National Observer,* November 17, 2023

only launched in 2021. Founders include Verra - the world's biggest issuer of carbon credits - as well as some of the planet's largest users of plastics, including Danone, TetraPak and Nestle, and plastics recycler Veolia, the world's oldest and largest private water company.

Another exchange - Singapore-based Plastic Credit Exchange - has already sold millions of dollars' worth of credits, including to the Filipino subsidiaries of Nestle, Colgate-Palmolive and Pepsi-Cola. Aronoff reports that Greenpeace unearthed serious early failures on one of its first projects, a waste-processing facility in Bali Indonesia, built too close to a community.[71] A 2023 report by two groups - Break Free From Plastic and the Global Alliance for Incinerator Alternatives - found that credits had been issued for plastics that ended up incinerated in cement kilns, basically trading one form of pollution for another.

Despite the terrible record of carbon markets, the World Bank and world leaders are very open to an expansion of offsets markets to the plastics industry. The fossil fuel and plastics industries are working hard to influence UN negotiations for the up-coming global treaty to curb plastic pollution, and creating a plastics market would be ideal for them. While environmentalists and affected communities of the South demand a treaty that would cover the entire lifecycle of plastic from production to disposal, many in the industry want to limit further regulations on plastics such as production caps or chemical phase outs.

The Center for International Environmental Law (**CIEL**) and a number of other NGOs reported that, at the April 2024 plastics treaty negotiations in Ottawa, the UN handed out 196 passes to fossil fuel and chemical industry lobbyists such as ExxonMobil and Dow - outnumbering the combined diplomatic representatives of European Union delegations. CIEL's Delphine Levi Alvares said, "If we end up with a treaty that lets the plastics lobby continue business-as-usual, it will be because of a failure to safeguard the negotiations from their influence. UNEP and the INC Secretariat's inaction has created the conditions for corporate influence to further tip an already inequitable representation."[72]

The scene is being set for the failure of yet another false solution - this one potentially allowing the plastics tsunami to grow, destroying our lakes, rivers and oceans, overflowing landfills, destroying habitat for wildlife while the very industries most responsible for the climate crisis get not only to continue to pollute but to profit from

[71] The Plastic Industry's Latest Delay Tactic: "Plastic Offsets," Kate Aronoff, The New Republic, May 3, 2024

[72] *Fossil Fuel Lobbyists Outnumber National Delegations, Scientists, and Indigenous Peoples at Plastics Treaty Negotiations,* Center for International Environmental Law, April 25, 2024

the trade in plastics pollution. A plastics market would do irreparable harm to Nature and the movement to protect it in law.

*Water for sal*e

The planet is running out of accessible clean water. The UN reports that by 2030, demand will outstrip supply by 40%. The water crisis is causing great suffering and accelerating the loss of habitat, species and biodiversity. It is crucial for the rights of Nature that water be protected as a commons, regulated for the good of people and Nature, with its own rights to thrive, flow and provide life. But the same forces that have ravaged forests, bottom trawled the oceans, polluted the atmosphere and carved out mountains for gold, are seriously looking to the planet's dwindling water supplies as a new frontier for profit.

The water stakes are high. UNESCO reports that in 2024, water's "ecosystem services" contributed US$58 trillion to humans.

The commodification of water has happened in stages. Water "in all its forms, including ice and snow" was included as a 'tradable good' in the 1989 Canada-US-Free Trade Agreement and several years later, in the North American Free Trade Agreement, and is included in many other global free trade and investment agreements.

At the 1992 UN freshwater conference in Dublin, for the first time, water was referred to as a "commodity" and an "economic good." The next year, the World Bank called for water to be considered an economic commodity with an emphasis on efficiency, financial discipline and full cost recovery, even from poor countries. Private water utilities such as Suez and Veolia were beginning to move into cities of the Global South and wanted guarantees that they would make a profit.

The privatization of water services started in France in the early 1980s, when neoliberalism was on the rise and political leaders in Europe started privatizing their transportation, energy and water services in the belief that the private sector could deliver better services at lower costs. Paris privatized much of its water services in 1987, as did many other cities in France. In 2009, after years of poor service and damage done to unprotected water sources, Paris and most other cities in France brought their water services back under public management.

In 1989, Great Britain's Prime Minister Margaret Thatcher sold the entire package of public water companies in England and Wales to private water corporations, including Thames Water. The damage this has caused has been very well documented with calls coming from across the political spectrum to remunicipalize the services. Water bills skyrocketed, the water CEOs pocketed outrageous amounts of money while paying next to no taxes, debt ballooned as the water companies borrowed to pay dividends to their investors, and more importantly from a rights of Nature point of view, sewage was released untreated into waterways across England.

In his first interview since taking office in July 2024, British environment secretary Steve Reed said “Every single river in England today is polluted. The public are quite rightly furious that they have to worry about letting their kids splash about in the river, for fear of what they might catch because it is polluted.”[73]

The 1990s saw a wave of water privatizations across Europe and the United States, and the World Bank started to promote private water services in the Global South. The backlash from local peasant and Indigenous communities was fierce and projects in many cities of the South, from Cochabamba Bolivia and Buenos Aires Argentina to Dar es Salaam Tanzania were canceled. To date, well over 300 towns and cities that have tried privatization have remunicipalized their water services, a huge victory for the global water justice movement.[74] While the human right to water was the driving force behind this campaign, it became increasingly obvious that the more control governments and communities give over to private investors, the less control they have to protect local water sources and the biodiversity they support.

Another form of water commodification is bottled water, an industry that is exponentially growing in spite of all the warnings about plastics contamination and the use of fossil fuels in their production. Huge water corporations such as Nestle (which owns 47 brands of bottled water) Danone, Coca-Cola and PepsiCo drain springs and aquifers, paying a pittance to the local communities whose water sources they destroy. The global market size currently surpasses US$300 billion - over 446 billion litres of water a year - and is expected to surpass US$500 billion by 3032.[75]

Clearly the plastic footprint of this many bottles is hugely damaging to Nature and other species. The entire life cycle of disposable water bottles uses fossil fuels, which contributes to global warming. The Pacific Institute estimates that the total amount of energy required for every bottle is equivalent to filling a plastic bottle 1/4 full with oil. Very few plastic bottles get recycled globally and those that don't take 1,000 years to bio-degrade.

In 2007, Coca-Cola partnered with The Nature Conservancy to launch a water-offset program, promising to replace “every drop” of water used in its beverages. Its offsets included providing basic services in Africa through well digging, water metering

[73] *Every river in the country is polluted, Environment Secretary Warns, The Telegraph* July 20, 2024
[74] *Public Futures Database,* Transnational Institute and the Knowledge Exchange Fund of the University of Glasgow.
[75] *Bottled Water Market Size to Rise USD 503.05 By 2032*, Precedence Research, August 31, 2024.

systems in poor countries and watershed restoration through tree planting and high-tech irrigation projects. Coca-Cola promised to “bring safe drinking water and sanitation to people in the communities we serve” and designed a credit measurement system called the Water Replenishment Report.

However, a 2018 investigation by a team of independent American journalists found that the nearly 2 billion litres of water the company claimed to offset in 2015 covered little more than a small percentage of the water in each bottle and did not take into account the very large amount of water it takes to produce each bottle in the supply chain. In other words, 99% of Coca-Cola’s water use was not offset at all, which did not stop the company from declaring that it had reached its “water neutrality goal.”[76]

Water rights, water trading and water markets are another form of water commodification. Water rights give a user guaranteed access to a local water source. They are either inherited or granted when a government converts a water licence to a right, giving the new ‘owner’ more discretion in the use of the water. In the western United States in the late 19th and early 20th centuries, water rights were used to encourage settlement and industry by allocating permanent water rights that could be passed on to future generations. In recent decades, water rights holders in several US states have claimed their right to de-couple the water from their land and sell it on the open market.

One of the many examples is the small town of Cibola, Arizona, that sold 500 acres of agricultural land to a private company backed by global investors, to find the company had sold its water rights that were tied to the land to a suburb of Phoenix for a US$14 million profit. More than 2,000 acre-feet of water from the Colorado River once used to irrigate farmland is now flowing through a canal system to homes over 300 kilometres away.[77]

Chilean dictator Augusto Pinochet not only privatized all the water services in his country, he created a Water Code giving the government the right to sell the country’s water on the open market. This led to the actual auctioning off of entire watersheds to foreign mining and agribusiness corporations, who were then free to dump their pollution in ‘their’ water. As Sara Larrain of the environmental organization Chile Sustainable reported, once the water rights are sold to private investors, reallocation of water happens by means of a water market. The ownership of Chile’s water has

[76] *How Coke Spun the Public on its Water Use,* Type Investigations, May 31, 2018
[77] *Water is more valuable than oil: the corporation cashing in on America’s drought, The Guardian,* April 16, 2024

become concentrated in the hands of the hydroelectric, mining and agribusiness export sectors, with devastating impacts on the environment.[78]

Australia set up the world's biggest water market in 1992 in the belief that farmers would conserve water if they could profit from the sale of water they don't use. Instead, an unregulated free-for-all water market was created. Large agribusinesses bought up the small farmers, and banks, speculators and professional investors - both domestic and international - moved in, driving the price of water sky high and making huge profits on the driest inhabited continent on earth. In a December 2023 investigation, *Bloomberg* reported that the water trade in Australia is booming but "sucking the continent dry."

Australia has spent the past three decades building the world's most advanced water exchange, handing over significant control of its water to the market, says the report. Today, it's water traders' wheel and deals nearly 8,000 gigaliters of water - enough to supply the population of France for a year - at the value of over US$ 2.7 billion. "For deep-pocketed financial institutions and agribusinesses, many based overseas, water trading has been a bonanza. Big investors have wielded substantial financial clout to extract more water, and more profits, at a time when the asset is increasingly precious amid climate change and rising agricultural demand. They are abetted by financial firms that provide liquidity to the exchange, connect buyers and sellers, and earn substantial returns arbitraging the water market."

However, what might be good for investors has been a disaster for communities. Indigenous Peoples and farmers have seen their water disappear. and the environment was gutted. A 2021 700-page report by Australia's major antitrust regulator found that the water market is rife with opportunities for abuse. Today, a winegrower or cotton exporter can order water on a cell phone while water that is too expensive to buy flows past family farms closing all over the country. It turns out trading water has been tantamount to transferring wealth, reports *Bloomberg*.[79]

Another form of water offsets is water pollution trading, called 'water quality trading' or 'water nutrient trading' by proponents. One of the world's largest projects is in Chesapeake Bay, a major drainage basin covering six American states. The US Environmental Protection Agency warns that nutrient overload on the basin is drastically increasing. Claiming to help offset this ecological damage, the agency supports water quality trading "as a market-based approach" providing economic incentives for pollution reductions. "Trading can allow one source to meet its regulatory

[78] *Water in Chile: Between Human Rights and Market Rules,* Sara Larrain and Colombina Schaeffer, Santiago Chile, 2010
[79] *The Water Trade is Booming - and Sucking Australia Dry, Bloomberg,* December 27, 2023

obligations by using pollutant reductions created by another source with lower pollution controls."[80]

World Resources Institute, another influential global environmental organization with close to 2,000 staff world-wide, supports water pollution trading and is very clear about its purpose. Some pollution sources are regulated but others are not, it says, leading to "cost differentials," thus creating an "ideal environment" for nutrient trading. "Trading allows sources with higher pollution control costs to purchase pollution reductions from sources with lower costs. Those with higher costs can save money, while those with lower costs can earn new revenues."[81]

In other words, water pollution trading allows a company that doesn't want to spend money on expensive but effective pollution controls that meet local standards to take advantage of companies that don't have to meet stricter local standards and get tradable credits from the deal.

Washington-based Food and Water Watch released a scathing 2015 report showing that water pollution trading has given industry a way round EPA water protection rules. In Pennsylvania in 2014 alone, agriculture-related operations - mostly factory farms - bought credits to dump more than 800,000 kilograms of nitrogen and over 50,000 kilograms of phosphorus into local waterways. The system actually sees factory farm manure being trucked from one impaired watershed to another to generate profits, the authors report.[82]

Yet the big conservation NGOs, financial sectors and the World Bank all tout water markets and water trading as a key solution to the water crisis. The Nature Conservancy openly promotes "Sharing Investment Partnerships," that use investor capital to acquire water-use rights which can then be "reallocated to depleted freshwater systems, or sold or leased to other water users to generate financial returns for investors."[83] The World Bank supports this project, saying "Water markets are based upon water rights which can be bought and sold, enabling water to be transferred from one user to another."

In March 2024, the World Bank and its private sector arms, the International Finance Corporation, the Multilateral Investment Guarantee Agency and the 2030 Water Resources Group that promotes public-private partnerships, created the *Strategic Framework for Scaling Up Finance for Water* whose purpose is to "catalyze financing

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[80] *Trading and Offsets in the Chesapeake Bay Watershed,* US EPA, Overview, March 15, 2024
[81] *Water Quality Trading,* World Resources Institute, Freshwater website
[82] *Water Quality Trading, Polluting Public Waterways for Private Gain,* Food and Water Watch, November 2015.
[83] *Water Markets Can Support an Improved Water Future,* The Nature Conservancy, CEO Water Mandate, August 2016.

and innovation for the water sector, establish enabling conditions for investment and bring in private sector expertise." The consortium calls on governments to establish "enabling conditions and reforms" where private capital can "develop a pipeline of bankable projects to attract this capital…as the private sector is vital as an off-taker, financier, investor, and operator."[84]

Most recently, the financialization of water has taken another step with the creation of water futures. In December 2020, the Chicago Mercantile Exchange, the world's largest financial derivatives exchange company, launched the world's first water futures market in California. Futures are forward-looking contracts where a buyer and a seller agree to exchange a commodity for a fixed price. The transaction is about the asset, as it does not involve the physical trading of actual commodities. If the price of the commodity - in this case water - goes up, the buyer can make a profit. Understandably, there is a great deal of speculation involved.

Food and Water Watch reports that WestWater Research, a water trading company, has established an algorithm for estimating the cash price for the exchange of water allocations in California, and Veles Water Limited, a financial firm focused on water and NASDAQ, has created the NQH20 Index based on the algorithm. The temptation for institutional investors to drive up the price of water entitlements is obvious and the organization warns that a large presence of "massive passive" speculators in the water market could send signals that the price of water will increase, leading to physical water hoarding and higher water prices. The impact would drive small out producers and further consolidate farmland into corporate businesses.[85]

Not surprisingly, there are now calls for a 'Global Water Pact' based on the principles of the financialization of Nature. In October, 2024, the Global Commission on the Economics of Water - a project of the Organization for Economic Co-operation and Development (**OECD**) and the UN - released a major report called *The Economics of Water, Valuing the Hydrological Cycle as a Global Common Good.* The report rightly sounds the alarm on the global water crisis, calling for a "sea change" in how we understand and act on water. It pays lip service to the human right to water and describes water as a "global common good," both positive. However, there is little doubt that the authors have a market approach to protecting the planet's water.

They call for putting a price on water; shaping markets "to spur a wave" of investments across the entire water cycle; forging "symbiotic partnerships between the public and private sectors" to deliver sustainable water use; developing finance institutions "to provide catalytic finance to unlock vastly greater amounts of private finance;" creating

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[84] *Scaling up finance to ensure a water-secure future for all,* World Bank Blog, March 19, 2024
[85] *The Water Futures Market: Gambling with Our Water,* Food and Water Watch Fact Sheet, December 2021

a new global water data infrastructure bank; valuing water as "natural capital" to enable responsible stewardship of freshwater ecosystems; and measuring the benefits of green water (water held in soil and plants) in order to "enable schemes for Payment of Ecosystem Services." The same language used to shift the burden of protecting biodiversity from governments to the private sector clearly defines this as a financialization of water projects.[86]

The newest frontier - cryptocurrency blockchain trading to save Nature

LYKKE calls itself "one of the pioneers in cryptocurrency trading, rooted in the world of high-frequency finance." LYKKE says it has designed a whole system of mangrove restoration funding powered by the blockchain and based on carbon-credit incentives. The token, called Mangrove, because it represents one mangrove tree to be 'saved,' also entitles its 'owners' - crypto currency investors - to have 'governance rights' in the mangrove restoration project. It deals in 'digital tokens,' a new form of 'natural capital' crypto trading.

The tokenization of environmental assets is the latest craze in the biodiversity trading world. Bitcoin is a decentralized digital currency whose transactions are recorded on a shared public record called blockchain. As Frederic Hache of Green Finance Observatory reminds us, it has had many serious issues in its short life, including extremely high-price-volatility, spectacular crashes, thefts and bankruptcies. Now, the crypto universe has taken on a new 'calling' - Regenerative Finance - a subset aimed at promoting the UN Sustainable Development Goals, relying on the blockchain to address climate change and loss of biodiversity.

The Regenerative Finance movement aims to "fundamentally transform the governance of global common pool resources such as the atmosphere...by utilizing digital monitoring, tokenization of assets and decentralized governance approaches," says the scientific journal *Frontiers*. It is based on the concept of 'Regenerative Economics' that Wikipedia explains reflects the notion of the Earth as the "original capital asset." Regenerative Finance is growing very quickly and has the support of some environmentalists who are looking for alternatives to slow-moving governments to address the many environmental crises we face. It also has the support of the World Bank.

But as Fredric Hache points out, while the network Blockchain for Good Alliance boasts of many "positive impact" blockchain projects, the majority in its environment and climate category are linked with carbon and biodiversity offsets and trading. He

[86] *The Economics of Water, Valuing the Hydrological Cycle as a Global Common Good,* Global Commission on the Economic of Water, October 2024

says this is not surprising given crypto's inherent bias towards private sector initiatives and market-based solutions over government regulation.

World Rainforest Movement reports that the World Economic Forum has launched the Earth BioGenome project intended to sequence and catalogue all plants, animals, fungi and single-cell organisms on earth, as well as the Earth Bank of Codes - an online system that would use blockchain to store this data and register intellectual property assets as well as the rights associated with them. Aside from rendering government regulations obsolete, says the organization, it would render banks, notary offices, land registry offices, lawyers, security companies and any other trusted third party similarly obsolete.[87]

There are many serious reasons to abandon this new 'miracle' solution to the climate crisis. Hache notes that the crypto energy footprint is already enormous: its CO_2 emissions are estimated to be on par with Greece and it consumes more electricity than Argentina. It also generates massive electronic waste. Regenerative Finance further entrenches the idea that conservation should be privatized and profitable, and that offsets and Nature trading are part of the solution.

"The libertarian foundations of crypto assets in the first place means that blockchain-based initiatives are inherently biased against government regulations and in favour of economic incentives, private-sector initiatives and market-based solutions. When applied to environmental policies, this can translate into implicitly supporting a conceptual shift in conservation towards profitability criteria and market-based approaches."[88] Green Finance Observatory is calling for regulation of the environmental impacts of crypto assets as well as the environmental claims of crypto assets and the banning of 'proof of work mining.'

From a rights of Nature perspective, supporting a system that would protect Nature by further dividing it into 'accountable' units that are then moved over to the libertarian, largely unregulated world of crypto to be collected as data so that they can then be financially assessed and traded for profit, is simply dangerous.

Moving forward

The Global Alliance for the Rights of Nature is clear on the need to support and promote the following principles:

[87] *Blockchain and Smart Contracts: Capital's Latest Attempts to Seize Life on Earth,* World Rainforest Movement, January 13, 2020
[88] *Offsets On-Chained, Frederic* Hache, Green Finance Observatory, 2022

The Financialization of Nature - FON - is the wrong model to protect Nature, restore biodiversity, and fight climate change.

One key reason that many environmentalists and climate change activists and organizations have been slow to critique or even question nature-based solutions as the answer to the climate crisis is that this model appears to come from a shared concern and analysis. Putting Nature at the heart of all we do, all policy, all economic decisions - as the 'green economy' was supposed to do - is dear to the heart of all who care about Mother Earth.

As well, the fairly recent emphasis on protecting and restoring biodiversity at the highest levels of government, academia and international institutions is, of course, very welcome. Also very welcome are commitments and measures taken by industries and companies to minimize their own environmental footprint in real ways - cutting their own carbon emissions and water pollution for instance, and investing in eco-friendly technology in their own operations.

The problem with the financialization of Nature is the framework it represents - that Nature can best be protected by taking it away from governments and communities and bringing it into the market economy where it will compete to survive. As author Adrienne Buller explains, "At the heart of green capitalism is an effort to defend and minimize disruptions to existing economic systems, broad distributions of wealth and power, and institutions amidst the profound challenges posed by ecological challenges." No action to avert ecological disaster must threaten the existing power structure or economic order, including growth - hence 'green growth.'

"The financialization of nature is an almost inevitable extension of the perspective from which finance has approached environmental crises for decades. Institutions from central banks to insurers and asset managers have fixated on the risks posed to financial returns and stability by a degrading climate and biosphere, while largely ignoring both the role of finance in generating those risks, and the impacts of a burning planet beyond financial markets. In short: ask not what finance will do to the climate, but what the climate will do to finance."[89]

George Monbiot of *The Guardian* calls the financialization of Nature a "magic powder" to allow governments to avoid the hard choices, laws and policies they should be making to deal with the many environmental crises we face by replacing political decisions with economic calculations. He writes that it is deluded to expect we can defend the living world through the mindset that is destroying it.

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[89] *What's the Value of a Whale?* Adrienne Buller, *Novara Media*, October 16, 2020

“The notions that nature exists to serve us; that its value consists of the instrumental benefits we can extract; that this value can be measured in cash terms; and that what can’t be measured does not matter, have proved lethal to the rest of life on Earth. The way we name things and think about them – in other words the mental frames we use – helps determine the way we treat them…The natural capital agenda is the definitive expression of our disengagement from the living world.

“First we lose our wildlife and natural wonders. Then we lose our connections with what remains of life on Earth. Then we lose the words that described what we once knew. Then we call it capital and give it a price. This approach is morally wrong, intellectually vacuous, emotionally alienating and self-defeating.”[90]

As well, as reported by the political economy journal *Phenomenal World*, the emphasis on capital flows to come to the rescue of the climate has left the structural features of the global financial system largely unaddressed, entrenching deep global inequities. Sustainable finance is booming in the Global North where environment-themed funds are on track to break records, says the journal.

But in the Global South, the story is different. The availability, cost and terms of finance to develop sustainably remain very restrictive, leaving poorer countries little space in maneuvering with international capital markets. In fact, the ascendency of ‘non-state actors’ - especially big corporations and industry groups - in the official UN climate process has given great authority to an “alliance of asset managers and other investment institutes that are among the biggest managers of developing country debt.”[91] The financialization of Nature perpetuates and deepens the North-South divide.

Michelle Maloney with the Australian Earth Laws Alliance says, “The “FON” issue is very deep and widespread - I see it as another layer of western colonialism and capitalism, another layer of deep ideological justification for continuing the 500 + years of destroying the natural world. Where once it was justified as proselytizing the will of God, now it’s the will of markets.”

Nnimmo Bassey, Nigerian environmentalist, poet and former chair of Friends of the Earth International says, “The financialization of nature is emerging in many dimensions, including through the application of Artificial Intelligence to mine data from Indigenous territories and perhaps selling them off through special bonds and even cryptocurrencies. An ongoing grabbing of the African continent is predicated on the

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[90] *The UK government wants to put a price on nature - but that will destroy it,* George Monbiot, *The Guardian,* May 15, 2018
[91] *Uneven Channels, Climate diplomacy and the global financial architecture, Phenomenal World*, University of Chicago Press, October 30, 2021

notion that making money from Nature's capital is such a cool and ecologically sound idea. Unequal ecological exchange continues!"

Adrienne Buller writes that in her "darker moments" she has seriously considered trying to assess if there is merit to the financialization of Nature. Could attaching a dollar value to a whale make BlackRock care about it? Not likely. In the end, she says, the financialization of Nature has been permitted by our profound alienation from it. "It's time to free nature from finance."

The Rights of Nature - RON - is the clear alternative vision to The Financialization of Nature – FON

In 2010, following the spectacular failure of the 2009 Copenhagen climate summit, thousands of activists from around the world gathered in Cochabamba Bolivia to alter the discourse on how to deal with the climate crisis. Out of this historic meeting came the *Universal Declaration on the Rights of Mother Earth* recognizing that Earth is an indivisible living community of interrelated and interdependent beings with inherent rights. One of the lead authors was Cormac Cullinan, a South African environmental and human rights lawyer whose seminal work, *Wild Law,* helped launch the rights of Nature movement.

Cullinan believes that future generations will look back on ours and view our relationship with Nature as a form of slavery. He explained that most legal systems view Nature as property and that most laws to protect the environment and other species merely regulate the amount of damage that can be inflicted by human activity. He called for laws that regulate humans in a manner that allows other species to fulfill their evolutionary role on the planet. Human laws and governance systems, he wrote, must promote human behaviour that contributes to the health and integrity not only of human society, but also of the "wider ecological community."[92]

In his groundbreaking 2017 book, the *Rights of Nature, A Legal Revolution That Could Save The World,* David Boyd, Canadian environmental lawyer and former United Nations special rapporteur on human rights and the environment, says that protecting the environment is impossible if we continue to assert human superiority, universal ownership of all land and wildlife and pursuit of economic growth. He cites the 1982 UN World Charter for Nature that clearly stated that every form of life is unique, "warranting respect regardless of its worth to humans." He also quotes a 1991 report by the IUCN affirming that every form of life warrants respect independently of its worth to people and that human development must not threaten the integrity of nature or the survival of other species.

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[92] *Wild Law, A Manifesto for Earth Justice,* Cormac Cullinan, Green Books, 2003

This is a very different world view from one that puts a price on Nature to "prove" it has the right to exist.

Boyd writes that in a dramatic development spanning the globe, non-human animals and ecosystems are being recognized as legitimate rights-bearing subjects. "The fundamental values and laws that have governed society for hundreds of years are in the early stage of the most radical transformation in history…Recognizing that animals and other species have rights rejects anthropocentrism, challenging the global predominance of a single species. Recognizing that Nature itself has rights goes even further, undermining the idea of property, and bringing into question our wholesale and accelerating appropriation of the planet."[93]

Cormac Cullinan explains the difference between RON and FON. "The FON approach is based on fundamental misconceptions. It sees Nature/ Earth as objects/resources that provide goods and services for humanity, rather than as a community of life composed of many different beings, each of which has an important role to play within the whole community. In other words, FON does not accord well with reality.

"FON is deeply anthropocentric and entrenches the idea that the role of humans is to manage Nature as a form of asset management. In other words, humans are defined as separate from, and superior to, Nature.

"FON prioritizes the economy over life (in all its forms) and regards Nature as an asset class within the economy. It is motivated by self-centered desires to expand economies, capitalism, and power. The RON approach, on the other hand, is motivated by deep love for, and connection with Earth, and the recognition that humans are but one form of life among many, and our role is to contribute to the whole Earth Community and not to rule or manage it."

In 2010, the Global Alliance for the Rights of Nature (GARN) was founded, bringing environmental, Indigenous, human rights and conservation organizations together with scientists, economists, writers and spiritual leaders looking to transform our human relationship with our planet. GARN acknowledges that Nature in all its life forms has the right to exist, persist, maintain and regenerate. And GARN collects and reports on the hundreds of examples around the world where the rights of Nature are being recognized. Some, such as Bolivia and Ecuador, have brought the rights of Nature into their constitution. Many others are legal decisions of local or national courts. Others are community-based, initiated by local groups - often Indigenous - and adopted by local and national governments, 17 so far around the world.

[93] *The Rights of Nature, A Legal Revolution That Could Save the World,* David R. Boyd, ECW Press, 2017

The one thing they all have in common is that these advances come from governance structures - either at the state, legal, local or community level. And it is up to these governance structures to see the process through. GARN explicitly states that humans have the legal responsibility to enforce these rights on behalf of ecosystems. In the case of the rights of rivers - the fastest growing form of RON - it is often the local Indigenous community that takes on the role of the rivers' guardians. New Zealand's Whanganui River was the first in the world to gain legal personhood. Its guardian is the local Maori *hapu* tribe. Canada's Magpie River in northern Quebec - which now has nine protected rights, including the right to sue - is represented by the Innu Council of Ekuanishit.

This model of protecting Nature is in direct contrast to the model that puts Nature on the market. A common argument for those who promote the market as a solution to the climate crisis is the failure of many governments to take action. This is a legitimate critique. But we have the right to good governance and to give up the aspiration to it is to hand over the future of ecosystems to non-transparent forces we cannot control. Martin Luther King said, "Even though it may be true that the law cannot change the heart, it can restrain the heartless."

Shannon Biggs, co-founder of Movement Rights, a US-based Indigenous and women-led organization, agrees. "Nature has made it perfectly clear that we cannot buy or negotiate our way out of the climate disruption, but instead we must change the very way we relate to the systems of life. At odds are two value systems that will determine our fate. The commodification of nature assumes the Earth is merely an endless inventory of goods and services for human use, and a dumping ground for pollution and waste. Seeing Nature as human property is what got us here. To protect humanity against mass extinction, we must acknowledge what Indigenous peoples have always known, that the Earth is a living system of which humans are not masters, but merely one small part. Rights of Nature is rooted in the natural laws of the Earth itself, and encourages humans to live in balance with the systems of life."

Adrienne Bull writes, "Rather than accept the emerging capitalist hellscape of government incentives for private profiteering from 'nature-based solutions,' we need to articulate an alternative vision of why nature matters. We should demand that the protection and restoration of ecosystems and biodiversity prioritizes environmental and collective social wellbeing over financial returns – both domestically and internationally. Instead of 'nature-based' offsets and land-grabs, we need reparations for our outsourcing of environmental destruction. In place of private enclosure, we need an expansion and protection of shared spaces, and to reclaim land for the commons. And we need an economy in which everyone has both enough time for and proximity to nature, allowing us all to reconnect to it as a source of wellbeing and wonder."

It is urgent that the rights of Nature movement and GARN put forward this alternative vision to the commodification and financialization of Nature. Our vision for the future is compelling and is needed as the centrepiece of deliberations at the climate and biodiversity summits as well as local and national gatherings everywhere decisions and policies affecting humans and Nature are taking place.

American linguist and philosopher George Lakoff has sage advice for those pursuing a progressive agenda. Don't enter into the opponents' frame. Do not use their language, as their language uses a frame that is not ours. Framing is crucial for ideas to be accepted as people will reject a correct fact if it does not fit their existing frame. Politics is fundamentally moral, Lakoff wrote in his 2004 book, *Think of an Elephant,* a contest between different values. The rights of Nature - RON - is based on a fundamentally different moral and political frame than the financialization of Nature - FON.

The rights of Nature is an idea - a very old one in fact - whose time has come again.

The Rights of Nature incorporates a rights-based approach to conservation

As presented earlier in this paper, a market-based solution to the environmental crisis is being used to force some Indigenous Peoples, small farmers and peasants off their ancestral lands. GARN recognizes that protecting Nature and biodiversity requires an approach that also protects the human rights of those who live on the land.

Greenpeace says it's easy to see why Indigenous Peoples are regarded as the guardians of biodiversity. They courageously resist the destructive plans pursued by governments and corporations interested only in extracting wealth from the Earth to line their pockets. "Indigenous Peoples are the stewards of their lands which play a key role in tackling the climate crisis. In Brazil, studies show that between 2005 and 2012, deforestation rates were 17 times lower in Indigenous territories than unprotected areas of the Amazon. Forests play a crucial role in storing carbon underground, and protecting them means protecting us from further escalation of the climate crisis."[94]

Forest Peoples Programme is a human rights organization with consultative status at the UN, working with forest people across the globe. In a report on the UN Post-2020 Global Biodiversity Framework, the organization defines this approach.

"A human rights-based approach means, in simple terms, that biodiversity policies, governance and management do not violate human rights and that those implementing such policies actively seek ways to support and promote human rights in their design and implementation. Indigenous peoples and local communities' ways of life and territories are part of the solution to our global crises and must be identified and

[94] *How Indigenous Peoples are safeguarding Earth's biodiversity,* Greenpeace, August 8, 2024

supported across the framework, including through recognition of rights over lands, territories and resources, in area-based measures, in customary sustainable use, in traditional knowledge and in full and effective participation."[95]

As David Boyd, then UN special rapporteur on human rights and the environment, wrote in a 2021 policy brief, 'fortress conservation' is motivated by the mistaken belief that successful conservation outcomes require 'pristine wilderness' free from human inhabitants. He argues that a human rights approach to conservation protects not only the affected human communities but ecosystems as well and is the only way forward.

"In addition to being morally and legally required, human rights-based conservation is the most effective, efficient, and equitable path forward to safeguarding the planet. Mounting evidence confirms that Indigenous Peoples and other rural rights holders possess the knowledge and ability necessary to successfully conserve and manage biodiverse ecosystems more effectively than governments and at a fraction of the cost, particularly where their rights (including the specific rights of Indigenous and rural women) are recognized, respected and supported.

"Indigenous Peoples and other rural rights holders steward and claim collective rights to over half the global land area, employing customary tenure systems anchored in both traditional and contemporary knowledge to successfully manage and conserve vast ecosystems. When these communities' impressive conservation capacities are considered alongside the extensive contributions of other marginalized rural rights holders, such as smallholder peasant farmers whose agro-ecological knowledge and practices provide a viable and inspiring alternative to the industrial food system responsible for the bulk of global biodiversity loss, the potential power of rights-based solutions to combat the global biodiversity crisis is clear."[96]

Helen Tugendhat of the Forest Peoples Programme says that shifting the dynamics of power by giving legal land titles and management authority to people living in protected landscapes will produce better ecological results.

"What the previous approach has always missed is, why try to either move or constrain the people who are already there and bring in other people who then have to manage the area in a different way? That's an incredibly expensive process, and when there isn't enough money to balance national budgets, protected area budgets aren't the ones that get prioritized. We should be investing in the people already customarily managing those areas instead." She also calls for increased support and protection of

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[95] *Implementing a human rights-based approach,* Forest Peoples Programme Biodiversity Working Group Paper 3, March 2022

[96] *Human Rights-Based Approaches to Conserving Biodiversity: Equitable, Effective and Imperative,* Policy Brief, David R. Boyd and Stephanie Keene, August 2021

environmental defenders as well as strict conditions on climate and biodiversity funding.[97]

David Boyd reports that one of the most interesting developments comes from Latin America where governments, communities and the courts are beginning to merge the right to a healthy environment with the rights of Nature. The Inter-American Court of Human Rights as well as the higher courts of Mexico, Colombia, Ecuador and Panama are making it clear that the right to a healthy environment has two aspects - it must be healthy for humans *and* Nature. "In our quest to protect and recover the biodiversity and ecosystems that are the life support system of planet Earth and one of the great wonders of the universe, the only effective and equitable path forward is putting human rights and Nature's rights at the very heart of every conservation action that is taken," he explains.

Boyd is happy to report on real progress at the Biodiversity COP15 held in Montreal in 2022, where human rights were enshrined in the framework document. The Parties called Indigenous Peoples and local communities "custodians of biodiversity and partners in conservation, restoration and sustainable use" and called for "their full and effective participation in decision-making" and "free, prior and informed consent" in the implementation of biodiversity protection and restoration, in applying the 30 by 30 commitment. They also recognized the "rights of Nature and rights of Mother Earth" as being integral to successful implementation of the pledges. The Framework also acknowledges the human right to a clean, healthy and sustainable environment.[98]

Yet the negotiations on a biodiversity convention, including future COPs, are still contested arenas for duelling visions. In September 2024, hundreds of global organizations signed on to a Civil Society Statement urging the Parties at the then upcoming Biodiversity COP16 to reject the 'false solutions' of biodiversity markets, saying they violate human rights.

International biodiversity markets allow elites of the global North to continue destroying ecosystems, buying cheap credits from the global South. Biodiversity offsetting competes with agroecology and smallholder agriculture, drives land grabs, displaces communities, increases land inequity and abuses human rights, says the statement. Indigenous Peoples and local communities - the guardians of the planet's biodiversity - receive only a fraction of the proceeds of offset projects, whereas project developers and financial intermediaries receive the biggest share.[99]

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[97] *Advocates call for a new human rights-based approach to conservation, Mongabay,* October 12, 2021
[98] *Kunming-Montreal Global biodiversity framework,* Draft decision submitted to the President, Conference of the Parties to the Convention on Biological Diversity, December 2022
[99] *Don't Be Fooled! Biodiversity Markets Are False Solutions,* Civil society statement on biodiversity offsets and credits, biomarketwatch.org, September 2024

It is not just in the Global South or Indigenous communities of the Global North that such abuses take place. Billions of people who live in urban centres around the world depend on state parks and protected areas to experience Nature. If these protected areas are sold to private interests in the name of conservation, billions could lose their only access to natural ecosystems, forests, lakes and rivers.

Rights-based conservation protects both Nature and the humans who depend on and love it.

Maude Barlow is a Canadian activist and author who has been deeply involved in the struggle to protect water and the human right to water. She is a founding member and former board chair of the Council of Canadians, a citizens' advocacy organization with members and chapters across Canada. She is also the co-founder of the Blue Planet Project, which works internationally for the human right to water. Barlow chairs the board of Washington-based Food & Water Watch, serves on the Board of Advisors to the Global Alliance on the Rights of Nature, was a founding member of the San Francisco–based International Forum on Globalization, and was a Councillor with the Hamburg-based World Future Council. In 2008/2009, was Senior Advisor on Water to the 63rd President of the United Nations General Assembly. Maude is the recipient of seventeen honorary doctorates as well as many awards, including the 2005 Right Livelihood Award (known as the "Alternative Nobel")

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