

---

## Why should we say no to “trade in environmental services”?

Defenders of the idea of *trade in environmental services* claim that it is an excellent alternative for forest peoples, because it would leave the forest “standing” and ensure its conservation. But there are a series of reasons for saying no to *environmental services* and *trade in environmental services*:

- *Trade in environmental services* does not attempt to change the current model of production and consumption which is the root cause of the environmental crisis, including the gradual destruction of the world's forests. This model benefits a small minority of the world's population, at the cost of countless social and environmental injustices. To change this model, it is urgent to begin the transition to other models of production and consumption that are more socially and environmentally just, to defend what the international network Oilwatch has long stressed, to “leave the oil in the soil”.
- The commodification and financialization of nature through *trade in environmental services* requires **territorial control**, privatization, so that the “owner” and even the buyer of the “service” can monitor what is being “traded”, to ensure that the *environmental service* is delivered in full accordance with the terms of the contract. In practice, this works against the struggles for the recognition and guarantee of land rights of communities who live in the forests and/or other ecosystems. This is because an *environmental services* contract always stipulates that there is an “owner” of the area involved, which means that many **communities with unregulated rights to their territory will suffer even greater pressure to leave their lands or will be evicted**. And even if they manage to stay and to benefit in some way, the “buyer” of the *environmental service(s)* will have the right to enter the area for the stipulated inspections and monitoring to verify that the “service” in question is being duly preserved and maintained, violating these communities' rights over their territories and even their right to maintain their way of life.
- Despite the claims of conservationist NGOs that forest peoples will benefit from *trade in environmental services*, in practice they benefit very little. On the contrary, **the general tendency is greater poverty and the expulsion of communities from their lands**. The experience of one of the countries best known worldwide for its *PES* programme, Costa Rica, shows that this programme has not reduced poverty in the rural areas involved, despite having consumed 25% of the budget of the Ministry of Environment, according to Friends of the Earth Costa Rica. In addition, the reduction in deforestation seen in Costa Rica owes more to the decrease in the profitability of cattle raising than to the *PES* programme (37).
- Traditional knowledge cannot be treated as an *environmental service* and traded on the market. There is already an international instrument that addresses this issue, the Nagoya Protocol to the Convention on Biological Diversity (CBD) (38).
- Up until now, the most commonly “traded” of the *environmental services* provided by forests is carbon storage. **Experience with trade in this *environmental service* through the “carbon market” demonstrates that it is a false solution to the climate crisis, and moreover, it has resulted in the violation of the rights of indigenous and non-indigenous peoples both in the**

---

## South and in areas near polluting industries in the North (39).

- The expansion and global adoption of *PES* and *trade in environmental services* will **deepen the commodification and financialization of nature**.

- Although cloaked in a conservationist discourse, *PES* will tend to **increase the exploitation of natural resources and consequent environmental degradation** which would be “offset” through the generation of marketable environmental services in preserved areas. Perversely, the scarcer an environmental service is, the higher its price and the more profits it generates.

- **The financialization of nature that makes it possible to “sell” and profit from “assets” and “certificates” derived from *environmental services* is illegal and immoral because it is based on the invented idea that nature would be “providing *environmental services*”. What is not invented is the importance of forests for countless peoples**, for example, because of the diversity of animals and plants that forests shelter, the water they supply, their regulation of the climate, their fertile soil where food crops can be planted, etc. **It is impossible to put a price on all of this importance.**

- The measurement, monitoring and pricing of *environmental services* and the resulting commercial transactions require specific knowledge and **the tendency is for private banks, companies and corporations to control and profit from *trade in environmental services* while local communities are completely uninformed about these contracts and business deals**. This is a major incentive for economic groups who, due to the economic-financial crisis, are on the lookout for new ways of earning profits, and preferably “without doing anything”.

- **The logic and functioning of *trade in environmental services* has been developed by scientists rooted in Western culture**, who continue to **fragment and separate human beings from nature**, focusing on the benefits of these “services” for human life. The vision and experience of forest peoples, however, are based on coexistence and integration with nature, which guarantees the welfare of both. This gives rise to other conceptions of nature, of “living well”, of the rights of Mother Nature. When the value of *environmental services* is determined by placing a price on them, **this disregards other ways, other languages, especially those used by forests peoples, for valuing and conserving nature.**

- *Trade in environmental services* will serve as yet another incentive for the expansion of monoculture tree plantations, which are considered to be “planted forests” by FAO and other international agencies and national governments.

---

37 - Friends of the Earth International Internacional. “REDD: The realities in black and white”. 2010

38 - Terra de Direitos, “Pagamento por ‘Serviços Ambientais’ e Flexibilização do Código Florestal para um capitalismo ‘Verde’”, [www.terradedireitos.org.br](http://www.terradedireitos.org.br), August 2011

