European Cross Networking Meeting on the Global Crises

Conference Report

The financialization of natural resources:

Understanding the new dynamics and developing civil society answers to it

Paris, 28th and 29th of October 2011

Introduction

This is the report of a conference that took place on 28th and 29th of October 2011 in Paris, with almost 100 participants from different civil society organizations and social movements in Europe who are working either on the issue of financial economy and global crisis, extraction and exploitation of natural resources, the financialization of natural resources, trade and investment policies, agriculture and environmental policies, and on the impacts of processes related to it (e.g. human rights violations, contamination, land grabbing, food speculation, water marketisation and carbon markets development) and on alternatives to it (social and environmental justice, protection and promotion of the commons, community based resources management, reclaiming public interest policies and new role for public finance, economic degrowth, etc.). Several participants came as well from the Global South and the rest of the Global North. The objectives of the meeting have been:

- to get a better insight and understanding of what is happening as regards financialization of natural resources, in particular: Food/Biomass/Landgrabbing; Oil; Water; Mining – Minerals (including coal); and Carbon/Biodiversity/Ecosystems;
- to better understand the linkages between the different commodities (e.g. between food and oil, or food and water) and their financialisation;
- to develop alternative visions/proposals to reverse the trend of financialisation of nature (Global Public Commons as the basic alternative paradigm to it)
- to build links/networking and convergence between groups and campaigns working on these different issues – within Europe and between Europe and other regions of the world, by connecting ongoing struggles and review these under the lens of financialisation and the critique to this;
- to develop strategies for joint work and action.

The meeting provided an important opportunity to commonly build the knowledge about what is currently ongoing as regards the financialization of nature, bringing together researchers as well as activists from social movements and NGOs engaged in concrete campaigns and struggles against the consequences of it and for advancing alternatives. It also allowed the participants to put the ongoing process into the wider context of the financialization of the economy and the current crisis and evolution of finance capitalism, and hence to jointly clarify what are the joint visions and demands that can unite these diverse groups which work on different dimensions of this problem or with a specific focus on the individual natural resources.

The participants left the meeting with the commitment to continue to working together on this matter and to strive to build a broader movement against the exploitation and financialization of nature and for nature as a common that belongs to all of us – both in Europe and at the global level. Several concrete steps have been agreed upon in order to advance this work, in particular:

- to provide an analytical as well as educational document – able to target multiple constituencies and audiences - that explains this new dynamic in different languages and to be used by multipliers (other movements, NGOs, others);
- to develop popular materials for mobilization and specific topics and natural resources;
- to support the development of a joint academic European project aimed at further researching the issue and connecting progressive academics with civil society groups to increase common understanding and identify alternative approaches;

- to bring this joint analysis and will for convergence into the different spaces in which the participants are engaged and hence through that start building a broader understanding and action towards specific targets among movements and civil society as well as also political actors;
- to build an online library collecting analysis and materials that have been published already or will be published soon;
- to build convergence between different campaigns, networks and struggles related to social and environmental justice, like the worldwide decentralized mobilization towards the Peoples Summit on Río+20, June 18th - 21st 2012 in Brazil (see e.g.: http://haciario20.wordpress.com/2011/12/06/mobilize-together-towards-rio20-and-beyondy/)
- to work towards a European forum on alternatives to financialisation of economy and nature open to more organisations and in particular also individuals from difference social movements fighting either against the financialization of nature or for alternatives to it (possibly by scheduling a new gathering in 2012).

The report has been put together by the team of persons who had been engaged in the preparation of the conference and who had taken on facilitation and reporting responsibilities, namely: Antonio Tricarico, Markus Henn, Oscar Reyes, Juliette Renaud, Anne-Sophie Simpere, Helene Cabioc'h and Alexandra Strickner. The report includes brief summaries of the main inputs, findings and results of the conference, a list of further readings, the list of participants and the agenda of the meeting. The rapporteurs of the workshops have tried to include all the relevant inputs and outcomes as best as they could.

Index

Main inputs and findings

1. Financialization of the economy – a brief introduction

Dominique Plihon gave the participants a brief introduction in into finance led capitalism and what is meant with the term financialization.This later term is uses for the form of capitalism which developed since the 1970ies and leading up to the financial crisis we are living today and in which financial leverage tended to override capital and financial markets tended to dominate over the so called „real economy“ where goods and services are produced. G. Epstein defines finance-led capitalism as a process governed by „the increasingrole of financial motives, financial markets, financial actors and institutions in the operations of domestic and international economies“.

Hence, financialization is a term that describes an economic system or process with many different facets that attempts to reduce all value that is exchanged (whether tangible, intangible, future or present promises, etc.) either into a financial instrument or a derivative of a financial instrument. The original intent of financialization is to be able to reduce any work-product or service to an exchangeable financial instrument, like currency, and thus make it easier for people to trade these financial instruments.

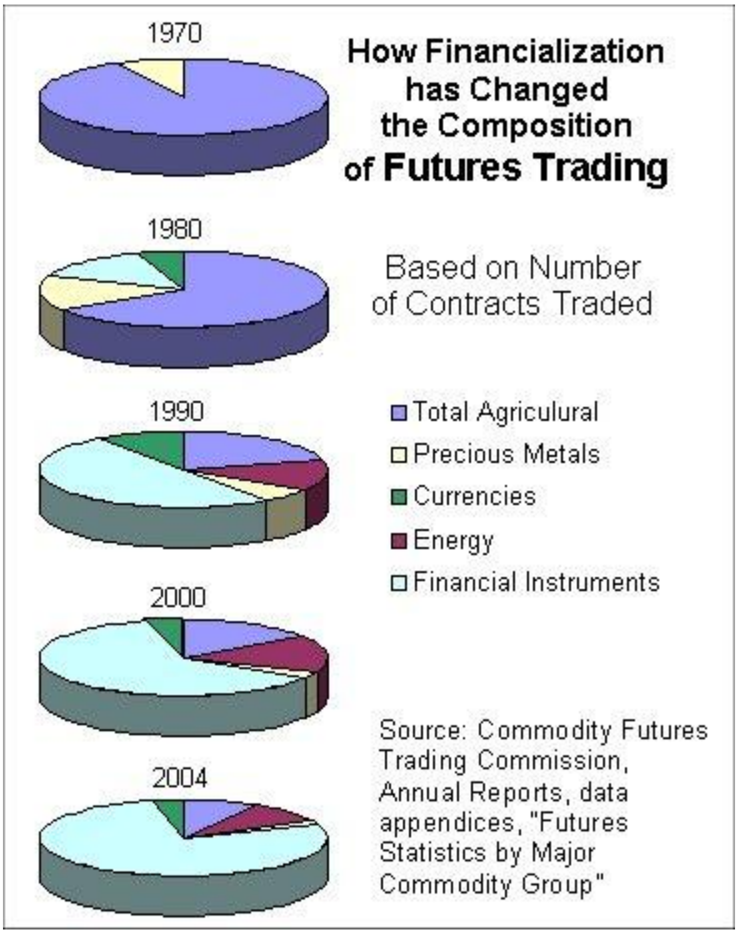
This form of capitalism started to develop in the 1970ieswhere the post-war fordist capitalism came into crisis. This capitalism was based on mass production for mass consumption. GDP growth, productivity growth, accumulation and profit rates which were high until the early 70ies started to decline and conservative governments in the U.S. (Volker, Reagan) and UK (Thatcher) started to implement policies of liberalization and deregulation of the economy as an answer to this crisis. These policies became known as neoliberal policies and aimed at deregulating and flexibilizing labor markets, deregulating the welfare state as well as financial markets.

The consequences of these policies and the main features of finance-led capitalism are:

- a sharp decline in the share of wages (wages started to stagnate or decline in relation to the productivity gains, leading to a situation where people increasingly started to use credits in order to finance long term but also short term consumption). The share of wages went from in average 65% to 55% e.g. in the EU 15 countries in the past 40 years)
- a decoupling of profits and investment. While the investment share during the past 30 years remained between 24 and 22% in the EU countries, the profit share when from just below 24% in 1975 to 35% in 2007. In order words: a small group of people became very reach over the past 30 years.
- an overall financialization process of the economy, which is expressed among others in
    - an increasing share of finance in the economy (e.g. an increasing number of companies have been making profits out of speculative investments rather than the products they produced/sold). Financial services (banking, insurance, investment...) has become a key industry in developed economies in which it represents a sizeable share of the GDP and

an important source of employment. Those activities also played a key facilitator role to foster economic globalization.

- an overaccummulation of debt by both firms and households (in the case of households this is a consquence among others of the relative decrease of wages)
- a change in the nature of finance. While finance and financial markets before had been used to hedge risks, today it is used for speculative motives – see the picture below that shows how futures trading has changed in the past 40 years.



The data for turnover in the futures markets in 1970, 1980, and 1990, is based on the number of contracts traded, which is reported by the organized exchanges, such as the Chicago Board of Trade, the Chicago Mercantile Exchange and the New York Commodity Exchange, and compiled in data appendices of the Annual Reports of the U.S. Commodity Futures Trading Commission. The pie charts show the dramatic shift in types of futures contracts traded from 1970 to 2004. For a century after organized futures exchanges were founded in the mid-19th century, all futures trading was solely based on agricultural commodities. But after the end of dollar gold-backed fixed-exchange rate system in 1971, contracts based on foreign currencies began to be traded. After the deregulation of interest rates by the Bank of England, then the U.S. Federal Reserve, in the late 1970s, futures contracts based on various bonds / interest rates began to be traded. The result was that financial futures contracts - based on such things as interest rates, currencies, or equity indices - came to dominate the futures markets.

The financialization of the economy is hence a major pilar of finance-led capitalism, it is reinforcing inequality (the distribution from the poor towards the rich) and instability. In the past years we have seen one bubble after another burst – the dot.com bubble, now the real estate bubble, the natural resources bubbles, the sovereign debt bubble.

In order to deal and address the dynamic of the financialization of nature, finance led capitalism has to be tackled and changed.

Further reading:
Introduction of the book „Financialization and the World Economy„ by Gerald A. Epstein
http://www.peri.umass.edu/fileadmin/pdf/programs/globalization/financialization/chapter1.pdf
http://en.wikipedia.org/wiki/Financialization

2. Financialization of commodities

Jörg Mayer from UNCTAD and co-author of the study „Price formation in financilialized commodity markets. The role of information" gave an introduction to the specific trends as regards the financialization of commodities. The mid-2000s marked the start of a trend of steeply rising commodity prices, accompanied by increasing volatility. The prices of a wide range of commodities reached historic highs in nominal terms in 2008 before falling sharply in the wake of the financial and economic crisis. Since mid-2009, and especially since the summer of 2010, global commodity prices have been rising again. These developments coincide with major shifts in commodity market fundamentals, particularly in emerging economies which are experiencing fast growth, increasing urbanization and a growing middle class with changing dietary habits, including an increasing appetite for meat and dairy products. In addition, in an attempt to reduce the use of fossil fuels in energy consumption, a range of food crops are now being used in the production of biofuels, which is being promoted in a number of countries including those of the European Union (EU) as well as the United States.The related conversion of land use from crops for food to crops for biofuel production has also affected the prices of food crops. At the same time, a decline in the growth rates of production and productivity, partly due to the adverse effects of climate change, has adversely affected the supply of agricultural commodities. However, these factors alone are not sufficient to explain recent commodity price developments; another major factor is the financialization of commodity markets. Its importance has increased significantly since about 2004, as reflected in rising volumes of financial investments in commodity derivatives markets – both at exchanges and over the counter (OTC). This phenomenon is a serious concern, because the activities of financial participants tend to drive commodity prices away from levels justified by market fundamentals, with negative effects both on producers and consumers. The role of information flows is crucial for price developments in commodity derivatives markets Traditionally, the so-called efficient market hypothesis (EMH) is assumed to hold in financial markets, including in commodity derivatives markets and especially in futures markets, which are the focus of this study. The EMH postulates that all publicly available information is immediately reflected in prices. In its strong form, the EMH contends that even private information – available only to individual market participants – is reflected in the price through the effects of the transactions of the persons in possession of the information. If the EMH were to apply, commodity price developments would reflect nothing but information on fundamentals. However, this study shows that the EMH does not apply to the present commodity futures markets. Market participants also make trading decisions based on factors that are totally unrelated to the respective commodity, such as portfolio considerations, or they may be following a trend. Therefore, it is difficult for other agents in the market to discern whether or not their transactions are based on information about fundamentals, which in any case is sometimes difficult to obtain and not always reliable. Trading decisions are thus taken in an environment of considerable uncertainty. In such a situation, it is rational to follow other participants' trading decisions. A wide range of motivations leads traders to engage in this so-called "intentional herding" on a perfectly rational basis, the most important one being imitation in situations where traders believe that they can glean market information by observing the behaviour of other agents. In an environment of herd behaviour there are limits to arbitrage. Acting against the majority, even if justified by fundamentals, may result in large losses, often of borrowed money. It may therefore be rational for market participants to ignore their own information and follow the trend. This is what many financial players do be default, basing their trading decisions purely on the behaviour of price series (algorithmic trading), which can lead to a commodity price bubble.

There is considerable empirical evidence that points to financial investors' impact on commodity prices:

• A number of studies find evidence of commodity price bubbles. Analyses show that position-taking by index investors, that passively replicate the price movements of an index based on a basket of commodities, has an impact on price developments, particularly of crude oil and maize. The fact that these effects are persistent – especially in the case of crude oil – points to the presence of herd behaviour. Whereas index investors were identified as significant price drivers prior to the financial crisis, the importance of money managers (e.g. hedge funds), that follow more active trading strategies and take positions on both sides of the market, has increased since then. This is reflected in the very close correlation between price changes and position changes of money managers since 2009, which is as high as 0.8 in the oil market. Indeed, it has been estimated that speculation currently accounts for as much as 20 per cent of the oil price.

• Cross-market correlations between currency and commodity markets have increased recently, and point to factors other than fundamentals that are driving commodity prices. Information flows in other financial markets increasingly influence the dynamics of commodity futures. In addition, an analysis of the reactions of commodity prices to announcements of economic indicators shows that, within minutes of an announcement, commodity prices react in a similar manner across different commodity markets that do not have much in common.

• The behaviour of commodity prices, especially oil, over the business cycle has changed fundamentally. In earlier business cycles commodity prices and equity prices evolved differently. Increases in commodity prices did not occur until well after the trough. In the most recent business cycle, on the other hand, oil prices surged immediately after the trough, even before share prices started to rise. This surge was based simply on the expectation, not the actual occurrence, of an upswing.

To complement the theoretical and empirical findings 22 interviews were conducted for the study with various commodity market participants, ranging from physical traders to financial investors, but also including a broker, representatives of a price reporting firm and two consultants. The interviewees agreed that the role of financial investors has become more important in recent years. Due to their financial strength, they can move prices in the short term. This leads to increased volatility, which may harm markets and drive hedgers with an interest in physical commodities away from commodity derivatives markets. The increased volatility results in more margin calls and thus higher financing requirements. Although all interviewees stressed the role of fundamentals in medium- to long-term commodity price formation, they conceded that substantial price distortions and herding effects could occur in the short term due to the participation of financial investors. This is also reflected in the responses of several interviewees, who said they paid increasing attention to financial market information. The main conclusion of the interviewed commodity market players was that market transparency needed to be increased. For the United States, this refers especially to the OTC market. In Europe, there is, in general, a greater lack of transparency than in the United States. The adoption of reporting in Europe, similar to that provided by the Commodity Futures Trading Commission (CFTC) – the institution mandated to regulate and oversee commodity futures trading in the United States – in its weekly Commitments of Traders reports would be a big step in the right direction, but more information should also be required about the OTC business. Concerning other regulatory issues, the level of awareness of current discussions on regulation and reform differed widely among the interviewees. Generally, they appeared to have paid more attention to United States regulations, such as the Dodd-Frank Act, whereas only a minority of those interviewed had a clear idea about the European Commission's regulatory initiatives. There was substantial scepticism about bans (e.g. on high-frequency trading) and position limits. The general belief was that regulations were rather difficult to enforce. The analysis clearly shows that information flows play a vital role in commodity price developments. The market distortions described above are closely related to the fact that market participants make decisions under conditions of substantial uncertainty. Therefore according to the UNCTAD study, the policy responses to improve market functioning should concentrate on the following issues:

• Increased transparency with respect to fundamentals. Although a variety of sources of information currently exist, there is substantial uncertainty in terms of data quality and timeliness, particularly with respect to inventories.

• Increased transparency in the exchanges and OTC markets themselves. More information should be made available with regard to position-taking and categories of market participants in commodity derivatives markets. This applies in particular to commodity trading in Europe, where transparency lags significantly behind that in United States exchanges. Improved transparency is important not only for market participants but also for regulators, who can only intervene if they know what is happening in the market.

• Tighter regulation of financial players. Tighter rules internationally would be an optimal scenario, so that regulatory migration could be avoided. Given that the size of financial players' involvement has a substantial impact on price developments, position limits aimed at restraining the engagement of financial investors in commodity markets may be indispensable in the medium to long run. As appropriate levels are not easy to determine, a first step might consist of position points at which traders would be required to provide additional information. In addition, proprietary trading by financial institutions that are involved in hedging transactions of their clients could be prohibited because of conflicts of interest.

• Beyond this kind of "soft regulation", a number of direct commodity price stabilization measures should be considered. As governments and international institutions have access to the same kind of information as the market participants, the establishment of a government-administered virtual reserve mechanism and the possibility of allowing governments' direct intervention in the physical and the financial markets need to be considered. In financialized commodity markets, as in currency markets, intervention may even help market participants to better recognize the fundamentals.

• The introduction of a transaction tax system could generally slow down the activities of financial investors in commodity markets.

All these measures deserve serious political consideration, even if some of the more sophisticated schemes among them may prove difficult to implement quickly.

Further reading

UNCTAD: Price formation in financilialized commodity markets. The role of information
http://www.unctad.org/en/docs/gds20111_en.pdf

3. The Financialization of biodiversity and ecosystems

Silvia Ribeiro finally introduced to us the latest developements as regards the financializaiton of nature. While many groups to date look in particular at food speculation or perhaps speculation with minerals and oil, the various measures and steps undertaken to fully commodify nature are understood and seen by only a small group of people to date. The financialization of nature ultimately is about reducing also nature in its entirety to a value that can be exchanged either into a financial instrument or a derivative of a financial instrument.
The movement of financial investment into the world of environmental conservation and governance is the most direct means of conservation financialisation. Several tendencies are indicative of this movement, such as a notable presence of new investment funds offering products and services linked with discourses and indices of environmental conservation and sustainability. Larry Lohmann and Oscar Reyes have kindly contributed a brief overview of the main trends, drivers etc.

Financialization of carbon and biodiversity: a discussion note by y Larry Lohmann

Drivers
Drivers of financialization in general include the post-1970 *profit and growth crisis: overaccumulation* (too much money chasing too few investment opportunities), *overproduction* and *depletion of the plunderable bases of growth* in human and non-human "nature", breakdown of plunder-productivity complex in favor of plunder only; all in the context of *decline of US economic hegemony*. Financialization, allied to the "take, don't make" strategy of salvaging declining profitability, is one of the characteristic marks of *neoliberalism*.

Financialization is a historically *cyclic* and *systemic* phenomenon. We can't expect it to be susceptible to a narrowly-technical "campaign" like the campaign to get lead out of gasoline. It will not be vulnerable to intervention by "master institutions." Neither regulation nor even putting a stop to the increasing expropriations being made by the financial sector is going to remedy the underlying crisis or what has led to it. The last thing we should want is to try to launch a distinct "campaign against financialization" separate from all our other campaigns. Rather, our understanding of financialization should inform all our campaigns and help mold them into a coherent overall strategy.

The drivers of the financialization of carbon and biodiversity assets are essentially the *same* as the drivers of financialization of any income-generating activity. The *difference* is that elsewhere it is fully-fledged commodities or well-established "fictitious commodities" such as land and labor that are being financialized, whereas carbon and biodiversity commodities have been created *during* the current era of financialization, to some extent directly *by* financial interests, for reasons associated with financialization *itself*. In a sense, commodifying biodiversity and the earth's carbon-cycling capacity *is* financializing them. Conversely, "definancializing" climate or biodiversity policy is not really distinguishable from "decommodifying" it.

But it is a commodification/financialization that has been built on the *collaboration of many sectors*. Just as the commodification of uncertainty in derivatives markets needed the collaboration of physicists and economists as well as regulators, so commodification of carbon has involved the collaboration of foresters and climatologists as well as regulators, lawyers, economists, development experts and many others. Similarly, the commodification of biodiversity has involved the collaboration of conservation NGOs and ecologists as well as financiers.

Characteristics and Consequences

Financialization is super-commodification. In general, it takes commodities that have been created through commensuration procedures and puts them through a further round of commensuration, putting them in the same pot with other commodities according to rates of return established in finance. They are further privatized, alienated, individuated, made abstract, revalued, displaced or liquified in ways that allow them to earn quick rents more easily or serve as collateral for other things. From being entities whose value is realized when they face each other as commodities, they become entities whose value is realized when they confront each other as claims to the *future* value which supposedly will be produced in *future* activity and realized in *future* exchange. Growth increasingly appears to derive from the incessant flow of abstract numbers independently of the production process, a phenomenon that encourages and is encouraged by the neoliberal view that anything can be marketed without resistance. As mortgages and debt are sliced, diced, combined, and sent over unprecedented distances, and carbon gets bundled with oil and wheat in corporate strategies and index fund rosters, and infrastructure development and other, "noninfrastructure" "conditions of production" such as "natural" waste sinks, biodiversity and the rule of law are increasingly "internalized" into free-standing commodity status, farmers and oil companies find themselves competing against Goldman Sachs; industrial firms find themselves dependent on their financial divisions for profits; private equity firms take over infrastructure development; host government agreements are enacted; and hedge and pension funds become the biggest forestland holders.

The effects reach all the way down into the physical bodies of land, animals, plants, humans and the earth itself. In battery farms, the 42-day chicken has replaced the 73-day chicken; in autowork the 57-second 'minute' the older 45-second 'minute'. The "financial promise" of genetic engineering feeds the work of labs in countless institutes, universities, and private firms and the harvesting of eggs from countless women. The "promise" of carbon as potentially the "biggest commodity market in the world" leads to the promulgation of fantastical equations and thence to increased greenhouse pollution throughout the world as well as long-lived alterations to the earth's surface. The "promise" of being a "biodiversity superpower" – the possibility of staking claims to future ecological and genetic surpluses including ecological "conditions of production" – feeds Latin American *sociobosque* programs, as well as other initiatives to turn lands into permanent factories of ecosystem services required to roll back environmental regulations elsewhere. Asset-stripping increasingly becomes the norm in agroecology as well as nature conservation, just as private equity firms' asset-stripping becomes the norm in industrial sectors. Speculative potential becomes socio-ecological reality, as claims to future value endanger present survival.

What to Build Movements on

As super-commodification, financialization, to the grassroots, means very much the same as ordinary commodification. New waves of commensuration devalue subsistence in ways that may reach much beyond, but are continuous with, old ones. The fuel of the struggle will not be experts finding intervention points or lobbying opportunities, but ordinary people resisting the plunder and despoliation of their land, air, water, subsistence and futures. Accordingly, the priority must be the building of alliances across grassroots movements affected in different ways not only by financialization but all the other phenomena with which it is associated.

As super-commodification, financialization is afflicted by even more severe "internal" contradictions than ordinary commodification. Examples are the contradictions that have doomed the “climate market” from the start – contradictions that are, if anything, multiplied in the case of biodiversity. One activist job must be to “ride” and accentuate these contradictions rather than to try to cover them up, and to help anticipate and prepare for the eventualities to which they are leading.

Financialization of carbon and biodiversity: a discussion note by Oscar Reyes
It can be helpful to think of financialization as one of the dimensions of the "economic valuation" of the environment.

1. Environment as "externality"
The invention of the economy as a separate sphere saw no particular value assigned to environmental damage. The creation of value comes from the extraction and production of goods, and the labour expended in that process – eg. when crops are grown for food.

2. Putting a price on nature
A failure to account for the full economic value of ecosystems and biodiversity is a significant factor in their loss and degradation. Without value there is "an effective 'zero' price," in the words of a recent UNEP report on *The Economics of Ecosystems Biodiversity* (TEEB). It argues that putting a price on nature could change this situation. In the case of forests, for example, value can be derived from their "regulating services" - eg. their carbon storage capacity.

3. Commodification of nature
To put a value on something is not the same as to commodify it, but in a neoliberal ideological and institutional context the one tends to lead to the other. Putting a value on nature tends to take the form of producing new "ecological commodities" - carbon, forest offsets, etc.

4. Financialization
Financialization is a broad term to describe the increasing dominance of the financial sector in the sum of total economic activity, and the tendency of even "real" producers to seek profits from transactions on capital markets. In the case of carbon, biodiversity and ecosystem services, there is some value to be gained from producing new ecological commodities. But a still greater proportion of the value of these products may come from speculation that floats free of the underlying commodity.

Although these dimensions developed more or less sequentially, they continue to co-exist alongside each other. "Well-intentioned" attempts to put a price on nature (cost-benefit analyses as a guide to policy; carbon taxes; etc.) tend to be eclipsed by commodification.

To place a "value" on the environment tends to involve recruiting a whole army of consultants and verifiers to create an exchangable commodity. However, the price that the the market places on nature is fairly arbitrary compared to these measurement exercises. For example, within the current carbon market, the main determinants of offset prices (eg. for tree plantations in Kenya) tend to be projections of EU economic growth; European Commission allocations of allowances to power stations and factories; the relative prices of coal and gas; etc.

The financialization of climate change is not part of a monolithic strategy on the part of capital. Those engaged in carbon trading and producing new "ecological commodities" (such as forest offsets and biodiversity credits) co-exist alongside extractive industries and industrial producers. Some of these companies (and governments) are simultaneously gaining from carbon trading and the continued exploitation of resources. In other cases these are competing objectives. If carbon prices eventually were to increase, they would render nuclear power more attractive; and could stimulate the rush towards "unconventional" fuel sources such as gas fracking. In other cases again, the pricing of ecosystem services is outweighed by the impacts of other forms of financialisation. For example, half of the Rimba Raya REDD (forest offset) pilot project in Indonesia was recently sold off to create a palm oil plantation. Crude palm oil prices have risen in response to speculation on foodstuffs, as well as increases in agrofuel demand, and are likely to outperform carbon as a commodity for the foreseeable future. As George Monbiot once put it, " Subject the natural world to cost-benefit analysis and accountants and statisticians will decide which parts of it we can do without... All that now needs to be done to demonstrate that an ecosystem can be junked is to show that the money to be made from trashing it exceeds the money to be made from preserving it."

This framework is far from exhaustive. For example, failures in scaling up carbon (it remains an unattractive commodity to some in the market) have seen a series of new carbon "bail out" and risk guarantees created by the World Bank, IFC, European Investment bank and others. The new UN Green Climate Fund could also adopt a private sector facility that gives a significant role to the use of "financial intermediaries."

REDD - Reducing Emissions from Deforestation and Forest Degradation (**REDD**) is a set of steps designed to use market/financial incentives in order to reduce the emissions of greenhouse gases from deforestation and forest degradation. The proponents of REDD define its objective to reduce green house gases but it can deliver "co-benefits" such as biodiversity conservation and poverty alleviation. REDD is sometimes presented as an "offset" scheme of the carbon markets and thus, would produce carbon credits. Carbon offsets are "emissions-saving projects or programmes" that in theory would "compensate" for the polluters' emissions. The "carbon credits" generated by these projects could then be used by industrialised governments and corporations to meet their targets and/or to be traded within the carbon markets. REDD activities are undertaken by national or local governments, dominant NGOs, the private sector, or any combination of these. It is being pushed strongly by the World Bank and the UN for setting up the bases for the carbon market and the legal and governance frameworks of countries receiving REDD. There are many corporative and financial lobbies behind the push for REDD. The REDD"+" is more than just avoided deforestation and forest degradation, it also includes the possibility of offsetting emissions through "sustainable forest management", "conservation" and "increasing forest carbon stocks". The experiences with REDD so far have shown, that REDD is an opening the door to logging operations in primary forests, displacement of local populations for "conservation", increase of tree plantations etc. REDD+ is another extension of green capitalism, subjecting the forests and its inhabitants to new ways of expropriation and enclosure at the hands of polluting companies and market speculators.

For example, at the global level, the International Tropical Timber Organization (ITTO) – an intergovernmental body that includes 60 countries of producers and consumers of wood in tropical forests and the European Union, is a key actor in the push to approve REDD+. The ITTO has launched a thematic program on REDD and environmental services with an initial funding of US$3.5 million from Norway. In addition, the 45th session of the ITTO Council held in November 2009, recommended that efforts relating REDD+ should focus on promoting "sustainable forest management". In this regard, this sector's lobbying seeks above all to include forest extraction inside REDD under the guise of "sustainable management" in order to benefit from carbon markets while maintaining business-as-usual. On the other side, Indigenous Peoples are an important side of the actors scenario that most of the times is ignored. The International Indigenous Peoples Forum on Climate Change (IIPFCC) was explicit at the Bali climate negotiations in 2007: "REDD/REDD+ will not benefit Indigenous Peoples, but in fact will result in more violations of Indigenous Peoples' rights. It will increase the violation of our human rights, our rights to our lands, territories and resources, steal our land, cause forced evictions, prevent access and threaten indigenous agricultural practices, destroy biodiversity and cultural diversity and cause social conflicts. Under REDD/REDD+, states and carbon traders will take more control over our forests."

TEEB - **The Economics of Ecosystems and Biodiversity (TEEB) study** is a major international initiative to draw attention to the global economic benefits of biodiversity, to highlight the growing costs of biodiversity loss and ecosystem degradation, and to draw together expertise from the fields of science, economics and policy to enable practical actions moving forward. TEEB was launched by Germany and the European Commission in response to a proposal by the G8+5 Environment Ministers (Potsdam, Germany 2007) to develop a global study on the economics of biodiversity loss. This study, led by Pavan Sukhdev, is hosted by the United Nations Environment Programme with financial support from the European Commission, Germany and the UK, more recently joined by Norway, the Netherlands and Sweden. Some time ago the Bank of Natural Capital (http://bankofnaturalcapital.com/), a website designed to communicate the TEEB Study findings to citizens, was launched.

In a self description, the promoters of the TEEB Study indicated as the aims of the study as follows:

- To integrate ecological and economic knowledge to structure the evaluation of ecosystem services under different scenarios.
- To recommend appropriate valuation methodologies for different contexts
- To examine the economic costs of biodiversity decline and the costs and benefits of actions to reduce these losses
- To develop guidance for policy makers at international, regional and local levels in order to foster sustainable development and better conservation of ecosystems and biodiversity.
- To enable easy access to leading information and tools for improved biodiversity practice for the business community – from the perspective of managing risks, addressing opportunities, and measuring impacts
- To raise public awareness of the individual's impact on biodiversity and ecosystems, and areas where individual action can make a positive difference

TEEB is consequently one central step towards the total financialization of nature. In a first step it is about defining ecosystem services, which than can be given a price tag and consequently be traded.

Further reading:

Carbon Trading – how it works and why it fails
http://www.dhf.uu.se/pdffiler/cc7/cc7_web.pdf

Carbon Trading – a critical conversation on climate change, privatization an power
http://www.dhf.uu.se/pdffiler/DD2006_48_carbon_trading/carbon_trading_web.pdf

No Redd
http://noredd.makenoise.org/

Larry Lohman, Capital and Climate Change,
http://www.thecornerhouse.org.uk/sites/thecornerhouse.org.uk/files/BOOK%20REVIEW.pdf

Sian Sullivan: Banking nature? The financialization of environmental conservation.
http://openanthcoop.net/press/2011/03/11/banking-nature/

UNEP: TEEB Summary
http://www.unep.org/pdf/TEEB_D1_Summary.pdf & http://www.teebweb.org/

Carbon Trade Watch
http://www.carbontradewatch.org

ETC Group
http://www.etcgroup.org/

4. Approaches on how to break the dynamic of the financialization of nature

a) Reclaiming the Commons

Under the neoliberal logic, the "sustainable management of nature" supposedly establishes new property rights of natural goods, as common management is considered to be inefficient. Three areas are especially considered for this: biodiversity, climate, mineral and fossil resources and more generally everything related to extractivism. The first two are strictly related: models to manage biodiversity are inspired in those models of "sustainable management" of climate.

This "sustainable management" of nature constitutes a new horizon for the expansion of capitalism and global finances. The "ecosystem services" are being converted into global commodities as profitable as those products of the colonial age, a century ago - and traded in a manner as inequitable as the latter. From an ecological point of view, this management has already failed and, from the other side, it increases the fragility of societies and the process of generating inequalities and exclusion.

The "green economy", instead of being related necessarily to the economical activities in the biosphere, includes elements in the biosphere in the capital reproduction cycle. It is not only about monopolizing resources as it happens in the mining industry, but also about taking over flows, the "ecosystem services" provided by ecosystems. Nature is an enterprise whose work must be evaluated, commodified and traded.

Challenges for the anti-globalization movement

In this context, several types of social-environmental resistances are being generated throughout the world, and also experiences of transition, especially for the recovery of common goods and in order to reject the consideration of natural goods as resources. The term "commons" refers to the elements that belong to everyone – including water, land, the sky, culture, public spaces and technology. A "commons" approach to life is one that makes connections between social equity, participatory governance, and environmental protection. If the corporate sector devours nature, the commons sector would protect it. If the corporate sector widens inequality, the commons sector would reduce it. If the corporate sector turns us into self-obsessed consumers, the commons sector would reconnect us to nature, community, and culture.

It is necessary to establish new inalienable rights, and to include ways to turn them into reality. This is one of the challenges for the Rio+20, which we could summarize as a necessary process of decommodification of the Earth, in order to guarantee ecological sustainability and social justice.

In order to do so, international coalitions of social movements are being created in a very specific way, especially regarding the fight against climate change, where environmentalist NGOs such as Friends of the Earth are gathered, and also coalitions such as Jubilee South, Focus on the Global South and Via Campesina, central actors of the anti-globalization movement. In the heart of these coalitions are the founding themes of the anti-globalization movement: resistance to the free trade dogma, to the international financial institutions, against actions of transnational companies, of financial globalization and the privatization of common goods.

It is not by chance that the World Social Forum in Belem in 2009 has launched an anti-globalization call in order to defend common goods, against their commodification and capitalist privatization. It is not only a document, but also the expression of concrete struggles, such as those of the peasants of Via Campesina against the destruction of forests, the “Water War” in Cochabamba, Bolivia, against the privatization of water, the uprisings in India against Coca-Cola intentions of monopolizing water resources, or the resistance against Areva’s actions in Niger. The challenge is to make resistance global, and find rupture points. These struggles are being held throughout the planet, and they express the rejection of the unsustainable and the desire of liberating the joint domination of nature and of men.

For this reason, these issues are part of the anti-globalization movement. To testify it, we have the last two World Social Forums, where much space was given for these issues. The involvement of the movement in the preparation of the People’s Summit of Rio 2012 will make possible to place the complexity and globalization of crisis and in the same way to increase the necessary alliances to undertake a significant transition.

b) Economic Degrowth and the need to set a limit on the use of natural resources

The dynamic of the financialization of natural resources cannot be delinked from the current model of production and consumption, which pretends as if there is endless availability of resources and hence endless growth possible. A group of civil society organisations has established the „Resource Cap Coalition“. This coalition is an open platform for organisations advocating a global resource cap. The RCC was initiated by ANPED, CEEweb for Biodiversity and Ecologistas en Acción in 2010. It lobbies for a resource cap with a view to ensuring social justice and staying within the earth’s carrying capacity. It also provides a discussion platform for developing appropriate tools.

Global resource consumption is soaring, with 34 times morematerial resources being extracted now than one hundred years ago. Exponential economic growth in industrialized countries, fuelled by increasing resource extraction, did not eliminate social inequalities, hunger and poverty either in Europe or globally. Today we face growing global competition for resources and increases in their prices. This hits the poor hardest, particularly in impoverished countries but also in rich ones.

According to the International Resource Panel1, an absolute reduction of resource use on a global level is necessary to make progress towards a sustainable economy. Under a tough contraction and convergence scenario, industrialized countries should reduce their per capita resource use (average metabolic rate) by 66 – 80 %, while a 10 – 20 % reduction in developing (non-industrialized) countries would be needed.

We need to set a cap on the use of resources, including all types of raw materials, if we want to effectively bring down their consumption in the EU and refit our economy inside its ecological space.

What principles should guide such a cap?
The resource cap should:

- aim to achieve an absolute reduction in resource use,
- be progressively lowered year by year,
- be based on an interdisciplinary analysis including sound scientific information and social debate, applying bottom-up approaches as far as possible,
- be defined through clear indicators and transparency of information,
- be underpinned by clear rules and strong public support, monitoring and enforcement,
- transform production and consumption patterns in favour of products and services with low input,
- contribute to re-localizing the economy with shorter economic cycles, greater self-sufficiency, greater adaptation to local availability of resources and fewer transport needs,
- fully consider environmental justice and ecological debt (from the North to the South) caused by centuries of social and economic exploitation,
- take into account social concerns so that the poor, vulnerable and marginalized benefit,
- better balance the shares of human labour and machine labour,
- be accompanied by complementary measures (effective regulation of pollution and land use, taxation, basic access guarantees, etc.)
- not allow any financial speculation within the new structure of resource scarcity.

The Resource Cap Coalition is advocating an overarching regulatory framework that can achieve different objectives. This should include the following tools:

Non-renewable energy quota system
The proposed scheme aims to set a cap on non-renewable energy use at EU level based on present use rates. The cap would be lowered progressively year by year. **Quotas** per capita and per sector are assigned with the involvement of all stakeholders. Quota savings can be sold for interest free “quota money”, which can be spent in an environmentally and socially **certified market**. A **revolving fund** helps to finance investments in energy efficiency and renewables through interest free loans in quota money, with a payback period adjusted to the energy savings or income generation realised through the investment. This makes such investments accessible to everybody including the poor. An **advisory service** helps all stakeholders to change their behaviour and adapt to the new scheme.

Rimini Protocol – An Oil Depletion Protocol
This protocol proposes to limit the national rate of extraction and consumption to the current national (NDR) and global depletion rate (GDR) respectively, depending on whether a particular country is an oil importer or exporter. The idea is to regulate the level to which oil flows should be restricted, in order to soften the reduction of its availability, facilitating the transition to a post-oil society through reducing dependency.

More details can be found at www.ceeweb.org/rcc

c) Community driven resources management

The UN Universal Declaration on Human Rights states that: “Everyone has the right to a standard of living adequate for the health and wellbeing of himself and of his family, including food, clothing, housing and medical care.” Yet for many people living in already impoverished countries, access to and control over the very resources they need to provide for their families is declining, with little or no compensation in the form of finance or social security. Communities, including indigenous peoples, small farmers, landless peasants and women, should have equitable access to agricultural land, water, seeds and other productive resources, and the ability to make decisions concerning the use of those resources. Also new devolved, transparent and participatory economic decision-making processes based on the principle of economic subsidiarity are needed. This means that communities can choose the extent to which they are self-reliant, generating their own wealth and jobs, yet retaining the option to trade.

The legitimization of environmental rights is critical for communities around the world who are struggling to protect their livelihoods and ecosystems from the impacts of economic globalization. Among the most essential environmental rights is access to and control over the natural resources that enable survival, including land, shelter, food, water and air. Environmental rights also include political rights for indigenous peoples and other collectivities including fisherfolk and farmers; the right to information and participation in decision-making; freedom of opinion and expression; and the right to resist unwanted developments. Friends of the Earth International also believes in the right for people displaced by environmental destruction to claim reparations for violated rights; the right to claim ecological debt; and the right to environmental justice.

While in the industrialized world, sustainable communities must often be created from scratch, in many southern countries communities that manage their own resources have existed for centuries; their greatest challenge is simply to resist external threats by claiming their environmental rights.

Creating democratic and sustainable economies is an ambitious goal that can only be realized by ensuring that international policies genuinely reflect and address peoples’ hopes, needs and aspirations. To achieve this, political decentralization is essential. It will be absolutely necessary to ensure that nations and communities are *the* key decision-makers; that all relevant decision-making bodies - from the local through to the international - are genuinely representative of women and men and participatory; and that people have real opportunities to develop themselves.

Many initiatives based on sustainable economies and local control over resources already exist. In Chile, the Pehuenche indigenous peoples are designing community-based development projects including a health clinic and a storehouse for pine-nuts in order to improve their living conditions. On the island of Atauro (formerly part of East Timor), people have decided to use their resources sustainably and only allow small-scale income-generating activities. In order to increase their self-determination, communities in Cameroon and Malaysia are engaged in participatory mapping initiatives which allow them to document the importance of natural resources in their subsistence strategies. In El Salvador and Paraguay, communities have reinvigorated the cultivation of medicinal plants which are threatened by the loss of biodiversity.

d) Food Sovereignty and Supply management

The concept of Food Sovereignty was developed by Via Campesina which defines food as a human right (and not as a commodity) and claimes the "right" of peoples to define their own food, agriculture, livestock and fisheries systems, in contrast to having food largely subject to international market forces.

In order to achieve food sovereignty stable and just prices for farmers and consumers is a key element. As agricultural markets being instable by its very nature (most agricultural production is depending on wheather conditions and hence production levels cannot be planned as compared to in industrial production) instruments are needed to deal with the inherent price instability. In Europe, after the 2nd World War public policies to stabilize prices have been established. The Common Agriculture Policy (CAP) included among others, intervention prices, public stocks and community preference (that is a common external tariff) as key tools to stabilize prices as well as ensure for farmers a fair income close to workers incomes. With the deregulation of agricultural markets (via trade policies), the abolishment of market regulatory tools in the CAP and the deregulation of financial markets, food markets are becoming increasingly financialized. Farm gate prices and food prices have become very volatile in the past two decades as a consequence.

To achieve stable prices in Europe for both farmers and consumers require public policies, in particular:

- public supply management to balance supply and demand of basic foods and avoid structural surpluses. This will prevent prices from fluctuating excessively. Various instruments adapted to the different productions have to be developed.
- management of agricultural imports to avoid imports at prices below the European average cost of production. This should be linked to the banning of all forms of market dumping.

Regulating European agriculture markets with these instruments will allow farmers to get fairer and stable farm gate prices and also make sure to keep financial markets outside of this sector. It will consequently also decrease public spending for farmers’ incomes, as farmers would earn their income first and foremost via the market rather than through direct payments. Currently European farmers get on average 40% of their income from direct payments (approx. € 39 billions of the EU budget), which subsidize the 'competitiveness' in the world market of the European Food Processing and Exporting industry ensuring their low commodity prices. Current direct payments are therefore on one hand an indirect subsidy for the European Food Industry and on the other hand, in the case of exports, an indirect export subsidy, preventing the agricultural communities in third world countries to obtain fair access to their own market. This requires also a change of the current international trade rules, based on the concept of the food sovereignty framework. Such new rules must combine the commitment to stop all forms of dumping is combined with the right of all nations and regions to protect themselves from low cost imports. To prevent possible food insecurity at a global level and to avoid food speculation, operating regional public stocks should be allowed, including stocks at the EU level, especially for grain.

e) Leaving oil in the ground - The Yasuní-ITT Initiative

Introduction

The Yasuní-ITT Initiative is a powerful example of what a country can do, with the support and cooperation of the international community, to promote a sustainable development stopping selfish and shortsighted exploitation of natural resources. Indeed, the Yasuní-ITT Initiative pursues the ambition to prove that it is possible to shift from an economy based on oil to one based on renewable sources of energy in respect of biodiversity and human rights, contributing at the same time to the cause of poverty reduction and climate change mitigation. Moreover, according to several independent studies, the Yasuní-ITT model could be replicated in various other countries such as Brazil, Colombia, Democratic Republic of Congo, Indonesia, so spreading the benefits of such approach across the world.

The Yasuní-ITT Initiative at a glance

The Yasuní Ishpingo Tambococha Tiputini (Yasuní-ITT) Initiative is based on the decision the Government of Ecuador made in 2007 to refrain from exploiting a large oil field located in the Yasuní Park (North-East of Ecuador) and invest in environmental friendly sources of energy. In order to ensure sustainability to such visionary plan, the Government of Ecuador has called the international community for political and financial support, leveraging the global co-responsibility in saving "common goods" wherever there are located (and particularly, if they are located in developing countries). As the revenues from oil extraction are estimated at 7.2 billion US dollar in 13 years, under the Yasuní-ITT Initiative, the Government of Ecuador has committed not exploit such oil reserves in exchange for 50% of their value from the international community.

For this reason, the UNDP Yasuní ITT Multi Donor Trust Fund has been established for receipt of contributions from a broad range of contributors including Governments, private sector, foundations and general public. The Yasuní Trust Fund, which has a Capital Fund Window and a Revenue Fund Window, will be administered by the Multi-Donor Trust Fund Office (MDTF Office) of the United Nations Development Programme (UNDP).
Financial contributions will be used to finance renewable energy projects (hydro, geothermal, solar, wind, biomass and tidal plants) and the payments received for the use of these funds, will be used to fund development projects as prioritised in the Ecuadorian National Development Plan (conservation, reforestation, appropriate watershed management, energy efficiency, social programmes, and research & innovation).

A first assessment of the initiative will be conducted by the Ecuadorian Government at the end of December 2011. Many data will be analysed, including the political support of the international community, the engagement of civil society organisations, the interest of media and general public. The actual commitments made so far amount to approximately 60 million US dollars, against the target of 100 million US dollar set by Ecuador at the launch of the Initiative and expected to be reach by the end of the year.

Why to support the Initiative

Delivering the Yasuní-ITT Initiative would mean:

- Create a first real example of successful replacement of the oil exploitation development model with carbon-free technologies in industries and households;
- Avoid 1.2 billion metric tons of CO_2 emissions due to non-deforestations and non-extraction and burning of oil;

- Reduce poverty by building a new more sustainable and fairer economy;
- Respect human rights of indigenous groups living in the Yasuní park;
- Avoid deforestation and protect, conserve and sustainably manage 4,8 million hectares of most bio-diverse territories in the world, with at least 19% of Ecuadorian territory, including the ITT field, the Yasuní National Park and other 42 additional areas;
- Protect invaluable bio-diversity estimated in 2,274 tree and shrub species, more than 550 bird species recorded (near 44% of the total found in the Amazon Basin), 80 bat species, 150 amphibian and 121 reptile species as well as 4,000 vascular plant species per million hectares, 105 amphibian and 83 reptile species, 100,000 species of insects per hectare, and 6 trillion individuals per hectare (the highest known insects diversity in the world).

The role of the civil society

The international community, particularly in the richest countries, is not doing his part. This is irresponsible and risks jeopardising the whole project. In some countries, including Spain, Germany and France, civil society organisations and networks decided to support the Yasuní-ITT Initiative by raising awareness among their constituency base and signing petitions to ask their Governments to contribute to the Initiative. As an example, in Germany two weeks ago a network of civil society organisations led by BUND (www.bund.net) and VENRO (www.venro.org) organised together with Avaaz (www.avaaz.org/en) a petition campaign through which they collected over 100,000 signatures in two days. These signatures have now been delivered to policy makers in the Parliament to influence the budget law discussion so that some resource is allocated to the Yasuní-ITT.

Further information:
http://yasuni-itt.gob.ec/
http://mdtf.undp.org/yasuni

5. Results - Workshop on food financialization and land grabbing

a) *Food commodities as financial asset:*

Commodity futures markets provide the platform to convert food commodities into financial assets and thereby opening the doors for financial actors. Originally, commodity futures markets have been established to provide physical traders a possibility for hedging price risks, as well as a mechanism for price discovery. Since financial markets have been deregulated, new financial actors and instruments are coming up. Index funds and money managers integrate commodity futures in their portfolio management, increasing the volume of speculative investments in the futures markets. These new actors dominate the commodity futures market and increase the volume of financial investments, which became twenty times higher than the physical volume traded.

The impact of the financialization is a significant price distortion and manipulation, leading to price bubbles and high volatility of commodity prices. The futures commodity prices are transmitted to physical commodity prices, causing increased costs for food imports and poverty.

b) *Food production forced to compete internationally with non-food production:*

New processors of food commodities are entering international commodity markets, where the food production has to compete with the demand for biomass and for the synthetic biology industry. Thereby food commodities are valued as normal input good, without prioritizing the food production.

c) *Land as asset class:*

Financial actors invest in “land deals” in developing and emerging countries, integrating land as an asset class into their investment strategies. The motives behind this asset class are inflation hedging, low correlation to other asset classes, and the need for long-term investment. The key actors of this trend of financialization of land are specialized mutual funds and private equity funds. The funds have no ambitions to engage in traditional agribusiness production and “rationalize” agricultural companies or farms on their land.

d) *Land as good in an international market:*

Another kind of investors is agrofuels enterprises who need the land for non-food production. Additionally, public funds mainly of industrialized or emerging countries invest in land abroad to secure their national food security. The affected communities have no rights on their land, their governments are often involved in the land deals, and the international community tends to legalize “land deals” by implementing code of conducts. The social dimensions of this international dimension of the “land deals” are not recognized.

e) Overview of financialization of food commodities and land:

	Financialization of commodities		
key trends	***Food as financial asset:*** Commodity futures markets used for portfolio diversification, speculation on rising prices	***Land as asset class:*** Land deals for inflation hedging, portfolio, speculation on rising prices	***Food and land as internationally traded goods:*** Competing industries: non-food production
key problems	Deregulation of futures markets, prices dominated by financial investors, lack of transparency	Unregulated land markets, legitimization of land deals, unbalanced powers, lack of transparency	Unregulated international food markets: no prioritization of food production, no local focus, unbalanced power along the production chain, lack of transparency
key actors	Banks, index funds, money managers (incl. hedge funds)	Mutual funds, private equity funds, sovereign wealth funds	Agrofuels industry, synthetic biology, Public funds investments in food security of industrial countries

f) Approach to break the dynamic of financialization of natural resources

The figure shows an overview of the aspects of financialization, and indicates possible points of intervention to develop common intervention strategies. These interventions can tackle the whole trend, key problems or key actors, whereby linkages to other natural resources might be identified.

g) Address financialization in general (all three trends in the figure):

In general, food sovereignty is the main alternative, which would stop the dominance of the key actors of financialization in the food production. Sovereignty includes the need to implement local supply chains, local decision making power, right to define trade policies, and the law of one-duty-one-right. The right to food and food first underlies these needs to balance market powers in the food value chain, and in international markets. Especially, a reduction of the participation of financial actors, industrial entities and a prioritization of food production to non-food production are crucial.
To achieve this alternative, the use of food and land as a financial asset, and the trend related to powerful actors and industries entering the food and land markets have to be tackled.

General Strategies	Concrete actions
• Divestment campaign targeting pension funds boards • National platform for decision making • Integration of food speculation campaigns in land grabbing campaigns, integrating different resource grabbing • Connection of broad bottom up alliances • Symbolic naming and shaming campaign for regulation/systemic change • Emphasise the role of the crisis in creating new markets • Addressing the IFI • Support alternative financial sources • Expose financial lobbies • Define financialization • Identify audience to whom communicate	• Research on European Banks • Campaign on the CAP reforms • Referendum campaigns • Joint film projects • Ally with debt campaign aspects of food speculation • Address investment summits together • 17th April: action week
Strategies on "food as financial asset"	**Concrete actions**
• Stop asset based use of the food commodity market • Implement side management as an alternative hedging tool • Regulate financial markets	• US: Commodity Markets Oversight Coalition and others • EU: Several NGOs working on it, makefinancework.org • Divestment Campaign (example of CalSTRS in US).
Strategies on "land as asset"	**Concrete actions**
• Stop public funds • Responsible agricultural lending • No code of conduct or voluntary guidelines to regulate land grabbing • De-legitimization of attempts to regulate land grabbing • Use land/water linkages • Raise awareness about the impact of biomass production on food security	• Talking to pension funds • World Bank out of Land Campaign • Land matrix • ETC groug.org • Farmlandgrabs.org • German research • GRAIN research • LDPI

6. Results - Workshop on minerals, oil and gas

a) *Financialization of minerals, oil and gas*

Trends in the oil sector via financialisation:

- There has been a systematic deregulation of commodity trading since the 1980s, esp. in the US.
- Volumes invested in the oil market have soared since.
- We can observe a dominance of big banks in this sector, they control 80 % of the invested assets
- The share of "Over the Counter" (OTC) trading has increased very much, therefore it is hard to know figures, volumes, actors,…
- Possibilities of insider trading are very high.
- One of the main problems is that the main financial investors in this market have a double interest in the existence of a highly volatile market:
- it increases their profit opportunities by betting on price changes
- because of the volatility, banks earn income from managing risks and offering price stabilisation measures for eg. Airline Companies etc.
- On a contrary, Public authorities/policy planning, the Real Economy, consumers etc. need stable and foreseeable prices, also to take investment decisions towards renewable energy etc.

b) *Answers to problem*

For oil

- Extraction is not a good development model and financialisation makes it worse: The ultimate aim has to be a society without energy out of fossil fuels.
- Different levels of intervention: physical sphere: stop extraction, financial sphere: stop speculation
- Oil has a lot of useful purposes, as Medicine, etc. We should keep the remaining rest of this resource for those purposes,
- The Transition away from fossil fuels is too important to be left to the market - we therefore need different pricing mechanisms– we need stable and steadily rising prices to be able to make the shift to other energy sources
- Therefore the interests of financial industry in this field have to come out of the shadow
- we need more information and transparency and
- we need to disempower banks, denounce their role and stop speculation on oil via derivatives etc..
- Natural ressources should not be privately owned but publicly owned and controlled, the concept of of commons should be promoted also within the oil sector, decision making has to be reclaimed by communities.
- The transition away from fossil fuels ha to be socially sustainable. There was a discussion about the challenge for finding common strategies across different countries! (Recently increased income of many people in Bolivia, Venezuela are due to oil and gaz income, therefore transition has to be carefully managed)
- Leave oil in the soil

For minerals

- banks out of mining

- leave coal in the soil
- stable price leads to new energy source
- protect natural assets
- too important to be left to the market
- increase transparency
- austerity measures on financial institutions
- use profit from fossil fuels to fund transformation.

c) *Overarching Strategies*

The following strategies to counter the trends of the financialization of minerals, oil and gas have been developed:

- Assert Commons
- Regulation
- Deflating finance
- Control access/extraction, that means ie keep oil in the soil,
- country bans/regulations
- Alternative development models, reduce consumption.
- Expanding the Equatorian approach "Leave the Oil in the Soil" globally.

Link fight against definancialisation with reclaiming democracy/political space/occupy movement.

d) *Strategies, opportunities and actions*

Tool: Improve access to information, more research into financialisation.

Opportunities for action
At the global level: G20, Rio+20

At the european European level: - laws on transactions/accounting
- raw material initiative
- investment treaties

Messages: - mandatory not voluntary
- combine impact of extractives and financialisation
- link with climate debate
- self determination, FPIC
- public regulation not government regulation

e) *Working Together*

- Possibility of conflicting strategies, especially due to differences in situation between south/north.
- Acknowledge different issues, ie desire for 'mining development'
- Establish principles of organisation. Solidarity, ambitious versus pragmatic
- Common strategies and shared experiences
- Communication vital, set up email lists.

7. Results - Workshop on Financialization of Water

a) *Financialization of Water – players and trends*

The evolution of the finanacialization of water services, to the financialization of water as a resource itself – players and trends:

- WORLD BANK (set up water resources groups with Nestlé, Coca Cola etc. pushing privatization, now pushing tradable water rights)
- Definding water as a scare resource
- Defining water as an economic good (UNEP, Global footprint network)
- Defining water rights (riparian rights, first come first serve, sovereignty)
- Land grabs and Nexus (links to other resources)
- INFRASTRUCTURE (who will pay?)
- EU Directives (Blueprint to Safeguard Europe's Water). "Water will become a blue gold, create wars and conflicts**. "**

Areas in which financialization of water is happening:
- The financialization of utility companies themselves
- Water infrastructure financing
- The financialization of water as a resource itself

Strategies of financial actors
- The missing spot markets and growing interest in water infrastructure
- Controlling access through infrastructure for private sector needs
- Building the narrative and using this specifically in legislation, we see this in the EU, there could be a space here for debate on whose rights? If they want to trade water rights, then whom do they belong too?
- Why do companies want to enter this, watersheds, water markets? They also want to get carbon credits from this. (Corner House)

Who is trying to become a shareholder of companies that are in charge of providing public water service? Example in of market based financing of infrastructure/service in Italy:

Intesa San Paolo (in the end the reputation of this bank increases)

↑

F2i → **Biis** (lender to public utilities) → **6.5billion euros** (safe credit)

(Investment Fund which targets Public investment funds)

↑ \ \ \ \ \

↓(seen as sovereign guarantee on credit)
↓ this money is then used to cover emission
↓ of bonds to same bank

ISP BOND
(we don't know who is buying this bond)

b) *Real drivers and actors of the processes ongoing (who needs to be challenged)*

- European governments and institutions - in their narrative, legislation on budgets and system of sovereign guarantees, industry cannot do this on its own without policy backup

- Water utilities encountering problems (profitability, financing etc.)

- Pure financial investors - Goldman Sachs, Citigroup, building infrastructure to serve capital markets. There is a new effort, but how much is it based on these companies.

- The drive from Big Ag and Big Energy who are buying up water rights and land rights, so that they can continue their work, this could also be linked to food speculation work.

- World Bank ADB, infrastructure fund - invest in privatized companies, the new infrastructure financing will push for regional infrastructure to help build water spot markets.

- International level – IFIs, how are they serving this agenda that we don't like? (Need to research more)

- UNEP – International Resources panel wants to financialize all natural resources

- Other environmental groups who support the green economy agenda

- Pension funds and the link to land grabs

c) *Linkages between the different commodities*

- Water and energy (for example, not producing energy until the price goes up)
- water and agriculture, the link between land grabs and water grabbing
- The price of water on the market will affect all other resources and the price of production of many commodities

We could create linkages between resources through IFIs' policies
For the financialization of water other models are copied – need to learn from what has already happened in other resources.

e) *What are the crucial issues/approaches to de-financialize the natural resource?*

- Water is NOT a commodity
- Commons (alternative system of management) and green economy discussion, to use this to bond all of us using our new governance of commons to fight against the push of the green economy (commonalities with reclaiming democracy, no commodification of natural resources)
- UNEP declared water as the engine of the Green Economy
- Reclaiming the definition of water rights vs. reclaiming public water
- Using the human right to water recognition at the UN to fight for water rights, and the obligation of the states to protect (we need to challenge any laws or practices that actually remove or contaminate local water sources as a violation of the right to water.

Such as auctioning of water rights to foreign companies, leaving local farmers without water, dam construction etc.), obligation to respect, obligation to fulfil this human right and we need to work to get this adopted in national legislation (already done in certain countries like Morocco, S Africa, Mexico on its way)

- Water is priceless, we are paying for the service (the role for public finance), not water itself. This is something that needs to be stressed by people.

- If the price of water went up and down, how would it impact farmers? – (*We need joint action between many groups on transversal issues, learn from other movements and get other groups to say don't do this to water, because it would harm our farming movement for example)*

- New technologies (green economy) water treatment (waste) and electricity, desalination, we need to debunk the narrative

- Emphasize role of crisis in searching for new markets

f) Ideas for Actions:

- Blocking spot market to be built
- Blocking financing of infrastructure, exposing who is putting money behind this
- Transparency another area that could unite us
- Lobbying – Need to define our targets (private companies, other actors?) Industry cannot financialize resources on its own, it needs the partnership with governments etc. The European process at the moment is worrying, as it is pushing forward with tradable water rights
- In terms of public campaigns – WHO OWNS OUR WATER? We don't know all the names of all the investors in these funds? Ask your local municipality. Different groups ask their pension fund why they have invested in these water groups or water rights e.g Canadian teachers fund investing in Chilean water. Or Californian teachers' pension funds investing in Italian water services utilities.
- Specific actions of ECI, strategies around the Blueprint (can this be a bigger organizing tool with other groups as well) more participation of citizens in decision making process around water management, also need to link local movements together, since water is such a local/regional issue, popular education
- What are the public finances we have? What different models work? Do we need to build a real public investment bank (what would it look like?)? Research has been focused on importance of public finance, more than what type of public finance? What is public finance for? Is it to guarantee access to the service? Issue of drawing lessons and finding out more, not just taxation. We need a few people flagging different ideas and then getting movements to debate these ideas. Has to be local, worth generalizing ideas, insert this within existing campaigns.
- Case studies on land grabbing and water grabbing
- Pulling water out of all int'l trade agreements and bi-lateral investment treaties (water and sanitation)
- promote good forms of community water management
- Build a common library of information to share between us
- Fight against internalization of all costs, full-cost recovery (European law) what is the alternative to full cost recovery without "monetarizing resources", potentially a broader discussion of what we want public finance to do? Is it just taxation? (step ahead) How to do public spending?

f) *Identify key moments and processes for joint work (e.g. UN meetings, processes etc.)*

- 2012 – important year for water (maybe we focus on Europe, but it does have an impact on the world, also because a lot of private water companies acting abraod are European)
- UK White paper on water reform (tradable water rights, regional spot markets)
- 10-11 December 2011 European water platform
- January 2012 – Thematic World Social Forum (Brazil) prepare RIO+20
- 14 – 17 March 2012 - Alternative World Water Forum Marseille France
- June 2012 RIO+20
- Oct 2012 – COP 11

8. Results – Workshop on Financialization of carbon, biodiversity and ecosystem services

Main trends and strategies

Financialization has its origins in the 1970s crisis of Fordist capitalism. The declining profits from production led to a turn to finance, leading to a new wave of expropriations of natural resources. This is a systemic problem. Financialization encompassed the old commodities first. Then it turned to what Karl Polanyi called "fictitious commodities," such as land – things that cannot be fully commoditised because they are essential to existence. It then moved to inventing new commodities, such as carbon. "Carbon" is a commodification of the earth's carbon cycling capacity, but even the name "carbon" does not correspond to a single reality.

Biodiversity and ecosystems cannot be neatly parcelled into commodities. Ecosystems are about relationships and interaction. They do not behave like regular commodities. Offsetting is a "dirty development mechanism." There is no money in offsetting unless you've done something really wrong already: to profit from "emissions reductions" requires high levels of pollution to start with. The case of industrial pig farms gaining Clean Development Mechanism credits in Mexico is a clear example of this.

The workshop then identified various processes driving the commodification of carbon and ecosystems.

Ideological. Carbon trading is mainly based on a neoliberal development perspective that markets can create the right price signals to encourage cleaner development.

Institutional. Carbon markets and the commodification of ecoysystems are not first and foremost being pushed by Wall Street, but by states negotiating on the United Nations Framework Convention on Climate Change (UNFCCC), Convention on Biological Diversity (CBD), Rio+ 20, etc. CDM was pushed by the USA as its condition for agreeing the Kyoto Protocol, which it famously then refused to ratify. The G20 has put climate finance on its agenda. In 2012, the G20 will be chaired by the Mexican government, which has included climate and green growth amongst its priorities.

These processes are advancing at a national level too. For example, Ecuador is promoting its "socio-bosque" programme before Reducing Emissions from Deforestation and forest Degraation (REDD+) becomes official UNFCCC policy. The state is also important in measuring emissions, setting a legal and governance framework, and in evicting people from their lands.

Structural. Carbon and biodiversity markets are part of an effort to expand state and market control over territories. One case presented as an example is in the San Nicolás valley in the Department of Antioquia, Colombia, where a "reforestation" CDM project funded by the World Bank BioCarbon Fund has established a new paramilitary-style environmental authority, while also encouraging the privatisation of land.

b) *What are the key instruments? Who are the key actors?*

Instruments

Carbon trading. The EU Emissions Trading System drives 97 per cent of all trades in carbon. The main global mechanism is currently the CDM. "New market mechanisms" ("NAMA" or sectoral crediting) are on the table at UNFCCC COP17 in Durban in December 2011. New sectors might also be included in the CDM – such as soil carbon, or carbon capture and storage.

Biodiversity and Ecosystems. REDD is being put forward at the UNFCCC, and through various World Bank and bilateral initiatives. A recent UNEP initiative on The Economics of Ecosystems and Biodiversity (TEEB) has proposed various forms of pricing biodiversity. A Green Development Mechanism (similar to the CDM), biodiversity banking and forest bonds are being advanced at the CBD. Existing ecosystem services payment schemes create a lot of problems in communities. Similar initiatives could be extended to other sectors, such as water – and next year's Rio+20 summit could play a key role in this.

Actors

States, negotiators and civil servants. National governments and administrators have driven forward carbon trading, most notably via the European Commission - which has created the world's largest Emissions Trading System (ETS) - and the UNFCCC international climate negotiations, which introduced offsets into the Kyoto Protocol.

Energy companies and industry European energy companies (EDF, E.On, EDF, Enel) are the largest carbon market players, and also hold the largest number of CDM credits. Heavy industries in the EU (steel, cement, etc) also make significant windfall profits from the EU ETS.

Finance. The majority of the value of the carbon market (worth $142 billion in 2010) relates to speculative trading and hedging, rather than compliance with climate targets. The largest CDM project developer is EcoSecurities, a wholly-owned subsidiary of JP Morgan. Trading arms of EU energy companies are also major players. The main carbon traders' lobby association is the International Emissions Trading Association.

Funds. There are numerous public and private climate funds. The largest portfolio (over $2.7 billion) is held by the World Bank. The World Bank, IFC and other multilateral development banks have launched several "bail out" funds to guarantee support for project developers in light of uncertainty over carbon market prices due to the financial crisis and the lack of a UNFCCC agreement.

Conservation NGOs. Although they are not big players financially, conservation NGOs such as WWF and The Nature Conservancy lend green "credentials" to the carbon market, giving it undue credibility, as well as influencing the push for REDD and other biodiversity markets.

Carbontariat. Private project verifiers, government regulators and consultants often pass through revolving doors between acting as regulators and profiting from the market. In Thailand for example the Designated National Authority is heavily influenced by the carbon consultancy South Pole. Many members of the CDM Executive Board, which approves new projects, have conflicts of interests.

c) *Link with other commodities*

Carbon credits are currently the "world's worst performing commodity," according to Reuters, with EU-permits not far behind. The market is hugely over-supplied – partly due to the financial crisis, partly due to corporate lobbying (which can significantly influence supply, since this is determined by climate targets and carbon allowance allocations, particularly within the EU). If demand were to pick up, however, carbon markets linked into index funds could form a speculative bubble.

In the case of biodiversity and ecosystem offsets, REDD is leading the way, leading to numerous problems. REDD is proposed as one of the "cheapest" routes to climate change mitigation, which clearly delimits what type of projects will be considered. It is not going to be cheap to pay an oil company not to exploit oil in a forest, so the assumption is that oil extraction will still result in deforestation. REDD payments will not displace oil production. At the other end of the spectrum, REDD financing does not go to the poorest people, as the opportunity costs of preserving forests are very low. Forest communities and Indigenous Peoples' won't destroy their forest anyway.

It is only possible to make money from offsets if your activities are dirty to begin with and then say you won't be as dirty as you had said you were going to be. This leads to a negative redistribution of wealth from poor to rich. That's written into the basic economic logic of REDD. When it comes to being "cheap", REDD is only cheap if you can find people poor enough that you can make some deal over their land. It tends not to displace large agribusiness – in fact, given that the "forest" definition used includes plantations, it actively encourages it.

Forest carbon both competes with and complements other strategies of financialization. Low carbon prices compared to speculative bubbles in agriculture, and a rush to gold in the context of the financial crisis, means that (within the flawed logic that REDD uses) it is currently more lucrative to deforest than to conserve forests. The case of the Rimba Raya project in Indonesia has borne this out already: half of a planned "conservation" area was sold off by the government to a palm oil plantation. This should come as little surprise. Recently published wikileaks cables showed how the Indonesian government was advancing REDD at COP13 (the UN climate conference in Bali in 2007) while at the same time encouraging policies that protected the interests of palm oil and industrial logging. REDD does not reduce deforestation, but simply partitions territory.

REDD can even be a way for states to gain access to land, which can be an indirect route to access for extractive industries. The experience of ecosystem payment schemes and REDD pilots in Colombia and Mexico suggests that many governments treat the expulsion of communities as a "side benefit" of these schemes.

d) *Approaches and strategies to break the dynamic of financialization*

"Definancialization" means resisting the construction of new carbon, biodiversity and ecosystem markets, and dismantling existing ones.

The following elements have been collected as possible approaches and strategies to break the financialization of ecosystems:

- Asserting "no to the commodification of nature" This could then link the narrative on carbon, biodiversity and ecosystems to other forms of commodification.

- When it comes to formulating positive proposals, it is clear that there is no single "alternative" to carbon trading or ecosystems markets. These frame the question of how to address biodiversity loss or climate change in the wrong way to start with – throwing together incommensurable processes in order to produce exchangeable commodities, and reducing many issues to financial questions even when money is not the key to addressing them. The word "alternatives" is unhelpful, and can even legitimise government and corporate solutions. To talk of our proposals is preferable.
- A non-exhaustive list of these proposals was discussed, e.g. undercutting support for carbon trading by readjusting other subsidies and forms of taxation. A "just transition" is needed, with workers and workers' organisations playing a key role in alliances that develop these proposals.
- In terms of agriculture, the food sovereignty agenda is a key to resisting the spread of agribusiness, which market-based mechanisms have subsidised. It also offers some useful lessons and principles for thinking about energy – although there was some debate as to whether "energy sovereignty" was a useful framing.

Strategies

- Use lessons of WTO campaigning are that complementary inside and outside strategies are important.
- Resists market-based schemes by defending the commons. There are numerous responses to these market-based schemes already. In the global South, there are several struggles to defend the commons and reject REDD and other ecosystems markets. These are generally not "carbon" specific, which is an unhelpful framing – they are frontline struggles against the forms of extraction and territorial control that such schemes support. In Europe and North America, there have been significant recent campaigns against extractive industries: including a successful battle to stop gas fracking in France, and a campaign to stop the keystone KL oil pipeline from the Canadian tar sands. This resistance on the ground can be supported by popular education and multimedia materials.
- Other forms of campaigning target private investors, e.g. denounce the greenwashing of banks.
- Engage some of the "well-meaning" environmental groups who foresee possibilities for non-market payment schemes.
- In terms of policy advocacy, engagement with UNFCCC negotiations generally involves "fire-fighting" - reacting to proposals that would expand carbon markets, and trying to kill them off or limit them as far as possible.
- Use conflicts of interest and collusion entailed in CDM decision making

At a policy level, some of the key proposals go beyond the immediate sphere of regulating greenhouse gas emissions. For example, EU energy liberalisation has led to the consolidation of energy companies, which focus on developing large-scale, centralized infrastructure and wield considerable influence over energy policy and research agendas (eg. promoting Carbon Capture and Storage). Public ownership is not enough here – companies like Vattenfall, Eskom and EDF are majority (or entirely) owned by states, but are structured like private corporations. This goes against the creation or consolidation of community energy programmes, and the decentralized and community-controlled electricity generation possibilities that renewables open up. Large energy companies are no longer simply generators, but also have significant trading arms – consistent with a broader process of financialization, in which transnational corporations find a greater proportion of their profits from speculation rather than production. Breaking the chain of energy liberalisation, and decorporatising research agendas, could be important steps in opening up new proposals on electricity production.

It was generally agreed that policy measures alone will not be enough. The defence of ecosystems and biodiversity, and addressing climate change, requires more fundamental transformations in production, consumption patterns and trade. “Reclaiming the commons” can provide a useful framework for addressing these larger questions.

Final Conclusions

Based on the discussions and the common struggles against the actual dominant economic and financial system, as well as the results of the workshops the following conclusions have been drawn:

1. **Common Approaches**

Despite the different dynamics as regards the levels and stages at which the financialization of nature is happening, there is several common approaches as regards how to break the dynamic of the financialization of nature that were identified.

a) **No to the financialization and commodification of nature – Reclaiming the Commons (Our Water, our Land, our Food, our Nature, our World is not for Sale)**
We agreed to use in the future the term "Financialization of nature" as already using the term natural resources (or commodities), implies to accept a certain view on nature. In all workshops, groups have come out with the resistance to the financilization and the assertion of our vision and alternative as key element that links all the different dynamics – from water, to minerals and food.

b) **Asserting the rights of Mother Earth**
In order to break the current logic, it is also important that we start to develop a new relationship with nature. This discussion is further advanced in Latin America, where the Rights of Mother Earth have been promoted by Indigenous people and this notion has also been introduced into the declaration of the Peoples Conference on Climate and Rights of Mother Earth (Cochabamba, Bolivia, abril 2010) , and finds itself also in some of the constitutions (Bolivia, Ecuador). See also **Proposal of Bolivia to Rio+20 on The Rights of Nature.**

c) **Changing the way we produce and consume and changing the financial system**
In order to be able to break the logic of an ever increasing demand for water, minerals, oil, gas etc. it has been clearly stated that we need to develop alternatives to the capitalist model of production and consumption. It is about breaking the logic of "economic growth" and reorganizing the economy (de-globalization, de-monopolization, definancialisation, etc.) with the aim to provide a good life for all but based on a much lower level of resource uses (based on common but differentiated responsibilities, which means that the Global North must reduce drastically, and much more than the Global South and must repair his ecological debt with the Global South), sustainable and just forms of production and also a reorganized financial system. The latter today exists based on a logic by itself.

d) **Reclaiming participatory democracy**
In all countries and regions we are facing the situation that people demand real democratic structures, participation and decision making processes that ensure policy making for the public good. In order to advance our approaches and visions we also need to deepen our participation and involvement or (if not yet) engage with those movements who fight for democracy.

Food Sovereignty, Energy Democracy, Public Services, Community based management of nature, claiming the right to water, food etc., self determination, public ownership and democratic decision making processes are a few key principles and approaches as regards how to organize production and consumption in a different way.

2. Common Strategies

Groups in different regions are already engaging in both – resistance against the expansion of destruction and exploitation as well as the financialization of nature as well as the building of alternatives. The following are a few strategies and campaigns that can be found in different regions and have been asserted as ways forward:

a) “Leave oil, gas, coal etc in the ground” campaigns (Stop the extraction of natural recourses)
b) Alternative forms of climate finance such as Financial Transaction Tax, Carbon Tax etc.
c) Debunking the myths of instruments such as REDD, CDM, TEEB and debunking the myth that technology can fix the problems/challenges – Observatories on DCM and campaigns against REDD+, etc.- e.g.: http://noredd.makenoise.org/)
d) Promote local energy, agriculture and food, transport and housing alternatives, develop transition paths together with trade unions, farmer & consumers organizations, etc.
e) Promote stronger regulation e.g. of financial markets, services and industry to deflate power/role of finance (Campaigning on tax havens, Financial Transaction Tax, tax evasion, prohibition on financial investment in food and agriculture; campaigning on alternative trade and investment policies, etc.)
f) Get institutional investors in particular pension funds not to invest in products that push the financialization of nature (e.g. Divestment Campaign undertaken in Canada/U.S)
g) Engage in broad awareness raising towards other groups, people etc. in order to on the one hand explain to people how their water, food, land, forests etc. are at stake and implications for them as well as making our alternatives visible.
h) Map strategies and approaches of decommodification as well as different forms of governance and make them visible

Specific campaigns ongoing in Europe (or ideas for it):

a) Campaign for a reform of the CAP based on Food Sovereignty (Network – Foodsovcap – see www.nyelenieurope.net)
b) Stop speculating on food – different groups engaged in following and influencing the financial market regulation at EU level – see www.makefinancework.org
d) Ideas: campaign to end/cut of the EU Emission Trading Scheme or also use the European Citizen Initiative (theme/demand to be discussed/defined)
e) Develop campaigns to stop legislative processes in European countries and at the European Union level which will try to develop new legislation for the creation and marketisation of new commodities related to ecosystems.
f) European Public Water Network (just created in Naples) – is developing a campaign for a European Referendum to stop water privatization (next European wide meeting to prepare the alternative water summit in Marseilles will be in Barcelona, Spain, 7th of January, for more information contact: Eloi Badia Casas <eloi.badia@isf.es>)

g) New stage of the process Towards an Alternative Trade Mandate for the EU: http://www.s2bnetwork.org/fileadmin/dateien/downloads/ENG_-_ATM_2011_Making_Trade_work_for_People_and_the_Planet.pdf
h) Call for an Alternative Investment Model (International investment agreements (IIAs), such as Free Trade Agreements and Bilateral Investment Treaties (BITs), pose a threat to economic, social, cultural and environmental rights, as well as to democracy and people's sovereignty. It is time to challenge them back and push for an alternative system that makes investment an engine for sustainable development!) - Global efforts against BITs and for an Alternative Investment Regime (more information here: http://www.s2bnetwork.org/themes/eu-investment-policy.html#c275)

3. Opportunities for joint action and mobilization

According to the different issues, there is different opportunities. Overall, at a global and European level, the following moments and processes had been identified as key:

- Mobilization against G20
- UNFCC process, with a key moment in June 2012 (Rio +20)
- Convention on Biodiversity Process (meeting in India 2012)
- The mobilization on the World Water Forum (Marseilles, March 2012)
- The Forum on Commons
- Thematic World Social Forum in Porto Alegre (24 to 28 January 2012, Porto Alegre)
- Different EU directives dealing either with financial market regulation, water, raw materials etc.
- Looking for convergence with groups and networks working on the European Raw Material Initiative, trade, finance and investment campaigns and the Resource CAP Coalition
- Campaign for a reform of the CAP based on Food Sovereignty
- Alternative Trade Mandate

4. Next steps

We agreed to engage in the following next steps:

a) Deepen the understanding on the financialization of nature

Several people are already engaged in research work or interested in doing more work, in order to deepen the understanding on the financialization of nature, such as:

- RMALC (Alejandro Villamar) – work done on mining, will include European dimension to this work
- ETC (Silvia Ribeiro) – working on exposing the technology dimension of the dynamic
- Uli Brand (University of Vienna) – doing a COST Project which allows researchers in this field to meet, idea is also to ensure that people form social movements and NGOs can join research meetings

This includes also developing a better understanding on the linkages between the different resources as well as the connections between pension funds etc.

b) **Substentiate the discussion paper which Antonio Tricarico had worked out for the conference as a reference document to promote the understanding of what is going on**

Antonio will work together with others to include some concrete examples and cases for the different issues. In the paper approaches for the decommodification, demarketization should be included.
This paper should be published at least in three languages (English, French, Spanish)

c) **Develop a brief paper which explains what is "Definancialization**

Dominique Plihon will bring this to the Scientific Council of Attac France, in order to produce a short paper.
Center of Concern is working on regulation of derivatives.

d) **How to change the finance/banking system**

Attac chapters in Europe are working on this subject, as well as others. We need to see, how to better share proposals and link up with groups not engaged in this work.

e) **Develop mobilization materials for people and organisations**

We agreed to work on mobilization materials which should rather use water, food, etc. as starting points as this is what people can relate to, to tell the story of what is happening.
Tom Kucharz is open to work on this, Gabriella is ready to do something on water.
This should be also useful to reach out to other movements.

This work should be done rather soon – in the run up/before Rio +20.

f) **Mapping of strategies and approaches of decommodification and different governance experienes and also victories**

We agreed to look into forms on how to collect these experiences and information as a tool to share it among ourselves. A website where groups can put up this information and materials could be on idea.

g) **Bring back the information and knowledge into our own organisations, networks and movements**

As a first step to work on the promotion of this information on what is going on, all participants agree to start within their own organisations, networks etc.

e) **Organise a European Forum on Alternatives to the financialization of Nature, bringing different movements and local struggles together**

We also agreed to work towards a next meeting in about one or two years time, with the aim to bring together those movements struggling e.g. against resources extraction (shale gas, new coal mines or other energy or refinery related projects, big infrastructure projects like high speed trains, etc.) as well as those working towards alternatives and transition (transition town movement, solidarity economy, food sovereignty etc.)
The struggles over the use of territories could be one of the linking approaches, also sharing victories of struggles should be part of such a forum.

f) **Develop tools for follow up**

It was agreed that in the follow up we look into tools such as one central website for sharing the infos, publications etc. as well as email lists, social web tools etc.

Participants

NAME	First name	ORG	Country	E-mail
AGUITON	Christophe	Attac	France	aguiton@gmail.com
AMBROSE	Soren	ActionAid International	Kenya	Soren.Ambrose@actionaid.org
ANDERSON	Teresa	The Gaia Foundation	UK	teresa@gaianet.org
AZAM	Geneviève	ATTAC	France	genevieve.azam@wanadoo.fr
BEDNIK	Anna	Collectif IDF non aux gaz et pétrole de schiste , collectif Aldeah et FAL	France	anna.bednik@gmail.com
BRAND	Ulrich	Vienna University, Sc Council of Attac Germany	Austria	ulrich.brand@univie.ac.at
BROSSEL	Vincent	CCFD – Terre solidaire	France	v.brossel@ccfd.asso.fr
BULLARD	Nicola	Focus on the Global South	Thailand/France	n.bullard@focusweb.org
CABIOC'H	Hélène	Aitec-Ipam	France	helene.aitec@reseau-ipam.org
CHAPELLE	Sophie	Basta!	France	sophie.chapelle@gmail.com
CHOPLIN	Gérard	European Coordination Via Campesina	Belgium	gerard.choplin@eurovia.org
CHRONOPOULOS	Theodoros	Sigrid Rausing Trust	UK	theodoros@srtrust.org
COMBES	Maxime	AITEC-Ipam	France	maxime.combes@gmail.com
CRISPE	Louisa	France Libertés	France	louisa.crispe@france-libertes.fr
DAGORN	Jean-Cyril	Oxfam	France	jcdagorn@oxfamfrance.org
DE LOS REYES	Julie	TNI	Philippines	juliedelosreyes@tni.org
DENES	Mel	BankTrack	Belgium	mel.denes@netwerkvlaanderen.be
DI RISIO	Diego	CEPPAS	Argentina	diegodr@gmail.com
DUCK	Nathalie	Concern Worldwide	UK	Natalie.Duck@concern.net
FRANCHI	Giulia	CRBM	Italy	gfranchi@crbm.org
GAY VARELA	Marcos	Attac	Spain	serradofaro@gmail.com
GLOIRE	Brigitte	Oxfam-solidarité	Belgium	brigitte.gloire@oxfamsol.be
GONDARD	Cecilia	Global Progressive Forum	Belgium	cecilia.gondard@europarl.europa.eu
GONZALEZ	Gaël	Orée	France	gonzalez@oree.org
GRIFFITHS	Hannah	WDM	UK	hannah.griffiths@wdm.org.uk
GUERRERO	Dorothy Grace	Focus on the Global South	Philippines	d.guerrero@focusweb.org
HÄLLSTRÖM	Niclas	What Next Forum	Sweden	niclas.hallstrom@whatnext.org
HENN	Markus	WEED	Germany	markus.henn@weed-online.org
HENRIQUES	Gisele	CIDSE	Belgium	henriques@cidse.org
HILDYARD	Nick	Corner House	UK	nick@fifehead.demon.co.uk
HLOBIL	Petv	Bankwatch	CZ	
HOFFMAN	David	CEE Bankwatch Network	CZ	david.hoffman@bankwatch.org

HULOVA	Diana	Eurodad	Belgium	DianaHulova@eurodad.org
IDRAC	Mickaël	UNRWA	France	mickael.idrac@live.com
JORAND	Maureen	CCFD – Terre solidaire	France	jm.jorand@ccfd.asso.fr
JOSSEC	Gildas	Aitec	France	gildas.aitec@reseau-ipam.org
KAARA	Kiama	Kenya Debt Relief Network - KENDREN	Kenya	kiamak@yahoo.com
KANE	David	Maryknoll Office for Global Concerns	USA	dkane@maryknoll.org
KRETZMAN	Steve	Oil Change International		steve@priceofoil.org
KÜBLBÖCK	Karin	Attac	Austria	karin.kueblboeck@attac.at
KUCHARZ	Tom	Ecologistas en Accion	Spain	agroecologia@ecologistasenaccion.org
LARBO	Lawrence	Friends of the Earth	Sierra Leone	friendsoftheearth2006@yahoo.com
LARQUE	Lionel	Les petits débrouillards	France	l.larque@lespetitsdebrouillards.org
LASSALLE	Grégory	Collectif Guatemala	France	lassalle.greg@gmail.com
LEE	Thomas	The Sigrid Rausing Trust	UK	tom@srtrust.org
LINES	Thomas	Freelance consultant	UK	tlines@globalnet.co.uk
LOHMANN	Larry	The Corner House	UK	larrylohmann@gn.apc.org
LÖSCHMANN	Heike	Heinrich-Böll-Stiftung e.V	Germany	Loeschmann@BOELL.DE
LOUVEL	Yann	BankTrack	France	yann@banktrack.org
LUIG	Benjamin	Misereor	Germany	Benjamin.Luig@misereor.de
LUKAS	Ivan	Glopolis	Czech republic	lukas@glopolis.org
MARTINELLI	Luca	Altreconomia	Italy	luca@altreconomia.it
MAYER	Jörg	UNCTAD		joerg.mayer@unctad.org
MWAMBWA	Savior	Centre for Trade Policy and Development	Zambia	savior.mwambwa@gmail.com
NEWMAN	Susan	ISS	Netherlands	susanamynewman@googlemail.com
OBANIL	Rovik	Integrated Rural Development Foundation	Philippines	rsobanil@gmail.com
PAREKH	Payal	Researcher	Switzerland	payal@climate-consulting.org
PENTZLIN	Daniel	Friends of the Earth Europe	Belgium	daniel.pentzlin@foeeurope.org
PEULLEMEULLE	Justine	Ritimo	France	j.peullemeulle@ritimo.org
PINA	Cristina	Ingeniería Sin Fronteras (Catalunya)	Spain	noiaxiroia@gmail.com
PLIHON	Dominique	ATTAC	France	dominique.plihon@orange.fr
RENAUD	Juliette	Amis de la Terre	France	juliette.renaud@amisdelaterre.org
RENAULT	Julien	Collectif IDF non aux gaz et pétrole de schiste	France	ioulianos@live.fr
REYES	Oscar	Carbon Trade Watch		oscar@carbontradewatch.org
RIBEIRO	Silvia	ETC group	Mexico	silvia@etcgroup.org
RIVOALAN	Soisic	France Libertés	France	
ROCHE	Charles	Directeur du Mineral Policy Institute, Australie (membre du réseau BankTrack)	Australia	charles.roche@mpi.org.au

RÖDER	Friederike	ONE	France	friederike.roeder@one.org
RODRIGUEZ	Diego	CENSAT-Amigos de la Tierra Colombia	Colombia	clima@censat.org
ROJAS	Isaac	Friends of the Earth International	Costa Rica	isaac@coecoceiba.org
RUEHL	Daniela	WEED	Germany	dandaruehl@gmx.de
SAINT-AUBIN	Thibaud	Ingénieurs sans frontières	France	tybo70@hotmail.fr
SANTORO	Muriel	France Libertés	France	
SCOLUM	Tyson	Public Citizen's Energy Program	USA	tslocum@citizen.org
SEIGNAN	Gilles	France Amérique Latine	France	g.steak@laposte.net
SENSI	Roberto	ActionAid	Italy	Roberto.Sensi@actionaid.org
SIMON	Fanny	AITEC	France	fannys.aitec@reseau-ipam.org
SIMPERE	Anne-Sophie	Amis de la Terre	France	annesophie.simpere@gmail.com
SLAVOV	Todor	Za Zemiata	Bulgaria	ecolog@gmail.com
SSALI	Godfrey	Uganda Trade Manufacturers	Uganda	ssalikg@yahoo.com
STRICKNER	Alexandra	ATTAC	Austria	alexandra.strickner@attac.at
TINNIRELLO	Ana Inés	Yasunì-itt initiative - international team	Italy	annatinni@hotmail.com
TRICARICO	Antonio	CRBM	Italy	atricarico@crbm.org
VAN GELDER	Jan Willem	Profundo	Netherlands	JW@profundo.nl
vander STICHELE	Myriam	SOMO	Netherlands	mvanderstichele@somo.nl
VELLVE	Renée	GRAIN	France	renee@grain.org
VERPOEST	Berber	Counter Balance	Belgium	press@counterbalance-eib.org
VIALE	Enrique	Asociación Argentina de Abogados Ambientalistas (AAdeAA)	Argentina	enriqueviale@yahoo.com.ar
VILLAMAR	Alejandro	RMALC	Mexico	avillamarc@hotmail.com
VROMAN	Camille	France Libertés – Fondation Danielle Mitterrand	France	camille.vroman@france-libertes.fr
WARMENBOL	Koen	11 11 11	Belgium	Koen.Warmenbol@11.be
WENIDOPPLER	Thomas	ECA Watch	Austria	thomas.wenidoppler@eca-watch.at
WORTHY	Murray	World Development Movement	Uk	Murray.Worthy@wdm.org.uk
YANEZ	Ivonne	Accion Ecologica	Ecuador	sudamerica@oilwatch.org
ZANZANAIN	Gabriella	Food & Water Europe	Belgium	gzanzanaini@fweurope.org