

Conservation Fads, Environmental Markets, and Climate Change

A 2013 editorial in *Conservation Biology* by three leading scientists identified 10 “fads” that environmental organizations and funders have promoted globally in a counter-productive fashion. The article maintained that conservation efforts often are driven by a culture of unrealistic expectations, leading to a cycle of rejection, reinvention, and repackaging without learning the lessons of failure.

The fads included “marketing of natural products from rain forests; biological diversity hotspots; integrated conservation and development projects; ecotourism; eco-certification; community based conservation; payment for ecosystem services; reduced emissions from deforestation and [forest] degradation (REDD); conservation concessions; and landscape approaches that integrate agriculture, sustainable uses, and conservation.”

One could think of others too, such as debt-for-nature swaps or bio-prospecting. It’s not that these approaches are without any value, but a professional and institutional culture that reactively jumps from

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one new allegedly transformational fad to another serves conservation poorly.

The fads reflect the need of organizations for new funding, and for new ways to brand themselves as more innovative than their competitors. Many donors are seduced by gimmicky approaches that purport to be replicable a thousand-fold as global solutions. Others seek the utopian grail of market-based instruments that aim to make conservation economically competitive with habitat-destroying activities.

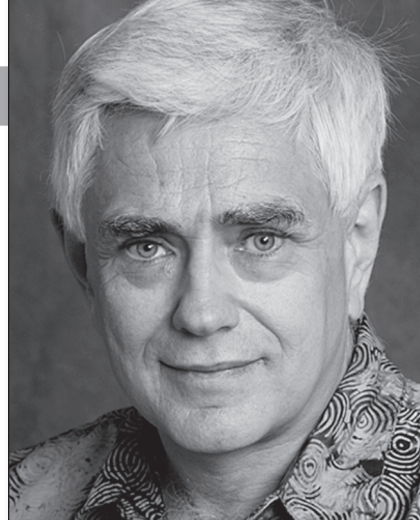
So one hears time and again that wildlife habitat or rain forests can be saved only if they are made to pay for themselves, be it through ecotourism, eco-certification of international consumer commodities for conservation-

minded purchasers, sale of rain-forest products for cosmetics, discovery of new pharmaceuticals in rain-forest plants, and most recently, getting the private sector to pay local governments and communities to conserve forests or manage agriculture as carbon sinks.

Mitigating climate change is the biggest single new source of environmental finance, including government promotion of carbon-trading systems through which private companies would pay for land-based carbon offset sinks in developing countries that will cost less than reducing emissions in their own production facilities. The United Nations REDD+ program (the + indicates other forest management programs that have been added to REDD) is currently the lead example of such an approach.

But the main obstacle to conservation in many parts of the world is a lack of robust governance and institutions — starting with reducing corruption — and simple failure of political will. Raising more money putatively for conservation through increasingly inventive finance can even make things worse without reforms in governance and institutions, and a change of political culture.

A subsequent 2016 *Conservation Biology* article revisits some of these market-based fads. It argues that REDD+ and other market-based instruments are fundamentally flawed approaches, since they can never raise sufficient amounts of money through artificially created markets to fully compensate the short-term real world economic proceeds of habitat-destroying resource extraction. Existing markets and economic incentives for habitat destruction can’t be countered by a weaker government-created market for carbon offsets or environmental services without huge additional direct subsidization. As markets fail to deliver, REDD+ and other



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hoped for market-based conservation approaches try to survive by evolving towards ever greater dependence on government finance and regulation.

Some market-based conservation approaches like REDD+ originally were conceived to depend on revenue linked to prices that will increase in relation to growth of the very activity they are supposed to offset — in this case carbon emissions. But there is a chronic oversupply of carbon credits for which prices have remained depressed for over a decade — 4.93 euros per ton of CO₂ equivalent as of July in the European Union carbon trading system. Low demand for carbon offsets in richer countries reflects in part a more rapid fall than expected in the price of alternative investments in renewable energy, especially wind and solar photovoltaics, as well as slower and less carbon intensive economic growth. This good news for the climate is bad news for market prices of carbon offsets to finance REDD+.

Meanwhile, lack of action by governments threatens that the transition to low-carbon energy will occur too late to mitigate dangerous global warming. In late June, the energy ministers of the Group of Twenty largest economies once again failed to agree on any deadline or effective plan to phase out the G20’s \$444 billion in annual fossil fuel production and consumption subsidies, a commitment they made in 2009 and rhetorically reaffirmed at the 2015 Paris climate summit. This yearly \$444 billion is real money, not the cargo cult of global carbon offsets.