



Covering investment gap: Shift in governance

- Contribution marginal but growing (estimated max. 5%)
- Supporting arguments of insufficient public funding or emerging economies in crisis
- Reinforcement of private profit-seeking debt financing, often even supported by tax money blending
- Yet, accountability of green bond market governance questioned, standards voluntary, assurance in conflict of interest, and lack of public oversight of impact
- As a result, market pressures (costs, profit, commodity) risk of greenwashing, wasted capacities, negative impact (BHP in Kenya)
- Financialisation of nature-based solutions that are simplified into financial innovation, unpredictable complexity inconvenient and ignored

1

Protecting nature: Efficiency constraints

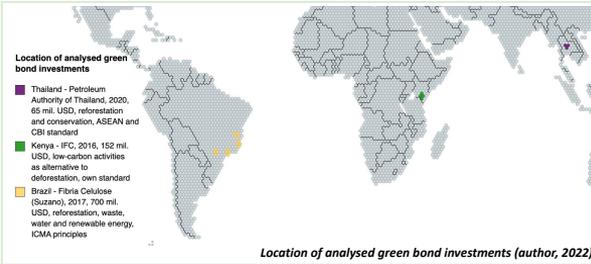
- Complex ecosystems treated in reductionist manner for marketisation purposes (monetisation and accounting of ecosystem capital and services)
- Enforced predictability through alienation, enclosures, and commodification
- GMOs, monocultures and invasive species to save costs and produce quicker (Fibria in Brazil)
- Interventions into ecosystems questioned, e.g. due to spillover effects (biodiversity in Kenya, water in Brazil)
- Forestry certification offers limited assurance, strict green bond standards/taxonomies mostly not followed

2

Respecting local communities: Second priority

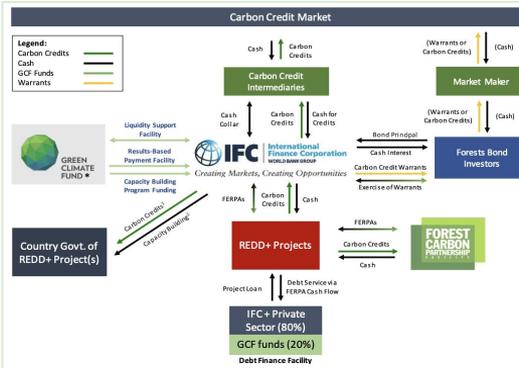
- Social and political perspectives marginalised
- Communities marginalised or expelled from own land for the benefit of conservation, people as a risk for investors
- Lack of local engagement beyond offering unqualified employment, unsustainable global management
- Perpetuation of colonial legacies of discrimination and injustice (tribes in Kenya)
- More debt for indebted communities, profit over financial wellbeing and access to services
- Government ignores or even directly participates (PTT in Thailand)

3



Key research: **Asiyamb**, (2013), 'Financialisation in the green economy: Material connections, markets-in-the-making and Foucauldian organising actions' in *Environment and Planning A: Economy and Space*. **Bracking**, (2019), 'Financialisation, Climate Finance, and the Calculative Challenges of Managing Environmental Change' in *Antipode: A Radical Journal of Geography*, 51(3), pp. 709-729. **Castree**, (2010), 'Neoliberalism and the biophysical environment: a synthesis and evaluation of the research' in *Environment and Society: advances in research*, 1 (1), pp. 5-45. **Chomba et al.** (2016), 'Roots of inequality: How the implementation of REDD+ reinforces past injustices' in *Land Use Policy*, 50, pp. 202-213. **Dupré et al.** (2018), 'Shooting for the Moon in a Hot Air Balloon': 2 Investing Initiative. **Kamer-Mbote et al.** (2013), *Outs By Right*. **Kosoy & Corbera**, (2010), 'Payments for Ecosystem Services as Commodity Fetishism' in *Ecological Economics*. **McAfee**, (1999), 'Selling nature to save it? Biodiversity and green developmentalism' in *Environment and Planning D: Society and Space*, 17, pp. 133-154. **Sullivan**, (2012), 'Banking Nature? The Spectacular Financialisation of Environmental Conservation' in *Antipode: A Radical Journal of Geography*.

Key policies: **Climate Bonds Initiative**, (2018a), *Forestry Criteria*. **Cranford, Parker & Trivedi**, (2011), *Understanding Forest Bonds*. *Global Carbon Programme*.



Global financial innovation result connecting green bonds with REDD+ (IFC, 2018)

Findings and future research

- No long-term assurance of sustainable governance (EU GBS and NIMBY)
- Complex socio-natures simplified and harmed, the political and social ignored leading to inherent contradictions
- Discourse of “covering investment gap” and profitable financial innovation rather than complex scientific evidence and local-led systemic solution
- Future research should focus on:
 - Additional and counterfactual causality of global green bond market on local political-social-ecological context
 - Alternatives of financing and governance, role of government and community (examples similar to Hutun Desa and Indian or Kenyan forest law)

4