

Exporting Extinction

How the international financial
system constrains biodiverse futures

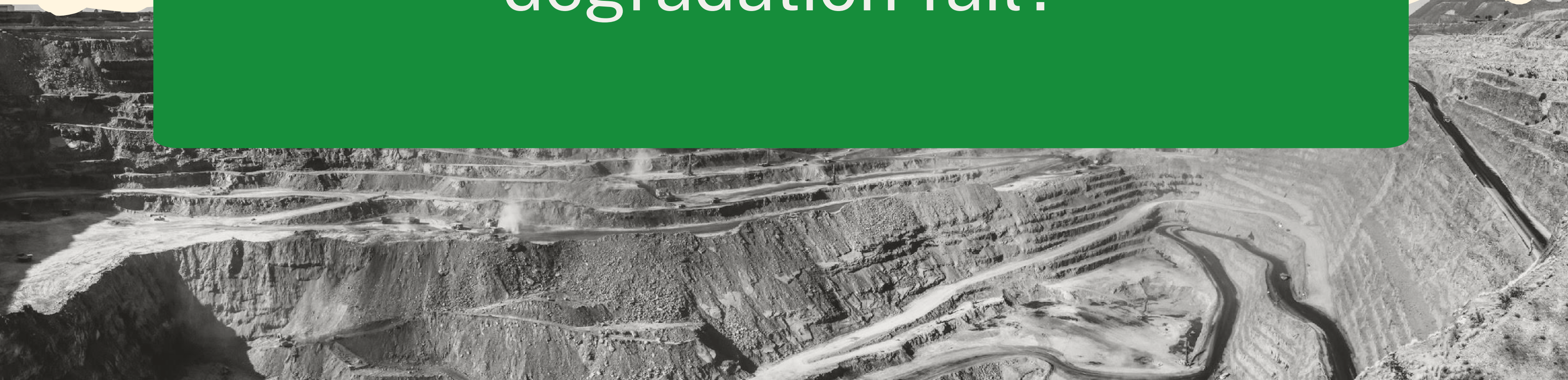
Biodiversity Capital Research Collective


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Why do decades of decisions and targets to address ecological degradation fail?



An aerial photograph of a large-scale open-pit mine. The mine is characterized by numerous terraced levels, or benches, that descend into the earth. A prominent, winding road or conveyor system snakes through the lower levels of the mine. The surrounding landscape is arid and rocky, with some distant hills visible under a clear sky. The overall scene depicts a significant industrial extraction site.

What prevents countries from stopping or altering the extraction that imperils biodiversity?

What holds extractivism in place?

Structural drivers of biodiversity loss

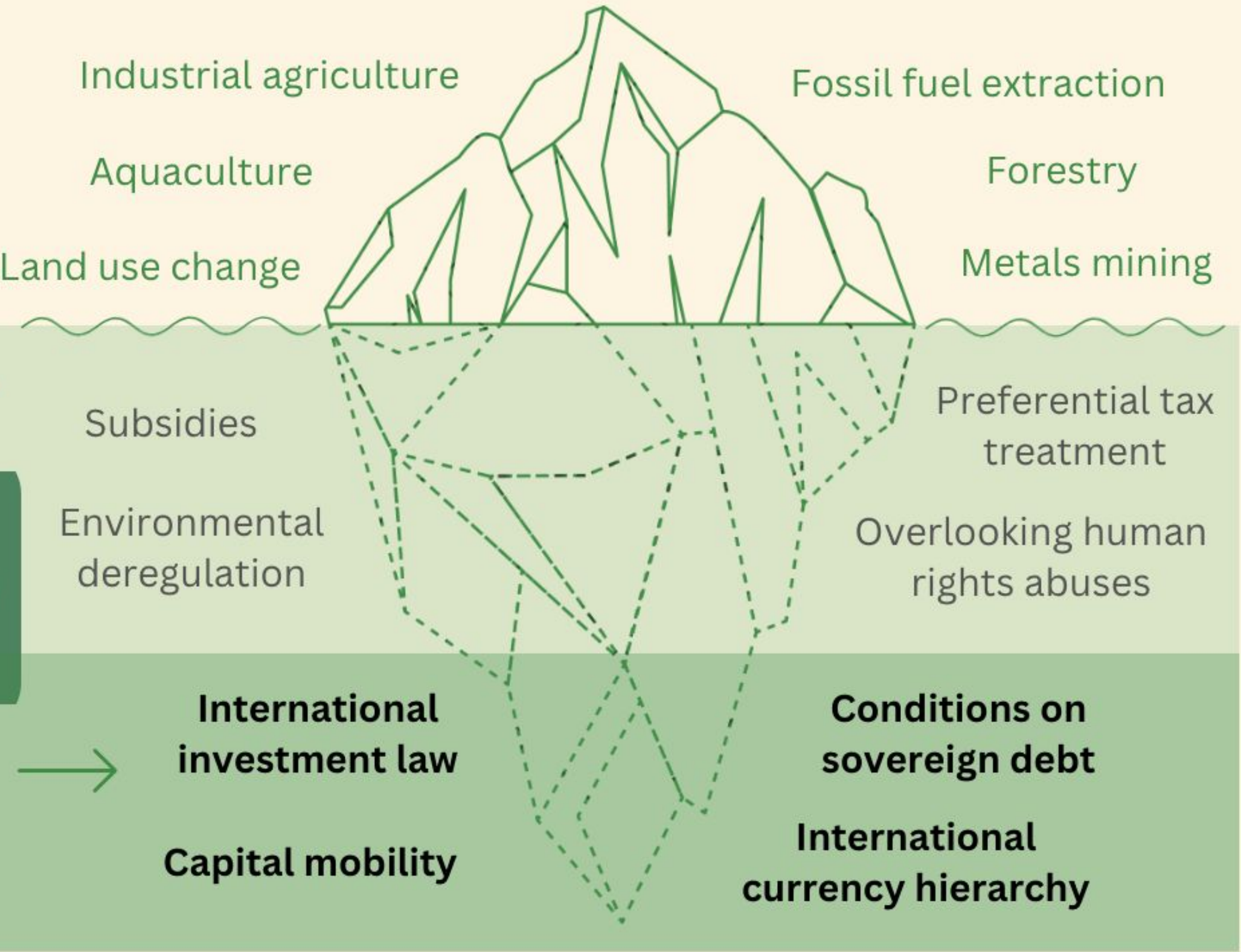
90% of biodiversity loss is estimated to be driven by extractive land use change. →

The costs and benefits of this extraction are highly unequal, a model called **extractivism**.

Governments use **domestic policies** to expand these sectors. →

Why? Governments face pressure to **attract foreign investment, earn foreign currency, and comply with international financial institutions**, deepening dependence on extractive exports.

International political economic rules render extractivism necessary to maintain financial stability, thus constraining government action on biodiversity loss. →



Exporting extinction: how the international financial system constrains biodiverse futures (Dempsey et al. 2024)

Full report now available in English

(Spanish and French to come)

Introduction

Diverse ecosystems are necessary for all life on Earth. In addition to supporting millions of species of unique life forms, these ecosystems filter water, cycle soil nutrients, buffer against storms and floods, and underpin the global carbon cycle.⁶ For Indigenous Peoples and other local communities, the unique species and ecosystems in their ancestral territories uphold lifeways, food and medicine sources, political and legal organization, and spiritual cosmologies.⁶ Biodiverse ecosystems make the world more lively, abundant, and resilient.

But these biodiverse ecosystems are quickly diminishing. Globally, biodiversity continues to be lost primarily through degradation of lands and waters.⁷ Extraction—through industries like mining, oil and gas, forestry, and industrial agriculture—drives 90 percent of biodiversity loss.⁸ These extractive activities fragment habitat, pollute waterways, and degrade the landscapes that support life in biodiverse ecosystems while fraying the social fabric that underlies Indigenous and community stewardship.

These losses continue despite international efforts to halt biodiversity loss. In 2010, the world's governments agreed to 20 goals, known as the Aichi Biodiversity Targets,⁹ which resolved to address the underlying causes of biodiversity loss by 2020. None of these targets were achieved.

This Extinction Crisis

Biodiversity is declining at an unprecedented rate due to harmful human activities, including anthropogenic climate change.¹⁰ While there are multiple drivers of biodiversity loss, land use change is the primary driver of the global biodiversity crisis, threatening more species with extinction than all other threats combined.¹¹

In addition to declining diversity, the average abundance of mammals, birds, fish, reptiles, and amphibians has declined by 69 percent since 1970.

More than 40 percent of amphibian species, almost 33 percent of reef-forming corals, and more than a third of all marine mammals are threatened.

Land degradation has reduced the productivity of 23 percent of the global land surface, and up to USD 577 billion in annual global crops are at risk from pollinator loss, while 100 to 300 million people are at increased risk of floods and hurricanes due to loss of coastal habitats and protection.

⁶IPBES, "Global Assessment Report on Biodiversity and Ecosystem Services."
⁷Patricia Balvanera et al. eds., "Methodological Assessment of the Diverse Values and Valuation of Nature of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services," IPBES, 2022, <https://www.ipbes.net/the-values-assessment/>; Nicole Rodgers et al., "Indigenous Solutions to the Climate and Biodiversity Crises: A Reflection on UNDRIP," PLOS Global Public Health 3, no. 6 (2023), <https://doi.org/10.1371/journal.pgph.0000000>.
⁸Unless otherwise specified, all statistics in this box are from IPBES, "Global Assessment Report on Biodiversity and Ecosystem Services."
⁹Aaron S. Hogue and Kathryn Brann, "The Greatest Threats to Species," Conservation Science and Protection 4, no. 5 (2022), <https://doi.org/10.1111/csp2.12670>; this research finds that 71 percent of the time habitat destruction was the main factor pushing a species toward extinction, compared to 7 percent associated with overexploitation, 7 percent with invasive species, 5 percent with pollution, and 2 percent with climate change and weather.
¹⁰IPBES, "Global Assessment Report on Biodiversity and Ecosystem Services," pollution, invasive species, and climate change are also leading drivers, according to intergovernmental scientific bodies.
¹¹Oswin et al., "Global Resources Outlook 2019."
¹²CBSD, "Aichi Biodiversity Targets."

house lawmaker for the Workers' Party, "It is a colonization agreement, which can only bring more crisis, more adjustment, more poverty."¹²

Yet, in November 2023, populist anarcho-capitalist candidate Javier Milei won the presidency of Argentina on a platform of dollarization, converting the entire Argentine economy to the US dollar, effectively repeating the failed currency reforms of the early 1990s and ceding all monetary policy to Washington. The implications of such a policy threaten to reach far beyond agricultural or environmental policy, but would undoubtedly exacerbate the biodiversity crisis through a combination of further agricultural expansion and funding cuts for environmental enforcement. As of January 2024, Milei's administration was already pursuing austerity measures with the support of the IMF,¹³ such as cutting subsidies for public transportation, axing government jobs,¹⁴ and dissolving the entire Ministry of Environment.¹⁵ If Argentina chooses the US dollar through concessions to international agribusiness and at the expense of economic diversification,¹⁶ it will be structurally dependent on the current inequitable organization of soy exports, leaving little room to reform the industry's damaging ecological and social impacts.

Argentina is a prime example of how high external debt loads—combined with an international currency hierarchy—drive expansion of commodity sectors that harm biodiversity, and must be addressed by international bodies concerned with conservation.

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¹²La Bianca and Sigal, "Argentina Anti-IMF Protesters Burn Tires, Hurl Rocks as Congress Debates Deal."
¹³"Milei's 'Tobacco' Milei to meet Georgieva in Davos after winning IMF support," Buenos Aires Times, January 16, 2024, <https://www.bahatimes.com.ar/news/economy/milei-to-meet-georgieva-in-davos-after-winning-imf-support-168101>; "IMF Staff and the Argentine Authorities Reach Staff-Level Agreement on Seventh Review under the Extended Fund Facility Arrangement," International Monetary Fund, January 10, 2024, <https://www.imf.org/en/News/Articles/2024/01/10/240110arg-argentina-arg-efsf-staff-authorities-reach-staff-level-review-under-efsf-arrangement>.
¹⁴Ruan Pablo Kanenagh, "Chainsaw Plan Round 2: Argentina's Government Looks to Deepen Austerity," Buenos Aires Times, January 14, 2024, <https://www.bahatimes.com.ar/news/economy/chainsaw-plan-round-2-argentina-s-new-government-looks-to-deepen-austerity-168091>.
¹⁵Bylvia Colombo, "From Horrible to Merely Bad: Will Javier Milei Take his Chainsaw to the Environment in Argentina?" The Guardian, December 8, 2023, <https://www.theguardian.com/global-development/2023/dec/08/from-horrible-to-merely-bad-will-javier-milei-take-his-chainsaw-to-the-environment-in-argentina>.
¹⁶Lampa, Tavasci, and Vestergaard, "External Finance, Subordinated Financialization," 979.



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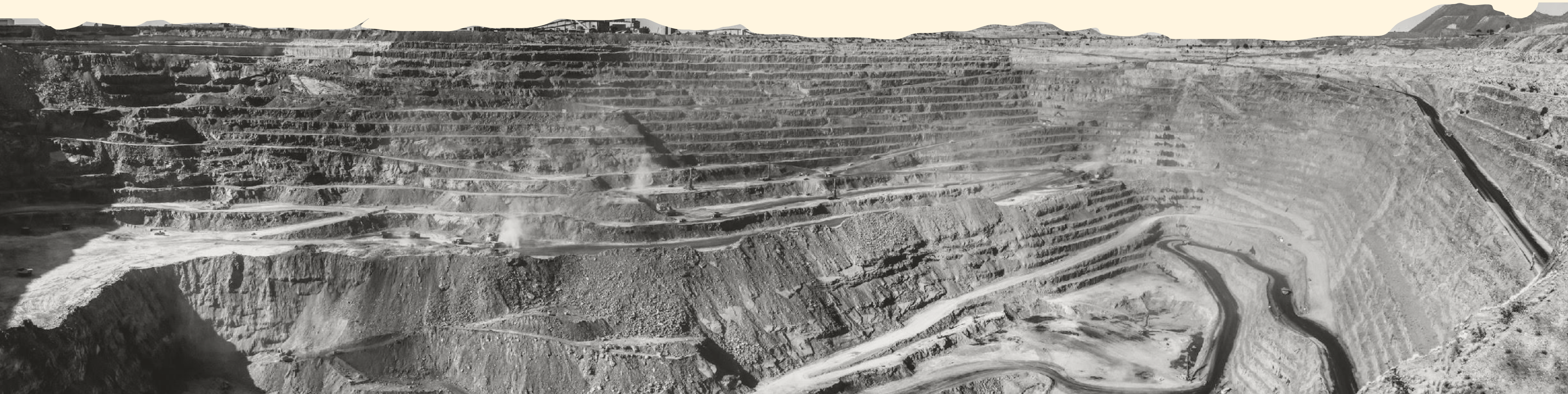
May 2024



01.

Governments support extractive sectors, in part, because they are trying to attract foreign investment to their country and maintain investability

Key Findings



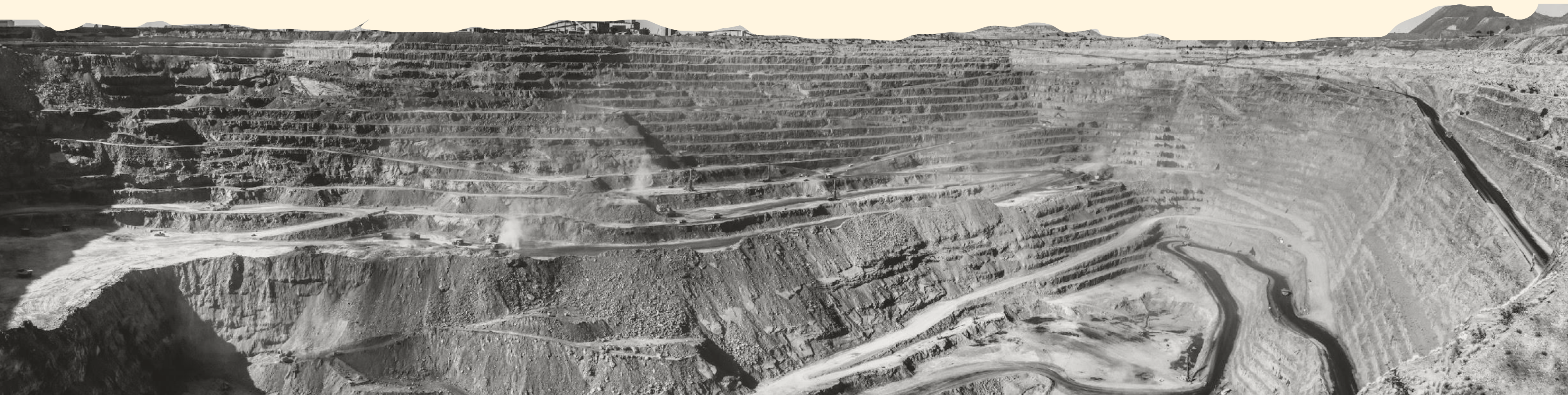
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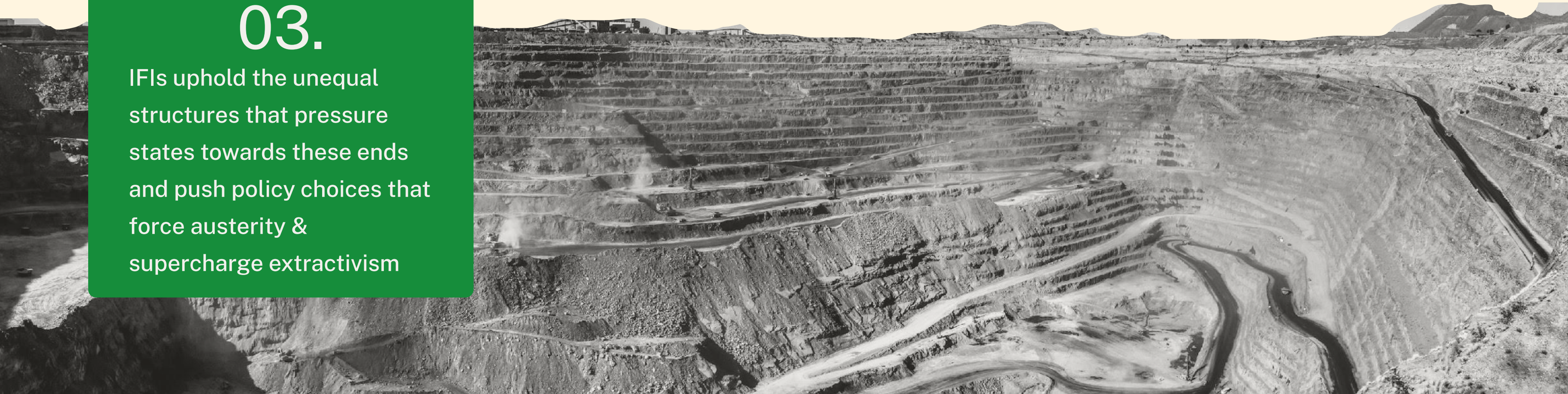
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These conditions of financial subordination are therefore a root driver of biodiversity loss

Country Sector Export Revenue Domestic Policies

Argentina	Industrial soy agriculture	25%	Dissolution of agricultural regulatory boards, dismantling of national forest conservation agency, preferential exchange rates for soy exports
Colombia	Coal and oil	50%	Entered into international investment treaties that protect ongoing extraction, increased mining titles for coal
Democratic Republic of the Congo	Metals mining	84%	Resource-backed loan agreements that expand mining, failure to enforce laws meant to prevent forced evictions due to mine expansion
Jamaica	Bauxite mining	42%	Mine approvals in a highly biodiverse region, opposing community concerns of constitutional violations related to the mine, appealing court injunctions pausing mine construction
Papua New Guinea	Metals mining, oil and gas	82%	Preferential tax treatment for extractive sectors, re-opening gold mine closed due to environmental and social concerns

