

# The role of economic instruments in the context of biodiversity related MEAs

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# Questions addressed

- How can EIs be used (more effectively) for biodiversity protection?
- How have EIs been approached in three biodiversity related MEAs (CBD, Ramsar, CITES)?
- Which synergies exist to be taken advantage of in the different MEAs?



# Content

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- The range of economic instruments in the context of biodiversity related MEAs
- References to economic instruments in selected MEAs
- Thematic areas for the use of EIs
- How to support the use of EIs
- Conclusions – CITES relevant recommendations



# 1. The Range of EIs for Biodiversity Protection

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- Property rights
  - Conservation easements
  - Communal property rights
- Market creation
  - Ecolabeling
  - CO2 sequestration offsets
  - Tradable development rights
- Charges
  - Entrance fees
  - Concession payments for tourism, hunting, fishing



# 1. The Range of EIs for Biodiversity Protection

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- Fiscal instruments
  - Tax exemptions or tax deductions
  - Differential land use tax
- Environmental Funds and financial mechanisms
  - National environmental funds
  - Soft credits
  - Biodiversity investment funds
- Liability system
  - Fines
  - Performance bonds



## 2. References to economic instruments in selected MEAs

### *CBD*

- Art.11 refers to the adoption of incentive measures
- COPs have considered economic incentives extensively
- Decision VI/15 promotes the adoption, provides criteria and guidelines for use and mentions cooperation with other MEAs

### *Ramsar*

- No explicit mention in Convention
- COP8 adopts Resolution on incentive measures, emphasizing the fundamental importance of incentive measures as tools for the conservation and wise use of wetlands

### *CITES*

- No explicit mention in Convention
- Strategic Plan Goal 1: for trade to be responsible and based on sustainable use, social and economic incentives are needed



### 3. Thematic areas for the use of EIs

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- EIs for in situ conservation
- Raising financial resources
- Sustainable trade
- Payments for environmental services
- Addressing perverse subsidies

# ...EIs for in situ conservation

- Emphasis of conventions
  - Great variety of EIs applicable
  - Experience concentrated in the industrialized world
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- More evaluations and monitoring of implementation required
  - More analysis of more recent instruments required



Orcutt Grass, Sacramento Conservation Bank



# ...Raising financial resources

- Often more important than incentive character of EIs
- Funds have been important instrument (more than just financial tool)
- Analysis of innovative mechanisms (capital venture funds, specific species funds) necessary
- Use of fiscal instruments and charges to be further explored
- Support to existing initiatives important



## ...Sustainable trade

- Still small, but very dynamic
- Capacity and institution building in developing countries
- Possible cooperation in geographically centered initiatives
- Make more use of synergies with private initiatives
  - Respect for MEAs
  - “on the ground insights”
  - Use of CITES listing as indicators or criteria
  - Specific mention of endangered species
  - CITES non-detriment finding



Community forest management in Xapuri, Brazil, FSC certified

# ...Payments for ecosystem services

- Variety of different payments
- Mention of specific services in MEAs
- Mostly compartmentalized, but some bundling exists
- Potential has to be analyzed and trade-offs identified
- Environmental impacts have to be analyzed
- Ecotourism. Wildlife tourism might assume special role
- Establish link to WTO negotiations



Climate Care reforestation project in Uganda



## 4. Supporting the introduction of EIs

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- Integration of local communities
- Networks / training / exchange of experience
- Valuation and EIs
- Role of the State

# ...Integration of local communities

- Importance recognized in MEAs
- Two-way relationship:
  - Effective use of EIs
  - EIs can help integrate local communities
- “Mainstreaming” of local community involvement in EIs required
- Joint effort for good practice guidelines
- Establish synergies with poverty reduction strategies



Campfire – Elephant in the fields

# ...Networks, training, capacity building

- Build upon existing work, especially by CBD, but also organisations such as the Conservation Finance Alliance, OECD, UNEP
- Efficient organization and coordination between MEAs essential
- Learning by doing would be useful (CBTFED type)
- Joint capacity building needs assessment would be beneficial (assess also capacity for receiving training)





# Conclusions – CITES relevant recommendations

- Potential for fostering CITES relevant objectives with economic instruments is large
  - Wider promotion of CITES certification
  - Revision of enforcement mechanisms under economic incentive criteria would be useful
  - Incentives for “public control”
  - Fees for permits for captive breeding, for trade in App.2 ?
  - Application of tradable quotas feasible and useful in some cases?
- Not only directly but also indirectly relevant instruments should be considered
  - Ranging from taxes over funds, to tradable development rights, to mention only a few



# Conclusions – CITES relevant recommendations

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- Potential synergies with other MEAs are large
  - Common clearing house
  - Developing country focus necessary
  - Evaluations of existing experiences necessary
  - Resource savings in implementation
- But not only with other MEAs
  - Ecolabeling used for non-detriment finding
  - WTO: environmental goods and services (CITES relevant services such as ecotourism)



