

**Regional Workshop for Central Asia on Updating National  
Biodiversity Strategies and Action Plans:**

**Positive Incentives: global perspectives and  
regional experiences (Target 3)**

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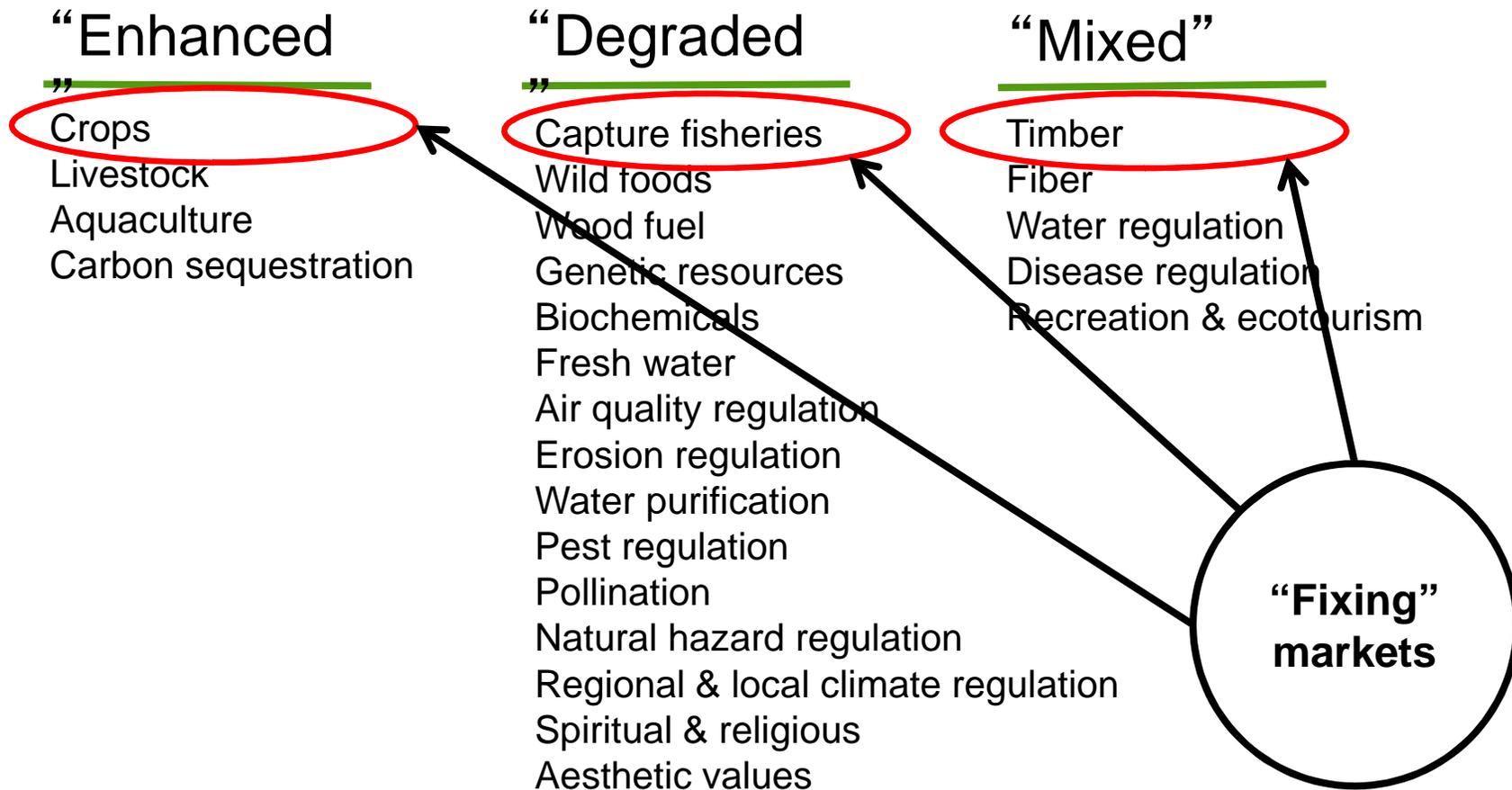
**1. Direct approaches** - generally involve ‘paying’ relevant actors to achieve biodiversity-friendly outcomes or, conversely, to not achieve biodiversity-harmful outcomes

- Examples: long-term retirement (or set aside) schemes; conservation leases, covenants or easements; schemes providing payments for ecosystem services. Breaks on governmental levies such as taxes, fees or tariffs that grant advantages or exemptions for activities beneficial for conservation and/or sustainable use

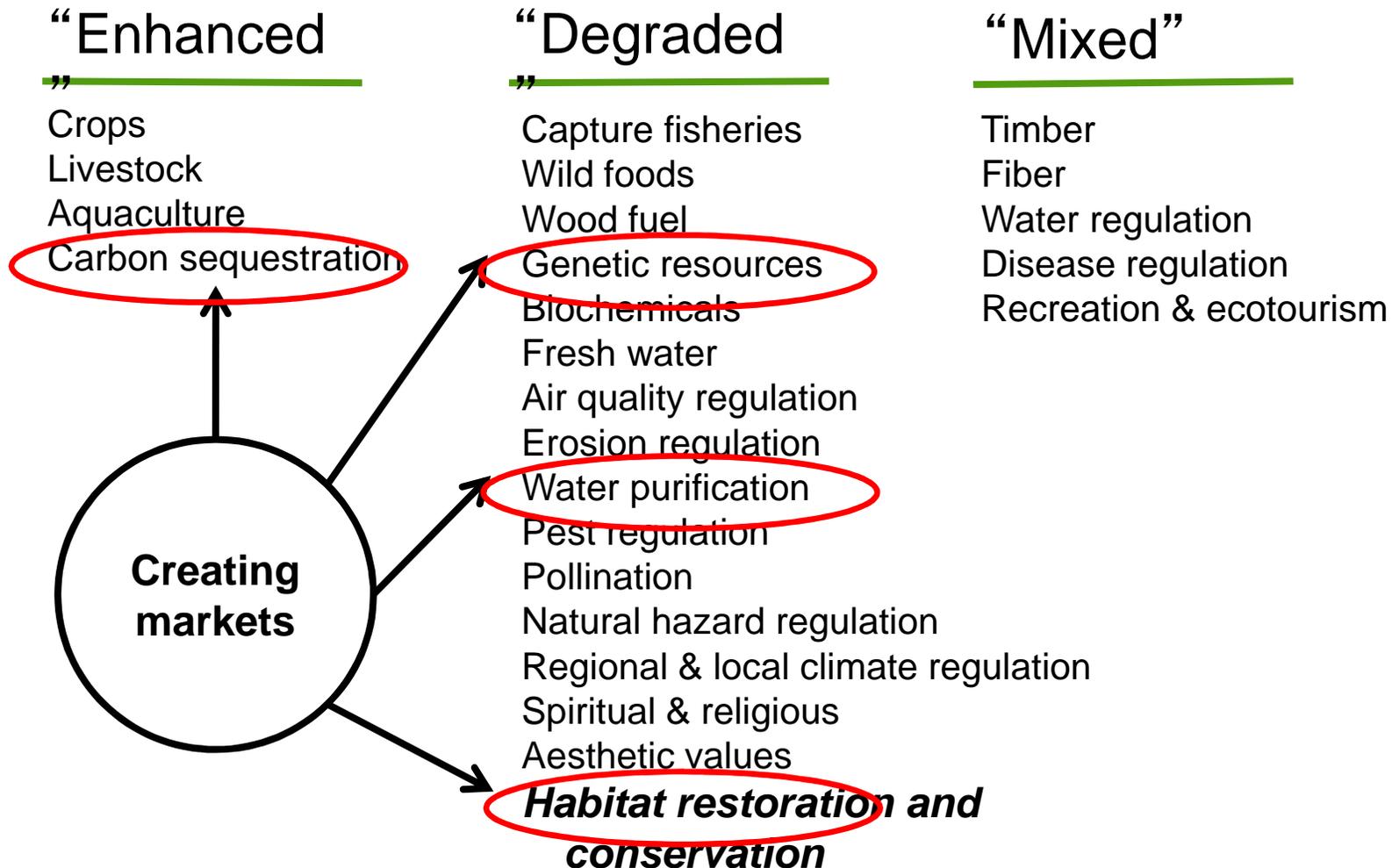
**2. Indirect approaches** - support **activities or projects that** are not designed exclusively to **conserve or promote the sustainable use** of biodiversity, but have the effect of contributing to these objectives

- Examples: development or commercialization of biodiversity-based products or services, such as sustainable or eco-tourism, or the marketing of biodiversity-related goods and services e.g. non-timber forest resources ( ‘biotrade’ ).

# Shifting Ecosystem Services from negative to positive impact on biodiversity by fixing market failures (CBD language “indirect approaches”)



# From ecosystem decline to ecosystem incentives by creating markets (CBD “direct approaches”)



## Other payments for ecosystem services (PES)

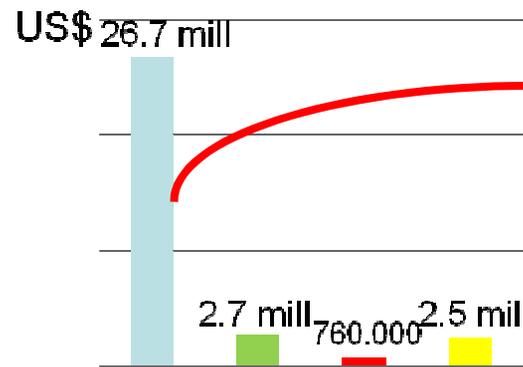
National PES Programmes	Annual Budget in USD
China, Sloping Land Conversion Programme (SLCP)	4 billion (Bennett, 2008)
Costa Rica, Payments for Environmental Services (PES)	12.7 million (FONAFIFO, 2009)
Mexico, Payments for Environmental Hydrological Services (PEHS )	18.2 million (Muñoz Piña <i>et al.</i> , 2008)
UK, Rural Development Programme for England	0.8 billion (Defra, 2009)
US, Conservation Reserve Program (CRP)	1.7 billion (Claassen, 2009)
Regional PES Programmes	Annual Budget in USD
Australia, Tasmanian Forest Conservation Fund (FCF)	14 million (DAFF, 2007)
Australia, Victoria State ecoMarkets	4 million (DSE, 2009)
Bulgaria and Romania, Danube Basin	575 000 (GEF, 2009)
Ecuador, Profafor	150 000 (Wunder and Alban, 2008)
Tanzania, Eastern Arc Mountains	400 000 (EAMCEF, 2007)

Source:  
OECD,  
2010.

# Bringing it all together? Aligning economic growth, biodiversity and development

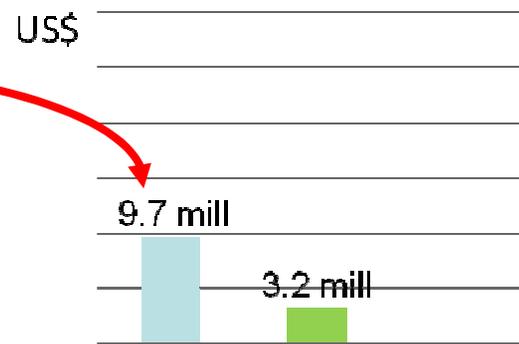
- Example: Rio Tinto mine in Madagascar
- Corporate goal: Net Positive Impact (NPI) on biodiversity
- Support for conservation project (60,000 ha lowland forest)

## Potential benefits:



■ Carbon storage    ■ Wildlife habitat  
■ Hydrol. Regulation    ■ Eco-tourism

## Potential costs:



■ Lost agricultural output & NTFPs  
■ PA start-up and management

- **Benefit-sharing with communities (based on REDD revenues)**

# Ecosystem incentives and poverty

- **Potential opportunities:**
  - increase cash income
  - diversify income sources
  - reinforce social networks
  - develop new skills
- **Potential constraints:**
  - insecure property rights
  - high start-up and transaction costs
  - weak enforcement capacity



## Changing the incentives: summing up

	<b>Ecosystem Damage (Business as usual)</b>	<b>Conservation &amp; Sustainable Use</b>
<b>Costs</b>	<p>Need to <b>rise</b>, e.g. through:</p> <ul style="list-style-type: none"> <li>• Technological limits</li> <li>• Resource taxes/fees</li> <li>• Reporting requirements</li> <li>• Naming and shaming</li> </ul>	<p>Need to <b>fall</b>, e.g. through:</p> <ul style="list-style-type: none"> <li>• Tax credits</li> <li>• Facilitated permitting</li> <li>• Lower interest rates</li> </ul>
<b>Benefits</b>	<p>Need to <b>fall</b>, e.g. through:</p> <ul style="list-style-type: none"> <li>• Consumer boycotts</li> <li>• Trade barriers (where allowed)</li> </ul>	<p>Need to <b>rise</b>, e.g. through:</p> <ul style="list-style-type: none"> <li>• Consumer choice</li> <li>• Payment for ecosystem services</li> <li>• Market creation</li> <li>• Recognition / award schemes</li> </ul>

## Target 3: Country experience with positive incentives

- **Describe an example** of a positive incentive for biodiversity conservation and/or sustainable use in your country. Which CBD targets/programmes are relevant?
- **How does the incentive work?** How are the costs and/or the benefits of conservation or of biodiversity-friendly activities affected by the incentive?
- **What is the impact of the incentive on biodiversity?** What is the extent of uptake/adoption of the incentive? What are the indicators of success, relative to “business-as-usual”?
- **How much does it cost to implement the incentive**, and how is this cost covered? Public spending and/or private expense? Is the incentive efficient (i.e. benefits > costs) or at least cost-effective, compared to alternative measures?
- **What are the social equity impacts of the incentive?** Who are the “winners” and “losers”? Does the incentive help to reduce poverty? What about governance/participation aspects?
- **Are there side effects** or unintended consequences from the incentive? Are they positive and/or negative?

# Target setting on positive incentives

## 1. How can existing positive incentives be improved?

- How to replicate or expand coverage?
- How to improve targeting/effectiveness?
- How to improve social/equity impacts?
- How to improve financial sustainability?
- Opportunities for “self-financing”?
- Opportunities to reduce costs?

## 1. What new positive incentives may be introduced?

- What criteria are most relevant to identify high potential or high priority for introducing positive incentives? Existing threats to biodiversity? Economic values of biodiversity? Social development concerns?
- What are the key steps involved in introducing new positive incentives?