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INCENTIVE MEASURES (ARTICLE 11)

Progress report on activities undertaken by Parties, other Governments, relevant organizations and initiatives, and the Executive Secretary

Analysis of information received

Note by the Executive Secretary

EXECUTIVE SUMMARY

The document reviews and analyses the information submitted by Parties, other Governments, and relevant international organizations and initiatives on progress made, difficulties encountered, and lessons learned, in implementing the work spelled out in decision X/44 on incentive measures, pertaining to the establishment of mechanisms for accounting values of biodiversity and ecosystem services in decision-making (as per Aichi Biodiversity Target 2 of the Strategic Plan); the removal or mitigation of perverse, and the promotion of positive incentive measures (as per Aichi Biodiversity Target 3); and the implementation of sustainable consumption and production patterns (Aichi Biodiversity Target 4). A synthesis of the information received is being circulated as an information document (UNEP/CBD/SBSTTA/16/INF/36).

On mechanisms for accounting values of biodiversity and ecosystem services in decision-making, reporting Parties seem to make progress in integrating the values of biodiversity and ecosystem services into national biodiversity strategies or similar policy-planning documents; there is however little information provided on progress made in integrating biodiversity and ecosystems into day-to-day decision-making and planning processes, and reporting systems. Moreover, there is seemingly considerable interest among Parties to conduct national studies on the economics of ecosystems and biodiversity, while their preparation is mostly at early stages. Several international organizations and initiatives undertake useful work, ranging from the facilitation of such studies to the provision of technical support and capacity-building, to support Parties in these efforts.

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On the removal or mitigation of incentive that are harmful for biodiversity, progress seems to be mixed, with reporting Parties generally being at early stages. Several Parties reported that they were committed to analysing public policies with a view to identifying perverse incentives as well as options for their elimination, phase out, or reform. Some Parties have already undertaken such analyses, either comprehensively or for certain sectors. However, reported success in actually eliminating, phasing out or reforming harmful incentives is seemingly patchier, with few recent successes reported.

Reporting Parties and other Governments seem to be notably more advanced in promoting positive incentive measures, with almost all submissions received pointing to a broad range of existing incentive programmes. Only one submission pointed to the link, in accordance with Aichi Biodiversity Target 3, between the elimination, phase out or reform of harmful incentives, including subsidies, and the promotion of positive incentives. Several international organizations and initiatives reported on recent activities that support the promotion of certain types on positive incentive measures.

Reporting Parties referred to a range of concrete activities that seek to implement sustainable consumption and production, including green procurement policies, possibly in the context of national strategies on sustainable consumption and production or national green procurement policies. Activities range from the provision of guidance and professional advice to the provision of research support for life-cycle analysis and testing consumer products.

SUGGESTED RECOMMENDATION

The Subsidiary Body on Scientific, Technical and Technological Advice may wish to recommend that the Conference of the Parties at its eleventh meeting adopts a decision along the following lines:

The Conference of the Parties

1. *Takes note* of the progress reported by Parties and other Governments in implementing decision X/44, thereby contributing to translating Aichi Biodiversity Targets 2, 3 and 4 of the Strategic Plan for Biodiversity 2011-2020 into national policy planning and policy action;
2. *Welcomes* existing efforts by a number of Parties to prepare national studies on the economics of ecosystems and biodiversity, and *encourages* other Parties and Governments to also consider, as appropriate, the preparation of such studies, in order to make use of the findings of the international studies on The Economics of Ecosystems and Biodiversity (TEEB) and to identify mechanisms and measures to integrate the values of biodiversity into relevant national and local policies, programmes and planning processes, as well as reporting systems, in a manner adapted to national circumstances;
3. *Cognizant* of the need to feed the results of these studies into national policy development and implementation in a systematic and coherent manner, *invites* Parties and other Governments that plan to undertake national studies on the economics of ecosystems and biodiversity, to ensure that these studies and the revised national biodiversity strategy and action plans are mutually supportive;
4. *Recognizing* the considerable analytical work that has already been undertaken on harmful incentives, such as the analytical work undertaken, and recommendations developed, on environmentally harmful subsidies by the Organisation for Economic Co-operation and Development (OECD), as well as existing national studies on harmful incentives, including subsidies,

(a) *Emphasizes* that conducting studies for the identification of incentives, including subsidies, harmful for biodiversity should not delay immediate policy action in cases where candidates for elimination, phase out or reform are already known;

(b) *Urges* Parties and other Governments to take prioritized action in these cases, in form of immediate elimination or initiation of phase out or reform;

(c) *Urges* Parties and other Governments to seize opportunities for the elimination, phase out or reform of harmful incentives, including subsidies, arising within the review cycles of existing sectoral policies, both at national and regional levels;

5. *Recognizing* that eliminating, phasing out, or reforming incentives, including subsidies, harmful for biodiversity will make positive incentive measures for the conservation and sustainable use of biodiversity more effective and/or less costly, *invites* Parties and other Governments to take into consideration in their policy planning, the linkages between the elimination, phase out, or reform of harmful incentives, including subsidies, and the promotion of positive incentive measures for the conservation and sustainable use of biodiversity, including in revised national biodiversity strategies and action plans;

6. *Encourages* Parties and other Governments to consider, in accordance with the objectives of revised national biodiversity strategies and action plans, including specific criteria on biodiversity into national green procurement plans, national strategies for sustainable consumption and production, and similar planning frameworks, as a contribution to implementing Aichi Biodiversity Target 4 of the Strategic Plan for Biodiversity 2011-2020;

7. *Notes with appreciation* the support of international organizations and initiatives, including the Global Mechanism of the United Nations Convention to Combat Desertification (UNCCD GM), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the World Bank and its Global Partnership for Wealth Accounting and the Valuation of Ecosystem Services (WAVES), the Organisation for Economic Co-operation and Development (OECD), the International Union for Conservation of Nature (IUCN), the Natural Capital Project, and the Helmholtz-Center for Environmental Research (UFZ), to the efforts at global, regional and national levels in identifying and removing or mitigating perverse incentives, in promoting positive incentives for the conservation and sustainable use of biodiversity, and in assessing and mainstreaming the values of biodiversity and associated ecosystem services, and *invites* these and other relevant organizations and initiatives to continue and further intensify this work;

8. *Requests* the Executive Secretary, with a view to supporting progress towards the achievement of the Aichi Biodiversity Targets, in particular targets 2, 3 and 4, to:

(a) Continue and further strengthen its cooperation with relevant organizations and initiatives, with a view to catalysing, supporting, and facilitating further work in identifying and removing or mitigating perverse incentives, in promoting positive incentives for the conservation and sustainable use of biodiversity, and in assessing and mainstreaming the values of biodiversity and associated ecosystem services;

(b) Continue holding regional capacity-building workshops in cooperation with relevant organizations and initiatives, and, as appropriate, with the participation of relevant experts from finance and planning ministries, to support countries in making use of the findings of TEEB studies and in integrating the values of biodiversity into relevant national and local policies, programmes and planning processes;

(c) Explore with relevant organizations and initiatives, and bilateral and multilateral funding organizations, options for extending longer-term technical support and capacity-building on valuation methodologies and the integration of the values of biodiversity into relevant national and local policies, programmes and planning processes.

I. INTRODUCTION

1. In paragraph 15 of decision X/44, on incentive measures, the Conference of the Parties invited Parties, other Governments, and relevant international organizations and initiatives to report to the Executive Secretary progress made, difficulties encountered, and lessons learned, in implementing the work spelled out in this decision, pertaining to the removal or mitigation of perverse incentives, the promotion of positive incentive measures, and the assessment of the values of biodiversity and ecosystem services. In paragraph 16 of the same decision, the Conference of the Parties requested the Executive Secretary to, *inter alia*, synthesize and analyse the information submitted, and prepare a progress report for consideration by the Subsidiary Body prior to the eleventh meeting of the Conference of the Parties.

2. Further to this invitation and request, the Executive Secretary sent notification SCBD/SEL/ML/GD/74510 (2011-014) of 18 January 2011 inviting Parties, other Governments and relevant international organizations and initiatives to submit, as appropriate and no later than 5 January 2012, information on the activities spelt out in decision X/44. A reminder notification was sent on 21 November 2011.

3. Submissions were subsequently received from Ecuador, the European Union, including also information from some of its member States (France, Finland and Spain), as well as from India and the United Kingdom. A submission was also received from the United States of America. The full submissions are available on www.cbd.int (under programmes – trade, economics and incentives measures – progress).

4. Information on pertinent activities was also received from the following organizations and initiatives: the Global Mechanism of the United Nations Convention to Combat Desertification (UNCCD GM), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the World Bank, the Organisation for Economic Co-operation and Development (OECD), the International Union for Conservation of Nature (IUCN), the Natural Capital Project, and the Helmholtz-Center for Environmental Research (UFZ).

5. A first version of this document was open for peer-review and comments received from the Government of New Zealand as well as from the Global Mechanism of the United Nations Convention to Combat Desertification (UNCCD GM), the World Bank, the Organisation for Economic Co-operation and Development (OECD), and the Natural Capital Project, are gratefully acknowledged.

6. This document analyses the information received and suggests possible recommendations for consideration by the Subsidiary Body. A synthesis of the information received is available in document UNEP/CBD/SBSTTA/16/INF/36. The limited number of submissions received is addressed in the general conclusions provided in section IV below.

II. ANALYSIS

Implementing Aichi Biodiversity Target 2: Mechanisms for accounting values of biodiversity and ecosystem services in decision-making

7. Paragraph 6 of decision X/44 invited Parties and other Governments, in accordance with their national legislation, to take measures and establish, or enhance, mechanisms with a view to accounting for the values of biodiversity and ecosystem services in public and private sector decision-making, including by revising and updating national biodiversity strategies and action plans to further engage

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different sectors of government and the private sector. The same paragraph also invited Parties and other Governments to also consider undertaking, as appropriate, studies at the national level that are similar to the aforementioned studies.

8. By so doing, Parties and other Governments would contribute to implementing Aichi Biodiversity Target 2, which seeks to integrate, by 2020 at the latest, biodiversity values into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems. In paragraph 3 (c) of decision X/2, the Conference of the Parties urged Parties and other Governments to review, and as appropriate update and revise, their national biodiversity strategies and action plans in line with the Strategic Plan for Biodiversity 2011-2020.

9. The European Union as well as France, Spain and the United Kingdom report on their recent adoption of national biodiversity strategies or similar policy planning documents, and refer to objectives and planned activities therein that relate to the integration biodiversity values:

(a) The European biodiversity strategy *Our life insurance, our natural capital: an EU biodiversity strategy to 2020*;

(b) The new biodiversity strategy of France, adopted in May 2011;

(c) Spain's Strategic Plan for Natural Heritage and Biodiversity 2011-2017, adopted in September 2011;

(d) The marine plans being developed across the United Kingdom, Scotland's Land Use Strategy, as well as the Ecosystem Approach Action Plan of the Department for Environment, Food, and Rural Affairs (defra).

9. The strategies or other planning documents make reference to key sectoral policies into which biodiversity needs to be integrated, such as, in the case of the European Strategy, agriculture, forestry and fisheries.

10. As regards national studies on the economics of ecosystems and biodiversity, the information received, including information from the TEEB office of the United Nations Environment Programme, suggests that there is considerable interest among Parties to conduct such studies. In two reporting countries (Spain and the United Kingdom), major ecosystem assessments do already exist, and those are complemented by economic valuation studies undertaken at subnational (United Kingdom) or national (Spain) level.

11. Among those Parties that already embarked on concrete activities in preparing national studies on the economics of ecosystems and biodiversity, the preparation of such studies seems to be mostly at early stages, although some Parties seem to be more advanced. Given the dynamic nature of these developments, it is generally difficult to provide comprehensive and updated information thereon.

12. While the United Kingdom refers to a recent study being undertaken to value the benefits of the National Biodiversity Action Plan, most submissions do not provide information on how the planned national studies on the economics of ecosystems and biodiversity would relate to the review and implementation of national biodiversity strategy and action plans. In order to ensure that the results of the studies are being fed into the policy process in a systematic manner and being translated into policy action, it seems to be important to ensure that that the studies and the revised national biodiversity strategy and action plans support each other.

13. In conclusion, reporting Parties seem to make progress in integrating the values of biodiversity and ecosystem services into national biodiversity strategies or similar policy planning documents. The strategies of reporting countries make reference to specific activities and to specific economic sectors where biodiversity mainstreaming needs to focus on. However, relatively little information is provided on progress made in integrating biodiversity and ecosystems into day-to-day decision making and planning processes, including the integration into pertinent decision-making support tools, and reporting systems such as national accounting. Only one submission (from the United Kingdom) refers to concrete measures already undertaken in this regard, such as the development of official government guidance on valuing the natural environment in economic appraisals or the establishment of natural capital accounts.

14. A number of international organizations and initiatives reported on pertinent activities to support countries in valuing biodiversity and ecosystems and integrating these values in policies and planning processes, and decision-making. Activities include:

(a) The activities of the UNEP TEEB Office to facilitate the preparation of the national studies on the economics of ecosystems and biodiversity and to organize a number of national and subregional capacity-building workshops thereon;

(b) The support provided by UNEP to five developing countries (Chile, South Africa, Lesotho, Trinidad and Tobago, and Viet Nam) to better integrate ecosystem assessment, scenario development and economic valuation of ecosystem services into national sustainable development planning, through its Project for Ecosystem Services (Proecoserv);

(c) The economic valuation studies already supported in a number of countries by the Global Mechanism of the United Nations Convention to Combat Desertification, as well as the ongoing conceptual work to develop a methodology for the assessment of the value of land resources and ecosystems services, through its OSLO (Offering Sustainable Land-Use Options) Consortium;

(d) The progress made by the Global Partnership for Wealth Accounting and the Valuation of Ecosystem Services, (WAVES), led by the World Bank, in promoting environmental accounting, including a focus on the value of natural capital, in a number of pilot countries (Botswana, Colombia, Costa Rica, Madagascar, Philippines);

(e) The activities supported by the Natural Capital Project of Stanford University, WWF, The Nature Conservancy, and the University of Minnesota, in a number of pilot countries to apply its InVEST software for mapping, measuring and valuing ecosystem services, in a spatially explicit manner, in marine, terrestrial and freshwater systems, with a view to support decision-making in different contexts, including: payments for ecosystem services, spatial planning, development permitting and climate adaptation planning.

Implementing Aichi Biodiversity Target 3: efforts in actively addressing existing harmful incentives and in promoting positive incentive measures

15. In paragraph 9 of decision X/44, the Conference of the Parties urged Parties and other Governments to prioritize and significantly increase their efforts in actively identifying, eliminating, phasing out, or reforming, with a view to minimizing or avoiding negative impacts from, existing harmful incentives for sectors that can potentially affect biodiversity, taking into account target 3 of the Strategic Plan for Biodiversity 2011-2020, while acknowledging that doing so requires then the conduct of careful analyses of available data and enhanced transparency, through ongoing and transparent communication mechanisms, on the amounts and the distribution of perverse incentives provided, as well as of the consequences of doing so, including for the livelihoods of indigenous and local communities.

16. In paragraph 10 of decision X/44, the Conference of the Parties encouraged Parties and other Governments to promote the design and implementation, in all key economic sectors, of positive incentive measures for the conservation and sustainable use of biodiversity that are effective, transparent, targeted, appropriately monitored, cost-efficient as well as consistent and in harmony with the Convention and other relevant international obligations, and that do not generate perverse incentives. By paragraph 12 of the same decision, the Conference of the Parties encouraged Parties and other Governments to engage with businesses and enterprises when designing and implementing positive incentive measures for the conservation and sustainable use of biodiversity.

17. By so doing, Parties and other Governments would contribute to implementing Aichi Biodiversity Target 3, which seeks to eliminate, phase out or reform, by 2020 at the latest, incentives, including subsidies, that are harmful to biodiversity, in order to minimize or avoid negative impacts, and to develop and apply positive incentives for the conservation and sustainable use of biodiversity, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio economic conditions.

Addressing harmful incentives, including subsidies

18. Five Parties (the European Union, France, India, Spain, and the United Kingdom) reported on addressing harmful incentives, including subsidies. The European Union refers to pertinent planned activities in its biodiversity strategy 2011-2020, currently under discussion by member States. The European Commission was recently tasked by the Environment Council to identify criteria for identification of subsidies harmful to biodiversity at EU level and to prepare a road map for achieving their removal, phase out or reform by 2020.

19. France, India and the United Kingdom provide concrete analytical information from completed studies:

(a) France submitted a comprehensive analysis of the potentially harmful effects of subsidies or public expenditures that contribute to the identified root causes for biodiversity decline, namely: (i) habitat destruction or degradation; (ii) overuse of renewable natural resources (soil, fish, water); (iii) pollution; (iv) invasive alien species; (v) climate change. This study also identifies options for elimination, phase out or reform of identified harmful public expenditures;

(b) India summarized analyses of the possible impacts on ecosystems and biodiversity of key subsidies, such as: food and crop price subsidies; fertilizer subsidies; irrigation subsidies; and energy subsidies;

(c) The United Kingdom's Water White Paper points to deficiencies and perverse incentives under its current water abstraction regime.

20. France and the United Kingdom also inform on concrete reform activities that were undertaken as a result of these studies:

(a) For instance, in the case of France, the reform of urbanization taxes in order to curb urban sprawl and disincentivize individual car use;

(b) The reform of the water abstraction licensing system in the United Kingdom.

21. The United Kingdom points to its activities at the level of the European Union to promote reforms of the Common Agricultural Policies and the Common Fisheries Policies delivering the

sustainable and efficient use of natural resources, including a stronger focus on improved outcomes, climate change mitigation and biodiversity.

22. Spain and the United Kingdom refer to recent commitments to undertake comprehensive analysis of public subsidies with harmful effects on biodiversity including the identification of options for abolishment or adjustment.

23. Progress on this element of Aichi Biodiversity Target 3 seems to be mixed, with reporting Parties generally being at early stages. At a minimum, Parties report to be committed to analyse public policies with a view to identify perverse incentives as well as options for their elimination, phase out, or reform. Some Parties have already undertaken such analyses, either comprehensively or for certain sectors. However, reported success in actually eliminating, phasing out or reforming harmful incentives seems to be patchier. While there are some recent successes reported, notable is the absence of reported recent success stories with regard to critical sectoral support policies, such as on agriculture or fisheries.

24. Studies “conducting the careful analyses of available data”, as foreseen by paragraph 9 of X/44, are important to identify harmful incentives – in fact, there is a logical sequence from the identification of harmful incentives including options for their elimination, phase out or reform, to undertaking concrete policy action. On the other hand, it is noteworthy that, in light for instance of the analyses and recommendations of the Organisation for Economic Co-operation and Development (OECD), which are in some cases already corroborated and further specified by national studies,¹ analytical work on this issue, and in particular on environmentally harmful subsidies in sectors such as agriculture or fisheries, does not necessarily have to start from scratch. It could therefore be useful to emphasize that conducting studies for the identification of incentives, including subsidies, harmful for biodiversity should not delay immediate policy action in cases where candidates for immediate elimination, phase out or reform are already known, and to urge for prioritized action in these cases. Moreover, opportunities for elimination, phase out or reform of harmful incentives, including subsidies, arising within the review cycles of existing sectoral policies, both at national and regional levels, should also be seized.

25. In those cases where conducting such studies is needed to identify incentives, including subsidies, harmful for biodiversity, it would again be important that the expected results from these studies are already reflected in the policy actions foreseen in the revised national biodiversity strategy and action plan (see paragraph 12 above).

Promoting positive incentive measures

26. Reporting Parties and other Governments seem to be notably more advanced in promoting positive incentive measures, with almost all submitting Parties and the United States of America reporting on this issue by pointing to a broad range of concrete incentive programmes that are already implemented, including in sectors such as agriculture and forestry. Programmes include: payments for ecosystem services; tax exemptions or tax deductibility schemes; support in commercialization and market development, including certification, and subsidized insurance for specific economic activities, for instance organic farming; and biodiversity banks. Some submissions also point to the engagement of the private sector in designing and implementing positive incentive measures. In particular:

(a) Ecuador introduced, in 2008, a national incentive programme for the conservation of native forests, which covers more than 882,000 hectares and has benefitted more than 90,000 participants since its establishment;

¹ Such as the aforementioned study submitted by France, available under http://www.strategie.gouv.fr/system/files/2011-21-10-cas_rapp_biodiversite.pdf.

(b) Finland introduced, in 2008, its Forest Biodiversity Programme which seeks to protect over 96.000 hectares of ecologically valuable forests by establishing permanent conservation areas and concluding voluntary conservation contracts (20 years) on private lands. Forest owners apply for participation through competitive tendering;

(c) France introduced land tax exemptions for non-developed land in humid zones as well as protected areas, income tax deductibility for restoration and maintenance work in these zones; as well as tax advantages for environmental funds ("*fonds de dotation*");

(d) India reports on its support for the certification of organic farms as well as for marketing infrastructure, as well as on subsidized loans for small and medium-sized enterprises in the small and medium sector that utilize bio-resources in a sustainable manner. Such measures are complemented by voluntary activities of the private sector, for instance for promoting the sustainable use of important medicinal plants. The Green Thumb Certification programme is a voluntary certification initiative recognizing companies that are leaders in voluntary conservation;

(e) The United Kingdom refers to a plethora of incentives available for instance under agri-environment programmes, for large scale habitat management, restoration and re-creation as well as for improved water management; compensatory measures required by the planning system, and the piloting of biodiversity offsets;

(f) The United States of America provide positive incentives under the Migratory Bird Habitat Initiative (MBHI), which sets aside 470,000 acres for restoration and enhancement, including the provision of food, water and critical habitat for bird populations. Positive incentives are also provided to agricultural landowners under the Conservation Reserve Programme (CRP), in form of annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible farmland.

27. As regards the engagement of the private sector, Spain and the United Kingdom refer to the development and dissemination of guidance to assist businesses in integrating biodiversity and ecosystems into their decision-making, and in reporting their environmental impacts.

28. India makes an explicit link to the gradual phase out of harmful subsidies as an integral part of the incentive package. Eliminating, phasing out, or reforming subsidies harmful for biodiversity will make positive incentive measures for the conservation and sustainable use of biodiversity more effective and/or less costly. It could be useful to recall this link.

29. A number of international organizations and initiatives reported on pertinent activities to support countries in designing and implementing positive incentive measures. Activities include:

(a) Recent activities of the UNCTAD Biotrade Initiative to promote commercialization of biodiversity-based products that are produced in a sustainable manner, including the establishment and consolidation of its Fashion and Cosmetics Biodiversity Platform (FCBP);

(b) UNDP support to identification of financing options for Payments for Ecosystem Services, including relevant policy and institutional support, as part of its three year global project "Building Transformative Policy and Financing Frameworks to Increase Investment in Biodiversity Management", funded by the European Union and covering eight countries (Argentina, Ecuador, Seychelles, Malaysia, Uganda, South Africa, Kazakhstan and Philippines);

(c) The OECD's database on instruments used for environmental policy and natural resources management, managed in cooperation with the European Environment Agency (EEA), as well

as recent analytical work on the cost-effectiveness of payments for ecosystem services as well as on scaling up private sector finance for biodiversity conservation and sustainable use;

(d) The development of a score card system by the Global Mechanism of the United Nations Convention to Combat Desertification and the Tropical Agricultural Research and Higher Education Centre (CATIE) to assess the applicability of 14 key incentive mechanisms in a given country context; supporting the identification of suitable mechanisms for sustainable land management (SLM) in a specific country or site context;

(e) IUCN's ongoing work on innovative finance mechanisms that create a business case for biodiversity conservation including the Green Development Initiative (GDI), an offset methodology for wetland ecosystem services, as well as its collaboration with private sector initiatives such as the World Business Council for Sustainable Development (WBCSD) and the preparation of its guide for Corporate Ecosystem Valuation, and the subsequent application of the approach with several large footprint industrial sectors;

(f) Recent work by the German Helmholtz-Center for Environmental Research (UFZ) to develop a network approach aimed at effectively providing relevant TEEB knowledge to users from science and policy, thereby strengthening in particular the link between policy and research.

30. In a number of cases, the work is also directly contributing to building or enhancing national capacities, along the lines of paragraph 8 of decision X/44, either in form of short-term capacity-building through for instance national or sub-regional workshops or in form of more long-term project activities for a more limited number of countries, for instance, the GEF-funded Project for Ecosystem Services implemented by UNEP.

31. A number of these partners cooperated closely with the Secretariat of the Convention in holding post-TEEB capacity-building workshops pursuant to paragraph 17 (f) of decision X/2 and paragraph 7 of decision X/44 (see section III below for details).

Implementing Aichi Biodiversity Target 4: sustainable consumption and production patterns

32. In paragraph 12 of decision X/44, the Conference of the Parties invited Parties and other Governments to foster, as appropriate, implementation of sustainable consumption and production patterns for the conservation and sustainable use of biodiversity, both in the public and the private sector, including through business and biodiversity initiatives, procurement policies that are in line with the objectives of the Convention, and development of methods to promote science-based information on biodiversity in consumer and producer decisions, consistent and in harmony with the Convention and other relevant international obligations.

33. In so doing, Parties and other Governments would contribute to implementing Aichi Biodiversity Target 4, which calls for Governments, business and stakeholders at all levels to have, by 2020 at the latest, taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.

34. Four countries and the European Union reported on this item, mainly by referring to a range of concrete activities that seek to implement sustainable consumption and production, including green procurement policies, possibly in the context of national strategies on sustainable consumption and production or national green procurement policies. Activities include the provision of guidance and professional advice on how to improve resource efficiency, for instance in the building and production

sectors; support life-cycle analysis and testing consumer products; advancing fair trade; development of guidance and manuals for green procurement. In particular:

(a) Finland's national strategy on sustainable consumption and production, introduced in 2006, will be reviewed in spring 2012. A material efficiency centre was established which provides services for businesses and advice for consumers and public sector organizations on various ways to improve material efficiency;

(b) India participates in a two-year capacity-building programme, financially supported by the European Union, to implement the United Nations Guidelines on sustainable consumption. Activities include the promotion of green buildings, advancing the concept of fair trade, and promote the use of modern technology in waste management. On sustainable production, activities include the ongoing development of Green Procurement and Purchasing guidelines and the promotion of organic food production;

(c) Spain approved a plan for green procurement and is currently developing guidance manuals for implementing the plan;

(d) Pertinent activities of the United Kingdom include: adoption of sustainable procurement standards; research support to assess the lifecycle impacts of products, and to inform action to reduce these impacts; and provision of technical advice and financial support to improve resource efficiency, through the Waste and Resources Action Programme (WRAP).

35. Spain also notes that a study is currently under way whether to include specific criteria on biodiversity into the national green procurement plan, in accordance with the objectives of its National Biodiversity Strategy and Action Plan. It could be useful if such linkages were considered, as appropriate, by other Parties to the Convention as well.

III. ACTIVITIES BY THE EXECUTIVE SECRETARY

36. Further to paragraph 14 of decision X/44, the Executive Secretary continued and further strengthened its cooperation with the aforementioned organizations and initiatives, with a view to catalysing, supporting, and facilitating the work spelled out in the decision and to ensure its effective coordination with the programme of work on incentive measures as well as the other thematic and cross-cutting programmes of work under the Convention. In addition, the Executive Secretary cooperated with the United Nations Committee of Experts on Environmental-Economic Accounting (UNCEEA), which is responsible for the ongoing work of revising the United Nations System of Integrated Environmental and Economic Accounts (UNSEEA). Strengthening methodologies for ecosystem accounts is an element of this ongoing work. Accordingly, the Executive Secretary has brought the Strategic Plan for Biodiversity 2011-2020 and its Aichi Biodiversity Target 2 to the attention of the UNCEEA.

37. Paragraph 7 of decision X/44 requested the Executive Secretary, in collaboration with relevant partners and taking into account the work of the TEEB initiative as well as similar work at national or regional levels, to convene regional workshops for the exchange among practitioners on practical experiences on the removal and mitigation of perverse incentive measures, including, but not limited to, harmful subsidies, and on the promotion of positive incentives, including, but not limited to, market-based incentives, with a view to building or enhancing capacities of, and promote common understanding among, practitioners. Paragraph 17 (f) of decision X/2 requested, through capacity-building workshops, to support countries in making use of the findings of The Economics of

Ecosystems and Biodiversity study and in integrating the values of biodiversity into relevant national and local policies, programmes and planning processes.

38. In order to ensure cost-effectiveness and to maximize synergy with the series of subregional workshops on the revision of national biodiversity strategy and action plans, held as requested in paragraph 17 (a) of decision X/2, a number of these workshops were held in form of additional 'economics clusters' back-to-back or integrated into a number of NBSAP workshops; namely, those held for: (i) Southern Africa (Kasane, Botswana, 14 to 20 March 2011); (ii) South, East, and South-East Asia (Xi'an, China, 9 to 16 May 2011); (iii) Pacific (Nadi, Fiji, 3 to 7 October 2011), Caribbean (St-George's, Grenada, 17 to 21 October 2011); and Meso-America (San José, Costa Rica, 28 November to 2 December 2011). A post-TEEB capacity-building workshop was held for North Africa and the Middle East in Beirut, Lebanon, from 21-23 February 2012. A two-day economics cluster was under preparation to be held back-to-back to the second NBSAP workshop for Africa (Addis Ababa, Ethiopia, 28 February to 2 March 2012). Similar workshops are planned for South America, and for Eastern Europe and Central Asia (Tbilisi, Georgia, tentatively from 29 May to 1 June 2012),

39. UNDP, UNEP and its regional offices as well as the TEEB office, IUCN, and the Natural Capital Project were closely cooperating in holding these workshops.

40. An enhanced awareness of government officials of the appropriate use of economic valuation techniques as well as of incentives was an often stated benefit of these workshops, it seems to be useful to continue holding such workshops for this audience, possibly on particular topics in accordance with needs expressed by Parties in specific subregions. However, the national technical capacity to adopt economic valuation approaches and other recommendations of the TEEB study is often recognized as a significant challenge at the national level. In fact, in this area, the lack of adequate technical expertise may frequently be an important constraining factor to the efficient use of whatever financial capital might be mobilized in support of the NBSAPs revision process. This gap in technical expertise cannot be closed by on-off capacity building workshops held over a limited number of days. The current initiative of the UFZ, in close cooperation with the UNEP-TEEB Office, to develop a network approach aimed at effectively providing relevant TEEB knowledge to users from science and policy, could be one element of a response to this challenge.

41. In this context, India, in its submission, also points to identified capacity-building needs with regard to students of environmental studies as a critical focus group, including on: (i) forms and typology of biodiversity and ecosystems; (ii) inter-linkages characterizing environmental systems and ecosystem services; (iii) ecological energetics and cycles; (iv) economic valuation techniques of biodiversity and ecosystem services; (v) environmental impact assessments and damage impacts; and (vi) ecological anthropology. The development of a network of university partners that could offer more thorough extra-curricular training on the issues above to select advanced students or professionals from developing countries, in conjunction with an international, donor-funded educational grant programme, could be a complementary initiative for further consideration.

IV. GENERAL CONCLUSIONS

42. Submissions were received from seven Parties (six countries and one regional economic integration organization) and one other Government, which constitutes a very small sample for gauging overall progress in implementing decision X/44 and the pertinent Aichi Biodiversity Targets. This is further compounded by the fact that only two developing country Parties submitted information, and that no submission was received from countries with economies in transition. While some recommendations of general validity could be developed on the basis of this small sample, the Executive Secretary has

reissued the call for submissions and will prepare an updated analysis and progress report for consideration by the Conference of the Parties at its eleventh meeting.

43. Earlier analyses suggest that capacities in undertaking the valuation of ecosystem services and biodiversity and in designing and implementing incentive measures are limited, in particular in developing countries and countries with economies in transition. This could be one factor underlying the limited amount of submissions received from these countries. It could therefore be useful to couple the renewed invitation to submit pertinent information, referenced in the previous paragraph, with an invitation to developing countries and countries with economies in transition to submit information on barriers encountered in implementing decision X/44 and relevant Aichi Biodiversity Targets, in particular targets 2 and 3, as well as on any specific identified needs for capacity-building or capacity enhancement. This could inform efforts to provide such capacity building by international organizations and initiatives, as foreseen by paragraph 8 of decision X/44.
