

INVALUABLE: A HIGHLY POLICY-RELEVANT PROJECT

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AICHI TARGET 3
ON POSITIVE INCENTIVES:

CAN MARKET-BASED INSTRUMENTS MAKE A DIFFERENCE?

RESULTS FROM
THE INVALUABLE PROJECT

THURSDAY, 9 OCTOBER 2014,
PYEONGCHANG (REPUBLIC OF KOREA)



CONTEXT: CBD COP DISCUSSIONS

- **Paragraph 8 of SRM** calls «to substantially enhance international financial flows and domestic [...] in support of the effective implementation of the Convention's three objectives and the 2010 target» (decision X/11)

- **Decision XI/4** calls to «double total biodiversity-related international financial resource flows to developing countries» (paragraph 7(a))

**HOW TO OPERATIONALIZE SUCH OBJECTIVES?
 WHAT TOOLS & POLICIES ?**

CONTEXT: CBD COP DISCUSSIONS (2)

OPERATIONALIZATION

- **SRM, goal 4** calls to “explore new and innovative financial mechanisms at all levels with a view to increasing funding to support the three objectives of the Convention”
- **The Strategic Plan for Biodiversity 2011-2020** calls for “developing innovative mechanisms” (decision X/2, paragraph 23)
- **Aichi Target 3** sets that “positive incentives for the conservation and sustainable use of biodiversity are developed and applied”

CONTEXT: CBD COP DISCUSSIONS (3)

6 types of IFMs for biodiversity

(Ad Hoc Open ended WGRI, 2012)

- i. Payments for ecosystem services
- ii. Biodiversity offset mechanisms
- iii. Environmental fiscal reforms
- iv. Markets for green products
- v. Biodiversity in international development finance
- vi. Biodiversity in climate change funding

CONTEXT: CBD COP DISCUSSIONS (3)

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CONTEXT: CBD COP DISCUSSIONS (4)

Quito Dialogue Seminars

- **Terminology issue:** “the expression ‘markets for biodiversity’ should be avoided [...] it is important to be clear about what kind of market is being discussed”
- **IFMs: understanding advantages and risks**
 - Reform of harmful subsidies, green taxes, taxes on financial flows
 - Payments for ecosystem services, offset mechanisms, certification schemes
 - Habitat or species banking, ITQs, TDRs
- **The need for safeguards and right-based approaches**

INVALUABLE CONTRIBUTION

Clarify the potential of market-based instruments (MBIs) to better integrate biodiversity & ecosystem services (B&ES) into society, based on appropriate institutional arrangements for relevant public policies and an **improved utilization of relevant knowledge**

INVALUABLE CONTRIBUTION (2)

THEORY AND DISCOURSES

- Elaborate a **comprehensive theoretical framework**, to develop a typology of instruments, and **identify their scope of application**
- Conduct a **historical account of discourses & notions of MBIs** (institutions, epistemic communities, social networks and individuals)
- Analyse the role of **stakeholders' motivations** and **governance** for the management of B&ES.

INVALUABLE CONTRIBUTION (3)

PRACTICE

- Develop a conceptual and methodological framework for **comparative case-study research**
- Investigate the role of Biodiversity Offsets and PES in reinforcing public conservation policies, and **examine their supporting governance frameworks and outcomes** to date, drawing comparative lessons across case studies.

INVALUABLE CONTRIBUTION (4)

SCIENCE POLICY-INTERFACE

- Assess **effectiveness of Science Policy Interface** bodies and activities in MBIs for B&ES
- Apply innovative participatory modelling tools to **explore scenarios of integration of MBIs in public policy**
- Analyse **links between economic valuation in MBIs and legal frameworks** which support (or not) such use

SIDE EVENT RATIONALE & OUTLINE

- Discuss **new and innovative financial mechanisms** (incl. PES) VERSUS/AND **collective action and non-market-based approaches** for achieving the objectives of the Convention (item 12 & 14: key actions for the Strategic Plan for Biodiversity 2011-2020 & resource mobilization)
- Respond to the need to understand **behavioral change** and the **performance of economic instruments**, as well as improved guidance and tools to develop positive incentives (item 12: key technical and scientific needs)

SIDE EVENT RATIONALE & OUTLINE (2)

- Inform the possible adoption of **voluntary guidelines on safeguards** (PIC, institutions, sustainability) in biodiversity financing mechanisms (Item 14: resource mobilization)
- Support **better integration of science and policymaking** and improve science-policy interfaces in MBIs (item 12: key technical and scientific needs)



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invaluable

Valuations, Markets and Policies for
Biodiversity & Ecosystem Services

THANK YOU

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