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

Presentation on the basis of a report prepared by
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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

- 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

- **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

• 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

<table>
<thead>
<tr>
<th><strong>CBD</strong></th>
<th><strong>Ramsar</strong></th>
<th><strong>CITES</strong></th>
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<tr>
<td>• Art.11 refers to the adoption of incentive measures</td>
<td>• No explicit mention in Convention</td>
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<td>• COPs have considered economic incentives extensively</td>
<td>• COP8 adopts Resolution on incentive measures, emphasizing the fundamental importance of incentive measures as tools for the conservation and wise use of wetlands</td>
<td>• Strategic Plan Goal 1: for trade to be responsible and based on sustainable use, social and economic incentives are needed</td>
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<td>• Decision VI/15 promotes the adoption, provides criteria and guidelines for use and mentions cooperation with other MEAs</td>
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3. Thematic areas for the use of EIs

- 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

- 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

The kiwi is a unique biological oddity, a
...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

- 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 (CBTFTED 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

• 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)