

promoting positive incentives
for biodiversity & ecosystems:
experiences and lessons
learned from the region

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economic incentives for biodiversity: a recap



Article 11: “Each Contracting Party shall, as far as possible and as appropriate, adopt economically and socially sound measures that act as incentives for the conservation and sustainable use of components of biological diversity”



incentive: “a material reward (or punishment) in return for acting in a particular way which is beneficial (or harmful) to a set goal”



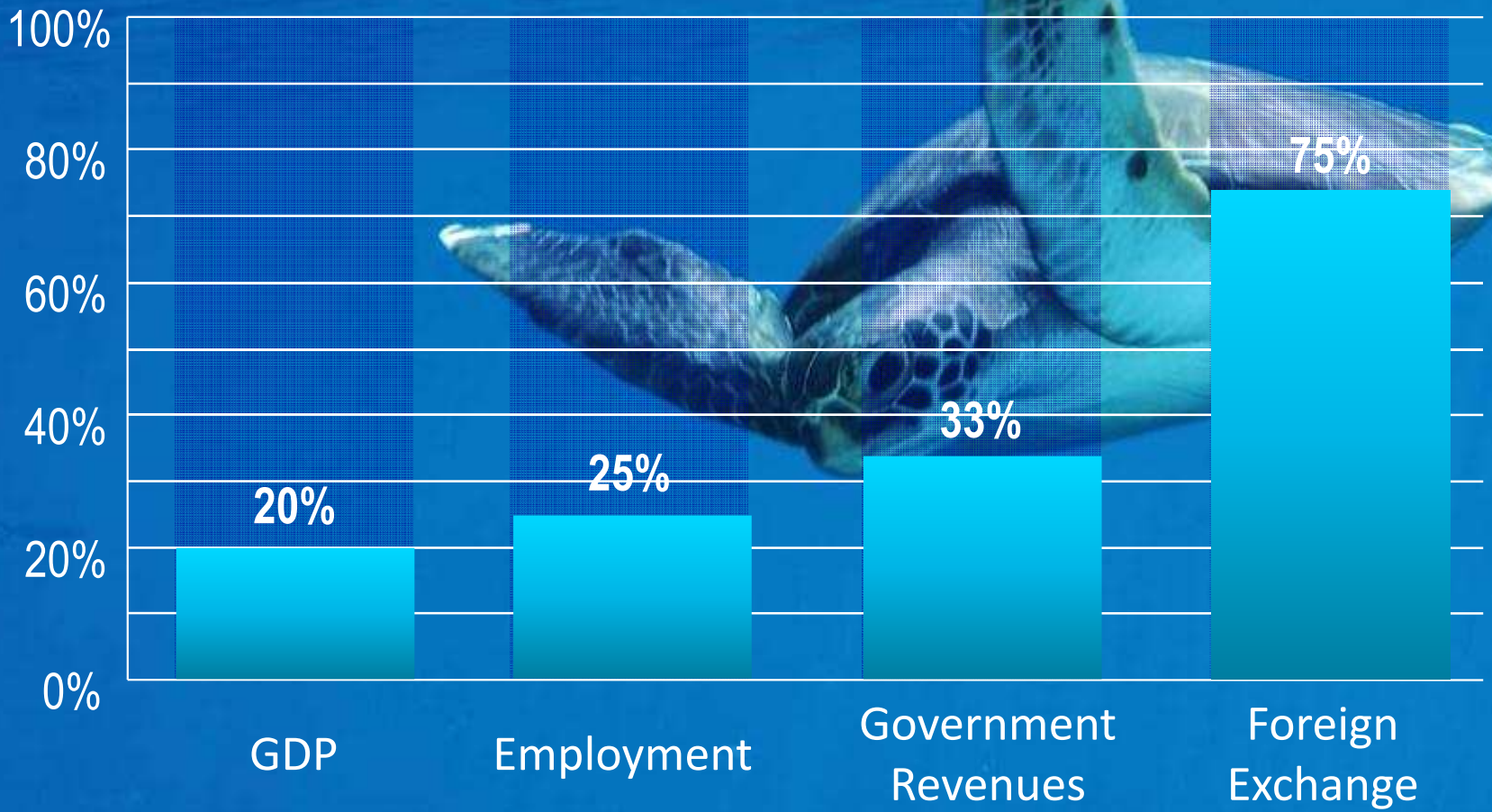
developing **policy options** that “reward unrecognised benefits, penalise uncaptured costs, and share the benefits of conservation”

correcting imbalances in biodiversity benefits & costs

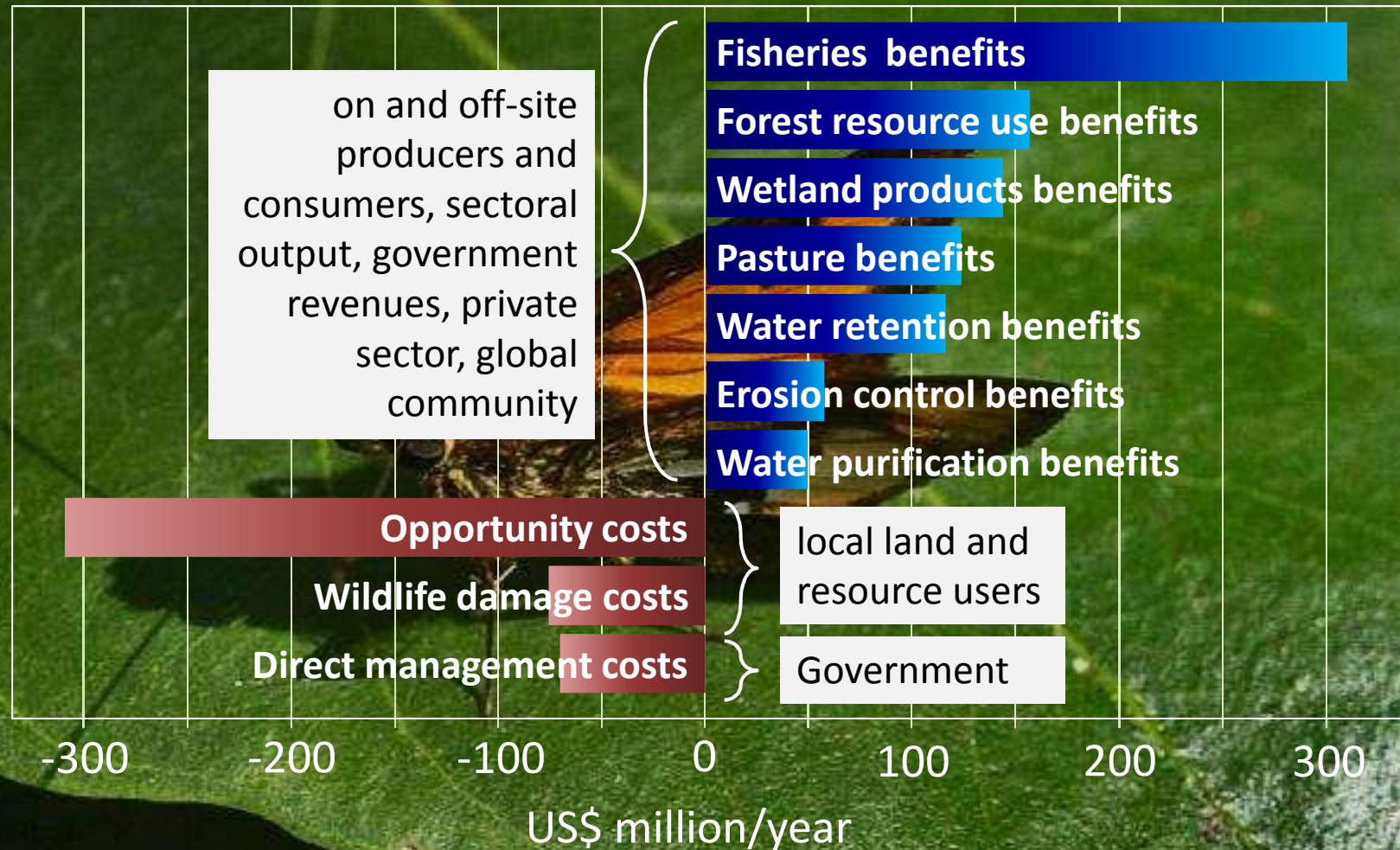
- **unrecognised benefits:** people whose actions secure biodiversity benefits remain unrewarded
- **uncaptured costs:** people who cover the costs of conservation remain uncompensated
- it remains **less profitable, or more costly,** to conserve biodiversity in the course of carrying out economic activities
- governments, businesses and households have **insufficient economic and financial incentives** to conserve biodiversity



Seychelles biodiversity: unrecognised benefits?



Uganda biodiversity conservation: unrewarded costs?



capturing biodiversity values

1. **IDENTIFY** and **ASSESS** the full range of ecosystem services and people affected

2. **ESTIMATE** and **DEMONSTRATE** the value of ecosystem services

3. **CAPTURE** the value of ecosystem services and seek **SOLUTIONS**



capturing biodiversity values as positive incentives

involves introducing mechanisms that **incorporate the values** of biodiversity and ecosystems into decision making, **through policy incentives and price signals**



providing positive economic incentives

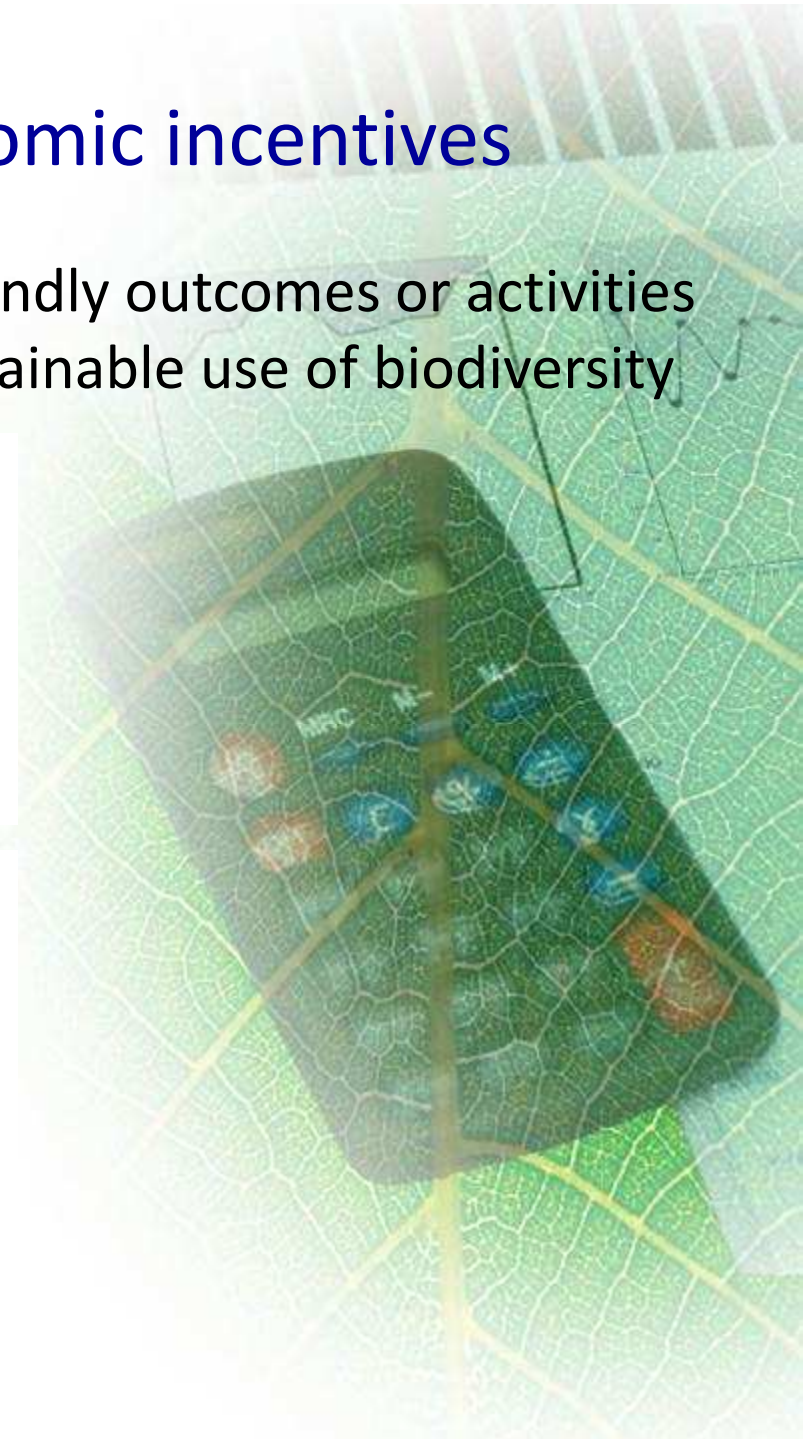
measures to encourage biodiversity-friendly outcomes or activities that promote the conservation and sustainable use of biodiversity

instruments that work on **prices and markets**

- taxes, subsidies & price interventions
- payments for ecosystem services
- green market development
- eco-labelling and certification
- etc.

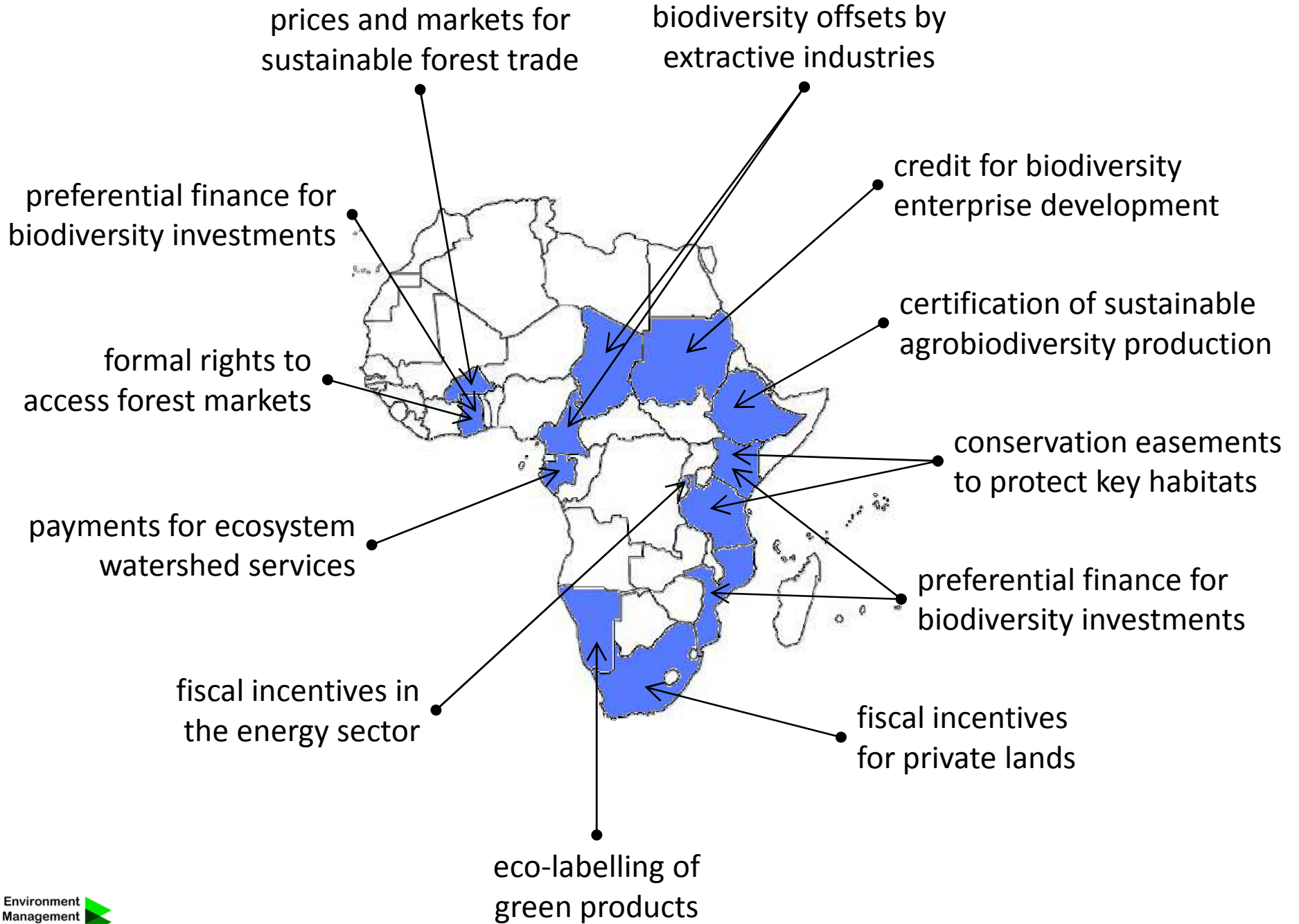
instruments for **generating, earmarking and/or redistributing funds**

- direct payments
- fiscal transfers
- loans, credit, investment and capital funds
- revenue-sharing
- etc.



how have positive incentives been used to encourage the conservation and sustainable use of biodiversity and ecosystem services in Africa?





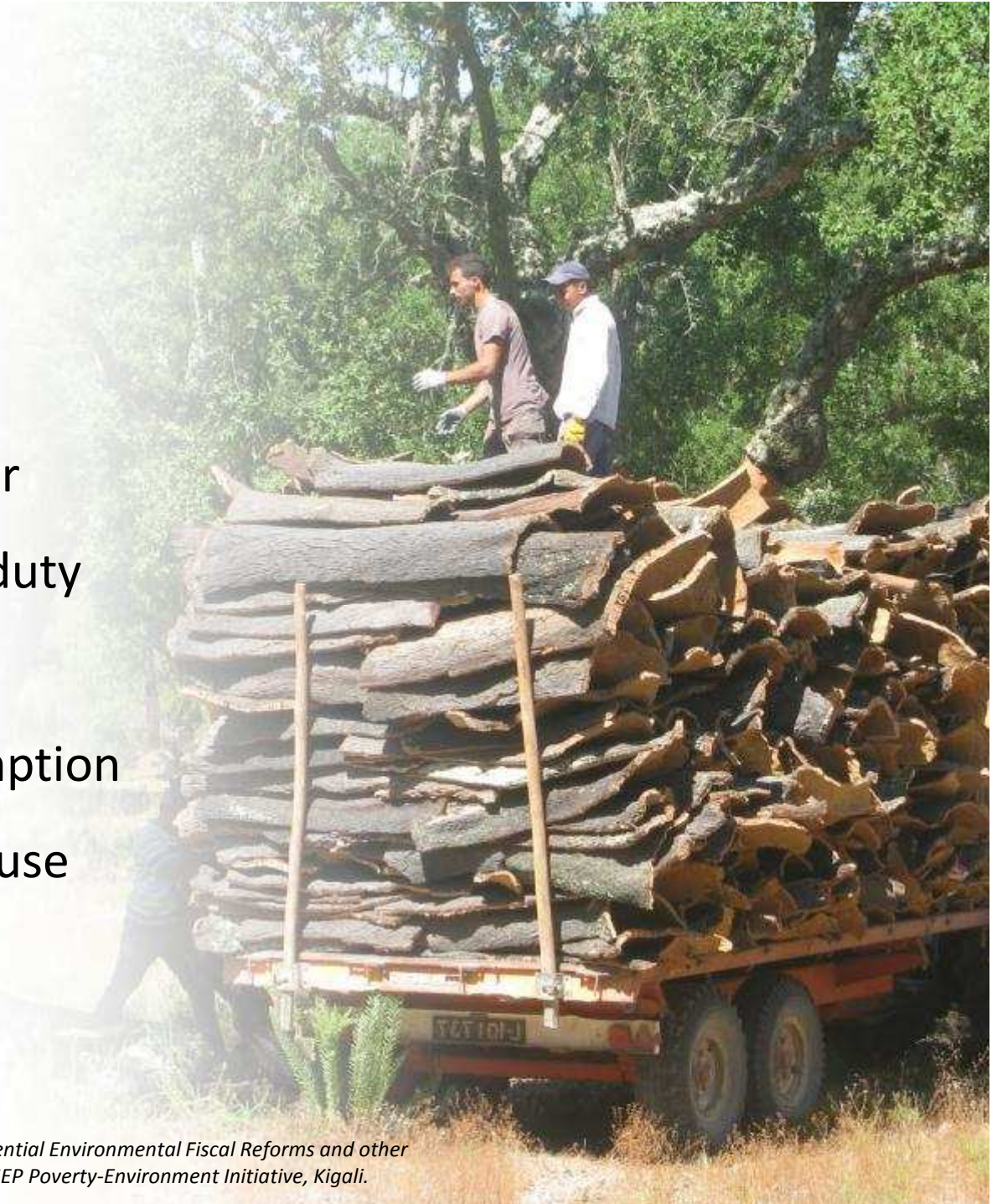
conservation easements to protect key habitats

Terrat Village, Tanzania has a voluntary easement agreement with Tarangire National Park tourism companies to maintain grassland as pasture, and forgo tree-felling, conversion to agriculture and settlement. Similar scheme just initiated around Nairobi National Park in Kenya



fiscal incentives in the energy sector

Rwandan tax laws allow for exemption from customs duty on solar equipment and accessories, and VAT exemption on kerosene for domestic use



fiscal incentives for conservation on private lands

in South Africa, private land contracted
as statutory conservation areas can
benefit from income tax reductions for
management expenses, deductions
from income tax on value of land, and
property rates exclusions



credit for biodiversity enterprise development

in Sudan's Gedaref and Kassala
landscapes, the establishment of a
revolving micro-credit fund has enabled
villagers to develop new enterprises
trading in Gum Arabic and other NTFPs



preferential finance for biodiversity investments

Verde Ventures provides loan, equity and grant financing for conservation-oriented businesses, including marine eco-tourism in Mozambique, chocolate production in Ghana, garment eco-factories and agro-industry in Kenya



prices and markets for sustainable forest trade

in Bougnounou-Nébiélianayou in Burkina Faso, improved processing, markets and prices for honey, Shea butter and soubala has increased local earnings from sustainable forest use as well as enhancing socio-economic status



formal rights to access forest markets

in Wassa Amenfi West in Ghana,
private tree registration and
certification has enabled farmers to
legally access markets and thereby
generate improved income from forest
restoration and sustainable use



payments for ecosystem services

in recognition of the ecosystem
services provided to downstream
hydropower and urban water supplies,
a PES scheme has recently been
negotiated between Société d'Energie et
d'Eau du Gabon, upstream communities
and Monts de Cristal National Park

biodiversity offsets

Fondation pour L'Environnement et le
Development au Cameroun (FEDEC)
established to offset the biodiversity
impacts of the Chad/Cameroon oil
pipeline, supporting the development
and management of Mbam-Djerem and
Campo-Ma'an National Parks



**Emprise Pipeline
Tchad - Cameroon
Propriété Privée de l'Etat**

eco-labelling of green products

several national labelling schemes have been developed in Namibia, including “Cheetah-Friendly”, “Farm-Assured Namibian” and “Nature’s Reserve” sustainable beef, “Community Conservation Namibia” and “Naturally Namibian” products



certification of sustainable agrobiodiversity production

Ethiopian farmers can receive premium prices for wild and farm-grown coffee through producing and marketing certified products, e.g. Utz Kapeh, Rainforest Alliance, FSC, Fair Trade and Organic Production Certification systems



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Krombacher
REGENWALD-PROJEKT
2008



1 Kasten = 1 m²*

* Mit jedem verkauften Kasten Krombacher Pils, Weizen, Kellerbier oder Altbier wird eine Spende an die Regenwald-Stiftung des WWF überreicht.
Die den Schutz von Häusern und Infrastruktur, die Ausbildung und Auswertung von Park Ranger's sowie dem Aufbau von Holzgerüst-Forschungszentren.
K&S-Kontaktnummer: 4. April bis 14. Juni 2008. Weitere Informationen erhalten Sie unter www.wmf.de/wmf oder www.krombacher.de

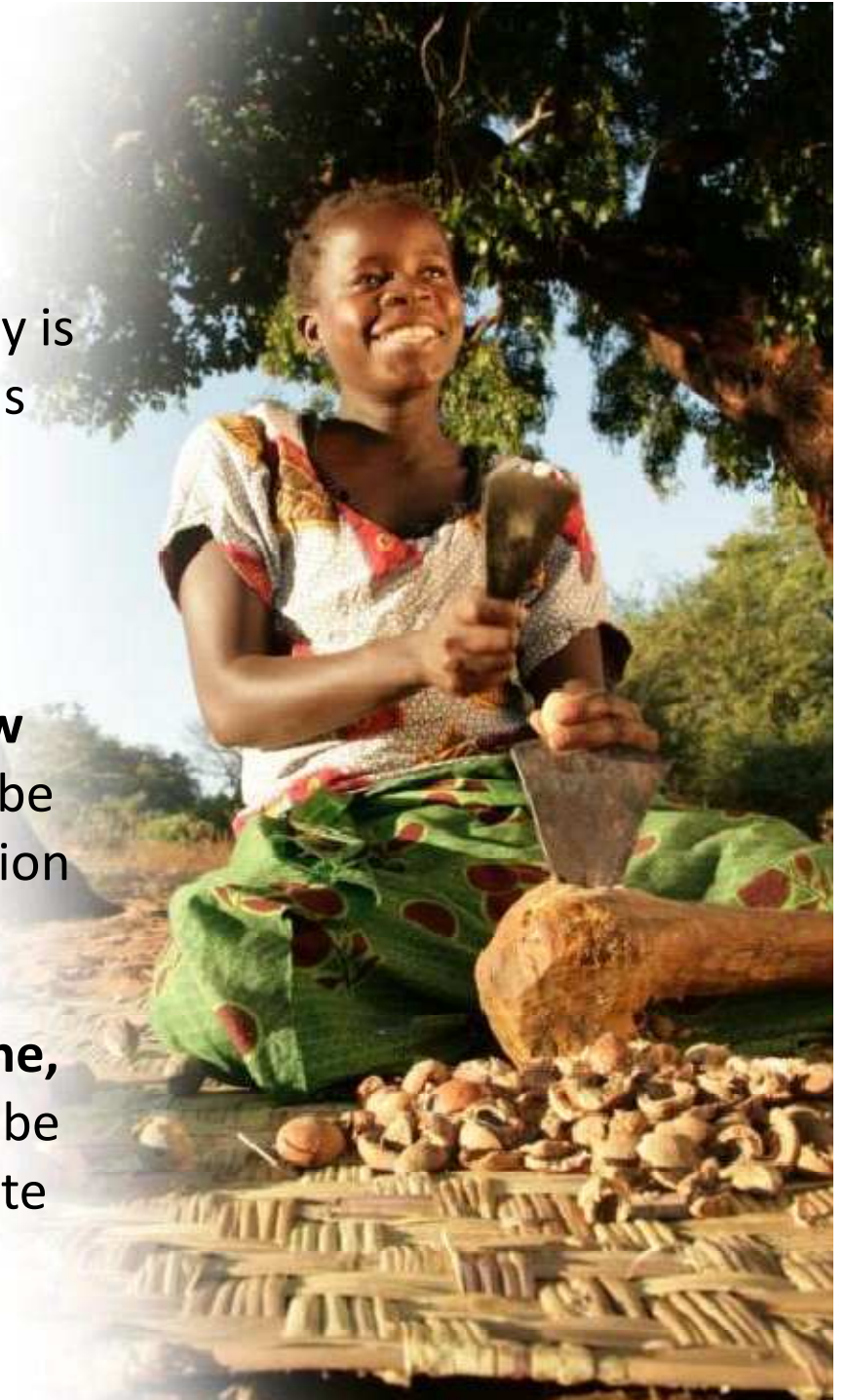


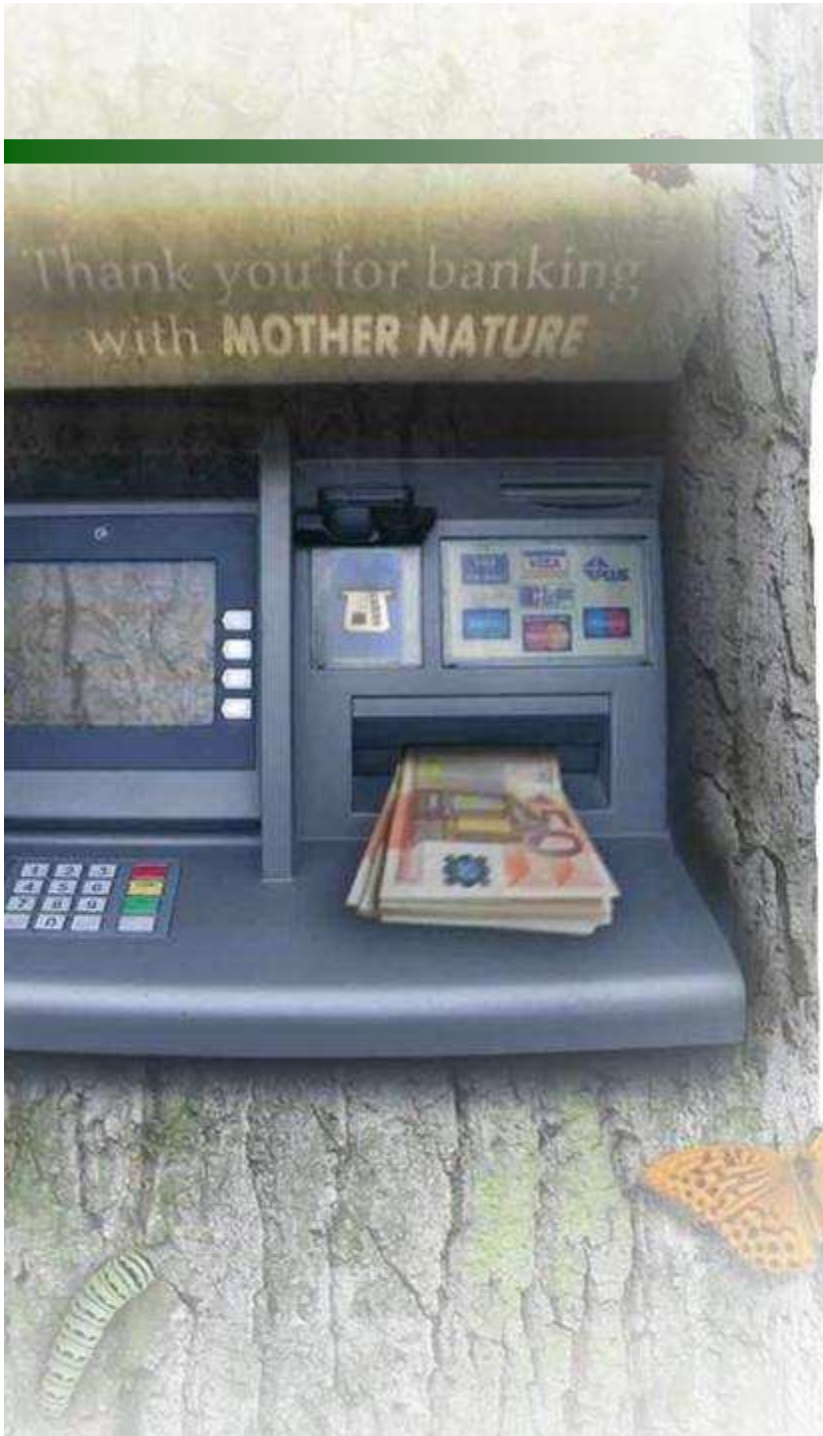
what can we learn from
these experiences?




lessons learned

- **valuation is a means to an end:** however high the value of biodiversity is demonstrated to be in theory, this has little meaning unless it actually translates into changes in real-world policy and practice
- **incentives do not always require new mechanisms:** there is much that can be done now to foster the better operation of policies, markets and prices
- **market and economic solutions, alone, are rarely sufficient :** people have to be enabled and empowered to participate in markets and gain from incentives

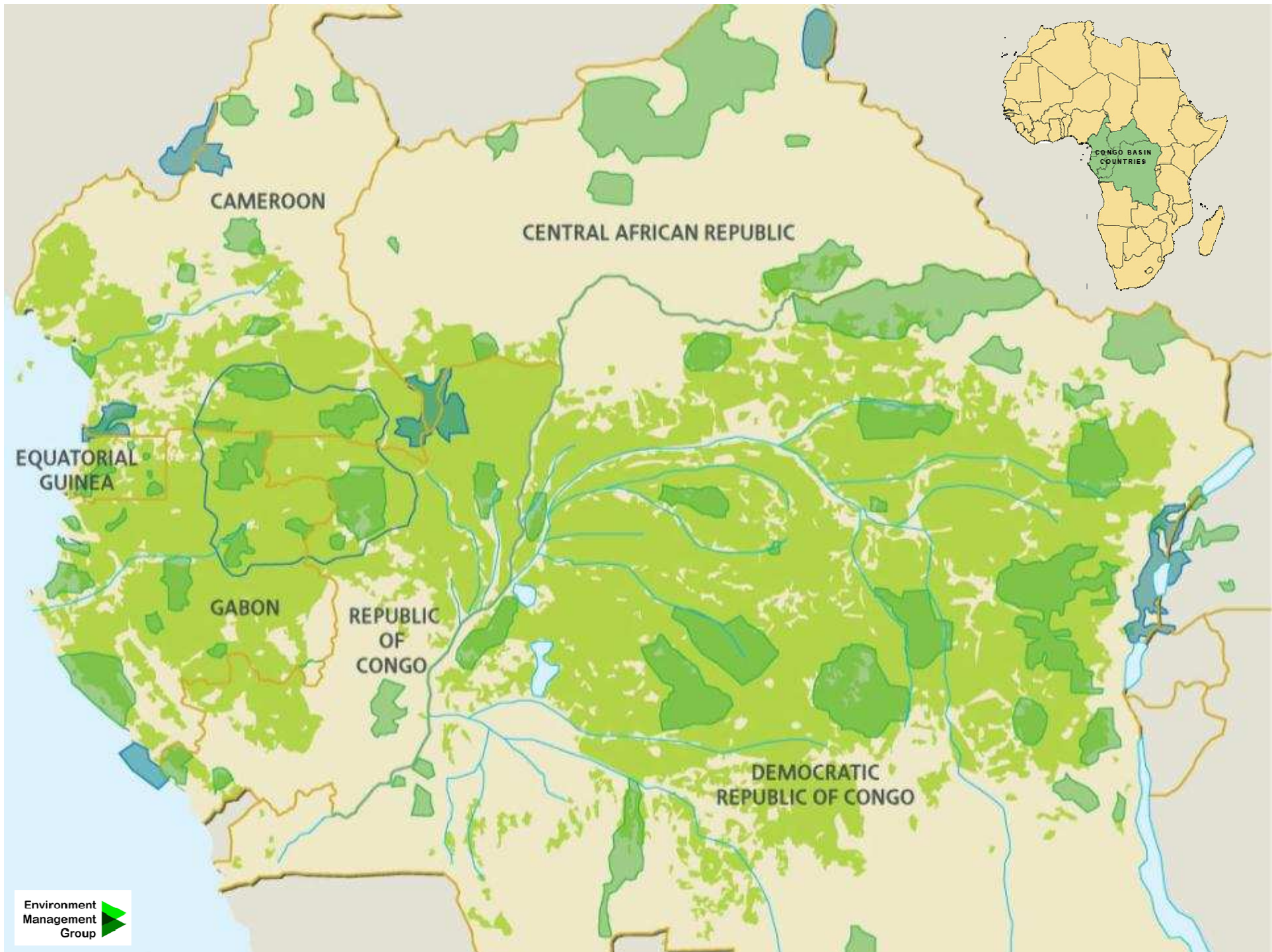




Thank You



Congo Basin forest PAs:
developing economic and financial incentives for
biodiversity and ecosystem service conservation



economic value of forest ecosystem services

Provisioning Services

- formal timber US\$ 3.57 bill
- informal timber US\$ 4.34 bill
- woodfuel US\$ 2.83 bill
- bushmeat US\$ 2.99 bill
- NWFP exports US\$ US\$ 96 mill
- gorilla tourism US\$ 44 mill

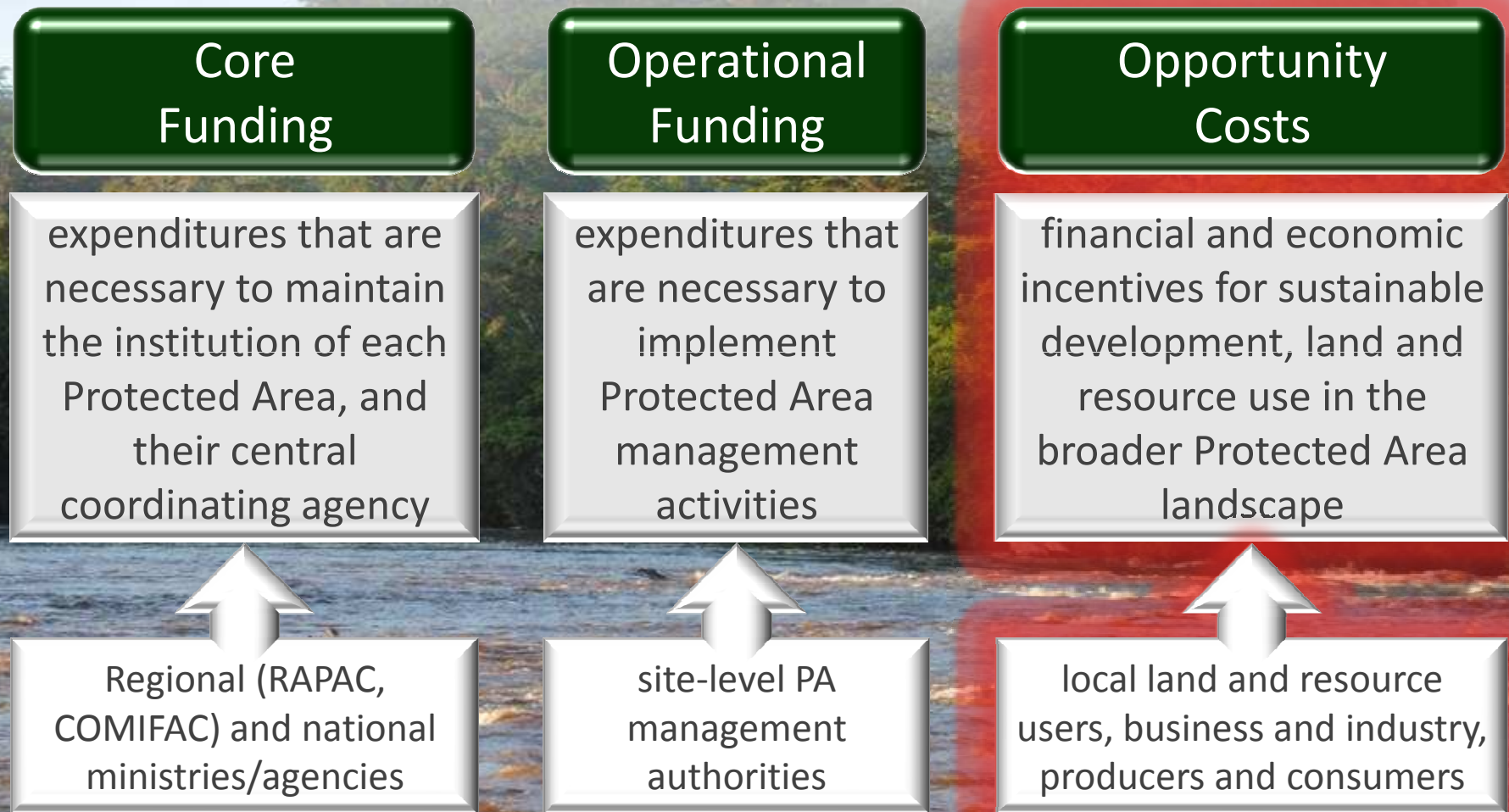
Supporting & Regulating Services

- watershed protection US\$ 1.05 bill
- carbon sequestration US\$ 2.52 bill

Cultural Services

- conservation donations US\$ 50.90 mill

rewarding and compensating conservation costs



financial and economic gaps to be addressed

- failure to account for PA values in decision-making
- poor local distribution of benefits and revenues from PAs
- unsupportive prices and markets for sustainable biodiversity uses and enterprises
- lack of alternative sources of income, subsistence and consumption
- subsidies and other inducements to biodiversity-damaging production, investment and trade
- protected and imbalanced global markets relying on unsustainably-sourced natural resources

main goals of the positive incentives

- improve the extent to which surrounding communities benefit in direct terms from PAs
- reward local land and resource users for providing economically valuable ecosystem services
- promote the growth of locally-based sustainable biodiversity-based income and enterprise
- encourage industries, businesses and private investors to engage in more environmentally-friendly activities
- stimulate PA managers to diversify their revenue-generation, income base and reinvestment in conservation activities

criteria used to “shortlist” incentives and financing

Practical

- can it be easily and successfully implemented in practice?
- is it geared to the on-the-ground realities and management priorities of PAs?
- can it be implemented using available human resources and institutional capacity?
- is it likely to be cost effective to implement?

Viable

- is it cost-effective and financially sustainable?
- is it technically feasible?
- is there the capacity to develop and enforce it?
- is it consistent with existing laws, policies and institutions?

Achievable

- can it be developed and show results within the time-frame of the project?

Synergies

- has it been tried in the region, or under very similar conditions?
- do these other experiences suggest that it is appropriate and viable?
- are there potential areas of synergy and reinforcement with these other initiatives?

Acceptable

- is it of strategic interest to key stakeholders?
- is it stated as being a priority by governments, with high-level political support?
- is it consistent with/appropriate to local cultural and social norms?

Replicable

- has it broader applicability within the sub-region?
- does it respond to the needs of several PAs or several countries?
- can it be replicated elsewhere, given existing capacities and conditions?

the shortlist of positive incentives

“Most promising” to take forward immediately	
Payments for watershed services	High
REDD payments	High
Biodiversity offsets	High
Sustainable biodiversity-based enterprises	High
Taxes and levies on other sectors	High
Trust funds	High
Community revenue-sharing	High
May be suitable for further development	
Corporate contributions or sponsorship	High
Tourism and hunting charges	Medium-High
Private direct investment	Medium
Other forest carbon finance arrangements	Medium
Debt-for-nature swaps	Low
Not currently feasible to pilot	
Habitat conservation banks	Low
Conservation concessions	Low
Bioprospecting fees	Low

how the “most promising” incentives fit together

