



## PRESS RELEASE

### Study under the Convention on Biodiversity identifies economic incentives as a key to saving biodiversity

*Montreal, 16 March 2011* – A new report from the Convention on Biodiversity on the role of economic incentives in shaping environmental behaviour concludes that the removal of subsidies which lead to environmentally damaging practices, and the promotion of incentive schemes that promote positive ones, can produce economic and environmental benefits if they are coordinated and well-implemented.

The report *Incentive measures for the conservation and sustainable use of biological diversity: case-studies and lessons learned* is the result of a series of international workshops on incentive measures held in 2009, and builds on the work undertaken under the study on The Economics of Ecosystems and Biodiversity (TEEB).

It provides key information on the reform of harmful incentives and the promotion of positive incentive measures, identifies succinct lessons learned, and presents a geographically balanced set of concrete cases.

“If humanity is going to achieve a sustainable future of living in harmony with nature, we are going to need to change our economic behaviour,” said Ahmed Djoghlaif, Executive Secretary of the Convention on Biological Diversity. “This report shows the ways that we can move away from our disastrous business-as-usual practices.”

Reforming perverse incentives, in particular environmentally harmful subsidies that under-price natural resources or encourage unsustainable increases in production, for example, has multiple benefits. It stops encouraging environmentally harmful behaviour, may remove wider economic distortions, and, in the case of harmful subsidies, may free up scarce fiscal resources. Moreover, removing or mitigating perverse incentives can reduce the need to introduce positive incentive measures.

Measures that provide incentives to conserve biodiversity and use its components in a sustainable manner, such as payment for ecosystem services, or performance payments for sustainable agricultural practices, as well as other indirect measures, such as community-managed systems for natural resource management, are increasingly recognized as an important tool to ensure that biodiversity considerations are reflected in all relevant economic sectors—that they are “mainstreamed” across government and society.

The Strategic Plan for Biodiversity 2011-2020 reflects the urgent need to act on incentive measures by calling for the removal, phasing out, or reform, by 2020, of incentives, including subsidies harmful to biodiversity, and for the development and application of positive incentives for the conservation and sustainable use of biodiversity.

#### *Case study 1: Norway*

– Between 1981 and 1994 Norway reduced subsidies to fisheries by 80 per cent, from US\$ 150 million to US\$ 30 million. More effective management measures were adopted simultaneously and have helped the sector become self-supporting. The current structural quota system is designed to take economic

considerations into account and to provide for a profitable fishing fleet. Harvest capacity is primarily an economic issue if output is strictly controlled. Regional considerations are also an important part of Norwegian fisheries policies.

#### *Case-study 2: Mexico*

– In order to combat problems of high deforestation and water scarcity, the Government of Mexico developed a Programme of Payment for Hydrological Environmental Services of Forest (PSAH). This scheme was developed to make payments to forest owners to conserve forest to ensure watershed protection and aquifer recharge in areas where forestry was not commercially viable. The scheme is financed by increasing the already existing federal water fee paid by water consumers and earmarking a percentage to pay for environmental services. This mechanism to link those who benefit from environmental services to those who provide them was rather innovative at the time.

The report, released as CBD Technical Series No. 56, is available on the website of the Convention at [www.cbd.int/ts](http://www.cbd.int/ts)

#### **Notes to editors**

##### **The Convention on Biological Diversity (CBD)**

Opened for signature at the Earth Summit in Rio de Janeiro in 1992, and entering into force in December 1993, the Convention on Biological Diversity is an international treaty for the conservation of biodiversity, the sustainable use of the components of biodiversity and the equitable sharing of the benefits derived from the use of genetic resources. With 193 Parties, the Convention has near universal participation among countries. The Convention seeks to address all threats to biodiversity and ecosystem services, including threats from climate change, through scientific assessments, the development of tools, incentives and processes, the transfer of technologies and good practices and the full and active involvement of relevant stakeholders including indigenous and local communities, youth, NGOs, women and the business community. The Cartagena Protocol on Biosafety is a subsidiary agreement to the Convention. It seeks to protect biological diversity from the potential risks posed by living modified organisms resulting from modern biotechnology. To date, 159 countries plus the European Union have ratified the Cartagena Protocol. The Secretariat of the Convention and its Cartagena Protocol is located in Montreal.

For more information visit: [www.cbd.int](http://www.cbd.int).

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