



Press Brief

Incentive Measures

Why is this important?

Economic incentives can play a key role in promoting the conservation and sustainable use of biodiversity, but they can also have the opposite effect. Biodiversity provides natural goods and services that are essential for human well-being and economic development. Agriculture, for example, would be impossible without the contribution biodiversity makes to the development of seed and livestock varieties, as well as through the species that interact with agriculture, such as pollinators or organisms that maintain soil quality. The tremendous economic value of biodiversity is not reflected in existing market prices. This means markets will provide insufficient, if any, incentives to individuals, companies and governments to use biodiversity and the services it provides in a sustainable way.

To make matters worse, many policies in other sectors are unintentionally harmful to biodiversity. Examples include public subsidies that promote unsustainable farming, forestry or fishery. Under the CBD, parties should identify and remove or mitigate the effects of these perverse incentives, and develop other incentive measures that 'internalize' the value of biodiversity into market prices.

Positive incentives encourage activities that benefit biodiversity. Examples include the certification and labelling of goods that are produced in a sustainable way, or payments to landowners who set aside agricultural land as natural habitat or manage watersheds in ways that benefit downstream users and biodiversity. Disincentives aim to discourage harmful or unsustainable activities through measures such as user fees or pollution taxes.



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What news to expect in Nagoya?

At COP10, Parties will be asked to adopt a new Strategic Plan, which includes a target of eliminating, phasing out or reforming incentives that harm biodiversity by 2020. The target could go further with an explicit reference to subsidies and could also promote positive incentives for conservation and sustainable use of biodiversity — but these additions are still up for negotiation in Nagoya.

Another of the new strategy's targets would require Parties to integrate the values of biodiversity into national and local development and poverty reduction strategies and plans — and, if Parties agree, into national accounts too. COP10 will also review the work on the CBD's work programme on incentive measures, which, since COP9, has compiled case studies of good practices and lessons learnt about both the removal and mitigation of perverse incentives, and the promotion of positive ones.

In this context, COP will also consider, and take note of, the work undertaken by partner organizations in supporting the implementation of incentive measures, such as the important study on The Economics of Ecosystems and Biodiversity (TEEB), prepared under the aegis of UNEP's Green Economy Initiative. As the new Strategic Plan will require Parties to revise their National Biodiversity Strategy and Action Plans, the COP will plan regional capacity-building activities on incentives.

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