



Ref.: SCBD/SEL/ML/GD/74510

18 January 2011

NOTIFICATION

Decision X/44 on Incentive measures

Dear Madam/Sir,

The purpose of this notification is to request your assistance pursuant to decision X/44 on incentive measures as adopted by the Conference of the Parties at its tenth meeting held from 18-29 October 2010 in Nagoya, Japan.

In paragraph 14 of this decision, reproduced verbatim in the annex, the Conference of the Parties invites Parties, other Governments, and relevant international organizations and initiatives to report to the Executive Secretary progress made, difficulties encountered, and lessons learned, in implementing the work spelled out in the decision.

I therefore wish to invite you to submit, as appropriate and at your earliest convenience but **no later than 5 January 2012**, information on the following activities undertaken by your country or organization:

- (a) taking measures, and establishing, or enhancing, mechanisms with a view to account for the values of biodiversity and ecosystem services in public and private sector decision making, including by revising and updating national biodiversity strategies and action plans to further engage different sectors of government and the private sector, building on the work of the TEEB initiative, the UNDP regional initiative on the importance of biodiversity and ecosystems for sustained growth and equity in Latin America and the Caribbean, and other relevant initiatives;
- (b) undertaking similar studies at the national level;
- (c) identifying, eliminating, phasing out, or reforming, with a view to minimize or avoid negative impacts from, existing harmful incentives for sectors that can potentially affect biodiversity, taking into account target 3 of the Strategic Plan for Biodiversity 2011-2020;
- (d) promoting the design and implementation, in all key economic sectors, of positive incentive measures for the conservation and sustainable use of biodiversity that are effective, transparent, targeted, appropriately monitored, cost-efficient as well as consistent and in harmony with the Convention and other relevant international obligations, and that do not generate perverse incentives, taking into account, as appropriate, the range of positive incentive measures identified in the report for policy-makers of the TEEB initiative, the polluter pays principle and the associated full-cost recovery principle, as well as the livelihoods of indigenous and local communities;

To: CBD NFPs, relevant international organizations and stakeholders

- (e) engaging with businesses and enterprises on ways and means to contribute to the national implementation of the Convention, including through the design and implementation, with their participation, of direct and indirect positive incentive measures for the conservation and sustainable use of biodiversity;
- (f) implementing sustainable consumption and production patterns for the conservation and sustainable use of biodiversity, both in the public and the private sector, including through business and biodiversity initiatives, procurement policies that are in line with the objectives of the Convention, and development of methods to promote science-based information on biodiversity in consumer and producer decisions, consistent and in harmony with the Convention and other relevant international obligations;
- (g) building or enhancing national capacities for assessing the values of biodiversity and ecosystem services, for identifying and removing or mitigating perverse incentives, and for the design and implementation of positive incentive measures for the conservation and sustainable use of biodiversity;
- (h) otherwise supporting the efforts at global, regional and national levels in identifying and removing or mitigating perverse incentives, in promoting positive incentives for the conservation and sustainable use of biodiversity, and in assessing the values of biodiversity and associated ecosystem services.

As per paragraph 15 of decision X/44, the information submitted will be disseminated through the clearing house mechanism of the Convention; and a progress report will be prepared by the Secretariat, which will synthesize and analyse the information submitted for consideration by the Subsidiary Body on Scientific, Technical and Technological Advice at its sixteenth meeting.

I thank you for your cooperation and continued support to the Convention.

Please accept, Madam/Sir, the assurances of my highest consideration.

Ahmed Djoghlaif
Executive Secretary

Attachment

X/44.Incentive measures

The Conference of the Parties

1. *Welcomes* the work of the international workshop on the removal and mitigation of perverse, and the promotion of positive incentives, held in Paris, from 6 to 8 October 2009; and *expresses its appreciation* to the Government of Spain for providing financial support in convening, and to the United Nations Environment Programme (UNEP) for hosting, the workshop, as well as to the International Union for Conservation of Nature (IUCN) and UNEP for providing support to the write-up of the good-practice cases;
2. *Takes note* of the information and the compilation of good practice cases from different regions on the removal or mitigation of perverse incentives, and the promotion of positive incentive measures, based on the report of the international expert workshop and further complemented, as requested by the Subsidiary Body on Scientific, Technical and Technological Advice at its fourteenth meeting, in the note by the Executive Secretary contained in document [UNEP/CBD/COP/10/INF/18](#);
3. *Invites* Parties and other Governments, as well as relevant international organizations and initiatives, to take the information and the compilation of good-practice cases into consideration in their work on the identification and removal or mitigation of perverse incentives, and the promotion of positive incentive measures for the conservation and sustainable use of biodiversity, bearing in mind that the possible impacts of incentive measures could vary from country to country, in accordance with national circumstances;
4. *Requests* the Executive Secretary, as appropriate, to disseminate the information and good-practice cases through the clearing-house mechanism of the Convention and through other means;
5. *Welcomes* the reports of The Economics of Ecosystem and Biodiversity (TEEB) initiative and *acknowledges* the support provided by the United Nations Environment Programme in hosting the initiative, as well as the financial support provided by Germany, the European Union, and others;
6. *Recognizing* the importance of assessing the values of biodiversity and ecosystem services for the enhanced calibration of positive incentive measures, *invites* Parties and other Governments, in accordance with their national legislation, to take measures and establish, or enhance, mechanisms with a view to account for the values of biodiversity and ecosystem services in public and private sector decision making, including by revising and updating national biodiversity strategies and action plans to further engage different sectors of government and the private sector, building on the work of the TEEB initiative, the UNDP regional initiative on the importance of biodiversity and ecosystems for sustained growth and equity in Latin America and the Caribbean, and other relevant initiatives, and to also consider undertaking, as appropriate, similar studies at the national level;
7. *Requests* the Executive Secretary, subject to the availability of financial resources and in collaboration with relevant partners, and taking into account the work of the TEEB initiative as well as similar work at national or regional levels, such as the regional initiative of the United Nations Development Programme (UNDP) on the importance of biodiversity and ecosystems for sustained growth and equity in Latin America and the Caribbean, to convene regional workshops for the exchange among practitioners on practical experiences on the removal and mitigation of perverse incentive measures, including, but not limited to, harmful subsidies, and on the promotion of positive incentives, including, but not limited to, market-based incentives, with a view to build or enhance capacities of, and promote common understanding among, practitioners;

8. *Invites* national, regional and international funding institutions to support the building or enhancement of national capacities for assessing the values of biodiversity and ecosystem services, for identifying and removing or mitigating perverse incentives, and for the design and implementation of positive incentive measures for the conservation and sustainable use of biodiversity;

9. *Recognizing* that perverse incentives harmful for biodiversity are frequently not cost-efficient and/or not effective in meeting social objectives while in some cases use scarce public funds, *urges* Parties and other Governments to prioritize and significantly increase their efforts in actively identifying, eliminating, phasing out, or reforming, with a view to minimize or avoid negative impacts from, existing harmful incentives for sectors that can potentially affect biodiversity, taking into account target 3 of the Strategic Plan for Biodiversity 2011-2020, while acknowledging that doing so requires then the conduct of careful analyses of available data and enhanced transparency, through ongoing and transparent communication mechanisms on the amounts and the distribution of perverse incentives provided, as well as of the consequences of doing so, including for the livelihoods of indigenous and local communities;

10. *Noting* the essential role of regulation and the complementary role of market-based instruments, *encourages* Parties and other Governments to promote the design and implementation, in all key economic sectors, of positive incentive measures for the conservation and sustainable use of biodiversity that are effective, transparent, targeted, appropriately monitored, cost-efficient as well as consistent and in harmony with the Convention and other relevant international obligations, and that do not generate perverse incentives, taking into account, as appropriate, the range of positive incentive measures identified in the report for policy-makers of the TEEB initiative, the "polluter pays principle" and the associated "full-cost recovery principle", as well as the livelihoods of indigenous and local communities;

11. *Acknowledging* the crucial role of communication between the public and private sectors in developing incentive measures that are supportive of the national implementation of the Convention, *encourages* Parties and other Governments to engage with businesses and enterprises on ways and means to contribute to the national implementation of the Convention, including through the design and implementation, with their participation, of direct and indirect positive incentive measures for the conservation and sustainable use of biodiversity;

12. *Invites* Parties and other Governments to foster, as appropriate, implementation of sustainable consumption and production patterns for the conservation and sustainable use of biodiversity, both in the public and the private sector, including through business and biodiversity initiatives, procurement policies that are in line with the objectives of the Convention, and development of methods to promote science-based information on biodiversity in consumer and producer decisions, consistent and in harmony with the Convention and other relevant international obligations;

13. *Also recognizing* the methodological limitations of existing approaches, such as of existing valuation tools, *welcomes* the work of relevant international organizations, such as the Food and Agriculture Organization of the United Nations (FAO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and its initiative on the Economics of Ecosystems and Biodiversity (TEEB), the Organisation for Economic Co operation and Development (OECD), the International Union for Conservation of Nature (IUCN), as well as other international organizations and initiatives, to support the efforts at global, regional and national levels in identifying and removing or mitigating perverse incentives, in promoting positive incentives for the conservation and sustainable use of biodiversity, and in assessing the values of biodiversity and associated ecosystem services, and invites them to continue and intensify this work with a view to raise awareness on, and promote common understanding of, the removal or mitigation of perverse incentives, the promotion of positive incentive measures, and the assessment of the values of biodiversity and ecosystem services;

14. *Requests* the Executive Secretary to continue and further strengthen his cooperation with relevant organizations and initiatives, with a view to catalysing, supporting, and facilitating the work spelled out in paragraphs 1 to 13 above and to ensure its effective coordination with the programme of work on incentive measures as well as the other thematic and cross-cutting programmes of work under the Convention;

15. *Invites* Parties, other Governments, and relevant international organizations and initiatives to report to the Executive Secretary progress made, difficulties encountered, and lessons learned, in implementing the work spelled out above;

16. *Requests* the Executive Secretary to disseminate, through the clearing house mechanism of the Convention, the information submitted pursuant to the invitation expressed in paragraph 15 above, and to synthesize and analyse the information submitted and prepare a progress report for consideration by a meeting of the Subsidiary Body on Scientific, Technical and Technological Advice prior to the eleventh meeting of the Conference of the Parties.
