

## Research needs expressed in the Decisions of the Conference of the Parties to the Convention on Biological Diversity: Cross-Cutting Issue: Economics, Trade and Incentive Measures

Many biodiversity goods and services are not traded on markets, and their value is not properly reflected in market prices. The economic work under the Convention (<http://www.cbd.int/incentives/default.shtml>) seeks to promote the valuation of these goods and services, and to introduce measures that correct the incentives of individuals, governments and companies towards more effective conservation and sustainable use of biodiversity, including by promoting the trade of biodiversity-based goods that are produced in a sustainable manner. It also seeks to ensure the mutual supportiveness of international trade rules and the objectives of the Convention.

Cited Decisions that express research needs are VI/15, VII/18, VIII/25, VIII/26, IX/6, IX/11, X/44 and XII/10, also checked was Decision V/15. Comment: The Annex to Decision VII 18 is bracketed completely. Therefore, the citations taken from this annex are also in square brackets.

### Direct research needs

Decision	Paragraph	Chapeau / Heading	Text	Source <a href="http://www.cbd.int/decisions/">http://www.cbd.int/decisions/</a>
VI/15	Annex I Para 4	Proposals for the design and implementation of incentive measures.	The <b>identification of the proximate and underlying causes and the importance of threats to biodiversity and its components</b> are a prerequisite for the selection of the appropriate measure to stop or reverse degradation. Policies that create incentives without removing the underlying causes of biodiversity loss (including perverse incentives) are unlikely to succeed. Therefore, prior to embarking on an exercise to develop incentive measures for conservation or sustainable use, <b>it is important to undertake a thorough study to identify and evaluate the respective and mutually reinforced impacts of any underlying pressures.</b>	<a href="http://www.cbd.int/decisions/cop-06.shtml?m=COP-06&amp;id=7189">cop-06.shtml?m=COP-06&amp;id=7189</a>
VI/15	Annex II Para 19	Recommendations for further cooperation on incentive measures.	There is a <b>need to launch pilot projects to strengthen the understanding and capacity to design, implement and assess incentive measures.</b> Pilot projects could <b>focus on a number of activities including awareness-raising, valuation studies, assessment of existing incentives, development of new incentive schemes and removal of barriers to incentives.</b> Such pilot projects should have built-in linkages to existing initiatives under way in UNEP	

			and other relevant organizations.	
VII/18	Annex I Para 5		<b>[A thorough study, critical review and evaluation of policies and practices potentially contributing to biodiversity loss, including the assessment of their impact on biodiversity as well as their effectiveness and efficiency, is therefore essential to identify properly and comprehensively any specific policies or practices and their interaction that are responsible for such decline.</b> Indicator systems are an important means to inform such an analysis. Parties and Governments should engage in the further development of such systems.] <b>Text in brackets. See comment at top of this table.</b>	
VII/18	Annex I Para 7	[Proposals for the application of ways and means to remove or mitigate perverse incentives.]	<i>[Identification of perverse practices.</i> Special analytical care is needed if practices are to be held accountable for any adverse impacts on biological diversity. Such practices are difficult to change as they are rooted in cultural traditions or customary law, which may have wider social values. Furthermore, perverse incentives may be often be explained by an economically rational response to ill-adapted policies. <b>The analysis should determine whether the promotion of cultural adaptation is appropriate or whether the reform of policies, or a combination of both, provides better opportunities for an effective policy intervention.] Text in brackets. See comment at top of this table.</b>	<a href="http://cop-07.shtml?m=COP-07&amp;id=7755">cop-07.shtml?m=COP-07&amp;id=7755</a>
VIII/25	Para 6		<i>Invites</i> national, regional and international funding institutions to <b>identify gaps and needs to support the building or enhancement of national capacity as well as research and training, including through pilot projects</b> , in accordance with the needs and priorities identified by Parties, for undertaking valuation of biodiversity resources and functions and associated ecosystem services;	
VIII/25	Para 7	The Conference of the Parties	<b>Encourages</b> relevant national, regional and international <b>research institutions to strengthen research activities including research cooperation and exchange at national, regional and international levels</b> including through South-South cooperation and/or the establishment of regional research consortia as appropriate, in order to promote a common understanding of valuation techniques among governments and stakeholders, on, <i>inter alia</i> : <b>Integration of the values of biodiversity resources and functions</b>	<a href="http://cop-08.shtml?m=COP-08&amp;id=11039">cop-08.shtml?m=COP-08&amp;id=11039</a>

			<p><b>and associated ecosystem services into national accounting and decision-making</b>, taking into account the conceptual framework of the Millennium Ecosystem Assessment;</p> <p><b>Conducting a limited number of pilot valuation studies in developing countries, in particular the least developed and small island developing States among them, in countries with economies in transition and in countries that are centres of origin of biodiversity</b>, with a view to enable Parties to develop, based on such experience, appropriate valuation tools;</p> <p><b>Capturing the calculated values through the careful analysis and design of markets for ecosystem services</b> where appropriate, taking into account the three objectives of the Convention;</p>	
VIII/25	Annex I Para 20		<p><i>International research cooperation.</i> Considerable progress has been made in the last decades in developing reliable tools, as well as the protocols for their application, for the valuation of biodiversity resources and functions and associated ecosystem services. However, <b>important opportunities for further research and development remain. Research initiatives that address these opportunities and seek to establish regional or international cooperation and exchange should be supported.</b></p>	
VIII/25	Annex I Para 21	Options for the application of tools for valuation of biodiversity and biodiversity resources and functions.	<p><i>Biodiversity valuation and national accounting.</i> <b>Further research directed at the development of a biodiversity adjustment for national accounting seems to be an important means to have biodiversity losses more reflected in macro-economic policy-making.</b></p>	<a href="http://www.cop-08.shtml?m=COP-08&amp;id=11039">cop-08.shtml?m=COP-08&amp;id=11039</a>
VIII/25	Annex I Para 22		<p><i>Valuation tools.</i> <b>Further research on the conditions for validity and robustness of valuation techniques, in particular of stated-preference techniques, may contribute to further the reliability of valuation information of non-marketed ecosystem services, in particular with regard to non-use values.</b></p>	
VIII/25	Annex I Para 23		<p><i>Benefits transfer.</i> <b>Further research on the conditions for validity and robustness of benefits transfer may further advance the use of valuation information under tight time and resource constraints, which prevent extensive primary research.</b></p>	
VIII/25	Annex I		<p><i>Links between biodiversity, biodiversity functions, and associated</i></p>	

	Para 24		<i>ecosystem services</i> . Despite recent progress made in <b>understanding the links between biological diversity, biodiversity functions, and the associated ecosystem services, many questions remain unresolved. Further research in addressing these important questions is therefore warranted</b> and may also lead to the development of innovative tools and methodologies for the valuation of biodiversity and biodiversity resources and functions.	
VIII/26	Para 5	The Conference of the Parties	<i>Encourages</i> relevant national, regional and international organizations and initiatives to <b>strengthen mechanisms that build capacity and extend research and training on the design, implementation and review of positive incentive measures for the conservation and sustainable use of biodiversity</b> , in accordance with domestic needs and priorities, taking into account the need to understand the risks of perverse effects on livelihoods, sustainable development or the biodiversity of third parties;	<a href="http://www.cop8.org/cop-08.shtml?m=COP-08&amp;id=11040">cop-08.shtml?m=COP-08&amp;id=11040</a>
VIII/26	Para 6		<i>Encourages</i> relevant national, regional and international institutions and organizations, such as IUCN and the Organisation for Economic Co-operation and Development, as well as representatives of indigenous and local communities and relevant stakeholders, to <b>strengthen research activities</b> , including research cooperation and exchange at national, regional and international levels, <b>on</b> , as appropriate: <b>Further assessment of positive incentive measures</b> and their application at the national, regional and global levels, taking into account the context in which they were implemented, the conditions necessary for their success, as well as the ecosystem approach; <b>Comparative analyses of the effectiveness and cost-efficiency of individual positive incentive measures</b> , including their impact on the livelihood and biodiversity of third parties; The <b>development of innovative positive incentive measures</b> ; The <b>development of mechanisms, including policy, legal and institutional measures</b> in full consultation with representatives of indigenous and local communities <b>that ensure the fair and equitable sharing of benefits arising from positive incentive measures</b> ; The <b>analysis and evaluation of the relevant economic, social and cultural impacts</b> of individual positive incentive measures at different	

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#### Indirect research needs

Decision	Paragraph	Chapeau / Heading	Text	Source <a href="http://www.cbd.int/decisions/">http://www.cbd.int/decisions/</a>
VI/15	Para 5	The Conference of the Parties	Encourages Parties and relevant organizations to <b>submit case-studies, lessons learned and other relevant information on incentive measures</b> , especially on positive and perverse incentives, to the Executive Secretary.	<a href="http://www.cbd.int/decisions/cop-06.shtml?m=COP-06&amp;id=7189">cop-06.shtml?m=COP-06&amp;id=7189</a>
VI/15	Annex I Para 13	Proposals for the design and implementation of incentive measures.	The <b>carrying capacity of the different ecosystems has to be fully considered</b> in the design of incentive measures, as the use of resources may be limited by carrying capacity.	
VI/15	Annex II Para 7	Particular emphasis could be placed on the following elements:	<b>Building a network of experts</b> on biodiversity incentives who can provide guidance and information related to specific requests from Governments, civil society and the private sector.	
VI/15	Annex II Para 12	Recommendations for further cooperation on incentive measures.	The <b>methodologies for undertaking valuations should be developed further</b> , as they play a strategic role in the development of incentives for biodiversity conservation and sustainable use. Further cooperative work might include: <b>Continued exploration of methodologies for valuation of biodiversity and biodiversity resources;</b> <b>Developing and refining non-market methods of valuation;</b> Disseminating information on existing techniques for valuation.	<a href="http://www.cbd.int/decisions/cop-06.shtml?m=COP-06&amp;id=7189">cop-06.shtml?m=COP-06&amp;id=7189</a>
VI/15	Annex II Para 15		It is important to <b>explore the linkages with international organizations/agreements focused on economic policies</b> , in particular trade policies under the World Trade Organization and other policies such as labour (the International Labour Organization) and health (the World Health Organization). In addition, <b>linkages to regional and sectoral economic organizations/agreements should be explored</b> to determine their incentive compatibility with the objectives of the Convention.	

IX/6	Para 4	The Conference of the Parties	Decides to put more emphasis on Studies on approaches to develop markets and payment schemes for ecosystem services at local, national and international levels, their advantages as well as potential limitations and risks, and their potential implications for biodiversity and indigenous and local communities; Analysis of the effects of different incentive measures and the impact on biodiversity across different groups in different geographical areas and over time;	<a href="http://cop/?id=11649">cop/?id=11649</a>
IX/6	Para	The Conference of the Parties	<i>requests</i> the Executive Secretary to encourage, <b>further studies on payments for ecosystem services and other positive incentive measures</b> at local, national, regional and international levels, their advantages as well as their potential limitations and risks, their cost-effectiveness, potential implications for biodiversity and indigenous and local communities, and their consistency with other international obligations;	<a href="http://cop/?id=11649">cop/?id=11649</a>
IX/11	Para 1	The Conference of the Parties	<i>Encourages</i> the Parties and relevant organizations to improve the existing financial information through enhancing accuracy, consistency and delivery of existing data on biodiversity financing and improved reporting on funding needs and shortfalls for the Convention's three objectives, and, in this context;	<a href="http://cop/?id=11654">cop/?id=11654</a>
IX/11	Para 2	The Conference of the Parties	<i>Encourages</i> the Parties and relevant organizations to <b>intensify efforts to assess</b> , as appropriate, <b>the economic costs of the loss of biodiversity and its associated ecosystem services</b> and of the failure to take measures to fulfil the three objectives of the Convention, <b>as well as the benefits of early action to reduce loss of biological diversity and its associated ecosystem services</b> , in order to inform decision-making and awareness-raising;	<a href="http://cop/?id=11654">cop/?id=11654</a>
X/44	Para 6	The Conference of the Parties	<i>invites</i> Parties and other Governments, [...], <b>building on the work of the TEEB initiative</b> , 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 <b>consider undertaking</b> , as appropriate, <b>similar studies at the national level</b> ;	<a href="http://cop/?id=12310">cop/?id=12310</a>
X/44	Para 9	The Conference of the Parties	<i>urges</i> Parties and other Governments to <b>prioritize and significantly increase their efforts</b> in actively identifying, eliminating, phasing out,	<a href="http://cop/?id=12310">cop/?id=12310</a>

			or reforming, with a view to minimizing or avoiding 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 <b>acknowledging that doing so requires then the conduct of careful analyses of available data;</b>	
XII/10	Para 2	The Conference of the Parties	<i>Encourages</i> businesses: a) To analyse the impacts of business decisions and operations on biodiversity and ecosystem functions and services;	<a href="#">doc/?meeting=cop-12</a>