



CBD

# Secretariat of the Convention on Biological Diversity

22 May 2007  
International Day for Biological Diversity



Biodiversity and Climate Change

## Submission from the Secretariat of the Convention on Biological Diversity on the Issue of Reducing Emissions from Deforestation in Developing Countries

*Note by the Executive Secretary of the Convention on Biological Diversity*

The present note was prepared by the Executive Secretary of the Convention on Biological Diversity (CBD) in response to the United Nations Framework Convention on Climate Change (UNFCCC) invitation for submissions on reducing emissions from deforestation in developing countries (FCCC/SBSTA/2006/L.25 paragraph 5).

This note contains four sections, section I on policy approaches and incentives, section II on assessments of results, section III on improving the understanding of reducing emissions from deforestation in developing countries, and section IV on next steps.

### **Section I: Ongoing and potential policy approaches and positive incentives, and technical and methodological requirements related to their implementation**

#### **Relevant text of the Convention**

Article 11 of the CBD, on incentive measures, is the main entry point for pertinent activities under the Convention. The Article states:

“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 measures**

Incentive measures within the framework of the CBD are typically employed to ‘internalize’ the public-good value of biodiversity into the decision-making of relevant actors. When full internalization is not possible due to economic and social circumstances incentive measures seek to at least bridge the profitability gap between unsustainable activities and sustainable alternatives, thus inducing these actors to conserve biological diversity or to use its components in a sustainable manner. As such, incentives do not rely on an outright prescription or prohibition of specific activities.

Incentive measures within the framework of the CBD usually take the form of a new policy, law, or economic or social programme. However, a single incentive measure functions within the broader set of incentives governing human behavior, and its effectiveness depends upon support from the existing social, economic and policy environment. In the work of the CBD, the following types of incentive measures are distinguished:

- A *positive incentive measure* is an economic, legal or institutional measure designed to encourage activities that are beneficial for biodiversity.

- *Negative incentive measures* or disincentives are mechanisms designed to discourage harmful or unsustainable activities.
- *Indirect incentive measures* seek to change the relative costs and benefits of specific activities in an indirect way, for instance, by creating or promoting markets for biological resources and biodiversity-based products, thus encouraging the conservation and sustainable use of biodiversity.

In addition, attention is also given to taking appropriate action against measures that threaten biological diversity. These so-called *perverse incentives* induce unsustainable behavior that threatens biodiversity, often as unanticipated side effects of policies designed to attain other objectives.

Finally, undertaking *valuation* is part and parcel of the work on incentive measures under the Convention. First, eliciting the hidden (non-market) value of biodiversity is an important precondition to the internalization of this value in economic decision-making, including positive incentives. Second, by raising awareness among societal actors of the hidden values of biodiversity, valuation can also act as a positive incentive measure in its own right.

### **Forest biodiversity programme of work**

One objective of the expanded programme of work on forest biodiversity is to mitigate the economic failures and distortions that lead to decisions that result in loss of forest biological diversity (decision VI/22 Annex, programme element 2, goal 2). It foresees the following activities in order to attain this objective:

- a. Develop mechanisms to ensure that monetary and non-monetary costs and benefits of forest biodiversity management are equitably shared between stakeholders at all levels.
- b. Develop, test and disseminate methods for valuing forest biological diversity and other forest ecosystem goods and services and for incorporating these values into forest planning and management, including through stakeholder analysis and mechanisms for transferring costs and benefits.
- c. Incorporate forest biological diversity and other forest values into national accounting systems and seek to estimate such figures for subsistence economies.
- d. Elaborate and implement economic incentives promoting forest biological diversity conservation and sustainable use.
- e. Eliminate or reform perverse incentives, in particular subsidies that result in favouring unsustainable use or loss of forest biological diversity.
- f. Provide market and other incentives for the use of sustainable practices, develop alternative sustainable income generation programmes and facilitate self-sufficiency programmes of indigenous and local communities.
- g. Develop and disseminate analyses of the compatibility of current and predicted production and consumption patterns with respect to the limits of forest ecosystem functions and production.
- h. Seek to promote national laws and policies and international trade regulations are compatible with conservation and sustainable use of forest biological diversity.
- i. Increase knowledge on monetary and non-monetary cost-benefit accounting for forest biodiversity evaluation.

Similar provisions are included in other relevant programmes of work, such as the programme of work on the biodiversity of dry and sub-humid lands (decision V/23 Annex I, activities 7(g) and 9), the programme of work on mountains biodiversity (decision VII/27 Annex, activities 2.1.1 and 2.1.2), and the programme of work on islands biodiversity (decision VIII/1 Annex, target 4.1; Appendix, activities 2.1.1.6.; 4.2.2.4.; 4.3.2.3.; 7.2.1.7.).

### **Ecosystem approach**

To provide further guidance on implementation, the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) to the CBD developed voluntary principles and guidelines on the ecosystem approach. The ecosystem approach principles recognize that the alignment of incentives allows those who control the resource to benefit and ensures that those who generate environmental costs will pay.

Consequently, principle 4 of the ecosystem approach underlines that, recognizing potential gains from management, there is usually a need to understand and manage ecosystems in an economic context, and that any such ecosystem-management programme should:

- a. Reduce those market distortions that adversely affect biological diversity;
- b. Align incentives to promote biodiversity conservation and sustainable use;
- c. Internalize costs and benefits in the given ecosystem to the extent feasible.

The implementation guidelines of principle 4 provide general guidance on what needs to be undertaken. They *inter alia* foresee to:

- apply appropriate practical economic valuation methodologies for ecosystem goods and services; and for the environmental impacts;
- aim to reduce those market distortions that adversely affect biological diversity;
- align economic and social incentives to promote biodiversity conservation and sustainable use;
- internalize costs and benefits in the given ecosystem to the extent feasible;
- evaluate the direct and indirect economic benefits associated with good ecosystem management including biodiversity conservation and environmental quality;
- enhance benefits from using biological diversity;
- ensure equitable sharing of costs and benefits;
- incorporate social and economic values of ecosystem goods and services into National Accounts, policy, planning, education and resource management decisions.

### **Sustainable use**

The Conference of the Parties to the CBD emphasizes, through its actions on incentives, synergies with activities on sustainable use (decision V/15, paragraph 4). As a consequence, the promotion of biodiversity-based products derived from sustainable use, and the development of markets for, and trade in, these products, has been recognized as a positive incentive measure for the conservation and sustainable

use of biodiversity, and has found entry into the thematic programmes of work of the Convention.<sup>1/</sup>

*Technical and methodological requirements: policy guidance developed under the CBD*

### **Incentive measures**

At its sixth meeting, in 2002, the Conference of the Parties endorsed proposals for the design and implementation of incentive measures, as far as they are consistent with Parties' national policies and legislation as well as their international obligations (decision VI/15 Annex I). The proposals note that in general terms, incentive measures should take into account:

- a. Local and regional knowledge, geography, circumstances and institutions;
- b. The mix of policy measures and structures in place including sectoral considerations;
- c. The need to match the scale of the measure to the scale of the problem;
- d. The measures' relationship to existing international agreements.

The following elements are also identified for consideration during the design and implementation of incentive measures: (i) identification of the problem: purpose and issues identification; (ii) provision of capacity building support; and (iii) management, monitoring and enforcement. Guidelines are also provided for selecting appropriate and complementary measures which give an overview of different instruments and their advantages, disadvantages, and applicability, while noting that the list is not comprehensive since non-economic incentives as well as international incentives should also be considered.

- a. *Problem identification*: goals of incentive measures; underlying causes/threats to biodiversity; identification of relevant experts and stakeholders; establish processes for participation; set clear targets and indicators.
- b. *Design*: ecosystem approach; sectoral approach; sectoral mainstreaming; carrying capacity; precautionary approach; the efficiency objective; internalization; undertaking valuation; underlying cause of biodiversity loss; comprehensibility; equity: distributional impacts; capturing value for indigenous and local communities; raising awareness of biodiversity values and services; mix of measures; monitoring and evaluation; political and cultural acceptability; funding.
- c. *Capacity building*: physical and human capacity; institutional mechanisms; transparency and dissemination of public information; stakeholder involvement; funding.
- d. *Management, monitoring and enforcement*: administrative and legal capacity; policy-impact indicators; information systems; funding.

The guidelines for selecting appropriate and complementary measures *inter alia* note that:

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<sup>1/</sup> The UNCTAD BioTrade Initiative is a close cooperating partner of the Convention in implementing related activities. At its eighth meeting, in March 2006, the Conference of the Parties invited UNCTAD to continue supporting the programme of work on incentive measures, *inter alia* through biotrade (decision VIII/26, paragraph 9).

- a. Well defined land and property rights are an important factor in the design and implementation of incentive measures in the conservation of biological diversity and sustainable use;
- b. Positive incentives can influence decision-making by recognizing and rewarding activities that are carried out for conservation and sustainable use purposes;
- c. The removal of perverse incentives eases pressure on the environment.
- d. The identification of both internal and external perverse incentives and other threats to biodiversity conservation and to the promotion of sustainable use, is essential to the selection and design of incentive measures.
- e. The removal of perverse incentives may improve economic efficiency and reduce fiscal expenditures;
- f. Disincentives continue to be an important tool for ensuring the conservation and sustainable use of biodiversity and can be used in combination with positive incentives.

At its eighth meeting, the Conference of the Parties further specified guidance on positive incentive measures by

*Recognizing that positive incentive measures can influence decision-making by recognizing and rewarding activities that are carried out for the conservation and sustainable use of biological diversity, and are important in achieving the objectives of the Convention and the 2010 biodiversity target, when such positive incentive measures are targeted, flexible, transparent, appropriately monitored and adapted to local conditions (decision VIII/26 preamble).*

### **Forest biodiversity programme of work**

The SBSTTA of the CBD has identified options for the application of tools for the valuation of forest biodiversity and associated functions. At its eighth meeting, in March 2006, the Conference of the Parties invited Parties and other Governments to take these options into consideration as possible inputs for analysis when considering the application of methods for assessing the changes of the value of biodiversity resources and associated ecosystem services.

The options address the following elements: (i) valuation tools; (ii) institutional considerations; (iii) capacity building and training; and (iv) further research. Based on the Millennium Ecosystem Assessment, an overview of main valuation techniques is also provided, which includes a brief description of each method, its application, data requirements and potential challenges/limitations.

- a. *Valuation tools*: efficiency; choice of valuation tools; stated-preference techniques; cost-based approaches; benefits transfer.
- b. *Institutional considerations*: development or improvement of institutions; biodiversity values and national income accounts; development of national guidelines; involvement of stakeholders as well as indigenous and local communities; awareness-raising and incentive measures; awareness-raising and pilot projects.

- c. *Capacity building and training*: capacity building; regional workshops; regional and international cooperation and training; international databases for benefits transfer.
- d. *Further research*: international research cooperation; biodiversity valuation and national accounting; further research on valuation tool; further research of benefits transfer; links between biodiversity, biodiversity functions, and associated ecosystem services.

In addition, more extensive technical background information on biodiversity values and the application of valuation tools has also been developed under the CBD:

- a. *The Value of Forest Ecosystems* (2001), CBD Technical Series No. 4. The publication explores forest economic values resulting from both direct use (i.e., timber, fuel wood, tourism) and indirect use (i.e., watershed functions, climate regulators).
- b. *An exploration of tools and methodologies for valuation of biodiversity and biodiversity resources and functions* (2007), CBD Technical Series No. 28. The publication provides technical background information to the options described above, with a focus on valuation methods and the role of valuation in decision-making, and also provides summaries of 13 valuation studies.

### **Interlinkages between multilateral environmental agreements including the UNFCCC**

Interlinkages between multilateral environmental agreements on incentive measures are explicitly addressed in the recommendations for further cooperation on incentive measures, which were endorsed by the Conference of the Parties at its sixth meeting, in 2002 (decision VI/15 Annex II). <sup>2/</sup> Paragraph 14 of the recommendations states:

*There is a need to examine the policies and programmes under different multilateral environmental agreements to ensure that they provide mutually reinforcing incentives. In this respect, the Conference of the Parties (...) suggested attention to incentives with regard to other linkages, such as (...) the United Nations Framework Convention on Climate Change with respect to land-use change and forest biodiversity. In addition, the United Nations Framework Convention on Climate Change is encouraged to give priority to incentives to avoid deforestation, as a substantial amount of greenhouse gas emissions is due to the destruction of forests, the greatest terrestrial repository of biodiversity.*

The expanded programme of work on forest biological diversity calls for collaboration with the UNFCCC on research and monitoring activities on forest biological diversity and climate change.

It is also noteworthy that the Conference of the Parties urged “*Parties and other Governments to explore possible ways and means by which incentive measures promoted through the Kyoto Protocol under the United Nations Framework Convention on Climate*

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<sup>2/</sup> The recommendations also highlighted the importance of information, involvement of stakeholders, capacity-building, the need for the further development of methodologies for undertaking valuation of biodiversity, macro-economic policies, ecosystem focus, pilot projects/case-studies/workshops, and the support of international organizations.

*Change can support the objectives of the Convention on Biological Diversity” (decision V/15, paragraph 6).*

## **Experiences in implementation by Parties**

### Implementation of incentive measures as reported by CBD Parties

By the beginning of November 2006, 102 Parties had submitted their third national reports to the CBD Secretariat, out of which 93 could be used for a statistical analysis.

Over two-thirds of responding Parties indicated that they had established programmes to identify and adopt incentive measures for the conservation and sustainable use of the components of biological diversity (58 Parties had some programmes, eight had comprehensive programmes), while a further 14 Parties reported that programmes are being developed.

A total of 78 Parties provided further comments, 64 of which reported to have positive incentive programmes in place. A total of 55 Parties provided information on monetary positive incentive measures.

Fifteen countries explicitly referred to measures applied in the forestry sector – bearing in mind that a number of other activities, mentioned by Parties without reference to a particular sector or ecosystem, may also apply to forests.

With regards the vehicles by which monetary positive incentive measures are granted, a total of 12 Parties referred to the design of tax system, four Parties mentioned the application of tariff reductions or duty-free concessions, and two Parties referred to subsidized credit. Four Parties referred to payment systems for ecosystem services. The granting of access guarantees for local communities to protected areas, and the establishment of schemes that seek to share receipts from economic activities was reported by 8 Parties.

With regards to the institutional structures and mechanisms by which monetary positive incentives are granted, a total of 10 Parties referred to environmental funds. One Party reported on the application of auctions for granting stewardship payments.

A total of 18 Parties reported using non-monetary incentive measures. Social recognition through awards and other means featured most prominently, with 9 Parties making reference to such mechanisms.

A total of 26 Parties reported on the promotion of biodiversity-based goods and services. Several Parties made explicit reference to the sector in which these activities were undertaken – tourism (including ecotourism) was the most prominent sector mentioned, with 9 Parties reporting on activities in this sector. Five Parties mentioned labeling and certification as a means to promote such products.

Less than 24% of reporting countries responded that they had established mechanisms or approaches to ensure the incorporation of both market and non-market values of biodiversity into relevant plans, policies and programmes, while a further 42% said that such mechanisms were being developed. The application of tools for valuation of biodiversity was the single most important mechanism identified by Parties for this

purpose. Twenty-two Parties reported that they were undertaking valuation studies, and a further two reported that they were working on integrating biodiversity values into their system of national accounts. Some Parties identified lack of human and technical capacity in conducting such studies.

#### Challenges in implementing incentive measures as identified by CBD Parties

Responses in the third national reports identified the lack of mainstreaming and integration of biodiversity issues into other sectors as the most important challenge in implementing Article 11, closely followed by the lack of financial, human, and technical resources. On the other hand, the deficiencies in the implementation of incentive measures were also identified as an important challenge in implementing many other provisions of the Convention – and as the single most important challenge in implementing Article 10 on sustainable use.

The need for enhanced financial, human, and technical capacity is confirmed by the fact that close to half of reporting Parties indicated that they had not yet developed or are only developing training and capacity-building programmes to implement incentive measures, while 42 reporting Parties have some programmes in place and only 5 Parties have many programmes in place. A need for enhanced capacity-building and training on biodiversity valuation was particularly identified, as it is associated with the need to enhance awareness of biodiversity values and to better incorporate them into plans, policies and programmes.

### **Section II: Assessment of Results and their Reliability**

The CBD, through decision VIII/15 of the Conference of the Parties applied the provisional framework of goals and targets for the 2010 biodiversity target to the programmes of work of the Convention including the programme of work on forest biodiversity.

The 2010 biodiversity target contains many goals and sub-targets which are relevant for the assessment of efforts to reduce deforestation (presented in Table 1 below). Monitoring these targets will take place in close collaboration with a number of partners including *inter alia*: the Food and Agriculture Organization of the United Nations, the Global Forest Coalition, and the International Tropical Timber Organization.

**Table 1 – Goals and Targets for the 2010 Biodiversity Target**

<i>Provisional goals and targets as per the framework</i>	<i>Forest biodiversity</i>	<i>Relevance for Reducing Emissions from Deforestation</i>
<b>Focal area 1: Protect the components of biodiversity</b>		
Goal 1. Promote the conservation of the biological diversity of ecosystems, habitats and biomes		
<b>Target 1.1: At least 10% of each of the world's ecological regions effectively conserved.</b>	At least 10% of each of the world's forest types are effectively conserved.	Forest areas protected from threats of deforestation



<b>Target 1.2: Areas of particular importance to biodiversity protected.</b>	Areas of particular importance to forest biodiversity protected in the most threatened and vulnerable forest ecosystems through comprehensive, effectively managed and ecologically representative national and regional protected area networks.	
Goal 2. Promote the conservation of species diversity		
<b>Target 2.1: Restore, maintain or reduce the decline of populations of species of selected taxonomic groups.</b>	Populations of forest species of threatened and most vulnerable taxonomic groups restored, maintained, or their decline substantially reduced.	Forest species protected from habitat loss and overuse / deforestation
<b>Target 2.2: Status of threatened species improved.</b>	Conservation status of threatened forest species substantially improved.	
Goal 3. Promote the conservation of genetic diversity		
<b>Target 3.1: Genetic diversity of crops, livestock, and of harvested species of trees, fish and wildlife and other valuable species conserved, and associated indigenous and local knowledge maintained.</b>	Genetic diversity of valuable forest species, and other species providing non-timber forest products, conserved and associated indigenous and local knowledge is protected and maintained.	Enhanced long-term sustainability of forests
<b>Focal Area 2: Promote sustainable use</b>		
Goal 4. Promote sustainable use and consumption		
<b>Target 4.1: Biodiversity-based products derived from sources that are sustainably managed, and production areas managed consistent with the conservation of biodiversity.</b>	Forest goods and services are derived from sources and concessions managed according to the principles of sustainable forest management including conservation of biological diversity.	Address perverse incentives resulting in deforestation
<b>Target 4.2 Unsustainable consumption, of biological resources, or that impacts upon biodiversity, reduced.</b>	Unsustainable consumption of biological resources, and its impact upon forest biological resources, reduced.	
<b>Target 4.3: No species of wild flora or fauna endangered by international trade.</b>	No species of forest flora or fauna, including timber species, endangered by international trade.	
<b>Focal area 3: Address threats to biodiversity</b>		
Goal 5. Pressures from habitat loss, land-use change and degradation, and unsustainable water use, reduced		
<b>Target 5.1: Rate of loss and degradation of</b>	The current rate of forest loss, degradation, and conversion to other land uses are	Decreased rate of deforestation

natural habitats decreased.	substantially reduced and the impact on forest biodiversity of human-induced uncontrolled/unwanted forest fires substantially reduced.	
Goal 6. Control threats from invasive alien species		
Target 6.1: Pathways for major potential alien invasive species controlled.	Pathways for major potential invasive alien species in forest ecosystems identified and controlled.	Enhanced long-term sustainability of forests
Target 6. 2: Management plans in place for major alien species that threaten ecosystems, habitats or species.	Management plans in place and implemented for invasive alien species that are considered a significant threat to forest ecosystems, habitats or species.	
Goal 7. Address challenges to biodiversity from climate change, and pollution		
Target 7.1: Maintain and enhance resilience of the components of biodiversity to adapt to climate change.	Resilience of the components of biodiversity to adapt to climate change in forest ecosystems maintained and enhanced.	Enhanced long-term sustainability of forests
Target 7.2: Reduce pollution and its impacts on biodiversity.	The adverse impact of pollution on forest biodiversity substantially reduced.	
	The impact on forest biodiversity of human-induced uncontrolled/unwanted forest fires substantially reduced.	
Focal area 4: Maintain goods and services from biodiversity to support human well-being		
Goal 8. Maintain capacity of ecosystems to deliver goods and services and support livelihoods		
Target 8.1: Capacity of ecosystems to deliver goods and services maintained.	Capacity of forest ecosystems to deliver goods and services maintained or improved.	Enhanced capacity of forest ecosystems to sequester carbon
Target 8.2: Biological resources that support sustainable livelihoods, local food security and health care, especially of poor people, maintained.	Forest biological resources that support sustainable livelihoods, local food security and health care, especially of poor people dependent upon forests, maintained.	
Focal area 5: Protect traditional knowledge, innovations and practices		
Goal 9. Maintain socio-cultural diversity of indigenous and local communities		

<b>Target 9.1. Protect traditional knowledge, innovations and practices.</b>	Measures to protect traditional knowledge, innovations and practices associated with forest biological diversity implemented, and the participation of indigenous and local communities in activities aimed at this promoted and facilitated.	Socially sustainable protection of forests
<b>Target 9.2: Protect the rights of indigenous and local communities over their traditional knowledge, innovations and practices, including their rights to benefit sharing.</b>	Traditional knowledge, innovations and practices regarding forest biodiversity respected, preserved and maintained, the wider application of such knowledge, innovations and practices promoted with the prior informed consent and involvement of the indigenous and local communities providing such traditional knowledge, innovations and practices, and the benefits arising from such knowledge, innovations and practices equitably shared.	
<b>Focal area 6: Ensure the fair and equitable sharing of benefits arising out of the use of genetic resources</b>		
Goal 10. Ensure the fair and equitable sharing of benefits arising out of the use of genetic resources		
<b>Target 10.1: All access to genetic resources is in line with the Convention on Biological Diversity and its relevant provisions</b>	All access to genetic resources derived from forest biological diversity is in line with the Convention on Biological Diversity and its relevant provisions and, as appropriate and wherever possible, with the International Treaty on Plant Genetic Resources for Food and Agriculture.	Enhanced framework for multiple benefits from the protection and sustainable use of forests
<b>Target 10.2: Benefits arising from the commercial and other utilization of genetic resources shared in a fair and equitable way with countries providing such resources in line with the CBD and its relevant provisions.</b>	Benefits arising from the commercial and other utilization of forest genetic resources shared in a fair and equitable way with the countries providing such resources in line with the Convention on Biological Diversity and its relevant provisions.	
<b>Focal area 7: Ensure provision of adequate resources</b>		

### **Section III: Improving the Understanding of Reducing Emissions from Deforestation in Developing Countries**

#### **Expert meeting**

The CBD will be hosting an expert meeting on the links between the conservation of forest biodiversity and climate change. This meeting will, in particular, examine:

- existing knowledge, including socio-economic and environmental data, on forest biodiversity and climate change including (a) the contribution of forests to climate change mitigation and adaptation, and (b) threats to forests as a result of climate change;

- ii. how forest biodiversity conservation and sustainable use can contribute to the long-term sustainability of mitigation measures;
- iii. the potential role of forests in enabling humans to adapt to climate change; and
- iv. how the climate change mitigation and adaptation services provided by forest biodiversity can contribute to implementation of the forest biodiversity programme of work and, in doing so, contribute to poverty alleviation and the achievement of the Millennium Development Goals.

### **International Day for Biological Diversity – 2007**

Given the close links between biodiversity and climate change adaptation and mitigation, the International Day for Biological Diversity will be celebrated on 22 May 2007 under the theme: biodiversity and climate change.

The Secretariat of the CBD developed a number of outreach products in order to enhance the understanding of the important links between biodiversity and climate change including within the framework of forests and carbon sequestration. These outreach products have been made available to Parties, other Governments and relevant partners for use in their own celebrations.

### **Implementation of the forest biodiversity programme of work**

Within the framework of the forest biodiversity programme of work, Parties are implementing two activities which can contribute to improving the understanding of reducing emissions from deforestation in developing countries. These include:

- i. promote monitoring and research on the impacts of climate change on forest biological diversity and investigate the interface between forest components and the atmosphere; and
- ii. assess how the conservation and sustainable use of forest biological diversity can contribute to the international work relating to climate change.

Implementation of the above two activities was reported on by only four Parties in the third national reports to the CBD (Australia, Canada, Malaysia, and Thailand) however, it is very likely that additional Parties are also implementing related activities which are not being reported.

## **Section IV: Next Steps**

### **The in-depth review on incentive measures**

The work on incentive measures is scheduled for in-depth review at the ninth meeting of the Conference of the Parties, in 2008. At its eighth meeting, in March 2006, the Conference of the Parties decided, in paragraph 3 of the decision, to invite Parties, other Governments, international organizations and stakeholders to communicate to the Executive Secretary their experiences in the implementation of the programme of work on incentive measures contained in decisions V/15, VI/15 and VII/18 and provide views on elements such as:

- a. Lessons learned and key challenges in implementing the existing programme of work, based on practical examples and case-studies from national implementation,

- where available, including whether the measures initiated or adopted by Parties have maintained or improved the conservation and sustainable use of components of biodiversity;
- b. Options to address the challenges identified;
  - c. Priorities for a future programme of work including requirements for effective national implementation, including financial and institutional support and capacity-building;
  - d. Key gaps in the work to date, and gaps and obstacles in the existing programme of work that are impeding its implementation at the national level;
  - e. Interface with other international initiatives and instruments in this area;
  - f. Linkages to other programmes of work under the Convention

This invitation, and in particular sub-paragraph (e) above, provides an excellent opportunity for the UNFCCC to identify and propose relevant issues pertaining to incentive measures for consideration by the Conference of the Parties of the Convention on Biological Diversity.

### **The in-depth review of the forest biodiversity programme of work**

The seventh meeting of the Conference of the Parties, through decision VII/31, adopted a multi-year programme of work of the Conference of the Parties up to 2010, which scheduled an in-depth review of implementation of the expanded programme of work on forest biological diversity for the ninth meeting of the Conference of the Parties.

Goal 2 of the programme of work calls on Parties to reduce the threats and mitigate the impacts of threatening process on forest biological diversity. Within this goal, objective 3 refers specifically to climate change calling for Parties to:

- iii. Promote monitoring and research on the impacts of climate change on forest biological diversity and investigate the interface between forest components and the atmosphere;
- iv. Develop coordinated response strategies and action plans at global, regional and national levels;
- v. Promote the maintenance and restoration of biodiversity in forests in order to enhance their capacity to resist to, and recover from and adapt to climate change;
- vi. Promote forest biodiversity conservation and restoration in climate change mitigation and adaptation measures;
- vii. Assess how the conservation and sustainable use of forest biological diversity can contribute to the international work relating to climate change.

### **Implementation of Goal 2, Objective 3 as reported by CBD Parties**

By the beginning of November 2006, 102 Parties had submitted their third national reports to the CBD Secretariat. Of the Parties reporting, 91 Parties took certain measures to implement Goal 2 with 17 Parties reporting on activities relating to climate change in forest ecosystems.

### **Challenges in implementing the Goal 2, Objective 3 as identified by CBD Parties**

A number of financial and institutional barriers for the implementation of the objectives of goal 2 have been identified as a constraint. These barriers are categorized into three deficiencies: political will, resources and awareness.

- a. A lack of political will is identified by Parties as impeding progress on issues relating to regulations, laws, and coordination between Ministries and various institutions.
- b. Limited resources are preventing Parties from adequately monitoring and guarding activities for forest fires and illegal logging.
- c. A lack of awareness among the local communities to change customs, participation, gender and biological diversity issues was also identified by Parties as hindering efforts to reduce threats to forest biodiversity.