

Keywords

Finland, SYKE, WP6, WP7, Challenges, context and gaps (Step 1 & 2), Institutional fit, Goals, Institutional fit, PES (public, private), Explore, Infer

Main research question

How do state aid rules constrain the economic incentives to provision of public goods on private lands in the European Union?

Research finding in brief

Many environmental services are not traded in markets but are rather public goods and their supply cannot easily be motivated by the market forces.

Governments are responsible for providing public goods but competition rules restrict the use of economic instruments that can be considered state aid.

Subsidies and tax reliefs can be discriminatory, which constrains the application of these incentives. Instead, other instruments such as environmental taxes, fees and charges, are generally in line with the competition principles of state aid law.



Policymix approach

The analysis of state aid principles and their influence on the application of different economic instruments demonstrates the limitations and opportunities of a policymix.

Reference:

Raitanen, E., Similä, J., Siikavirta, K., Primmer, E. 2013. Economic Instruments for Biodiversity and Ecosystem Service Conservation & the EU State Aid Regulation. European Environmental & Planning Law 10(1), 6-28.

Website:

DOI: 10.1163/18760104-01001002

Contact:

Elina.raitanen@utu.fi



ASSESSING THE ROLE OF ECONOMIC INSTRUMENTS IN POLICYMIXES FOR BIODIVERSITY CONSERVATION AND ECOSYSTEM SERVICES PROVISION



Project objectives

POLICYMIX has developed an integrated evaluation framework for assessing economic instruments that considers multiple policy assessment criteria – biodiversity and ecosystem service provision indicators; valuation of their economic benefit and policy implementation costs; social and distributional impacts; and legal and institutional constraints – at different levels of government.



Methodology

POLICYMIX focuses on the role of economic instruments for biodiversity conservation and ecosystem services provided by forest ecosystems. The cost-effectiveness and benefits of a range of economic versus regulatory instruments are being evaluated in selected POLICYMIX case studies in Norway, Finland, Germany, Portugal, Brazil and Costa Rica. Comparative analysis evaluates the possibilities for transfer of policy success stories between Europe and Latin America, and promoting learning from policy failures.



Training and dissemination

POLICYMIX actively used advisory boards including land users, local managers and national policy-makers, who collaborated with our researchers in the feasibility assessments of economic instruments. A web-based [POLICYMIX TOOL](#) encompassing policy impact assessment guidelines, case stories and demonstrations of policy assessment methods is aimed at supporting dissemination and learning.



Results

POLICYMIX research discusses improvements in the design, targeting and implementation of economic instruments for biodiversity conservation through better understanding of (i) the linkages and complementarities between impact assessment tools, (ii) complementarities between different policy instruments in a policy mix, and (iii) trade-offs in design of a policy mix between economic, environmental and social impact criteria.

EC Contribution:

3 458 312 €

Duration:

2010-2014

Consortium:

9 partners from 8 countries

Project Coordinator:

Norwegian Institute for Nature Research (NINA) (Norway)

Project Web Site:

<http://policymix.nina.no>

Key Words:

Biodiversity, ecosystem services, policy mix, social ecological systems, economic instruments, payments for environmental services, ecological fiscal transfers

Partners:

- Norwegian Institute for Nature Research (NINA), Norway
- Helmholtz Centre for Environmental Research (UFZ), Germany
- Foundation of the Faculty of Sciences and Technology, New University of Lisbon (FFCT-UNL CENSE), Portugal
- Institute for Environmental Studies, Vrije Universiteit Amsterdam (IVM), Netherlands
- International Institute for Environment and Development (IIED), UK
- Finnish Environment Institute (SYKE), Finland
- Rede de Desenvolvimento, Ensino e Sociedade (REDES), Brazil
- Fundação de Apoio a Pesquisa Agrícola (FUNDAG), Brazil
- Tropical Agricultural Research and Higher Education Center (CATIE), Costa Rica

Contact:

David N. Barton,
coordinator

david.barton@nina.no

