

**Keywords**

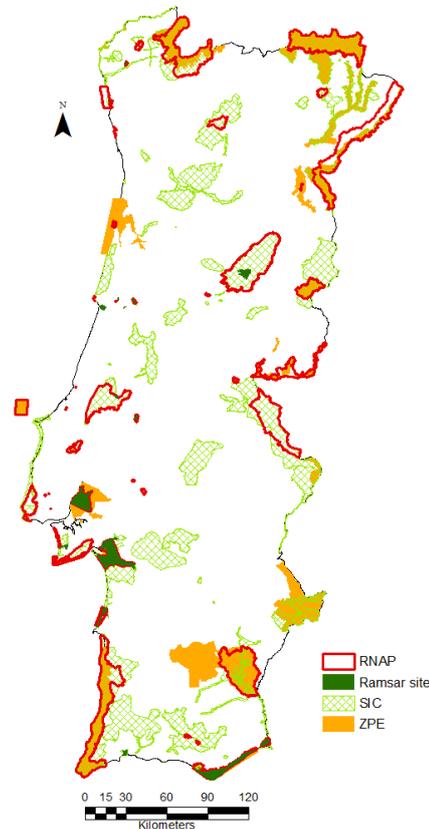
Portugal, CENSE-UNL, UFZ, WP7, Impact evaluation, Policy instruments, Outputs, Final outcomes, Ecological Fiscal Transfers, Protected areas

**Main research question**

Are the Ecological Fiscal Transfers introduced in the amended Portuguese Local Finances Law (LFL) of 2007 an effective instrument to support municipalities' role in biodiversity conservation policy?

**Research finding in brief**

Ecological fiscal transfers, implemented in Portugal as a positive discrimination for those municipalities with land designated as Natura 2000 network sites or other national protected areas, can represent a significant source of income for those municipalities with a large proportion of land under protection status. However, because a significant number of changes to the previously existing legislation were introduced at the same time, the ecological component of the new scheme is difficult to grasp by the affected stakeholders. The instrument is potentially less effective for municipalities not significantly dependent on fiscal transfers. In these cases, direct regulation, planning and biodiversity offset policies that involve restrictions on development are necessary elements of a comprehensive biodiversity instrument mix. The results obtained indicate some main reasons for the lack of success and offer significant insights both for improving the Portuguese LFL and for designing new ecological fiscal transfer schemes.



Protected Areas in Portugal. Source: ICNB

**Policymix approach**

Ecological fiscal transfers were analysed as part of the Portuguese conservation policy mix. The share of fiscal transfers in the Portuguese municipalities' budgets was calculated (cover on average 60%), showing that almost all municipalities depend on these transfers to some extent. The magnitude of ecological fiscal transfers was also calculated for all municipalities and impact indicators were computed to analyse the incentive effect

**Reference:**

[Santos, R., Ring, I., Antunes, P., Clemente, P., 2012. Fiscal transfers for biodiversity conservation: the Portuguese Local Finances Law. Land Use Policy, 29, 261-273](#)

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## 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

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