# EFT in the German biodiversity conservation



# policy mix

Project Report

## Keywords

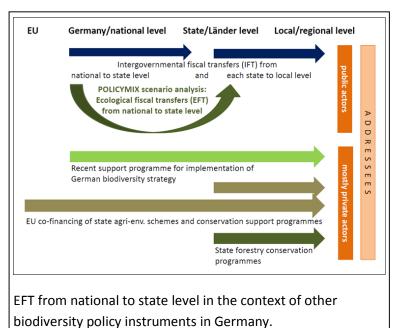
Germany, UFZ, WP3, WP6; Challenges, context and gaps, Scenario analysis; Policy instruments, Modelling; Institutional Fit; Ecological Fiscal Transfers

## Main research question

Research focussed on 1) the creation of sound ecological indicators capable of representing the differences in conservation activities among German states, 2) options for their integration into the existing fiscal transfer scheme, and 3) simulation of ecological fiscal transfers as proposed to showcase potential distribution results.

## Research finding in brief

Depending on the indicators chosen, ecological fiscal transfers may also facilitate indirect conservation measures such as avoiding further fragmentation of landscapes by traffic



infrastructure development or patchy settlement expansion. Furthermore, ecological fiscal transfers may provide the funds necessary to equip support programmes for conservation activities by private land users. From an institutional perspective it is also important to note that implementing ecological fiscal transfers at state level may also provide an impetus for introducing ecological indicators at other levels of intergovernmental transfers, e.g. fiscal equalisation at municipal level, thereby boosting impacts resulting from ecological fiscal transfers at state level

## **Policymix approach**

Ecological fiscal transfers build on existing protected area regulation in that they use officially designated protected areas as an indicator to allocate fiscal transfers. Hence, they synergistically complement conservation law with an economic incentive that accounts for state conservation costs and spillover benefits related to these protected areas.

**Reference:** 

Schröter-Schlaack, C., Ring, I., Möckel, S., Schulz-Zunkel, C., Lienhoop, N., Klenke, R., Lenk, T. (2013): Assessment of existing and proposed policy instruments for biodiversity in Germany: The role of EFT. POLICYMIX Report Issue No. 1/2013.

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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 <u>POLICYMIX TOOL</u> encompassing policy impact assessment guidelines, case stories and demonstrations of policy assessment methods is aimed at supporting dissemination and learning.





REDES

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) tradeoffs in design of a policy mix between economic, environmental and social impact criteria.

FundAg



**Duration**: 2010-2014

## **Consortium:**

9 partners from 8 countries

**Project Coordinator:** Norwegian Institute for Nature Research (NINA) (Norway)

#### Project Web Site: http://policymix.pir

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 Agricola (FUNDAG), Brazil
- Tropical Agricultural Research and Higher Education Center (CATIE), Costa Rica

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