

## Advancing Payments for Biodiversity Conservation Outside of Protected Areas



### **New strategies for protecting ecosystems**

Protected forest areas, publicly owned and run by governments, are critically important to preserving areas with high biodiversity value. However, the expanding public protected area systems is constrained by limited public funds and local support. For this reason, effective biodiversity conservation requires enhancing protection on the approximately 90 percent of global forest area that lies outside of public protected areas. In addition, enabling protected areas to respond to external pressures and natural disturbances requires considerations involving the entire landscape. For example, complementary management practices are needed in contiguous land areas and for biological corridors that allow for species migration—especially in light of the fact that even inside the boundaries of protected areas, much land remains in private ownership.

Private landowners, including local communities, have often had little if any incentive to collaborate in conservation strategies because governmental “command and control” conservation policies have not provided incentives for conservation.

### **Improving the effectiveness of public and private collaboration for conservation**

If private landowners benefit from implementing conservation management practices, they are more likely to utilize them and help ensure the provision of ecosystem services. As illustrated in the following examples, strategies for increasing benefits to private landowners include purchasing development rights and easements that restrict land uses and developing various incentives for creating private protected area systems. Other approaches may also include innovative financing mechanisms needed to support private protected areas, appropriately compensating land stewards for forgoing other land uses.

A preserve is property owned by an individual or an organization (public or private). This land is managed to conserve the biological resources found there, and to help perpetuate the natural processes fundamental in their evolution. Preserves are open to the public with various restrictions to protect their unique resources.

An easement is a legal agreement that allows landowners to voluntarily restrict or limit the kinds of development that may occur on their land. These agreements are legally binding and continue with the deed to assure permanent protection. They can be used to conserve biologically significant land, while allowing the landowner to continue owning and using the property. An easement assures protection for key wildlife values, while the land stays in private ownership and on the tax rolls.

### **Private Protected Area Systems**

The Nature Conservancy (TNC) and the National Cattlemen’s Beef Association (NCBA) created the [Grassland Reserve Program](#) (GRP) to conserve native grasslands. Under the GRP, ranchers and other private grassland owners who enroll in the program place 10, 15, 20 or 30-year rental contracts or 30-year or permanent easements on their land, prohibiting development and other

activities incompatible with conserving grassland ecosystems. In return, landowners receive annual payments for short-term contracts, one-time payments for permanent easements or up to 10 annual payments for easements.

Under the North Carolina State [Natural Heritage Program](#), more 1 million acres constituting 40 percent of lands in Significant Natural Heritage Areas (SNHA), is now protected through one of two forms of voluntary agreements with landowners. Landowners may simply register their parcels as Natural Heritage Areas, for which no financial incentives are offered and for which protection agreements are not legally binding, or landowners may designate parcels as Dedicated Nature Preserves, in which they receive property and income tax incentives in exchange for a legally binding agreement to protect the land in perpetuity. According to estimates, \$2.5 million – five times the budget of the program-- would be required to acquire less than 1 percent of the SNHA acreage.

The [Indigenous and Community Biodiversity Conservation Project](#) (COINBIO), in Mexico, provides an example of a comprehensive approach to supporting conservation initiatives by indigenous and peasant communities, as well as private landowners in the states of Oaxaca, Michoacán and Guerrero. These groups own 95 percent of priority conservation areas in the country. In addition to assisting community initiatives to sustainably manage these areas, the project has helped establish a cooperative network among them, promoting activities that generate income from sustainable uses of forests. The program also seeks to identify opportunities for sustained financing by marketing an area's ecosystem services. The plan builds directly on previous pilot initiatives that resulted in the management of 55,000 new hectares of forest under sustainable forestry management plans, 12,000 hectares of new conservation areas, generation of 1,300 permanent jobs, more than US\$8 million in community income and more than US\$100,000 in fiscal revenue.

The [Private Natural Heritage Reserves Program](#) (RPPNs) in Brazil is part of an effort to develop public - private partnerships in buffer zones of protected areas. For a particular property to be recognized as an RPPN, it must meet conservation prioritization criteria and the landowner must agree to land use restrictions. In return, the landowner receives special tax breaks, management assistance and support for special protection measures, such as those used against fire.

[In Brazil](#), where landowners are required to maintain a certain percentage of land as native or regenerated forest, a provisional regulation would allow those with forest protection exceeding the minimum requirement to sell offsets to landowners who have less native or regenerated forest within the same river basin and ecosystem. The state of Paraná, for example, has allowed some landowners to trade areas of high conservation but marginal agricultural value for more agriculturally productive areas, and to reduce the fragmentation of lands with high conservation value. In the U.S., tradable development rights and conservation easement purchases also have been extensively used.

#### Green Taxes

An [Ecological Value-Added Tax \(Brazil\) \(pdf\)](#) (Imposto sobre Circulação de Mercadorias e Serviços/ICMS-E) is a portion of an existing value-added tax levied by states, which is allocated to municipalities on the basis of environmental criteria defined by each participating state. In Paraná, where the total amount allocated has averaged more than US\$15 million per year, it is

used to compensate municipalities for loss of revenue that might result from land uses other than those allowed for conservation and watershed protection areas. The amount allocated depends on the amount of area under conservation, as well as the effectiveness of the management. In [Minas Gerais](#), where the average is more than US\$4 million per year, the key criteria are conservation and sanitation. The increased flow of revenue motivates municipalities to create new conservation units, and the increase in services from the municipality—such as new drainpipes or improved access—in turn motivates private landowners.

Biodiversity conservation on private land is a new and rapidly growing field. The existing stock of knowledge has come from innovators who have forged ahead despite uncertainty and lack of precedent. Business leaders, non-governmental organizations (NGOs) and governments should encourage innovation within their own organizations -- and in collaboration with other sectors. Those who innovate will be seen by many as leaders in the broader global community.

### **Key references**

Dudley, N. and Stolton, S. 1999. [Threats to forest protected areas: A survey of 10 countries](#) - carried out in association with the World Commission on Protected Areas, Research Report from IUCN for the World Bank/WWF Alliance for Forest Conservation and Sustainable Use, The World Conservation Union (IUCN), Gland, Switzerland.

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[Mexico, Consolidation of the Protected Areas System \(GEF\) Project](#). 2002. World Bank Project Appraisal Document.

[Mexico-Indigenous and Community Biodiversity Conservation Project](#). 2000. COINBIO World Bank Project Information Document.

National Research Council, 1993. [Setting Priorities for Land Conservation](#). National Academy Press, Washington DC.

### **Links**

[Biodiversity Support Program](#) – extensive collection of on-line publications about community conservation generated by the former program, a consortium between WWF-US, WRI and TNC supported by USAID.

[Community Based Natural Resource Management Network](#) (CBNRM) – contains links to organizations, case studies and other publications, and a literature database.

[Foundations of Success](#) – contains information and publications about adaptive management for conservation practitioners.

[IUCN-World Commission on Protected Areas](#) – contains publications on issues pertaining to protected area management.