

Policy Support Statements of the Large Carnivore Initiative for Europe (LCIE).

Policy support statements are intended to provide a short indication of what the LCIE regards as being good management practice with respect to certain aspects of large carnivore conservation.

The use of compensation and economic incentive systems to alleviate economic losses caused by large carnivores

Large carnivores often cause a range of conflicts with human interests. These conflicts include depredation on livestock, killing of domestic dogs, destruction of beehives, damage to crops and fruit trees, and in exceptional cases the risk of injury to humans. These conflicts are mainly economic (although there may be a range of non-material social conflicts too) and usually fall disproportionately on the rural communities within large carnivore range. In contrast, the benefits associated with large carnivores are often more aesthetic or ethical than material, and are experienced at national or international levels.

There are several potential mechanisms for redistributing economic inequalities. The most commonly used is *ex post* compensation – where a cash payment is made to cover (in part or in total) the losses caused by large carnivores after the damage has occurred. Insurance systems also exist where farmers, for example, take out a policy to cover the eventual loss of animals. A few economic incentives (paying for risk) exist where funds are distributed to people potentially affected by large carnivores that the recipient can either use for mitigation or to cover losses. Finally, there are a number of assistance schemes where funds are provided to help mitigate damage by subsidising the introduction of effective damage prevention measures.

The LCIE believe that large carnivores should be considered as natural parts of the European environment with an intrinsic right to live on both public and private land in Europe. The LCIE also believe the damage that large carnivores cause should be considered as “natural” in the same manner as storms and floods. Therefore, we do not recognise the entitlement of interest groups to financial assistance when exposed to damage from large carnivores as a fundamental right. However, the LCIE recognise that in some situations the conflicts caused by large carnivores can be severe and that the costs and benefits are not equally distributed. Furthermore, large carnivore conservation in Europe occurs within a human dominated environment where their acceptance by local people is crucial. Therefore, the LCIE feel, from both pragmatic and ethical standpoints, that it is important to consider issues of social justice along with conservation goals. This implies that it may often be desirable to more equably distribute both the costs and benefits associated with large carnivores.

In principle the LCIE believe that a successful scheme should confer a sense of responsibility to the recipients and that conflict prevention is better than reaction. The LCIE also believe that economic schemes should only be considered for damage to private property (e.g. livestock, dogs, beehives, crops and orchards) and not for any economic loss felt by hunters who have reduced hunting bags of wild game due to competition with carnivores. Any financial incentive should be carefully monitored to guard against fraud.

Of the potential mechanisms available the LCIE strongly support the use of assistance schemes. The provision of grants or subsidised loans for technical support and materials (e.g. electric fencing, livestock guarding dogs, secure pens for dogs, better night-time enclosures, and temporary accommodation for shepherds on pastures) can help cover most of the initial costs associated with adapting to carnivore-compatible husbandry systems. We

do however recommend that recipients be required to make a significant own contribution in terms of labour or funds in order to provide a sense of ownership and increase the sense of responsibility towards maintenance.

Financial incentives for the risks associated with large carnivore presence are a little explored option that the LCIE believe deserves further testing. The principle is that it is up to the recipient to determine how the funds should be used. There should be clear conditions attached to this form of scheme regarding the development of the large carnivore population, such that it is understood that if, for example, poaching continues at unacceptable levels then the scheme will be stopped. It must also be understood that *ex post* compensation will not be paid for any damage that occurs. Financial incentives could potentially be in cash, or in kind – such as reducing any fees associated with grazing access on public land.

The use of insurance schemes is also recommended as it confers a sense of responsibility to the policy holder. It may be acceptable for the state to operate such a scheme, or partially subsidise the system if it is operated by private companies.

The LCIE believe that the payment of *ex post* compensation for damage should be considered the least desirable of all financial mechanisms. If *ex post* compensation is paid, then there should be clear requirements for a minimum level of effective mitigation measures within the husbandry system. The only situations where *ex post* compensation may be desirable are; (1) For rare and unpredictable events where mitigation is difficult or impossible (e.g. loss of domestic dogs under hunting situations), (2) In situations where wild prey are scarce or absent such that large carnivore survival depends on their access to domestic animals, and (3) In areas where individual carnivores appear and cause damage outside their normal range such that it was not realistic to expect effective mitigation measures to be in place.

A final point concerns who should pay. The LCIE believe that those feeling the benefit of large carnivores should help pay the costs. In most cases this will imply the national, or super-national, level. However, in cases where large carnivore hunting opportunities are sold for trophy hunters or where large carnivores are used to promote eco-tourism, it would be reasonable for these operators to also make contributions.