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## International Market-Based Instruments and the Protection of Ecosystems in Tanzania: Potentials and Pitfalls

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### Abstract

Tanzania is home to some of the world's most diverse and richest ecosystems. They provide the backbone of the livelihoods of millions of Tanzanians, particularly the rural poor, and underpin the country's tourism industry. However, in the last decades, unprecedented population growth coupled with rural poverty and agricultural expansion led to a massive degradation and loss of these ecosystems.

Against this backdrop, various ecosystem protection instruments have been implemented by the Tanzanian state, international donors and NGOs. A total of 792 protected areas were created - accounting for 39 percent of the country's terrestrial area. The effectiveness of these protected areas, though, often proved limited. In the last years, international market-based instruments such as the CDM, REDD, or ecosystem certification according to standards of the CCBA or Plan Vivo, are increasingly promoted as new pathways towards environmental sustainability.

This paper analyses the potentials and pitfalls of international market-based instruments for the protection of ecosystems in Tanzania. It is based on structured interviews conducted in 2011 with decision-makers working in environmentally-concerned national state agencies, NGOs, research institutes and private companies in Arusha, Dar-es-Salaam, Morogoro, Moshi and Zanzibar.

The paper shows the skepticism of the decision-makers in Tanzania towards international 'innovative' market-based instruments for the protection of ecosystems and the discrepancy between the level of international debate and practical implementation so far. Major pitfalls are found in the increased complexities and high costs related to the implementation of these instruments. This entails the risk to perpetuate Tanzania's dependency on international donors' support and expertise.

**Keywords:** CDM, certification, market-based instruments, REDD, Tanzania