Federal Department of the Environment,\_Transport, Energy and Communications DETEC

## Federal Office for the Environment FOEN International Affairs Division

CH-3003 Bern, FOEN, RIN

Subject: "Aichi target 3 and Incentive measures"

Submission by Switzerland, for internal use only

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#### **NOTIFICATION No. 2013-049**

# 1 Obstacles to implementation of options identified for addressing incentives that are harmful for biodiversity (Matrix Annex 1)

#### General remark on the matrix

Regarding the obstacles faced in implementing options identified for eliminating, phasing out or reforming incentives that are harmful for biodiversity, we consider that there are many different options and instruments depending on the topic; for example subsidies for agriculture, energy or tourism could face different obstacles and hence it is not easy to generalize. The situation for each instrument is very specific. Therefore, the Matrix obstacles' evaluation are quite subjective and general. In our vision, the obstacles defined as "Lack of economic incentive measures" and "Unsustainable consumption and production patterns" are part of what we want to achieve and are not considered as an obstacle.

#### **Completed Matrix:**

<ol> <li>Please use the scale indicated below to reflect the respective importance of the obstacles faced by your country in implementing options identified for eliminating, phasing out, or reforming incentives that are harmful for biodiversity.</li> </ol>				
3 = High Importance	1 = Low Importance			
2 = Medium Importance	0 = Obstacle has been successfully overcome			
N/A = Not applicable (this has not been an obstacle)				

Obstacle	Eliminating harmful incentives	Phasing out harmful incentives	Reforming harmful incentives
a) Lack of political will and support	2	2	2/0
b) Limited public participation and stakeholder involvement	N/A	N/A	N/A
	public participation in Swiss direct democracy is high		
c) Lack of mainstreaming and integration of	2	2	2

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biodiversity issues into other sectors			
d) Lack of precautionary and proactive measures	2	2	2
e) Inadequate capacity to act, caused by institutional weakness	N/A	N/A	N/A
	Institutions of Switzerland's political system are rather strong.		•
f) Lack of transfer of technology and expertise	1	1	1
g) Loss of traditional knowledge	N/A	N/A	N/A
h) Lack of adequate scientific research capacities to support all the objectives	1	1	1
i) Lack of accessible knowledge and information	N/A	N/A	N/A
	Of course, knowledge and informatioan can always be improved; but this seems to us not to be a major obstacles to reforms.		
j) Lack of public education and awareness at all levels	1	1	1
k) Existing scientific and traditional knowledge not fully utilized	1	1	1
Loss of biodiversity and the corresponding goods and services it provides not properly understood and documented	2	2	2
m) Lack of financial, human, technical resources	1	1	1
n) Lack of economic incentive measures	That's what the reform is all about, isn't it?		
o) Lack of benefit-sharing	3	3	1
p) Lack of synergies at national and international levels	1	1	1
q) Lack of horizontal cooperation among stakeholders	N/A	N/A	N/A
r) Lack of effective partnerships	N/A	N/A	N/A
s) Lack of engagement of scientific community	N/A	N/A	N/A
Commentary to the points p) to s)	The Swiss Action plan for Biodiversity is developed through a participatory approach		
t) Lack of appropriate policies and laws	1	1	1
u) Poverty	N/A	N/A	N/A
v) Population pressure	1	1	1
w) Unsustainable consumption and production patterns	We consider c+p patterns not to be an obstacle for reforms. Rahter, reforming incentives should lead to more sustainable patterns.		
x) Lack of capacities for local communities	1	1	1
y) Lack of knowledge and practice of ecosystem- based approaches to management	2	2	2
z) Weak law enforcement capacity	1	1	1

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aa) Natural disasters and environmental change	N/A	N/A	N/A
	Natural disasters and environmental change do also occur in Switzerland; but they are not an obstacle to reforms (rather an oppportunity).		
bb) Other (please specify):			

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### 2 Operationalization of Aichi target 3

The objective 5 of the Swiss Biodiversity Strategy relates to Aichi target 3 and financial incentives: "By 2020, the negative impacts of existing financial incentives on biodiversity are identified and avoided, if possible. Where appropriate, new positive incentives are created".

Switzerland is currently developing its action plan for the Swiss Biodiversity Strategy. Concrete measures are being developed in a participative way with interested stakeholders. By 2014, the measures will be validated and implemented before 2020. Subsidies for touristic infrastructures (e.g. ski lifts) are amongst the areas in which the potential for better addressing biodiversity concerns are currently discussed.

#### For more information:

http://www.bafu.admin.ch/aktionsplan-biodiversitaet/12608/12621/12637/index.html?lang=fr

Moreover, several measures to optimize incentives have already been taken or are being evaluated, both within the biodiversity strategy and within other sectoral strategies. Some examples are:

- An important reform of agricultural subsidies (the so-called direct payments) has been adopted by the parliament at the end of 2012. The reform follows the principle "public money for public goods only". The reform will eliminate adverse incentives which encouraged farmers to keep too many cattle per hectare. Thus the effectiveness and efficiency of the direct payments system will be improved. This will lead to better targeting<sup>2</sup> of direct payments.
- In order to minimize negative impacts of regulations and incentives before they are enacted, the federal guidelines for Sustainability Assessment and for Regulatory Impact Assessment now include biodiversity relevant criteria, see:
   <a href="http://www.are.admin.ch/themen/nachhaltig/00270/03005/index.html?lang=en">http://www.are.admin.ch/themen/nachhaltig/00270/03005/index.html?lang=en</a>
   http://www.seco.admin.ch/themen/00374/00459/00465/index.html?lang=fr
- Several reports related to issues of environmentally harmful subsidies are currently being undertaken.

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<sup>&</sup>lt;sup>1</sup> By public goods we understand e.g. security of supply, biodiversity, or landscape quality.

<sup>&</sup>lt;sup>2</sup> Targeting means concentration on public goods such as (amongst others) security of food supply, biodiversity, or landscape quality.