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12 March 2013

NOTIFICATION

Decision XI/30: Incentive measures

Decision XI/4: Review of implementation of the strategy for resource mobilization, including the establishment of targets

Dear Madam/Sir,

The purpose of this notification is to request your contribution pursuant to decision XI/30 (on incentive measures) and decision XI/4 (on the review of implementation of the strategy for resource mobilization, including the establishment of targets), as adopted by the Conference of the Parties at its eleventh meeting, held from 8 to 19 October 2012 in Hyderabad, India.

In paragraph 4 (d) of decision XI/30, the Conference of the Parties invited Parties, other Governments, and relevant international organizations to submit to the Executive Secretary information on obstacles encountered in implementing options identified for eliminating, phasing out or reforming incentives that are harmful for biodiversity.

As per paragraph 12 of the same decision, the information submitted will be disseminated through the clearing house mechanism of the Convention. A synthesis report on obstacles encountered in implementing options identified for eliminating, phasing out or reforming incentives that are harmful for biodiversity will be prepared for consideration by the Subsidiary Body on Scientific, Technical and Technological Advice.

In paragraph 8 of decision XI/4, the Conference of the Parties, mindful of the potential of Aichi Biodiversity Target 3 to mobilize resources for biodiversity, decided to consider modalities and milestones for the full operationalization of this Target at its twelfth meeting, with a view to their adoption.

In light of these decisions, I wish to invite Parties, Governments and relevant international organizations to submit, at the earliest convenience but not later than **5 July 2013**:

a) Information on obstacles encountered in implementing options identified for eliminating, phasing out or reforming incentives that are harmful for biodiversity. Please kindly refer to Annex I for an illustrative list of possible obstacles.

In order to alleviate the task and maximize the number of submissions, national focal points are kindly invited to, at the minimum, complete the matrix provided in Annex I and submit it by the date indicated. Any additional and more specific information on the aforementioned topic, including on any solutions found for addressing the obstacles encountered, will also be very welcome;

b) Views on the development of modalities and milestones for the full operationalization of Aichi Biodiversity Target 3. For your further information, please kindly refer to Annex II for a verbatim reproduction: (i) of Aichi Target 3 of the Strategic Plan for Biodiversity 2011-2020 as well as (ii) of the

To: CBD NFPs and relevant international organizations



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technical rationale, implementation, indicators and baseline information, and possible milestones for Aichi Target 3, as contained in a note by the Executive Secretary prepared for the consideration of the Conference of the Parties at its tenth meeting (UNEP/CBD/COP/10/INF/12/Rev.1).

I thank you for your cooperation and continued support to the Convention.

Please accept, Madam/Sir, the assurances of my highest consideration.

Brulio Ferreira de Souza Dias
Executive Secretary

Annex I

Obstacles to implementation of options identified for addressing incentives that are harmful for biodiversity

Please kindly complete the matrix below, add any relevant addition information, and return by **5 July 2013** latest.

The question below and the list of possible obstacles was developed based on question two of the Third National Report questionnaire (<http://www.cbd.int/reports/analyzer.shtml>)

1. 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.	
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			
b) Limited public participation and stakeholder involvement			
c) Lack of mainstreaming and integration of biodiversity issues into other sectors			
d) Lack of precautionary and proactive measures			
e) Inadequate capacity to act, caused by institutional weakness			
f) Lack of transfer of technology and expertise			
g) Loss of traditional knowledge			
h) Lack of adequate scientific research capacities to support all the objectives			
i) Lack of accessible knowledge and information			
j) Lack of public education and awareness at all levels			
k) Existing scientific and traditional knowledge not fully utilized			
l) Loss of biodiversity and the corresponding goods and services it provides not properly understood and documented			
m) Lack of financial, human, technical resources			

n) Lack of economic incentive measures			
o) Lack of benefit-sharing			
p) Lack of synergies at national and international levels			
q) Lack of horizontal cooperation among stakeholders			
r) Lack of effective partnerships			
s) Lack of engagement of scientific community			
t) Lack of appropriate policies and laws			
u) Poverty			
v) Population pressure			
w) Unsustainable consumption and production patterns			
x) Lack of capacities for local communities			
y) Lack of knowledge and practice of ecosystem-based approaches to management			
z) Weak law enforcement capacity			
aa) Natural disasters and environmental change			
bb) Other (please specify)			

Annex II

Aichi Biodiversity Target 3

Below is a verbatim reproduction of relevant headings and paragraphs of the Annex to decision X/2, on the Strategic Plan for Biodiversity 2011-2020 (<http://www.cbd.int/decision/cop/?id=12268>):

STRATEGIC PLAN FOR BIODIVERSITY 2011-2020 AND THE AICHI BIODIVERSITY TARGETS

"Living in harmony with nature"

(...)

IV. STRATEGIC GOALS AND THE AICHI BIODIVERSITY TARGETS

(...)

Strategic goal A. Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society

(...)

Target 3: By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio economic conditions.

(...)

Below is a verbatim reproduction from document UNEP/CBD/COP/10/INF/12/Rev.1, containing a note by the Executive Secretary entitled "Strategic Plan for Biodiversity 2011-2020: Further information related to the technical rationale for the Aichi Biodiversity Targets, including potential Indicators and Milestones" (<http://www.cbd.int/doc/?meeting=cop-10>):

(...)

TECHNICAL RATIONALE FOR THE GOALS AND AICHI BIODIVERSITY TARGETS OF THE STRATEGIC PLAN FOR BIODIVERSITY 2011-2020

(...)

Target 3: By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations , taking into account national socio-economic conditions.

Technical rationale: Substantial and widespread changes to incentives, including subsidies, are required to ensure sustainability. Ending or reforming incentives, including subsidies, harmful to biodiversity is a critical and necessary first step that would also generate net socio-economic benefits. In addition, the creation or further development of positive incentives for the conservation and sustainable use of

biodiversity, provided that such incentives are in harmony with the Convention and other relevant international obligations, could also help in the implementation of the Strategic Plan by providing financial or other incentives to encourage actors to undertake actions which would benefit biodiversity. Fishery subsidies that contribute to overcapacity, and overfishing globally are potential areas for reform as is the continued and deepened reform of production-inducing agricultural subsidies still prevalent in most Organisation for Economic Co-operation and Development (OECD) countries.¹ Bearing in mind the principle of common but differentiated responsibilities, this target would not imply a need for developing countries to remove subsidies that are necessary for poverty reduction programmes.

Implementation: Current negotiations under the Doha Trade Round aim to clarify and improve World Trade Organization (WTO) disciplines on fisheries, taking into account the importance of this sector to developing countries, and to achieve substantial reductions in trade-distorting agricultural subsidies, with special and differential treatment for developing countries being an integral part of the negotiations. These negotiations have the potential to generate high synergies with this target, and are therefore a key vehicle for achieving the target. However, as these negotiations focus on overcapacity/overfishing or trade-distorting effects of subsidies, approaches which focus specifically on subsidies that are harmful to biodiversity may be required. In addition, countries or regional groups may, where necessary, take their own initiatives to phase out and/or reform environmentally harmful incentives, including subsidies, bearing in mind the principle of common but differentiated responsibilities. The recent decision of the G20 to phase out or rationalize inefficient fossil fuel subsidies by 2020 could be taken as an example, and would also contribute to the target. A more effective use of strategic environmental assessment could also be one mechanism to help implement effective policies and actions towards this target. The Convention's work on economic, trade and incentive measures and on impact assessment are relevant to this target.

Indicators and baseline information: Estimates of the value of harmful subsidies, using criteria developed by WTO and OECD, would be an indicator. Baseline data is already published. Process indicators might include the successful conclusion of WTO negotiations on fisheries subsidies and on agricultural domestic support. Possible indicators for the application of positive incentive measures include the number and types of positive incentive mechanisms being developed and applied. The economic and financial values of biodiversity and ecosystem services captured via payments for ecosystem services, user fees, taxes and other mechanisms could also be used to track progress.

Milestones: Possible milestones for this target include:

- By 2012, transparent and comprehensive subsidy inventories and inventories of possible positive incentive measures are established by all OECD countries, and an assessment of their effectiveness against stated objectives, of their cost-efficiency, and of their impacts on biodiversity, is being initiated;
- By 2014, prioritized plans of action for the removal or reform of subsidies that are harmful to biodiversity and for the development and application of positive incentives, are prepared and adopted;
- By 2020, subsidy programmes identified in the plans of action are being effectively reformed or phased out, and positive incentive measures identified in the plans of action are being effectively phased in.

(...)

¹ The Economics of Ecosystems and Biodiversity. (2009) TEEB for Policy Makers, Summary, Chapter 6.