



OECD submission concerning CBD notification on 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

This contribution responds to the CBD request Ref: SCBD/SEL/ML/GD/81348 on Decision XI/30 and Decision XI/4.

The OECD assists governments by providing analysis to support the development of biodiversity policies that are economically efficient, environmentally effective and distributionally equitable. Policy analysis by the OECD focuses on the economic valuation of biodiversity, and the use of economic incentives and other policy instruments to promote the conservation and sustainable use of biodiversity and associated ecosystem services. This work also supports the Convention on Biological Diversity.

With regard to information request a) on “obstacles encountered in implementing options identified for eliminating, phasing out or reforming incentives that are harmful for biodiversity”, please note the following recent and on-going work undertaken by the OECD:

- **Joint report by IEA, OPEC, OECD and World Bank on fossil-fuel and other energy subsidies: An update of the G20 Pittsburgh and Toronto Commitments (OECD et.al., 2011)**

G20 Leaders committed to “rationalize and phase out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption”, while recognising “the importance of providing those in need with essential energy services, including through the use of targeted cash transfers and other appropriate mechanisms”. They asked the IEA, OPEC, OECD, and World Bank to provide an analysis of the scope of energy subsidies, and suggestions for the implementation of this initiative. The second section of this report highlights lessons learned from country experiences on how to implement fossil fuel subsidy reform while protecting the poor and most vulnerable, drawing on case studies and analysis from the World Bank, OPEC and the OECD.

The OECD continues to work on environmentally harmful subsidies, including fossil fuel subsidies. For further information, see: <http://www.oecd.org/site/tadffss/reports-to-g20-fossil-fuel-subsidies.htm>

- **The Political Economy of Environmentally Related Taxes (OECD 2006)**

Based on experience in OECD countries, this work provides a comprehensive discussion of the effectiveness of environmentally related taxes, of recent research on the environmental and economic impacts of applying them, and on their potential for wider use. In particular, it looks at how to overcome obstacles to their implementation. This publication includes analyses of taxes on emissions to air (e.g., NO_x, CO_x and CH₄), effluents to water, waste and biofuels. It also discusses the environmental and economic effects of combining such taxes with other instruments for environmental policy.

For further information, see:

<http://www.oecd.org/env/tools-evaluation/thepolitaleconomyofenvironmentallyrelatedtaxes.htm>

With regard to information request b) on “the development of modalities and milestones for the full operationalization of Aichi Biodiversity Target 3”, please note the following recent and on-going work undertaken by the OECD:

- **Scaling-up Finance Mechanisms for Biodiversity (OECD, 2013)**

This publication examines six mechanisms that can be used to scale-up financing for biodiversity conservation and sustainable use and to help meet the 2011-20 Aichi Biodiversity Targets. The six mechanisms are environmental fiscal reform, payments for ecosystem services, biodiversity offsets, green markets, biodiversity in climate change funding, and biodiversity in international development finance. Drawing on literature and more than 40 case studies worldwide, the book addresses the following questions: What are these mechanisms and how do they work? How much finance have they mobilised and what potential is there to scale this up? And what are the key design and implementation issues, including environmental and social safeguards, which need to be addressed so that governments can ensure these mechanisms are environmentally effective, economically efficient and distributionally equitable?

For further information, see:

<http://www.oecd.org/env/resources/scaling-up-finance-mechanisms-for-biodiversity-2013.htm>

- **Paying for Biodiversity: Enhancing the Cost-Effectiveness of Payments for Ecosystem Services (OECD, 2010)**

Drawing on the literature regarding effective Payments for Ecosystem Services (PES) and on more than 30 case studies from both developed and developing countries, this book aims to identify good practice in the design and implementation of PES programmes so as to enhance their environmental and cost effectiveness. It addresses the following questions: Why are PES useful and how do they work? How can they be made most effective environmentally and how can their cost-effectiveness be maximised? What are the different potential sources of finance for PES programmes, and how can they be secured? and What are the lessons learned from existing PES programmes and insights for future programmes, including international PES?

For further information, see:

<http://www.oecd.org/env/resources/payingforbiodiversityenhancingthecost-effectivenessofpaymentsforecosystemservicespes.htm>

- **Biodiversity Offsets: Effective Design and Implementation (forthcoming, 2014)**

The OECD is currently undertaking work on the effective design and implementation of biodiversity offset (including biobanking) programmes. Drawing on the literature and on experience with these instruments from around the world, the work will identify the key issues that need to be considered to ensure they are environmentally effective, economically efficient and distributionally equitable. It will look at the different methods and tools that have been adopted with the aim of deriving best practice insights. The work is expected to be completed in 2014.

- **Policy Response Indicators for Biodiversity (forthcoming, 2014)**

The OECD is currently undertaking work which aims to contribute to the development of indicators to monitor progress in the implementation of the Convention on Biological Diversity's Strategic Plan for Biodiversity 2011-2020, and the Aichi Biodiversity Targets. This work is focussing on Aichi Biodiversity Targets 3 and 20 in particular. The work is expected to be completed in 2014.

- **OECD/EEA database on environmental policy and natural resources management (on-going)**

The OECD and the EEA maintain a database on instruments used for environmental policy and natural resources management. This includes information on positive incentives for the conservation and sustainable use of biodiversity. The database contains information on:

- Environmentally related taxes, fees, and charges
- Tradable permits
- Deposit-refund schemes
- Environmentally motivated subsidies (including various tax relief measures)
- Voluntary approaches

For further information, see www.oecd.org/env/policies/database

For further information on OECD work on the economics and policy of biodiversity, visit
www.oecd.org/env/biodiversity