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## Input to the discussion on the post 2020 global biodiversity policy framework

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### Short reflection on the current Strategic Plan

The Strategic Plan shall provide a strategic framework for the effective implementation of all provisions, decisions and programmes of work under the CBD and thus identify the sectoral and horizontal interventions, which can provide the socio-economic preconditions to make them happen. In our view the current Strategic Plan applies the right approach of embedding the strategic goals and the Aichi targets into the DPSIR framework, which is also in line with [CEEweb's proposal](#) advocated for during those negotiations.

However, as the Global Biodiversity Outlook 4 and the recent Updated scientific assessment<sup>1</sup> by the Executive Secretary show, even this holistic approach has not delivered the implementation of the Strategic Plan, as there is only one target out of the twenty, which is expected to be achieved.

In our view this lack of implementation is mainly due to the following reasons:

- Tackling the drivers and the pressures primarily lies outside the responsibility of biodiversity stakeholders. The **nature conservation sector in general does not have a strong advocacy power** within governmental structures, and their position has been even weakening in the last years in several countries, like in Central and Eastern Europe. This weakening position is manifested in legally and/or politically diminishing authority to participate in decisions, shrinking financial and human resources and the decreasing capacities of civil society to engage in nature conservation as a result of undemocratic trends in several countries.
- This low advocacy power comes from a combination of external factors, such as the **conflicting sectoral interests and the lack of political will** and low understanding on biodiversity among high-level politicians, which is becoming more

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<sup>1</sup> Updated scientific assessment of progress towards selected Aichi biodiversity targets and options to accelerate progress, 2018

apparent in a trend of centralising governance in several countries. The largely unbalanced power relationship between the sectoral interest groups/ economic actors and environmental/nature conservation sector greatly amplifies this. This partly stems from the different nature of the natural resources that the conflicting sectors depend on: while the nature conservation sector primarily safeguards depletable renewable resources (where the yield is limited by the regeneration capacity and speed of natural cycles), most of the conflicting sectors use nonrenewable resources, (where the profit generation is not limited by natural cycles). Another important factor is the type of financial resources on the conflicting sides: public money that is tagged to specific actions with virtually unlimited demands, versus private money being more easily available for exercising the lobby power through various legal and illegal ways of a higher order of magnitude.

- **Siloed policies and policy making**, where there are no international and national standards for biodiversity and sustainability proofing of policies. Even though some tools (e.g. strategic environmental assessments) are available and governments do make efforts on this to a varying degree, this is all far from enough. This is also confirmed by the study that finds correlation between sectoral integration and good governance instead with wealth.
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## **Recommendations for the next SP post 2020**

**Keep the current structure of the SP** focusing on the drivers, pressures, state, impacts and responses. This is important for the proper understanding of the causal relationships among the problems and relationships among natural, societal and economic factors and help to identify the responsibilities of the sectors and stakeholders.

**Broaden the targets on addressing the drivers**, which can help to create the suitable socio-economic environment for all other targets and measures. In particular aim for mitigating the conflict of interests between the nature conservation and other sectors through holistic policies and financing schemes. As the state of biodiversity is influenced by three types of environmental pressures, namely resource use, land use and pollution, effective biodiversity conservation strategies also need to address all of them, while creating the interests for stakeholders to decrease such pressures in their own actions. In the case of resource and land use economic tools are the most effective and efficient means to achieve this. Experience show that voluntary commitments from business actors and endeavors for legal regulation are insufficient to achieve the necessary results.

Thus we suggest to include **global targets for developing holistic resource and land use schemes on national and global levels:**

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<sup>2</sup> Baynham-Herd, Z., et al (2018). Governance explains variation in national responses to the biodiversity crisis. *Environmental Conservation*, 1-12. doi:10.1017/S037689291700056X

*By 2030, at the latest, coherent land use policies have been introduced for all land use types with a view to decrease the overall intensity of land use with the use of financial incentives.*

A concept for coherent land use policy is included in Annex I.

Suggested target on resource use:

*By 2030, at the latest, coherent resource use policies have been introduced with a view to decrease global resource use with the use of financial incentives based on the principle of global justice.*

A concept for coherent resource use policy as also advocated by the European Resource Cap Coalition is included in Annex II.

We suggest to further strengthen the efforts on sectoral integration by developing golden standards, i.e. a new **methodological approach of biodiversity and sustainability proofing of all policies**. This new approach builds on different substantive, procedural and institutional proofing tools and fully considers the mitigation hierarchy: focusing on preventing problems and decreasing trade-offs with the help of mitigation measures if needed, and using compensation measures as the last resort. Developing the methodological framework can build on similar attempts, e.g. the methodological framework of biodiversity proofing cohesion funding in the European Union<sup>3</sup> <sup>4</sup>.

*By 2025, biodiversity and sustainability proofing standards have been developed for the integration of biodiversity values into national and local development and poverty reduction strategies and planning processes, which enables good governance in the pursuit of biodiversity objectives.*

Finally, we also urge the reinforcement of the CBD through **liability mechanisms** to encourage government responsibility with regard to biodiversity resources, human rights, and a healthy environment.

## **Suggestions for resource mobilisation**

The most effective means of resource mobilisation for biodiversity are holistic land use and resource use policies including an incentive scheme as for instance outlined in the annexes. However, all kinds of incentive schemes and financing mechanisms shall respect a number of principles for the benefit of biodiversity conservation.

It must be consistent with the CBD and the delivery of all of its three objectives, such as the conservation of biological diversity, the sustainable use of its components and the fair and

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<sup>3</sup> Biodiversity proofing of EU Cohesion Policy funds with a view to sustainable development, CEEweb for Biodiversity, 2014

<sup>4</sup> Guidance documents on biodiversity proofing, IEEP and others developed for the European Commission, 2014

equitable sharing of the benefits arising from the utilization of genetic resources. Any potential trade-offs among the impacts on the three objectives shall be carefully considered.

The resources created and mobilised through the mechanism should be generated from unsustainable use of resources or land and lead towards more sustainable use. However, financial resources always – directly or indirectly – are generated with the use of resources and energy, which are themselves environmental pressures. Thus, when designing the financing mechanisms they should be only in place until the conservation objectives are reached, and the overall environmental costs and benefits should be calculated within the framework of a “sustainability check”. Such assessment shall include consideration of:

- a. How are the finances generated, do they have negative environmental impact elsewhere (e.g. lead to indirect land use change, increased resource use)?
- b. How long is the mobilised resource available - what does the availability in time depends on – and how does it relate to the biological cycles it is supposed to preserve or restore?
- c. How much is the mechanism vulnerable to market forces?

## **Annex I. Global policy framework for holistic land use policy**

### **The challenge**

The degradation of ecosystems and their services is an increasing challenge for the whole world, which is accompanied with an increasing competition for land as a resource. While governments have given several responses through establishing protected areas, the Natura 2000 network in Europe, ecological networks, the introduction of agri-environmental schemes and other sectoral integration measures, their results remain scattered and the overall goal of halting biodiversity loss will not be achieved by 2020. At the same time there is a growing social and political demand for smart, sustainable and inclusive growth, which leads to job creation, poverty reduction and transition to a low carbon economy.

This calls for a holistic approach in developing policy responses, which is efficient in allocating financial resources and can deliver economic, social and environmental targets at the same time. A holistic policy framework on land use contributes to a development path that is:

- **smart**, as it builds on best available knowledge and technologies for benchmarking in the various types of land use. It requires research, innovation and capacity building for improving the performance of land users (farmers, nature conservationists, urban planners and architects, infrastructure planners, etc.) to meet national targets;
- **sustainable**, thanks to a decisive move towards a circular, zero-emission economy realised through land use decisions (e.g. through criteria for biomass production and more extensive land use and emphasising adaptation to and mitigation of climate change in land use); and
- **inclusive**, with a strong emphasis on job creation and poverty reduction. This is ensured through the more labour intensive land uses, such as implementing and maintaining green infrastructure, more extensive farming techniques, and the increased demand for high skilled jobs in planning, research and innovation.

### **One framework to deliver multiple benefits**

The regulation of land use should realise that all land use types (agriculture, recreation, urban, infrastructure, forestry) are shifted towards more and more environmentally friendly uses, and landscape polarisation (i.e. that more extensive use at one place is accompanied by more intensive use at other), which the EEA pointed out in the SOER 2010, is avoided. This can be only achieved if land use is regulated within one system, otherwise the different responses (European agricultural and cohesion policy, green infrastructure, etc.) result in contradictory measures, where the different drivers and interests behind the policies cannot be effectively tackled and aligned. *This framework links the necessity of preserving and restoring ecosystems and their services with the interest of all land users to deliver positive externalities to society through economic measures.* In addition, it can provide a tool for meeting land take targets and address the competition for land by the different users. Also building on the concept of payment for ecosystem services, this regulatory system shall integrate green, grey and black infrastructures into the same system, where the fiscal transfers cease to exist, once the ultimate aim of sustainable land use is achieved. The system

aims to ensure that different land uses support an optimal mix of ecosystem services at national and international levels.

### **The land use right trading system**

The land use right trading system<sup>5</sup> integrates all land use types related to urbanization, industry, infrastructure, agriculture, forestry, recreation and nature conservation. The regulatory system sets requirements to all land use types and groups them under A, B, C categories. The „A” category is the highest achievable category under which optimal ecosystem services are maintained in the different land use types, „B” is an intermediate status, while „C” category includes intensive land use practices, where ecosystem services are being heavily degraded. All existing commitments from multilateral international agreements, European or national legislation can be incorporated into the criteria of the different land use categories. A controlling institution is responsible to develop a regulatory framework for sustainable use in each land use type.

Land users receive land use entitlements (land use rights) according to the land use category (A, B or C) they fall into, for instance 2 or 1 or 0 per hectares or square meters. One land user could fall under more categories at the same time for the different parts of their land and thus receive a mix of entitlements. Every year the controlling institution (e.g. the state) sets a national target measured in terms of average entitlements for the whole national territory, that has to be achieved as a minimum by all land users in that year (e.g. 1.2 per hectare or square meter). This target is increased annually by the controlling institution in order to gradually shift the land use towards sustainable use in the whole area, i.e. when each land user achieves the maximum 2 per hectare or square meter and fall into category A.

The land users could carry on their activities legally as long as they do meet the national target with their received entitlements. In case they do not possess enough entitlements to carry out their activities (i.e. their land use intensity is higher than the national target), they either change their land use practice partially or entirely; or they buy additional entitlements. Those land users, who perform better than the national target could sell their remaining entitlements for those who could not fulfil the national target. If there are not enough entitlements on the market, additional ones can be bought from the controlling institution.

Land users, who have performed over the national target, can sell their entitlements to the controlling institution, which can be considered as an incentive (and a form of payment for ecosystem services) acknowledging that they produce positive externalities for the society above what is legally required. At the same time, those who could not meet the national target have to pay for the negative externalities produced by them by buying the necessary additional entitlements, if available. In case land users underperform on national level on average relative to the national target, an extra amount from the trade of land use entitlements is accumulated at the controlling institution. This amount can be used for capacity-building of land users to improve land use practices. The system transaction cost is covered by the 0.5 % fee from entitlement selling and purchasing.

As the national target would increase gradually, after a certain period every land user meets the requirements of sustainability in the system. Namely if they would not change their land

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<sup>5</sup> Concept developed by Dr. Iván Gyulai, Ecological Institute for Sustainable Development, member of CEEweb of Biodiversity

use practices, they would face an ever increasing financial burden due to the increasing national target and the need to buy the missing entitlements.

When all land users realise sustainable land use, the regulation system reaches its goal, and no further fiscal transfer is necessary. However, if the category A requirements would prove insufficient for achieving sustainable land use after all (or if due to the advancement of knowledge or technology further improvements are deemed necessary in land use practices), the system could be reloaded, meaning that all land users (now in category A) would get into category C again, facing a new set of criteria to meet the renewed national targets.

This regulatory system can be also applied at **international level among states**. Countries applying the system at national level possess already an actual ecosystem services level. Assigning an international target the trade of entitlements can be introduced among the participating states.

Integrating this land use right trading system with an energy quota scheme, a secondary market of environmentally and socially certified products and services, as well as a transition fund to provide a financing mechanism for investments needed for more sustainable land use, could provide the basis for a transition to sustainability.

## Annex II. Global Energy Budget Scheme

The **global energy budget scheme** is an economic tool to decrease resource use and by that address climate change and biodiversity loss on one hand, and to increase global equity on the other hand. It achieves these aims by effective economic incentives realised in the form of international and national financial transfers. It contributes to the implementation of several **Sustainable Development Goals**, such as on energy, climate change, inequality, economic growth and sustainable consumption and production.

It builds on **energy entitlements** that are allocated among countries on international level and among households and public and private organisations on national level covering high-carbon energy use. Underconsumers can sell their unused entitlements for 'quota money'. Consumers who use above the average can buy entitlements from underconsumers through a management body.

The **Transition Fund** provides interest free loans for investment in energy efficiency and low carbon, modern energy services for everyone, both energy producers and consumers. It also supports research and innovation in pursuit of new technologies. The payback period is adjusted to the energy savings or income generation and can be also paid in 'quota money'. The scheme can be broadened to other types of green, e.g. biodiversity friendly products and services as well.

...**common but differentiated responsibility** can be guaranteed through the global allocation of entitlements

...**deep decarbonization** is achieved in a global framework

...**private funding** is mobilised for decreasing environmental pressures and reducing inequality

...underpins research, development and diffusion of **new technologies**

...helps escape from **energy poverty**

...**prevents risky household debts** in introducing modern energy services

The 'quota money' can be also exchanged for products and services in the **secondary market for socially and environmentally sound goods and services**. This would be a market open only to producers and service providers achieving certification on environmental and ethical criteria.

...boosts **green growth**

...transforms **consumption and production patterns**

...facilitates **decent employment** through the applied ethical standards

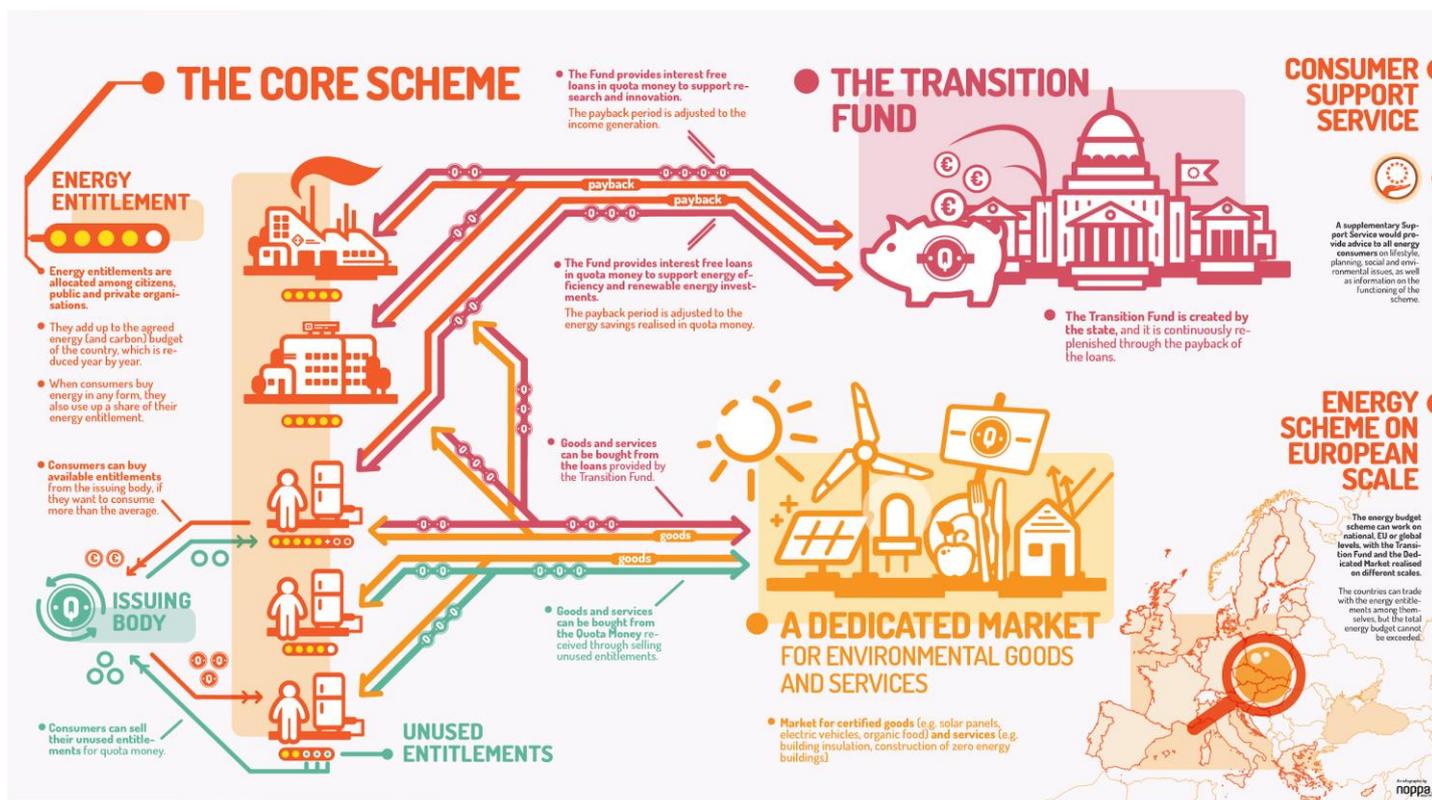


Figure 1. The Energy Budget Scheme (See the full [infographic](#))