



SDG 15

PROGRESS AND PROSPECTS

SESSION 9

MEANS OF IMPLEMENTATION

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Multiple *sources* of finance for biodiversity and *means* to mobilise it

- Sources of finance
 - Public expenditure (domestic government)
 - ODA (also public)
 - Private sector
 - Philanthropy (NGOs)
- Means to mobilise finance
 - Government budget (and green budgeting)
 - Economic instruments for biodiversity



Policy instruments for biodiversity conservation and sustainable use

Regulatory approaches (command & control)	Economic instruments	Information and voluntary approaches
Restrictions or prohibitions on use	Price-based instruments - taxes, charges/fees - subsidies	Eco-labelling & certification
Access restrictions or prohibitions (e.g. protected areas)	Reform of environmentally harmful subsidies	Green public procurement
Permits & quotas (e.g. logging/fishing)	Payments for Ecosystem Services	Voluntary approaches (negotiated agreements)
Quality, quantity, and design standards	Biodiversity offsets/biobanking	Corporate environmental accounting
Spatial planning	Tradable permits (e.g. ITQs for fisheries)	
	Non-compliance fines	



Economic instruments also generate revenue...

	Finance mobilised <i>(Handle with care - complete data not available!)</i>
Biodiversity-related taxes	Total revenue from <u>environmentally-related taxes</u> in OECD countries in 2014: more than USD 700 billion Of this, total revenue from biodiversity-related taxes ~ USD 2 billion (OECD, 2018)
Payments for Ecosystem Services	5 national programmes alone channel > USD 6 billion p.a. (OECD, 2010) Payments for watershed services > USD 9 billion in 2008 (Parker & Cranford, 2010) ...More than 300 PES programmes worldwide
Biodiversity offsets	USD 4.8 billion in 2016 (Genevieve et al, 2017) ~ 45 programmes worldwide
<i>Compared to...</i>	
Biodiversity in international development finance	Bilateral biodiversity-related ODA estimated at USD 8.7 billion per year over 2014-2015 (OECD, 2017)

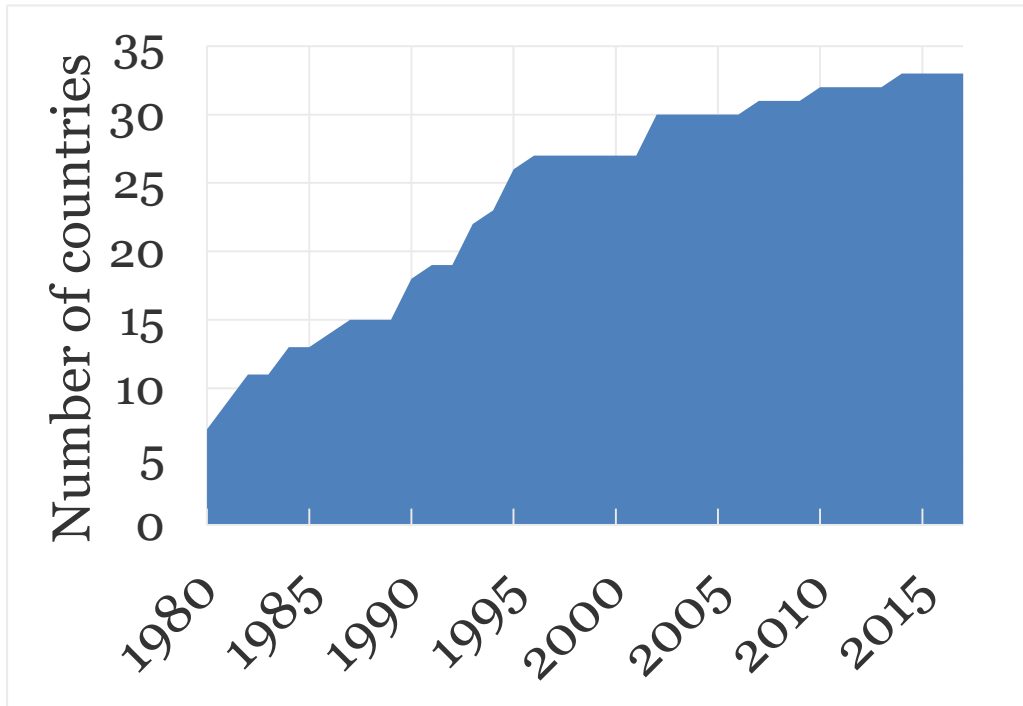


Subsidies to activities with significant environmental footprints are large, and costly

- **Fossil fuel production and consumption:** at least **USD 400 billion** per year, globally. (Varies significantly, in line with int. energy prices)
- **Water use and treatment:** around **USD 450 billion** globally in 2012, according to the IMF
- **Agricultural production:** around **USD 100 billion** in support considered potentially environmentally harmful provided by OECD countries in 2015
- **Fisheries:** estimates vary, from almost **USD 7 billion** a year for the OECD to USD 35 billion (including fuel subsidies) a year globally
- **Others:** subsidies that favour the extraction of primary (non-energy) minerals and metals production, and for activities that indirectly lead to increased pressure on the environment (e.g., tax policies that encourage the provision of company cars and fuel credit cards in lieu of cash)
- **Finance for biodiversity (i.e. for conservation and sustainable use):** estimated at approx. **USD 50 billion** a year, globally



Biodiversity-relevant taxes



OECD Policy Instruments for the Environment (PINE) database:

- 80+ countries
- Instruments covered:
 - taxes
 - fees and charges
 - subsidies
 - tradable permits
 - voluntary instruments
- All countries welcome to report to the OECD PINE database

Number of biodiversity-relevant taxes: 97

Amount of revenue mobilised: ~USD 2 billion per year



Biodiversity-relevant bilateral ODA

BILATERAL BIODIVERSITY-RELATED ODA, 2006-2015

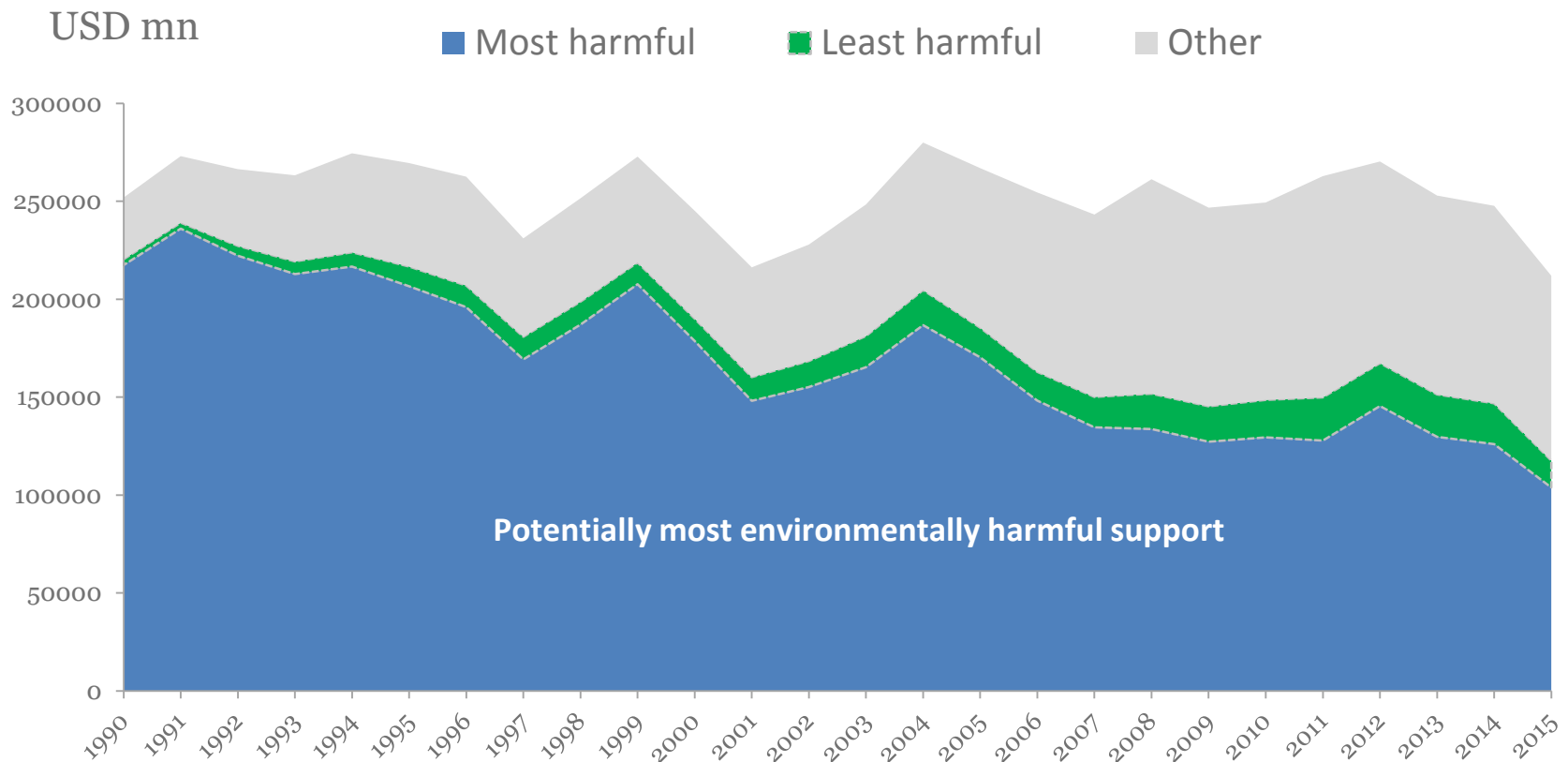
TWO-YEAR AVERAGES AND SHARES OF TOTAL BILATERAL ODA





Trends in potentially environmentally harmful agricultural support

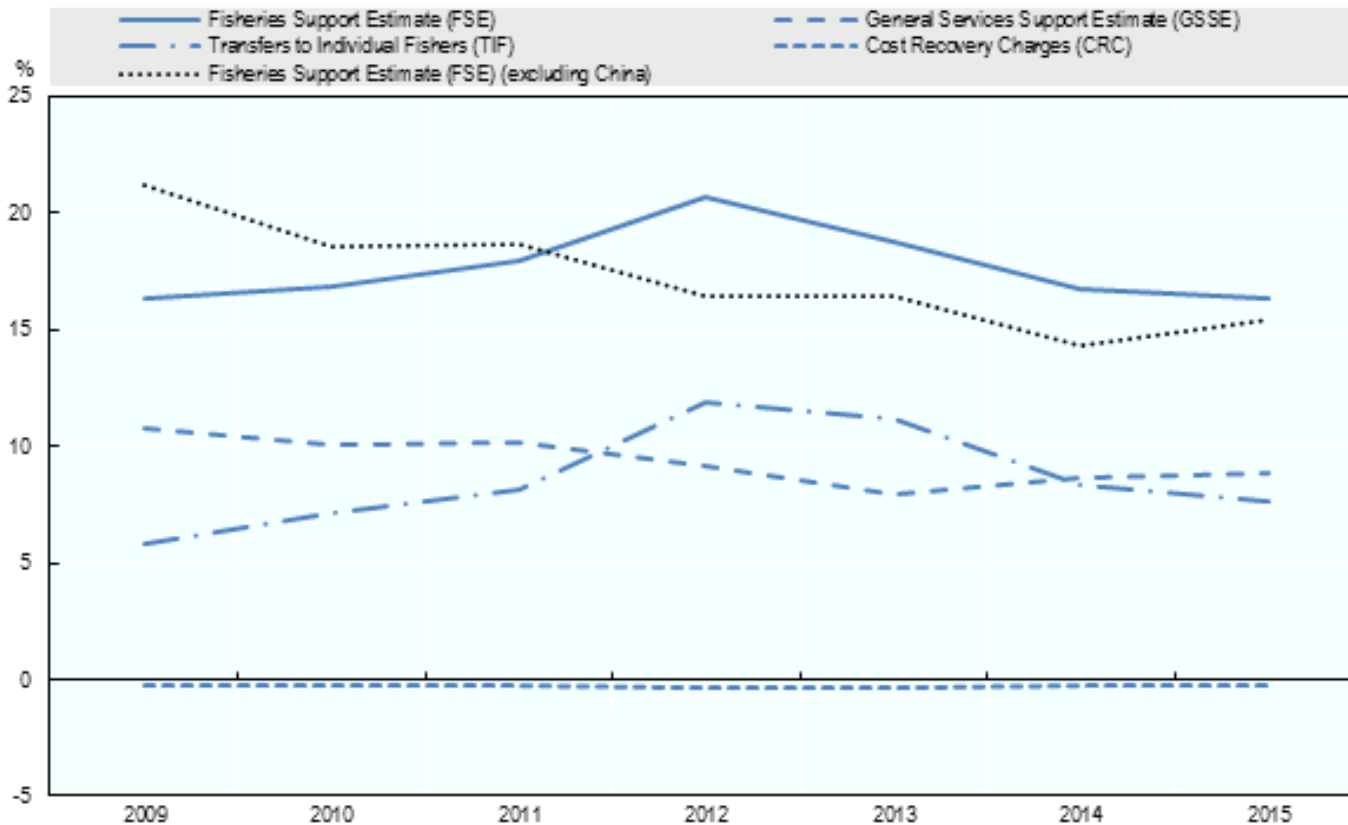
OECD agricultural support to farmers by potential environmental impact





Trends in budgetary support to fisheries 2009-2015

Percentage of gross value landings



Currently covers
**26 OECD
countries and:**

- Colombia
- Costa Rica
- Lithuania
- China
- Indonesia
- Argentina
- Chinese Taipei



The Political Economy of Biodiversity Policy Reform

Barriers to effective biodiversity policy reform and how to overcome them

Ch 1: Insights and **lessons learned**

Ch 2: Overview: key obstacles and biodiversity-relevant examples

Ch 3: The evolution of the **pesticides tax** and the pesticides savings certificate in France

Ch 4: **Agricultural policy reform** in Switzerland

Ch 5: EU payments under the Fisheries Partnership Agreements for **marine conservation** in Mauritania and Guinea Bissau

Ch 6: ITQ and resource rent tax for **fisheries** in Iceland

Key barriers to effective policy reform:

- Potential competitiveness impacts
- Distributional implications
- Vested interests
- Political and social acceptability





Good models for putting domestically mobilised public resources and ODA to work

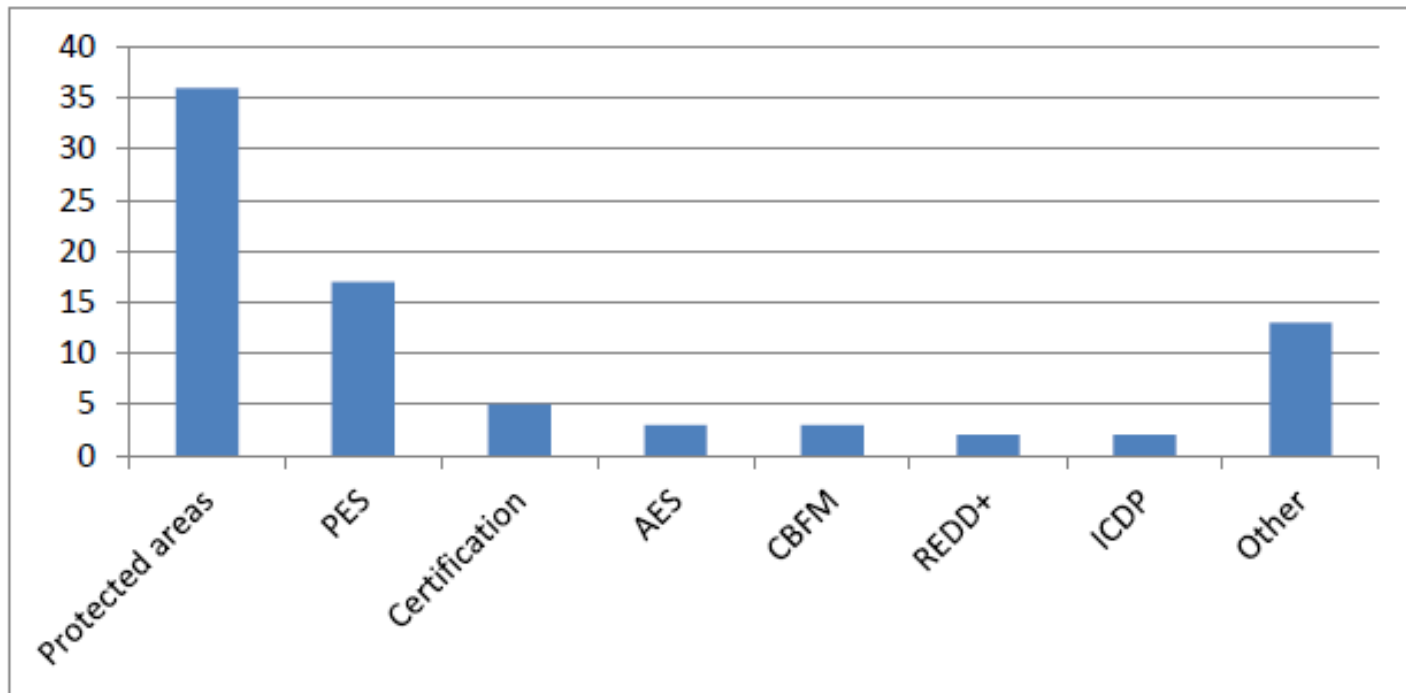
- Key questions:
 - How much does it cost to finance national commitments towards SDG 15?
 - What is the current baseline of domestic expenditure (from all sources)?
 - What is the finance need gap?
 - How to mobilise the additional finance?
 - Who are the polluters, who are the beneficiaries?
 - How to best allocate resources for greatest biodiversity impact?



Evidence-based analysis

- There has been significantly more rigorous analysis in the field of development and medicine on **what works, what doesn't and why**

Number of biodiversity-relevant impact evaluation studies by policy instrument



Source: Karousakis, K (forthcoming, 2018), “Evaluating the effectiveness of biodiversity policies: impact evaluation, cost-effectiveness analysis, and other approaches”, OECD Environment Working Paper.





Key policy priorities

- More ambitious biodiversity policies
- Mainstream biodiversity in other policy areas and sectors
- Remove and reform environmentally harmful subsidies
- Scale up private sector engagement
- Invest in data and indicators
- More rigorous monitoring and evaluation



Relevant OECD work

- OECD (forthcoming 2018), *Mainstreaming Biodiversity for Sustainable Development* 
- OECD (forthcoming 2018), “Evaluating the effectiveness of policy instruments for biodiversity”
- OECD (forthcoming 2018), *Biodiversity-related Development Finance 2016*
- OECD (2017), *The Political Economy of Biodiversity Policy Reform*
- OECD (2017), Towards a G7 target to phase out environmentally harmful subsidies
- OECD (2017), "Support to fisheries: Levels and impacts", *OECD Food, Agriculture and Fisheries Papers*, No. 103. 
- OECD (2016), *Biodiversity Offsets: Effective Design and Implementation*
- OECD (2016), *Biodiversity-related Development Finance 2015*
- OECD (2013), *Scaling Up Finance Mechanisms for Biodiversity*

OECD work in 2019-2020:

- The implications of the post-2020 biodiversity framework: Targets, indicators and measurability at global and national level
- Tracking and monitoring economic instruments and finance for biodiversity
- National guidance to identify and assess harmful subsidies to biodiversity

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