

Incentives, including subsidies, harmful to biodiversity

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Finance for biodiversity and incentives harmful to biodiversity



Total global finance for biodiversity:

USD 78-91 billion per year (2015-2017 average)



A key message from OECD (2021):

Reform environmentally harmful and market distorting government support, which stands at more than USD 800 billion per year*

* Based on OECD data on fossil fuel support and the fraction of government support to agriculture considered potentially most environmentally harmful and market distorting

Identifying and assessing subsidies and other incentives harmful to biodiversity at the national level

- Identified 23 national-level studies that aim to identify and assess subsidies and other incentives that are harmful to biodiversity or the environment
- Span 12 countries (Austria, Denmark, Finland, France, Germany, Ireland, Italy, Lithuania, the Netherlands, Norway, Sweden and Switzerland) and two regions (Nordic and EU)
- Most of the studies examine environmentally harmful subsidies; 8 focus on biodiversity
- The studies vary in terms of:
 - sectors covered (nearly all studies cover agriculture and fisheries sector, and many cover transport and tourism, among others)
 - types of subsidies and other incentives that are included in the scope; and
 - approaches used in various steps of the analysis (e.g., desk research, surveys and interviews, workshops)

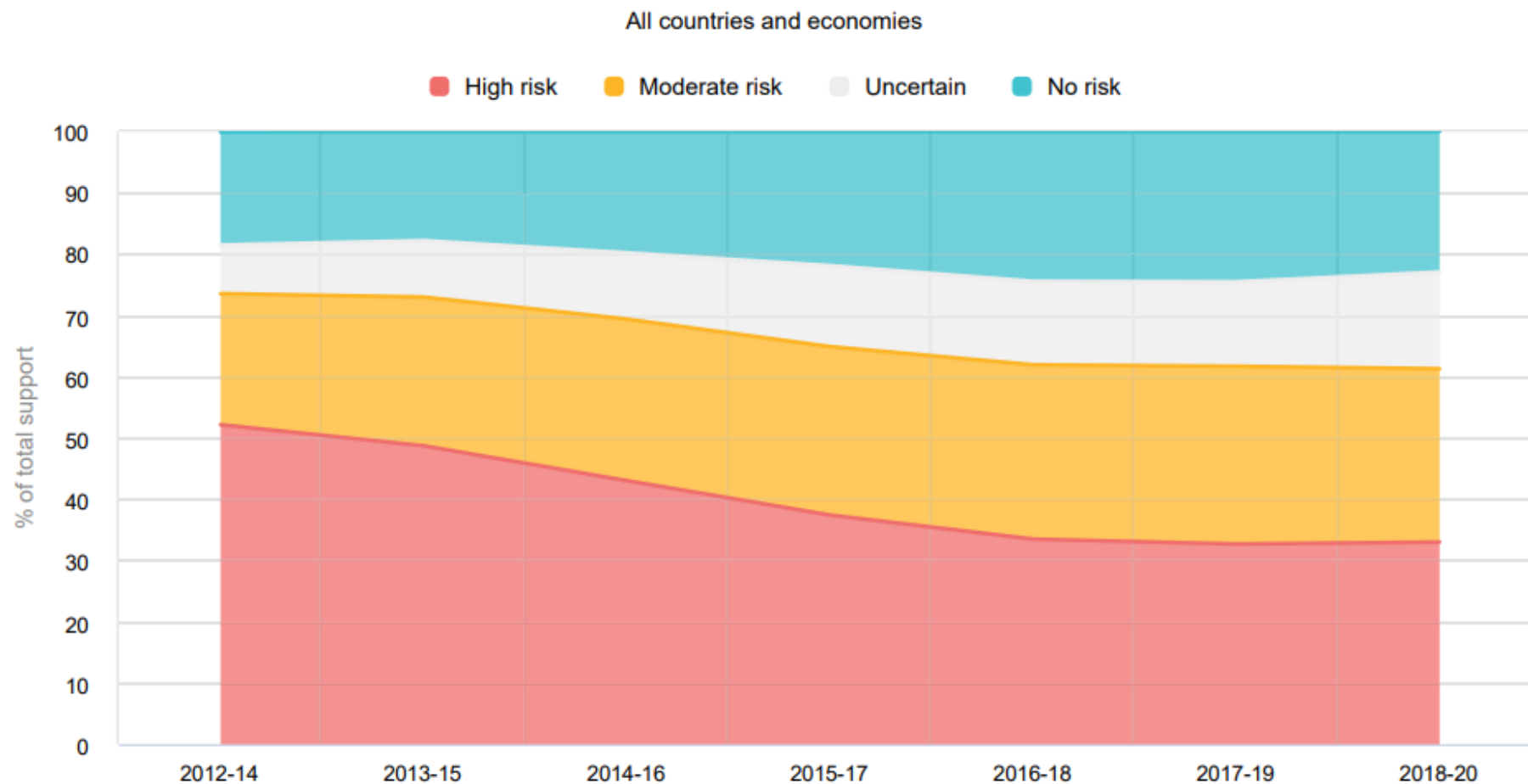
Source: Matthews, A. and K. Karousakis (2022), "Identifying and assessing subsidies and other incentives harmful to biodiversity: A comparative review of existing national-level assessments and insights for good practice", *OECD ENV WP No. 206*, <https://doi.org/10.1787/3e9118d3-en>



4 steps to
identify and
assess subsidies
and other
incentives
harmful to
biodiversity at
national level

1. Scoping, to define the types of subsidies and other incentives harmful to biodiversity to be covered
2. Screening, to identify the subsidies and other incentives potentially harmful to biodiversity
3. Data gathering; and
4. Assessing the extent of harm to biodiversity

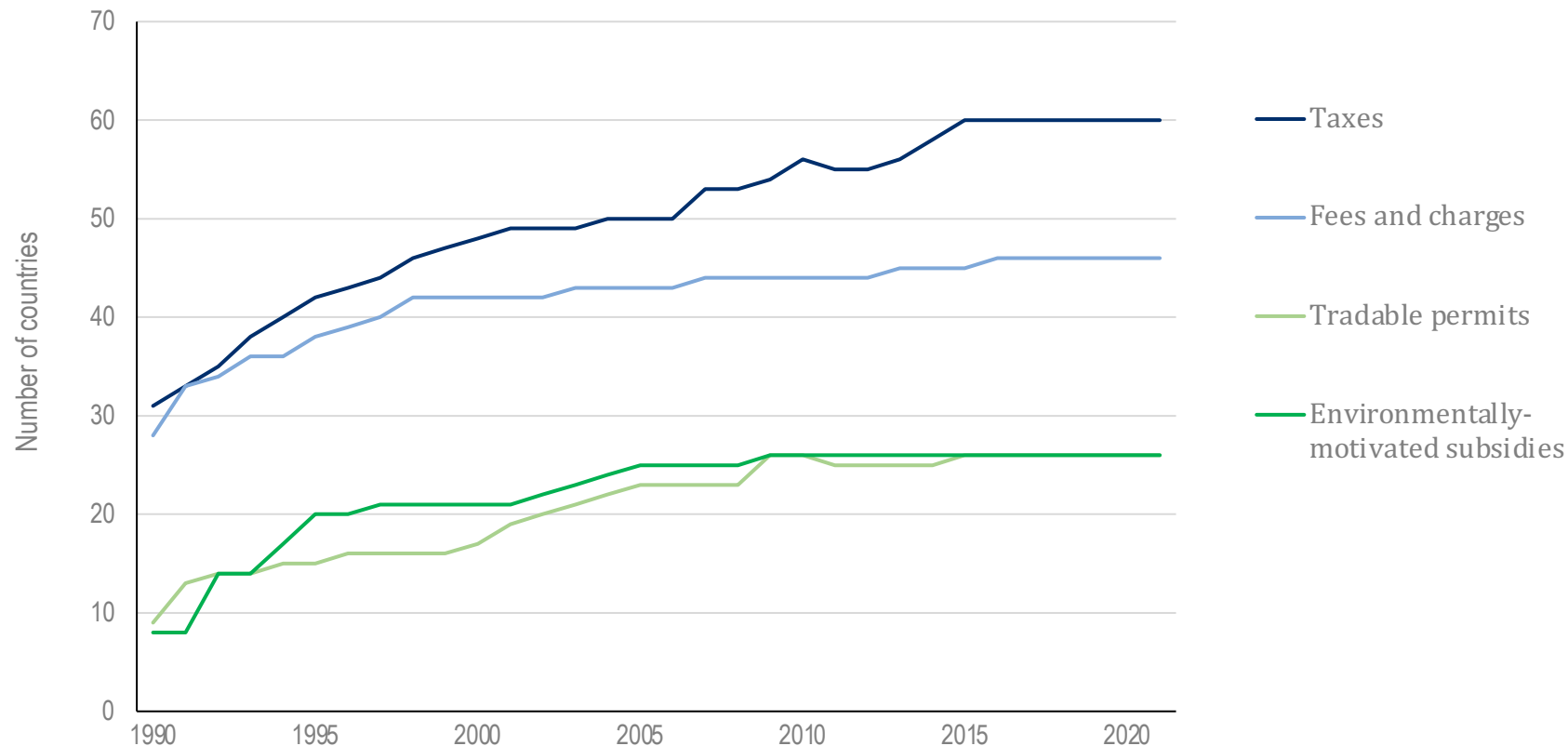
Support to fisheries by risk of encouraging unsustainable fishing that different policies may present in the absence of effective management in recent years, 2012-20



Source: OECD (2022), *OECD Review of Fisheries 2022*, <https://doi.org/10.1787/9c3ad238-en>.

Significant scope to scale up incentives positive for biodiversity

Number of countries with biodiversity-relevant economic instruments



Biodiversity-relevant tax revenues:

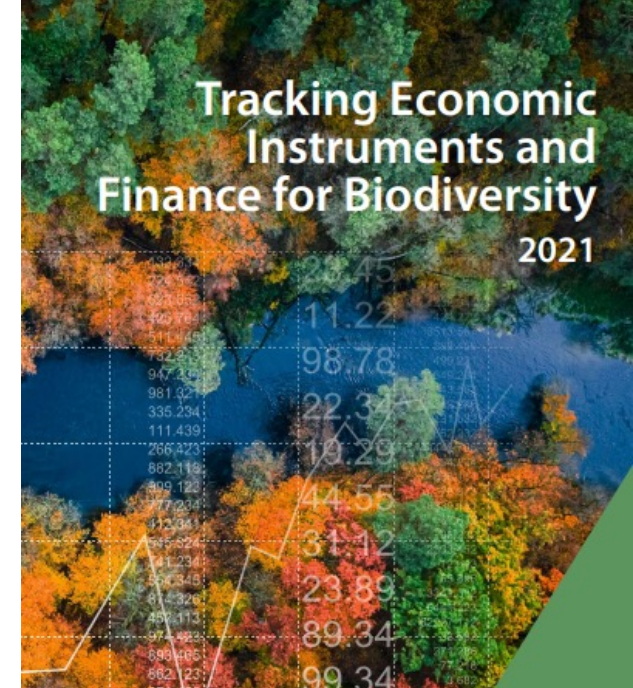
USD 7.7 bn / year in OECD

<1% of environmentally-related tax revenues



Thank you!

- Tracking Economic Instruments and Finance for Biodiversity -2021
 - Next update will be released in Q4 2023
 - Will include PES and biodiversity offsets
- On-going work on Scaling Up Positive Incentives for Biodiversity
- On-going work on Quantifying and Phasing Out Environmentally Harmful Support



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