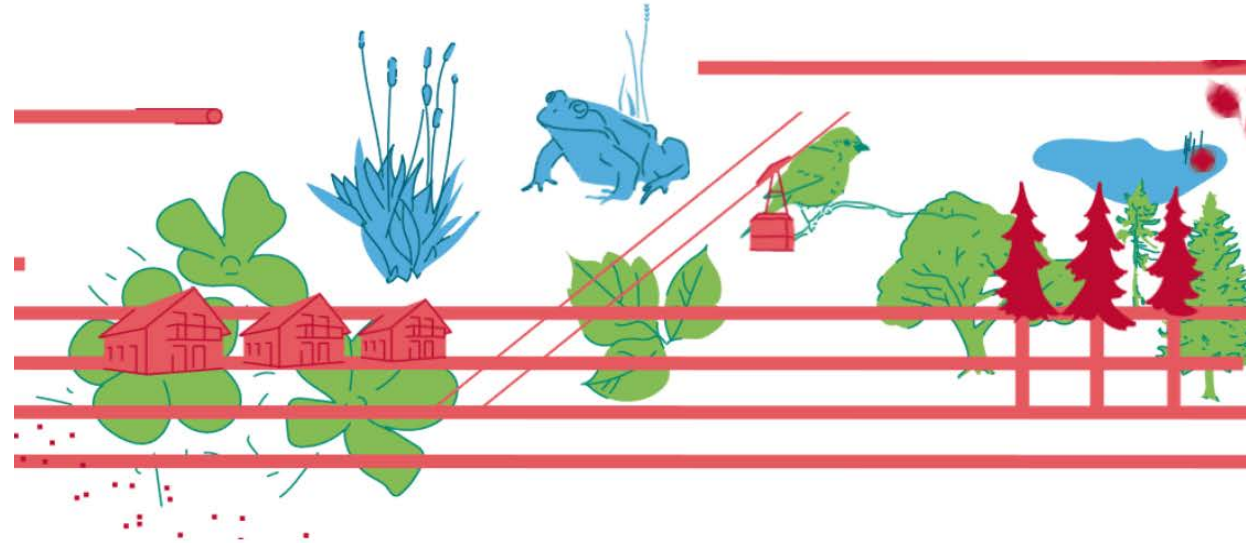


# Biodiversity damaging subsidies in Switzerland



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A study of the <sup>1</sup>Swiss Federal Research Institute WSL and the <sup>2</sup>Swiss Biodiversity Forum (SCNAT)

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Responsible body: WSL, Swiss Biodiversity Forum, ProNatura and BirdLife

# Starting point I: international obligations

## Convention on Biological Diversity (2010)

Aichi 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, ...»*

# Starting point II: national obligations

## Swiss Biodiversity Strategy

*„The Confederation will present an overall **evaluation of the impacts of federal subsidies and other incentives** with consequences for biodiversity by 2020.“*

(FOEN 2012, p. 20)

## Action Plan Biodiversity Strategy

*„By 2023, the negative impacts of existing **financial incentives** on biodiversity are **identified and avoided**, if possible. Where appropriate, new positive incentives are created.“*

(FOEN 2017, p. 8)

# Subsidies damaging biodiversity are economically inefficient

- Budget is charged in several ways:
  - Subsidies damaging biodiversity **> CHF 40 billion**
  - Funding for biodiversity promotion **CHF 0,5 -1.1 billion**
  - Repair costs of damage **4-7% of BIP 2050**
- Administrative expenses through restrictions, control measurements, monitorings, etc.
- Reputational damages for recipients of subsidies that are damaging biodiversity

# Subsidies: an important fiscal instrument

Subsidies  
Objectives in sectoral politics

## Intended Impact:

- Completion of constitutional targets (e.g. decentralized settlement)
- Completion of legal duties (e.g. protection forest)
- Reduction of unwanted side-effects (e.g. noise pollution)
- Promotion of market conditions (e.g. economical development)
- Promotion of public goods (e.g. education, health)

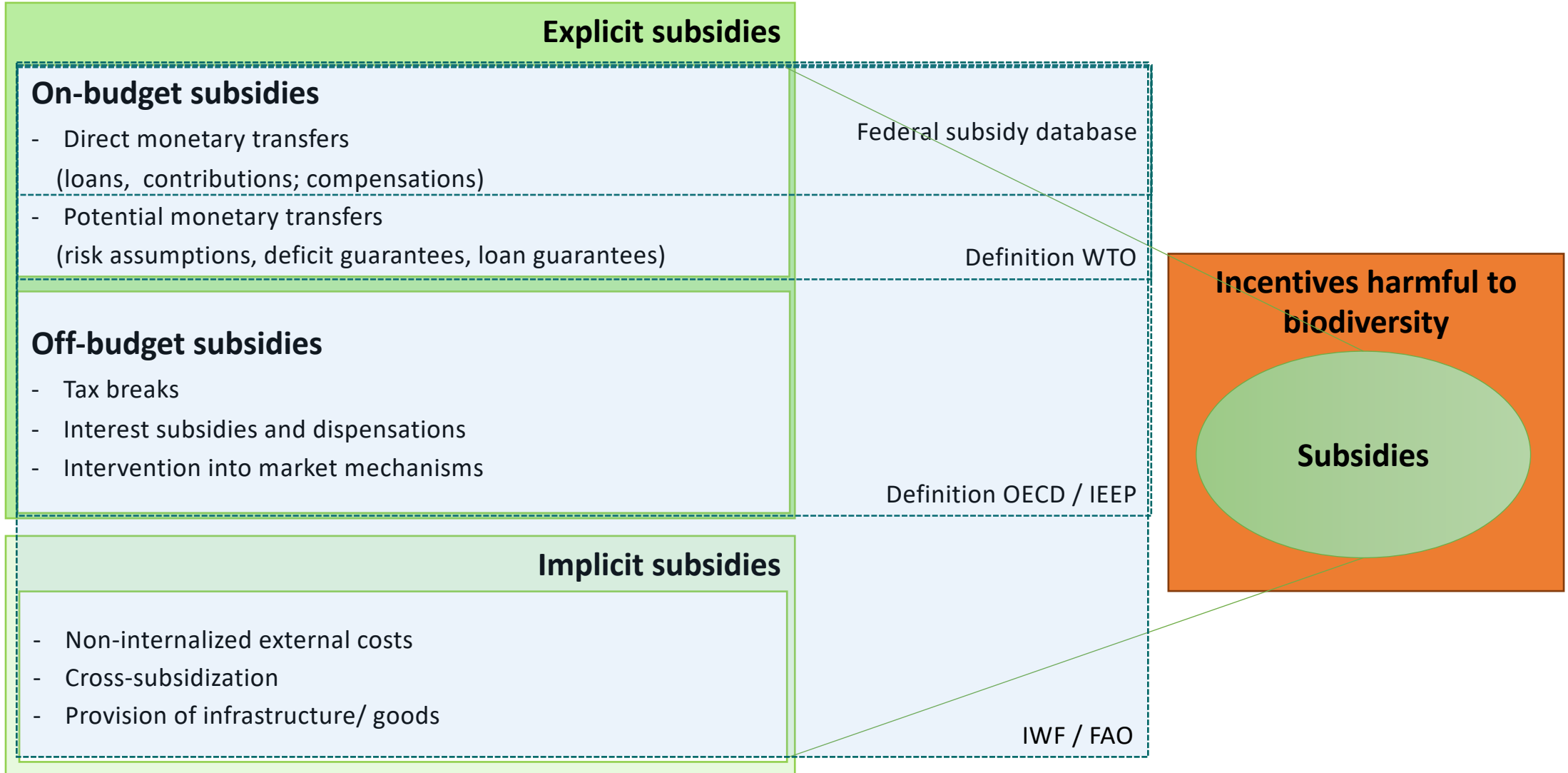
## Unintended Impact:

- Increased consumption of resources
- Fragmentation
- Pollution
- Disturbance

→ **Damage for environment and biodiversity**

Current environmental policies: fixing damages

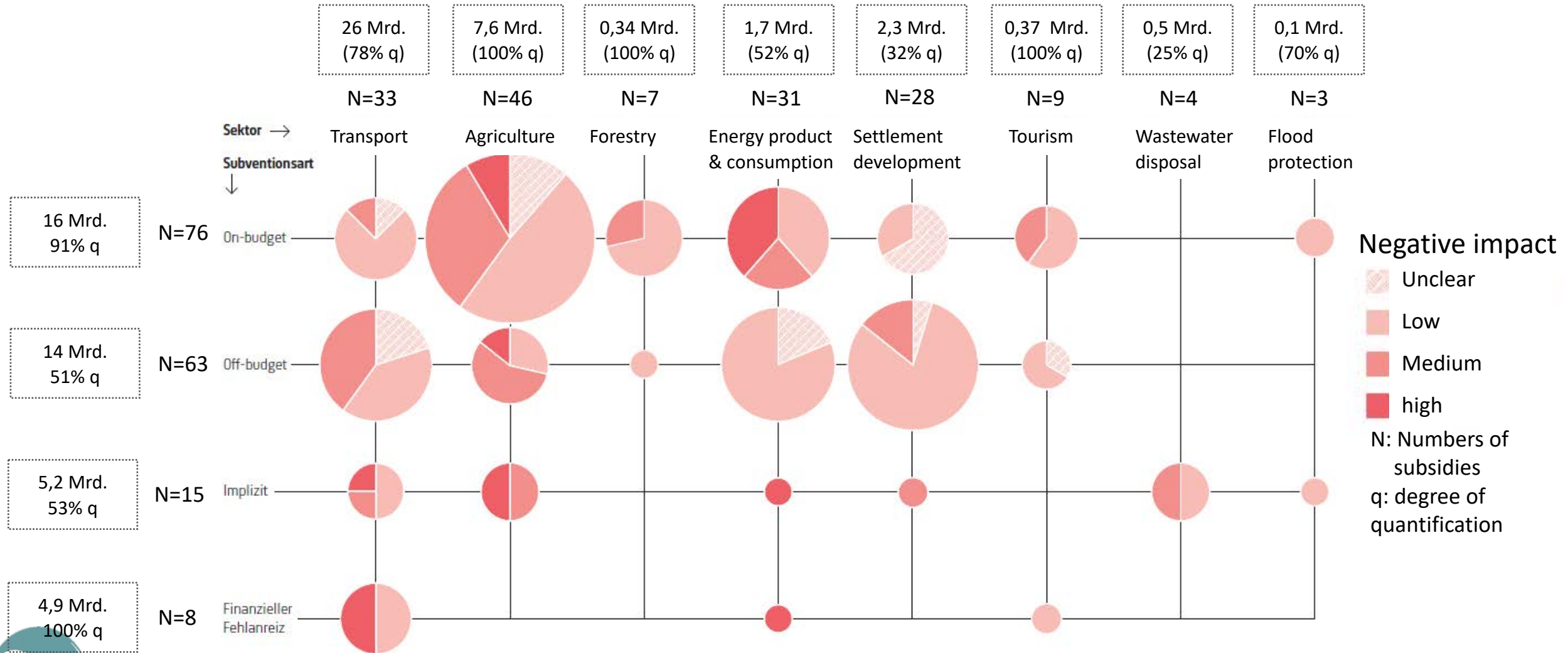
# Types of subsidies



# Content of the study

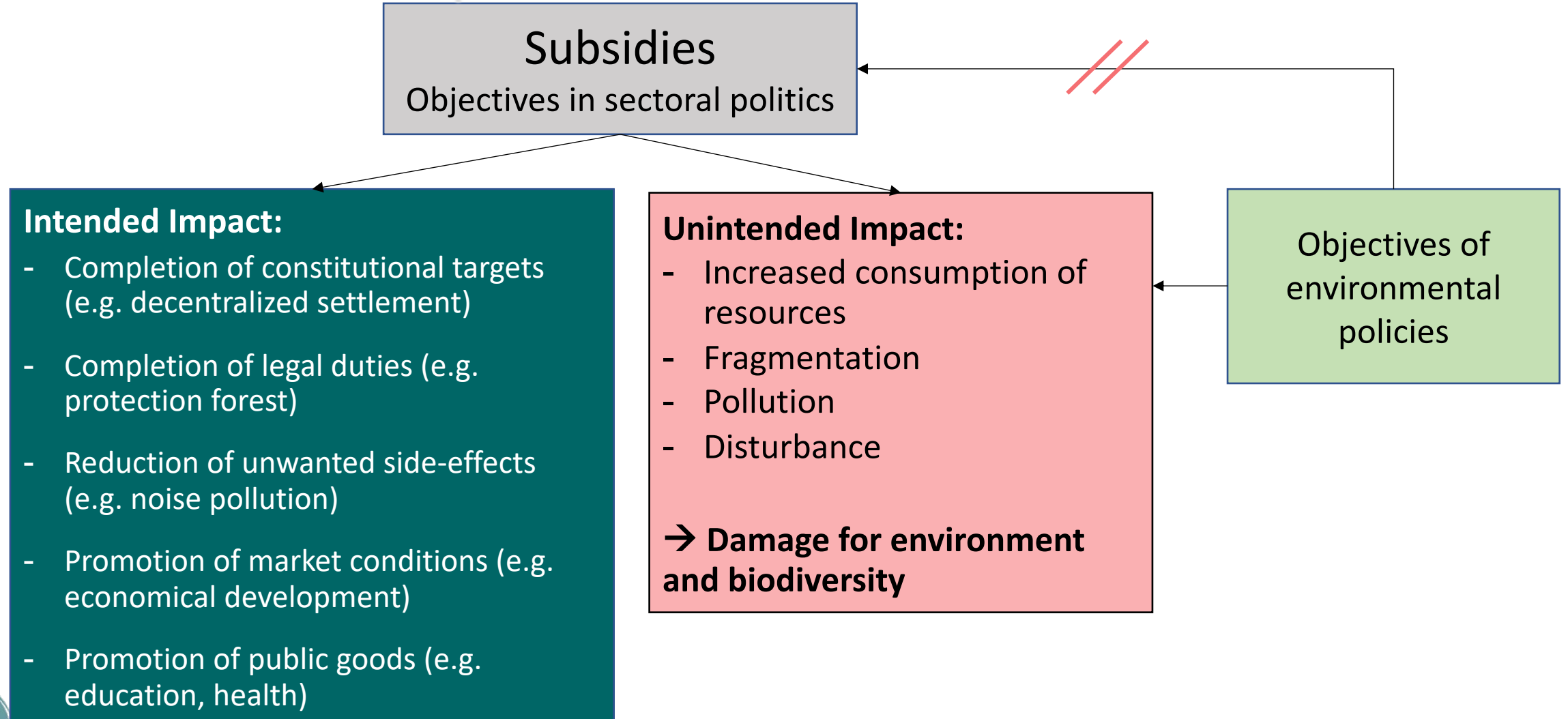
- **Overview** of biodiversity damaging subsidies on national level, and by way of example, on cantonal and communal level.
  - Recommendations for **reforming, redirecting or removing** subsidies in order to minimize or eliminate negative effects.
- > **No statement regarding budget allocation:** amount of sectoral budget is determined politically.

# Unintended negative effects within eight sectors

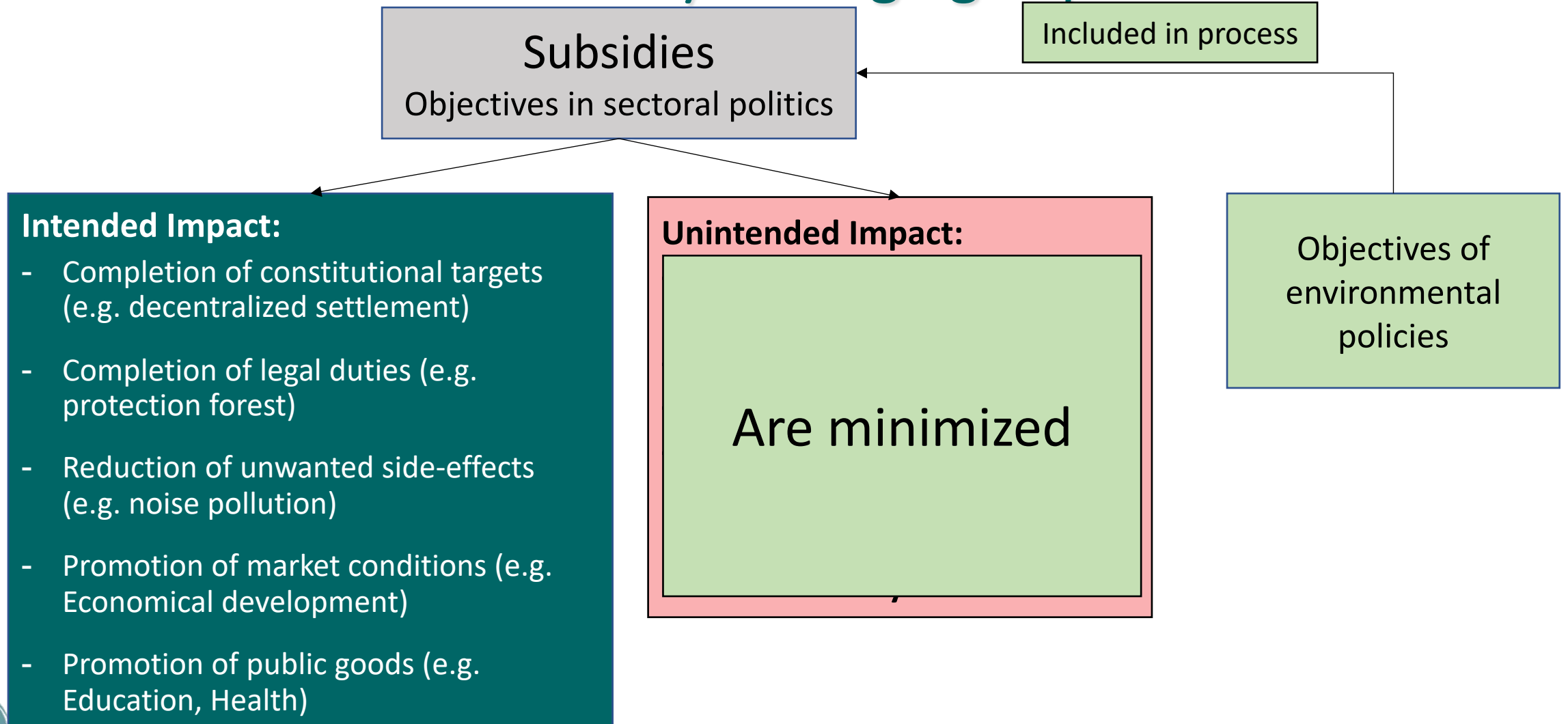




# Subsidies: an important fiscal instrument



# Minimize environmentally damaging impact



# Possible political approaches

## a) Process of subsidies allocation

- **Federal Act on Financial Assistance and Subsidies (Subventionsgesetz)**
- Federal Act on the Swiss Federal Audit Office (Finanzkontrollgesetz)
- Financial Budget Act (Finanzhaushaltsgesetz)
- Presentation guidelines for Federal Council Dispatches (Botschaftsleitfaden)
- Regulatory impact assessment (Regulierungsfolgeabschätzung)

## b) Reform individual subsidies

- **See examples on slides 15-19**
- Convert off- into on-budget subsidies

## c) Align sectoral policy goals with environmental goals

# Thank you for your attention

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Report and factsheet: [wsl.ch/subventionen](https://wsl.ch/subventionen)

