

# Nach Montréal: Steuern, Preise und Finanzen im Dienst des Naturschutzes

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# Successful outcomes achieved at CBD COP15

## Kunming-Montreal Global Biodiversity Framework

- 4 overarching goals; and
- 23 targets to be achieved by 2030, including:
  - Effective conservation of at least 30% of the world's lands, inland waters, coastal areas and oceans
  - Reduce by half excess nutrients and the overall risk posed by pesticides and highly hazardous chemicals
  - Progressively phase out or reform incentives including subsidies harmful to biodiversity by at least USD 500 billion per year, and scale up positive incentives for biodiversity conservation and sustainable use
  - Mobilise by 2030 at least USD 200 billion per year in domestic and international biodiversity-related funding from all sources – public and private – and raise international financial flows from developed to developing countries, to at least USD 20 billion per year by 2025, and to at least USD 30 billion per year by 2030

Supported by decisions, including:

- the Kunming-Montreal GBF monitoring framework
- planning, monitoring, reporting and review
- resource mobilization





# Scale up use and ambition of biodiversity-positive economic incentives

- Nature is “silent, invisible, mobile” (Dasgupta 2021)
- Ecosystem services are unpriced or under-priced in markets
- Economic instruments help reflect true value of nature
  - Taxes on pollution and natural resource use
  - Fees and charges (e.g. Protected Area fees; water abstraction)
  - Tradable permits (e.g. for fishing and water use)
  - Biodiversity offsets
  - Payments for ecosystem services
  - Biodiversity-motivated subsidies



Reduce finance needs



Mobilise and align private finance

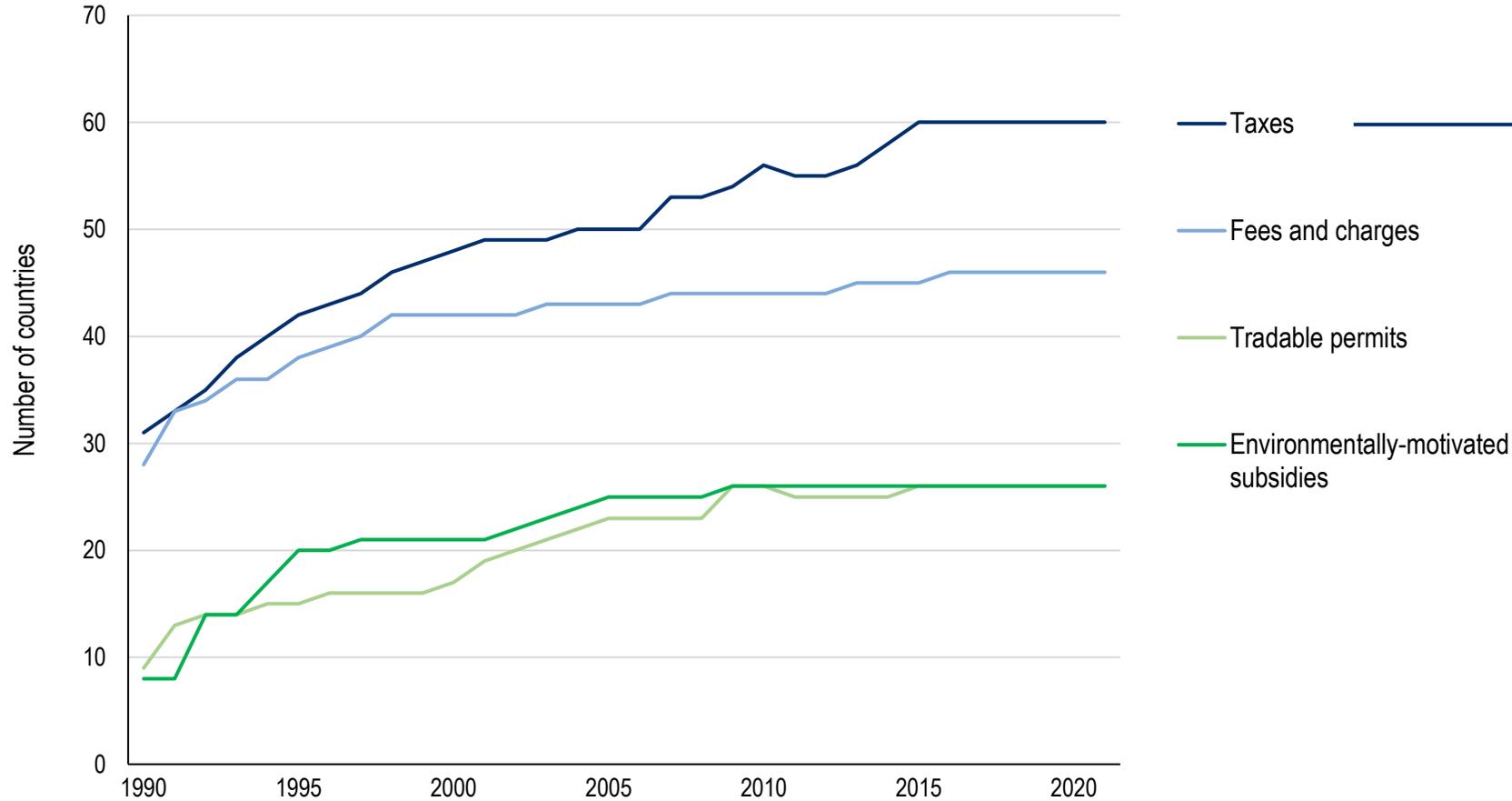


Generate revenue



# Some progress but considerable scope for improvement

Biodiversity-relevant economic instruments over time



## Biodiversity-relevant tax revenues:

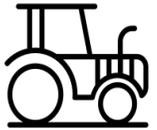
USD 7.7 billion per year in OECD

<1% of environmentally-related tax revenues

OECD Policy Instruments for the Environment (PINE) database (2021) Covering >120 countries



# Reform incentives, including subsidies, harmful to biodiversity



Potentially Most Environmentally Harmful Agriculture Support  
**USD 391 billion / year** (54 countries; 2019-2021 average)



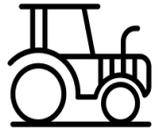
Fossil Fuel Support  
**USD 732 billion in 2021** (82 countries)  
USD 478 billion in 2019 (81 countries)



Fisheries support that reduces costs of inputs  
**USD 3.2 billion / year** (39 countries; 2016-2018 average)



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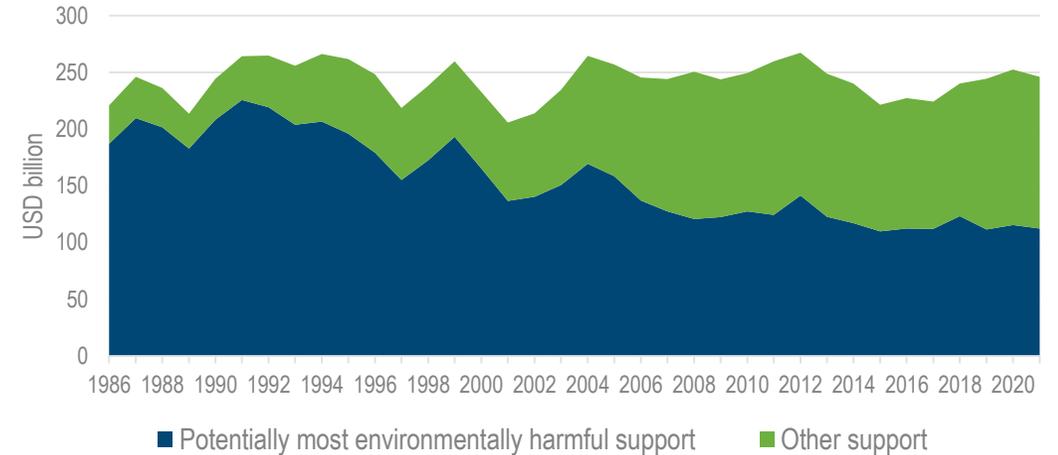


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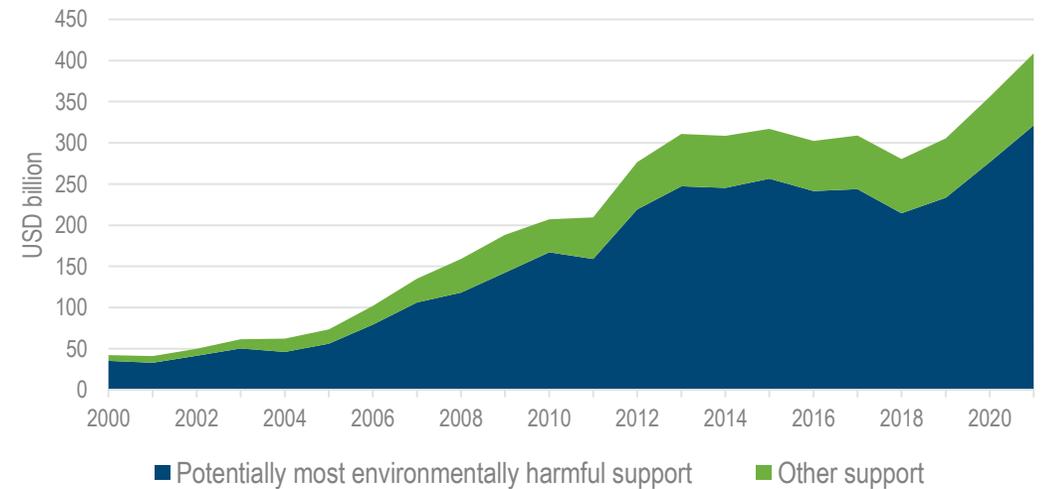


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Evolution of agriculture producer support in OECD countries by potential environmental impact



Evolution of agriculture producer support in 11 emerging economies by potential environmental impact





# First step: identify and assess harmful incentives

## Comparative analysis

- > 23 studies of which 8 focus on biodiversity
- > 12 countries

### Guidance

- 1 Scoping
- 2 Screening
- 3 Data gathering
- 4 Assessment



Matthews and Karousakis (2022)  
<https://dx.doi.org/10.1787/3e9118d3-en>



## Align public finance with biodiversity objectives - domestic

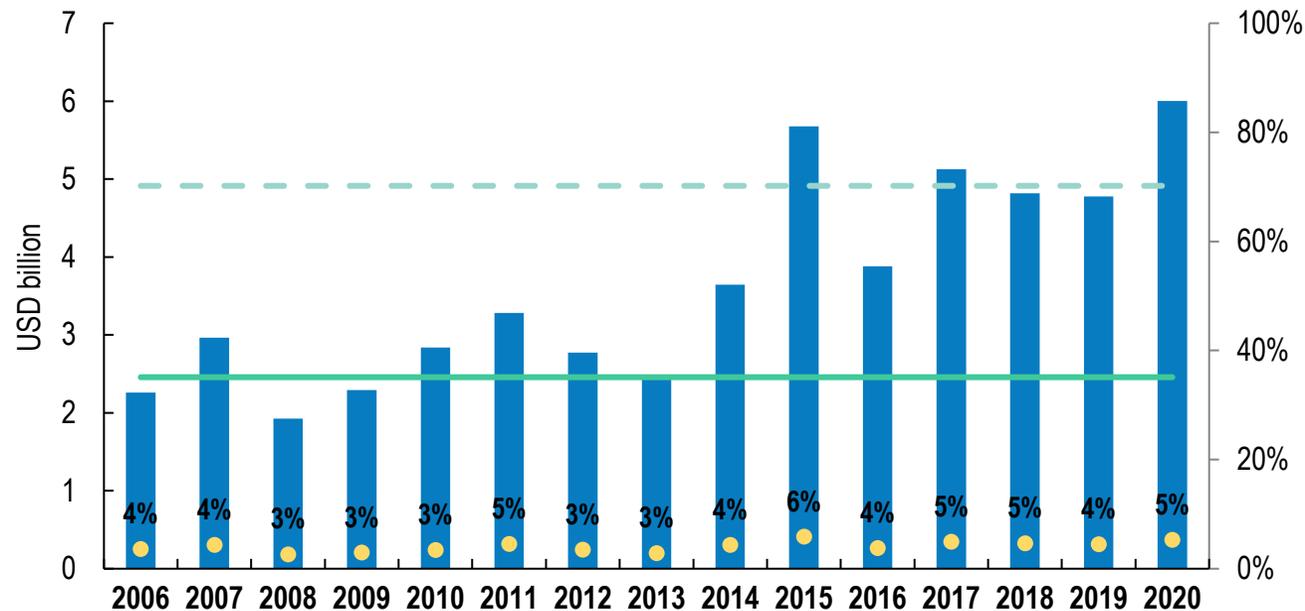
- Green budgeting – examining and improving alignment of expenditure with environmental objectives
- Budget tagging to identify beneficial and harmful flows
- France's Green Budget
  - > Six environmental domains
  - > Favourable, unfavourable and mixed
- OECD is examining country experiences on biodiversity budget tagging



# Align public finance with biodiversity objectives - international

## Evolution of biodiversity-related official development finance (ODF)

■ Biodiversity-related ODF    — Baseline    - - Target    ● Biodiversity ODF as a share of total DAC member ODF



- DAC signatories to CBD met Aichi Target 20 on development finance
- More strategic mobilisation of private finance
- Assessment and reduction of potentially harmful flows
- Greater transparency from multilaterals
- Monitoring of effectiveness

Casado Asensio, J., D. Blaquier and J. Sedemund (2022), "Biodiversity and development finance: Main trends, 2011-20", *OECD Development Co-operation Working Papers*, No. 110, OECD Publishing, Paris, <https://doi.org/10.1787/b04b14b7-en>



## OECD follow-up work in support of COP15 implementation (2023-24)

- Scaling up positive incentives for biodiversity [Target 18]
- Tracking positive incentives (economic instruments) for biodiversity - and the finance they mobilise [Target 18 and 19]
- Quantifying and phasing out environmentally harmful support [Target 18]
- Developing a supervisory framework on biodiversity-related financial risks [Target 15]
  
- Nature-positive development finance [Target 19]
- Mobilisation of private finance through development finance [Target 19]



# For more information

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## Ongoing and forthcoming work:

- Mainstreaming biodiversity into **renewable energy** development
- Biodiversity and **green budgeting**
- Biodiversity and **central banks** - Hungary

## Recent work:

