



Quick guide to the Aichi Biodiversity Targets Incentives reformed

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, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio economic conditions.

Substantial and widespread changes to subsidies and other incentives that are harmful to biodiversity are required to ensure sustainability. Ending or reforming harmful incentives is a critical and necessary step that would also generate net socio-economic benefits. The creation or further development of positive incentives for the conservation and sustainable use of biodiversity, provided that such incentives are in harmony with the Convention and other relevant international obligations, could also help in the implementation of the Strategic Plan by providing financial resources or other motives to encourage actors to undertake actions which would benefit biodiversity.

Explanation of the Target

This target has implications for both harmful and positive incentives on biodiversity:

- **Incentives, including subsidies, harmful to biodiversity** generally emanate from policies or programmes that induce unsustainable behaviour harmful to biodiversity, often as unanticipated and unintended side effects of policies or programmes designed to achieve other objectives. Types of possibly harmful incentives include production subsidies and consumer subsidies while policies and laws governing resource use, such as land tenure systems and environmental resource management, can also have harmful effects.
- **Positive incentives** are economic, legal or institutional measures designed to encourage activities beneficial to biodiversity. Positive incentives can include such things as public or grant-aided land purchases or conservation easements.

This target also requires Parties to undertake several types of actions. Depending on national circumstances Parties should:

- **Eliminate or phase out** harmful incentives – Both the elimination or phasing out of harmful incentives require Parties to end support for such incentives. For some types of incentives it may be possible to eliminate them outright. However for most incentives a more scaled or gradual approach may be required as different sectors or groups in society have come to depend on them, and in some cases there are powerful vested interests for maintaining them.
- **Reform** harmful incentives – In some cases it will not be possible eliminate or phase out harmful incentives as they are deemed important for other societal objectives. In these cases biodiversity harmful incentives should be reformed so that their negative impacts are reduced as much as possible.
- **Develop and apply positive incentives for the conservation and sustainable use of biodiversity** – In addition to eliminating, phasing out or reforming harmful incentives Parties have committed to developing and applying incentives positive for biodiversity as a means of safeguarding biodiversity.

An overarching principle in this target is that any actions taken should be in harmony with the Convention and other relevant international obligations, taking into account national socio economic conditions. As such incentives should contribute to the conservation of biological diversity and the sustainable use of its components and not negatively affect biodiversity and livelihoods of other countries and contribute to sustainable development and the eradication of poverty. Further, bearing in mind the principle of common but differentiated responsibilities, this target would not imply a need for developing countries to remove subsidies that are necessary for poverty reduction programmes.



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Aichi Biodiversity Target 3

Implications for setting national targets

Implicit in the target is the need to identify those incentives which are harmful to biodiversity. Likewise opportunities to implement positive incentives will also need to be identified. In most countries there are likely to be a number of incentives which are having negative effects on biodiversity therefore countries may need to be strategic in formulating their targets. Ultimately, as most incentive mechanisms are beyond the control of environment ministries, there will be a need to involve and cooperate with other sectors of government as well as the stakeholders impacted by any changes to current incentive schemes or mechanisms.

Guiding questions for setting national targets

- **What subsidies harmful to biodiversity exist in the country?** How are the subsidies affecting biodiversity? Which are particularly harmful? What is the cost of these subsidies?
- **What other harmful incentives exist in the country? How do they affect biodiversity?** Are there opportunities for enhancing effectiveness while reducing environmental damage? Are there opportunities to mitigate the harmful impacts by reforming the incentive?
- **What are the opportunities and constraints to removing, reforming or phasing out harmful incentives?** What are the potential ecological, economic, and social costs and benefits of addressing harmful subsidies?
- **What biodiversity related problems could be addressed with the help of biodiversity friendly incentives?** How could incentives be used to address the main threats to biodiversity? How could incentives encourage actions in support of biodiversity?
- **Who are the stakeholders that may be affected?** How can they be involved and their needs addressed? What are the trade-offs to consider? Are there stakeholders who could also act as champions for the removal, phase out, or reform of harmful incentives?
- **What additional resources (financial, human and technical) will be required to reach the national target that is set?** How can additional resources be raised? What are the possible sources for these resources?

Note that, given the particular national circumstances, national targets may be more specific and more precise than the global target. Further national targets should be ambitious but realistic and be supportive of the Strategic Plan by moving beyond business as usual.

Actions and milestones

Actions taken to achieve this target should be guided by the programme of work on Economics, Trade and Incentive Measures. As a first step countries may wish to identify which biodiversity harmful subsidies exist in their country. Based on this countries could then choose those incentives which are particularly detrimental to biodiversity and prioritize these for removal, phasing out, or reform. Obvious candidates would include those policies or programmes which are suspected to be both environmentally harmful and not very cost-effective against their stated objectives. With regards to positive incentives, a first step could be to identify areas where incentives could have a positive impact on biodiversity. When developing positive incentives it will be important to interact with the stakeholders involved and to ensure that the mechanisms designed are effective in their intended purpose.

Possible indicators

- Trends in the number and value of incentives, including subsidies, harmful to biodiversity, removed, reformed or phased out.
- Trends in identification, assessment and establishment and strengthening of incentives that reward positive contribution to biodiversity and ecosystem services and penalize adverse impacts.

Resources

- CBD Technical Series 56 - www.cbd.int/doc/publications/cbd-ts-56-en.pdf

