

Reforming incentives

GGKP-Webinar

**Advancing
Biodiversity Finance
for Global Climate Impact**

14 December 2023

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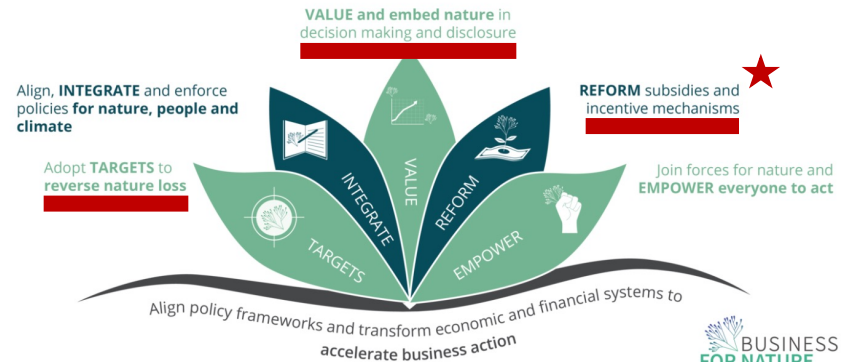


**CAPITALS
COALITION**

Convening business



Advocating for ambition



2+% !!!

Source: [Reform \\$1.8 trillion yearly environmentally harmful subsidies to deliver a nature-positive economy](#)

Business for Nature,
February 2022

New research shows that the world is spending

\$1.8 trillion

per year, equivalent to 2% of global GDP, on environmentally harmful subsidies.

Industries in order of amount of subsidies received (in USD/year):



Fossil fuels:

**\$640
billion**



Agriculture:

**\$520
billion**



Water:

**\$350
billion**



Forestry:

**\$155
billion**



Construction:

**\$90
billion**



Transport:

**\$85
billion**



Marine capture fisheries:

**\$50
billion**



Hard rock mining:

No estimate, billions of dollars in damage from illegal gold rock mining alone.

These subsidies are all contributing to air and water pollution, climate change, biodiversity loss, land degradation, and global inequality.

Target 18: REFORMING SUBSIDIES

- **Identify subsidies harmful for biodiversity by 2025:** this is an essential first step as a study from last year estimates environmentally harmful subsidies to be at least \$1.8 trillion per year but the exact scale of the issue remains largely unknown.
- **Eliminate, phase out or reform harmful subsidies** by 2030, including a numeric figure aiming to reducing them by at least USD500 billion per year by 2030.
- **Scale up positive incentives** for the conservation and sustainable use of biodiversity.

This is an ambitious and measurable target that **gives businesses the signal** that economic incentives will be changed.

Recommendations to governments

How to implement Target 18 of the Global Biodiversity Framework



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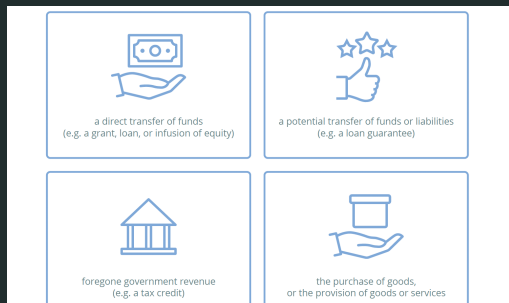
 BUSINESS
FOR NATURE

November 2023

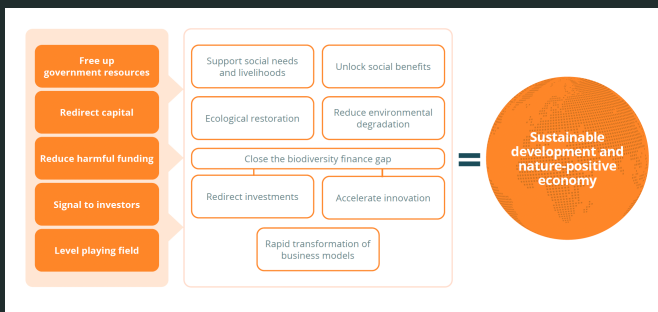
1. Conduct a national assessment
2. Engage stakeholders and raise awareness
3. Co-develop and publish a robust EHS reform roadmap
4. Reform to ensure a just transition
5. Enhance accountability and governance for EHS reform
6. Enhance international cooperation

Some thoughts

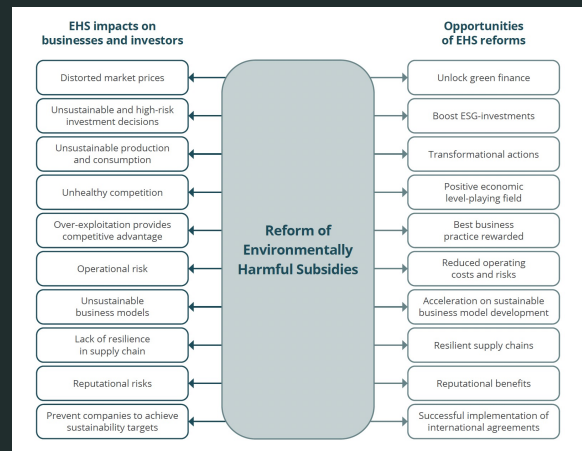
More than subsidies



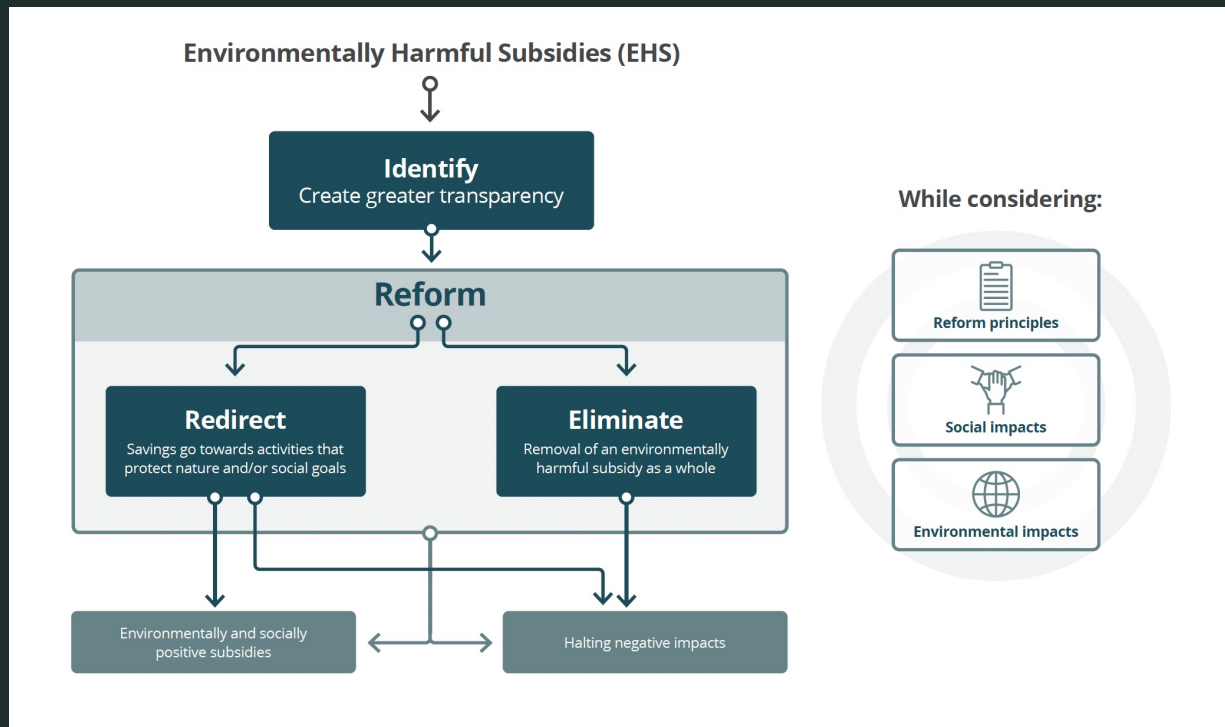
Benefits of EHS reform



Risks and Opportunities



Reform = Redirect OR Eliminate



Examples

Netherlands

Examination of policy instruments

- 34 policy instruments reviewed, using an OECD methodology
- 50% with positive effects
- 35% with negative effects
- 76% could lower negative effects

Switzerland

Consultation for agricultural subsidy reform

- Align direct payments with policy goals / Increase subsidies with biodiversity aims
- Broad consultation
- Importance of an alliance of business and conservation



Thank you!

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