



BRIEFING FOR POST-2020 GBF

TARGET 18

Briefing for the Post-2020 Global Biodiversity Framework

Target 18: Redirect, repurpose, reform or eliminate incentives harmful for Biodiversity

*Submitted by the Working Group on Repurposing Public Support to
Food and Agriculture*

The Post 2020 Global Biodiversity Framework offers a unique opportunity to transform environmentally harmful incentives by the end of the decade into incentives that work for people, nature, and climate.

Proposal from Draft 1 of the post-2020 GBF:

Target 18. Redirect, repurpose, reform or eliminate incentives harmful for biodiversity, in a just and equitable way, reducing them by at least US\$ 500 billion per year, including all of the most harmful subsidies, and ensure that incentives, including public and private economic and regulatory incentives, are either positive or neutral for biodiversity.

We propose strengthening Target 18 by increasing the targeted amount of subsidy redirecting, repurposing, reforming, or eliminating from US\$500 bn to US\$1 trillion.

Why We Need Target 18 – and Why It Should Aim for a Greater Reduction in Harmful Incentives

- According to recent [research](#) from Business for Nature, the world may be spending at least US \$1.8 trillion every year, equivalent to 2% of GDP, on subsidies that are destroying nature – so a reduction target of US\$500m is simply not ambitious enough. ([Financing Our Survival: Building a Nature Positive Economy through Subsidy Reform](#))
 - US\$ 540 billion per year support agriculture, and 45 percent of this includes subsidies, many of which incentivize unsustainable agricultural activities that lead to soil erosion, water pollution, commodity-driven deforestation and more.
 - US\$ 350 billion per year props up the unsustainable use of freshwater and management of water and wastewater infrastructure, increasing water pollution and risks to aquatic ecosystems. Subsidies do little to incentivize the sustainable use of freshwater and the management of water and wastewater infrastructure, contributing to groundwater depletion, water pollution and risks to ecosystems in waterways and the ocean.
 - US\$155 billion per year for the forestry industry contributes to illegal logging and unsustainable forest land management. Illegal logging and subsidies for unsustainable forest land management and the production of forest-derived products encourage biodiversity loss, monoculture plantations, a loss of carbon sequestration, and a decline in soil fertility
 - US\$ 50 billion per year for marine capture fisheries subsidies incentivizes overfishing, as well as doing little to improve regulation of bycatch and damaging harvesting techniques.
- **Reforming up to US\$ 1 trillion in environmentally harmful subsidies could make an important contribution to closing the financial gap to reverse nature loss by 2030.**
 - As of 2019, current spending on biodiversity conservation is between \$124 and \$143 billion per year, against a total estimated biodiversity protection need of between \$722 and \$967 billion per year. This leaves a current biodiversity financing gap of between US\$ 598 billion and US\$ 824 billion per year. ([Financing Nature: Closing the Global Biodiversity Financing Gap](#))
- **Under Target 3 of the Aichi Biodiversity Targets, just 12% of parties are meeting their targets to phase out or reform subsidies harmful to biodiversity by 2020.** Reported challenges include limited capacity, funding, and legislative actions.
- **Current support for agriculture delivers low value for money as a way of helping farmers; for every dollar of public support, the return to farmers is just 35 cents.** Domestic support to producers costs around 14 percent of agricultural value added but yields an increase in real value added of only 5 percent.¹
- **Recent simulations suggest investment in green innovations designed to lower emissions and raise productivity respectively by 30% could produce enormous gains for people, the planet, and the economy.** These gains would reduce emissions from agricultural and land use by 40%, return 105 million hectares of agricultural land to natural habitats, and substantially increase nutrition, poverty reduction, and agriculture-led economic transformation.
- **Subsidies and other forms of support that are well-designed and targeted at those who need them most can incentivize increases in the production and consumption of sustainable food,**

strengthen food security, reduce GHG emissions, reverse biodiversity loss, and increase household income.^{2,3,4,5}

- **Recent models demonstrate a clear need to repurpose rather than eliminate public support to agriculture.** Even though eliminating agricultural fiscal subsidies would cut CO₂ emissions by an estimated 11.3 million tonnes by 2030, agricultural production would be reduced, shrinking farm incomes and raising food prices, thereby increasing the prevalence of undernourishment.⁶

Country Case Studies ^{7,8}

- **Brazil's Low-Carbon Agriculture Plan, together with other plans, helped reduce deforestation by 44% over a 15-year period (2005-2020).** The Plan includes a fund that provided low-interest loans for farmers who implement sustainable agricultural practices such as no-till farming; restoration of degraded pastures; integration of crops, livestock, and forests; planting of commercial forest; and treatment of animal wastes.
- **Costa Rica has pioneered an incentives-based conservation approach referred to as Payments for Ecosystems Services.** The payment transfers to farmers are conditioned on improvements in ecosystem services (such as clean water, healthy soils, or increased biodiversity). The scheme has been credited with reducing the rate of deforestation from one of the world's highest to net negative deforestation by the start of the 2000s.
- **Malawi improved the efficiency of its input subsidy programs, freeing up public resources for public goods such as irrigation, agricultural research and technology transfer, and social protection programs.** Efficiency-enhancing reforms include fixed prices for delivering subsidized fertilizers, increased farmer contribution, and the involvement of the private sector in importing and selling subsidized fertilizers.
- **India is improving fertilizer efficiency for GHG mitigation and water quality improvement.** Fertilizers account for 20% of agricultural emissions in India and their subsidization have reached as much as US\$15B per annum. In 2015, to mitigate these emissions and realize fiscal savings, the Indian government began requiring 75% of urea – a nitrogen fertiliser – to be sold with a coating of neem oil, which has the potential to improve nitrogen use efficiency and potentially boost crop yields. Although evaluation of the effect of this policy on GHG emissions and water quality is ongoing, it is a promising initiative, given its cost-effectiveness and its support by Prime Minister Narendra Modi.
- **Switzerland phased out direct payments for livestock and phased in direct payments for biodiversity.** 60% of the country's habitats are considered to have 'threatened' or 'near threatened' status, and 36% of its wild species are endangered. Research indicates the transition from livestock payments to biodiversity payments – which included transition support for livestock farmers – policy successfully expanded biodiversity, as measured by acreage.

- **Vietnam leveraged a credit scheme to raise coffee farmer incomes and encourage more sustainable farming practices.** To access the credit, coffee farmers, who needed the credit to finance the replanting of aging coffee plants, were required to participate in training sessions on environmentally friendly production methods.⁹ Participating farmers saw their incomes increase by 23% compared to earlier years.

Related Commitments

- [Leaders Pledge for Nature](#) Commitment 9, subsections a and c

9. We will strengthen all financial and non-financial means of implementation, to transform and reform our economic and financial sectors and to achieve the wellbeing of people and safeguard the planet by, inter alia:

- Incentivizing the financial system, nationally and internationally, including banks, funds, corporations, investors and financial mechanisms, to align financial flows to environmental commitments and the Sustainable Development Goals, to take into account the value of nature and biodiversity, promote biodiversity conservation, restoration and its sustainable use in their investment and financing decisions, and in their risk management, as well as including through encouraging the use of taxonomies;
- Eliminating or repurposing subsidies and other incentives that are harmful to nature, biodiversity and climate while increasing significantly the incentives with positive or neutral impact for biodiversity across all productive sectors;

- [G7 Nature Compact](#)

(1C) Acknowledging the harmful effect of some subsidies on the environment and the need to reform policies with recognised negative impacts on nature: we commit to lead by example by reviewing relevant domestic policies as soon as possible, according to national circumstances, and will take action as appropriate to develop replacements that are nature positive. Globally we will work to accelerate an inclusive transition to sustainable and climate resilient agriculture, including through the COP26 policy dialogue on accelerating Transition to Sustainable Agriculture where relevant.

[Kunming Declaration, Declaration from the High-Level Segment of the UN Biodiversity Conference 2020 \(Part 1\)](#)

13. Work with ministries of finance and economy, and other relevant ministries, to reform incentive structures, eliminating, phasing out or reforming subsidies and other incentives that are harmful to biodiversity, while protecting people in vulnerable situations, to mobilize additional financial resources, and align all

[IUCN Resolution 116, Develop and implement a transformational and effective post-2020 global biodiversity framework](#)

3. Urges governments to

d) take necessary actions to eliminate, redirect, repurpose, or reform subsidies and other incentives identified as potentially harmful to the environment by 2030, as well as those linked to human rights violations, and especially to biodiversity and climate

References

¹ Gautam, M., et al. (2022). *Repurposing Agricultural Policies and Support: Options to Transform Agriculture and Food Systems to Better Serve the Health of People, Economies, and the Planet*. Washington, D.C.: World Bank and IFPRI.

¹ Walls, H. L., et al. (2018). The impact of agricultural input subsidies on food and nutrition security: A systematic review. *Food Security*, 10, 1425-1436.

¹ Searchinger, T. D., et al. (2020). *Revising Public Agricultural Support to Mitigate Climate Change*. Washington, D.C.: World Bank.

¹ OECD. (2017). *Reforming Agricultural Subsidies to Support Biodiversity in Switzerland*. OECD Environment Policy Paper No. 8. Paris: OECD.

¹ Ding, et al. (2021). *Repurposing Agricultural Subsidies to Restore Degraded Farmland and Grow Rural Prosperity*. Washington, D.C.: World Resources Institute.

¹ FAO, UNDP, and UNEP. *A Multi-Billion-Dollar Opportunity: Repurposing Agricultural Support to Transform Food Systems – FAO, UNDP, UNEP*. Rome: FAO.

¹ Just Rural Transition. (2021). *The Case for Repurposing Public Support to Agriculture*. Washington, D.C.: Meridian Institute.

¹ Cassou, E. (2018). *The Greening of Farm Support Programs: International Experiences with Agricultural Subsidy Reform*. Washington, D.C.: World Bank.

About the Working Group on Repurposing Public Support to Food and Agriculture

Established in 2021, the Working Group on Repurposing Public Support to Food and Agriculture is a multistakeholder platform that seeks to build global momentum, accelerate country progress, and increase technical capacity for repurposing public support to food and agriculture, to accelerate a shift away from socioeconomically and environmentally harmful practices toward those which achieve social, economic, and environmental ‘triple wins.’

For more information

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