

Target 18: Perverse Incentives

Elements to be replaced

- 500 billion USD by 1 trillion USD per year of additional reduction, reaching the overall reduction of at least 4-6 trillion USD per year.

The Dasgupta review shows 4-6- trillion USD is a more probable estimate amount of perverse incentives, though it is probably still an underestimate

Incentives need to be reduced by 1 trillion USD per year annually because: a) not all have been identified, and 4-6 trillion is an underestimate and b) there is an urgency to address this problem. The objective should be to eliminate incentives that damage biodiversity both directly and indirectly by 2030.

Elements that should be part of the target

- Eliminate, phase out or reform or repurpose all perverse incentives as soon as possible. Perverse incentives support measures that undermine biodiversity, human rights, and the finance given for biodiversity. They have the potential to undermine all other biodiversity policies. The failure to comply with Aichi Target 3 thus played a key role in the overall failure to implement the Strategic Plan 2010-2020 of the CBD. It is of utmost importance there is no regression from Aichi Target 3.

There should be no exceptions, ALL incentives harmful to biodiversity need to be identified and eliminated or repurposed by 2030.

- Identify perverse incentives and analyse what drives them

Not all perverse incentives have been identified yet, there is a clear need for a systematic in-depth process of identifying and analysing different types of perverse incentives, including potential novel perverse incentives. They need to be continuously evaluated. Such a process should also include a profound analysis of the institutional arrangements and structures that might drive the creation of perverse incentives

- In a just and equitable way

The elimination, phasing out and reforming of perverse incentives should be part of a broader process of just transition, including through ensuring that subsidies, to the extent that they benefit marginalised communities, are reformed and coupled with alternatives so as to not disproportionately impact those communities.

- Redirection of financial savings of reforms and channelling to IPLCs and other vulnerable groups

When financial savings are generated from subsidy reform, the resources should be used for activities that support biodiversity. Savings which are not repurposed for the same groups should be equitably redistributed, especially to the Indigenous Peoples, local communities and women which are conserving and sustainably using biodiversity.

Elements that should NOT be part of the target

- Payments for environmental services

Payments for environmental services lead to the commodification and financialization of biodiversity, undermine cultural value systems that support biodiversity conservation and reinforce the disadvantageous economic position of politically and economically marginalised groups like women, Indigenous Peoples and small farmers, who often have insecure or otherwise non-recognized land governance rights.

The ingredients for a successful GBF



- In a manner consistent with WTO rules

It is not acceptable to make a decision in the CBD subordinate to the WTO which may be a key reason for biodiversity loss. The WTO may, in fact, need to adapt to align with the CBD and the GBF

- In harmony ...with other relevant international obligations

This is ambiguous and could make CBD subordinate to other international agreements, unless they are harmonious to and aligned with CBD objectives

- Redirect and repurpose to nature-positive activities

'Nature-positive activities' is not defined language in the CBD and could be used to allow offsets.

Further reading on target

- Analysis and proposals for Targets 18 and 19 of the First Draft of the post-2020 Global Biodiversity Framework, Third World Network
https://www.twn.my/announcement/Target%2018%2019%20GBF_TWN%20Briefing%20Note.pdf
- Incentivising deforestation for livestock products, Global Forest Coalition,
<https://globalforestcoalition.org/perverse-incentives-deforestation-for-livestock/>

Circular economy or vicious cycle? How corporate capture of policy-making and perverse incentives are driving deforestation, Global Forest Coalition,