

The connection between mainstreaming (7/4) and Aichi Target 3 (7/7): the case of Canada

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Everyone seems keen to “mainstream” biodiversity into energy, mining and infrastructure but it seems that few Parties wants to reduce, eliminate or phase out incentives and subsidies that are harmful to biodiversity (see document 7/7 on the depressing lack of progress towards Aichi Target 3).

Let’s look at our host, Canada.

Canada recently announced that it will use public resources to the tune of 4.5 billion dollars (yes that is 4.5 billion) to buy the controversial Trans Mountain pipeline. Canada is deploying public funds to triple capacity for transporting Albertan tar sands oil 1150 km to the West coast of Canada.

An implicit subsidy: Canada is buying -- indeed, nationalizing -- the pipeline because the current owner, Kinder Morgan, no longer finds the expansion of the pipeline to be a profitable or smart investment. The investment has become too risky for the energy giant because of the opposition from many Indigenous communities along and at the end of the pipeline route, as well as environmentalists and local communities. Over the past couple of months, more than 150 people have been arrested blocking construction of the expanded pipeline in Vancouver. In spite of these widespread, sustained objections to the pipeline, the Canadian government is plowing ahead, nationalizing a pipeline the extractive industry is walking away from. It is a subsidy that damages both climate and biodiversity, as well as one that directly contravenes the rights and title of many Indigenous Peoples.

Subsidizing biodiversity loss: On biodiversity, the expansion of this pipeline will increase the oil tanker traffic on the coast outside of Vancouver, from 5 to about

34 per month. This will increase the risk of an ecosystem destroying oil spill but it also increases ocean tanker noise. Recent studies of endangered resident orca whale pods identified marine noise in the region as one of the stressors threatening their survival.¹ Experts are concerned that the growth of tanker traffic (empty or filled with oil) means animals will have to deal with an up to 700 per cent increase in tanker noise. There are also many known impacts to biodiversity and Indigenous rights at the site of tar sands extraction, extraction slated to increase due to increased pipeline capacity.

Subsidizing climate change: On climate change, this pipeline will almost triple the capacity to send tar-sands bitumen flowing to the coast of British Columbia, incentivizing further tar sands expansion. Yet scientists tell us that Canada cannot meet its obligations under the Paris agreement with widespread expansion of the tar sands.² As climatologist Dr. Simon Donner from the University of British Columbia states, “If we are serious about our commitment to fighting climate change, we need to talk not about new pipeline capacity, but about managing the long-term decline of oil-sands emissions over the next few decades”.³

What’s the take-home for SBI?

The mainstreaming agenda must not forget about Aichi Target 3. As the situation in Canada demonstrates – and I suggest is it similar elsewhere – the power of the fossil fuel industry and governments captured by this industry remains the key barrier to mainstreaming biodiversity and action on climate change. The Canadian case also demonstrates how grateful we all must be for the relentless efforts of Indigenous communities and their environmental allies in protecting biodiversity and the climate with such courage and grace, as is the case in Vancouver and along the pipeline route, today.

¹ Lavoie, J. 2016. ‘It’s Oil or Orcas’: Southern Resident Killer Whales Threatened by Increased Tanker Traffic, Experts Say. *The Tyee* 7 December 2016. <https://thetyee.ca/News/2016/12/07/Whales-Tanker-Traffic/>

² See Christophe McGlade and Paul Ekins, “The Geographical Distribution of Fossil Fuels Unused When Limiting Global Warming to 2°C,” *Nature* 517 (2015): 187-90.

³ Donner, S. 2016. When we expand pipelines, the math doesn’t add up for meeting our international climate change commitments. *Policy Options* Nov 30 2016. <http://policyoptions.irpp.org/magazines/november-2016/blowing-the-climate-change-budget-with-pipelines/>

Perverse incentives and conflicts of interests: obstacles to transformative change

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Two significant parallel processes took place last Sunday. A few blocks from the ICAO building, more than 100 representatives of Indigenous Peoples, local communities, women's groups and other experts in biodiversity conservation joined for the Fostering Community Conservation Conference, to present and discuss community conservation initiatives that presented real-life examples of collective actions that support the transformational change needed to conserve and restore biodiversity.⁴

Meanwhile, in the ICAO building, the Secretariat reported back on the Bogis Bossey Dialogue on Transformational Change. Remarkably, the people who are conserving biodiversity on the ground have been almost absent of these dialogues: Amongst the 58 participants of the last dialogue there was exactly one (1) representative of an Indigenous Peoples Organization, women's group or peasant organization⁵, while there were various representatives of the World Economic Forum. As a result, the dialogue seems to have focused on the question of how we can foster business-as-usual, rather than the question how we can foster biodiversity through collective action on the ground.

This is not to demonize the private sector, as corporate actors can be well-intended. But there is a worrying trend in the UN system to create and impose an increasing financial dependency of governments on private sector investments, including through public-private partnerships and other forms of merged finance for sustainable development. By definition, these financial dependencies create conflict of interests. And if the industries that finance governments are dependent on subsidies, policy-makers will not be inclined to redirect such subsidies, even if they represent major perverse incentives from a biodiversity perspective. One simply should not bite, or stop subsidizing, the hand that feeds you. It is no wonder that little action is undertaken to implement Aichi Target 3 in such a scenario.

Yet, without addressing perverse incentives, biodiversity action makes little sense. Donating 638 million USD per year to support forest conservation in a country like Brazil, for example, makes little sense when that country itself spends approximately 24 billion USD per year on subsidies to sectors that trigger deforestation, like the soy and beef sector.

There are other reasons why the increasing corporate take-over of public policy-making is a major obstacle to transformative change. In a capitalist economy, corporations have to foster growth strategies to ensure returns on investments. They can and often do support policies that address the quality of their production, but they are institutionally unable to accept policies that limit the quantity of their production. Yet this "no limits to growth" model does not only clash with planetary boundaries, it also is a fundamental obstacle to genuine transformational change.

The good news is that the collective actions by Indigenous Peoples, local communities and women presented last week do not need massive financial incentives. Rather, they primarily need legal recognition of governance rights, some modest support for sustainable livelihood options, and a redirection of the perverse incentives that trigger biodiversity destruction.

It is high time the CBD addresses the conflicts of interests that are inherent to increased governmental dependency on private sector support, and prioritizes supporting real-life transformational change on the ground instead.

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⁴ See also <https://globalforestcoalition.org/wp-content/uploads/2018/07/CCRI-GLOBAL-REPORT-FOR-WEB-EN.pdf> for the report of the Community Conservation Resilience Initiative.

⁵ <https://www.cbd.int/cooperation/bogis/2018/LOP1.pdf>