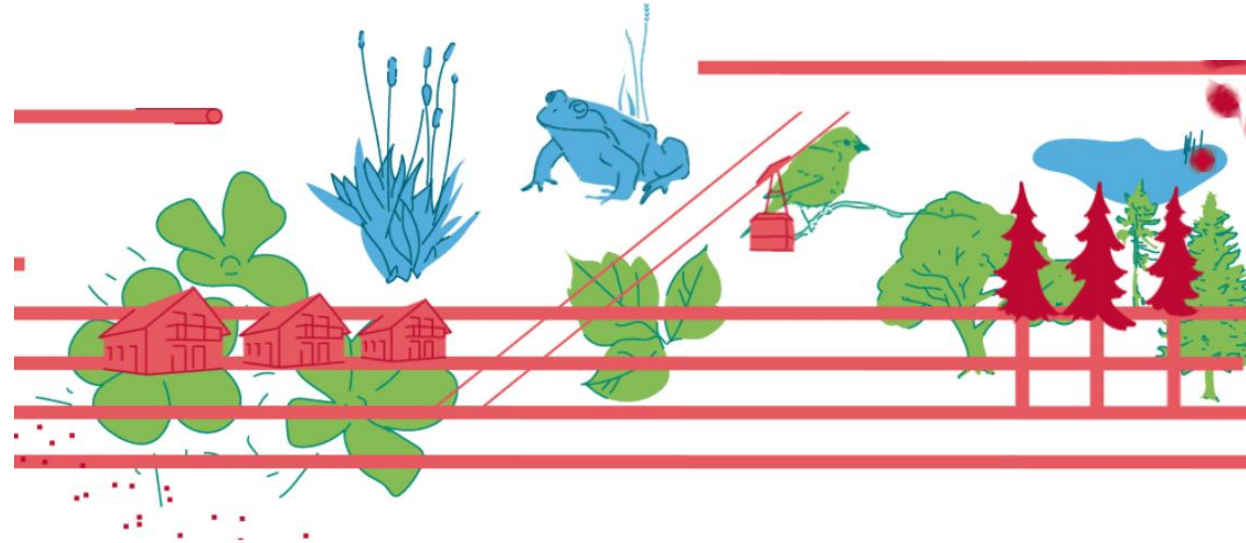


Biodiversity damaging subsidies in Switzerland



06.09.2021, IUCN World Conservation Congress

A study of the ¹Swiss Federal Research Institute WSL and the ²Swiss Biodiversity Forum (SCNAT)

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Responsible body: WSL, Swiss Biodiversity Forum, ProNatura and BirdLife

Swiss Federal Institute for Forest, Snow and Landscape Research, WSL

...is concerned with the use, development and protection of natural and urban spaces.

- WSL is a research institute of the Swiss Confederation.
- Responsible body for the study:
 - WSL, Swiss Biodiversity Forum (research instituts)
 - ProNatura (Friends of the Earth) and BirdLife (NGO)

Starting point: national and international obligations

Convention on Biological Diversity (2010)

Aichi Target 3:

*«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, ...»*

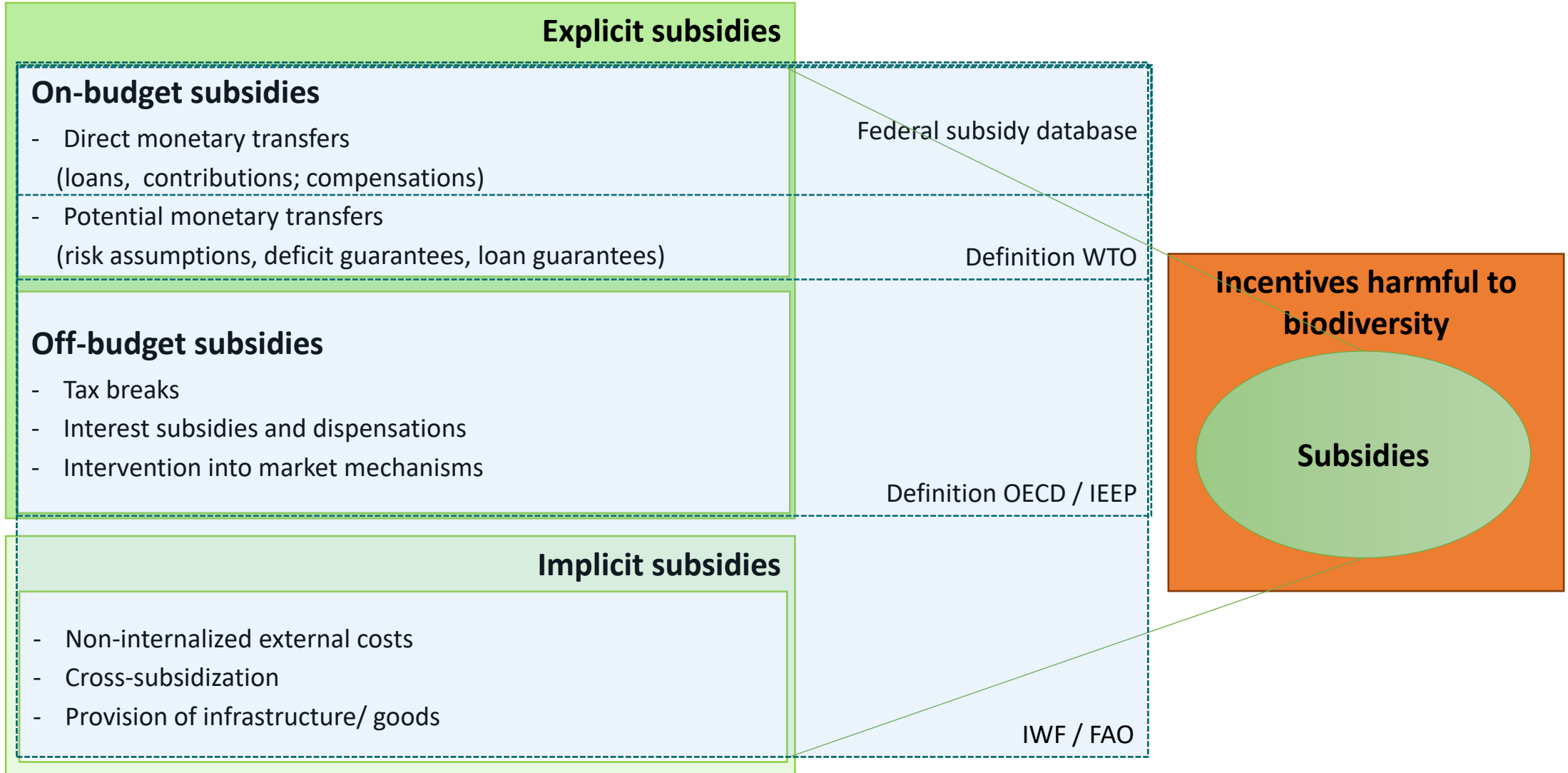
Swiss Biodiversity Strategy (2012)

*„The Confederation will present an overall **evaluation of the impacts of federal subsidies and other incentives** with consequences for biodiversity by 2020, and where possible be avoided.“*

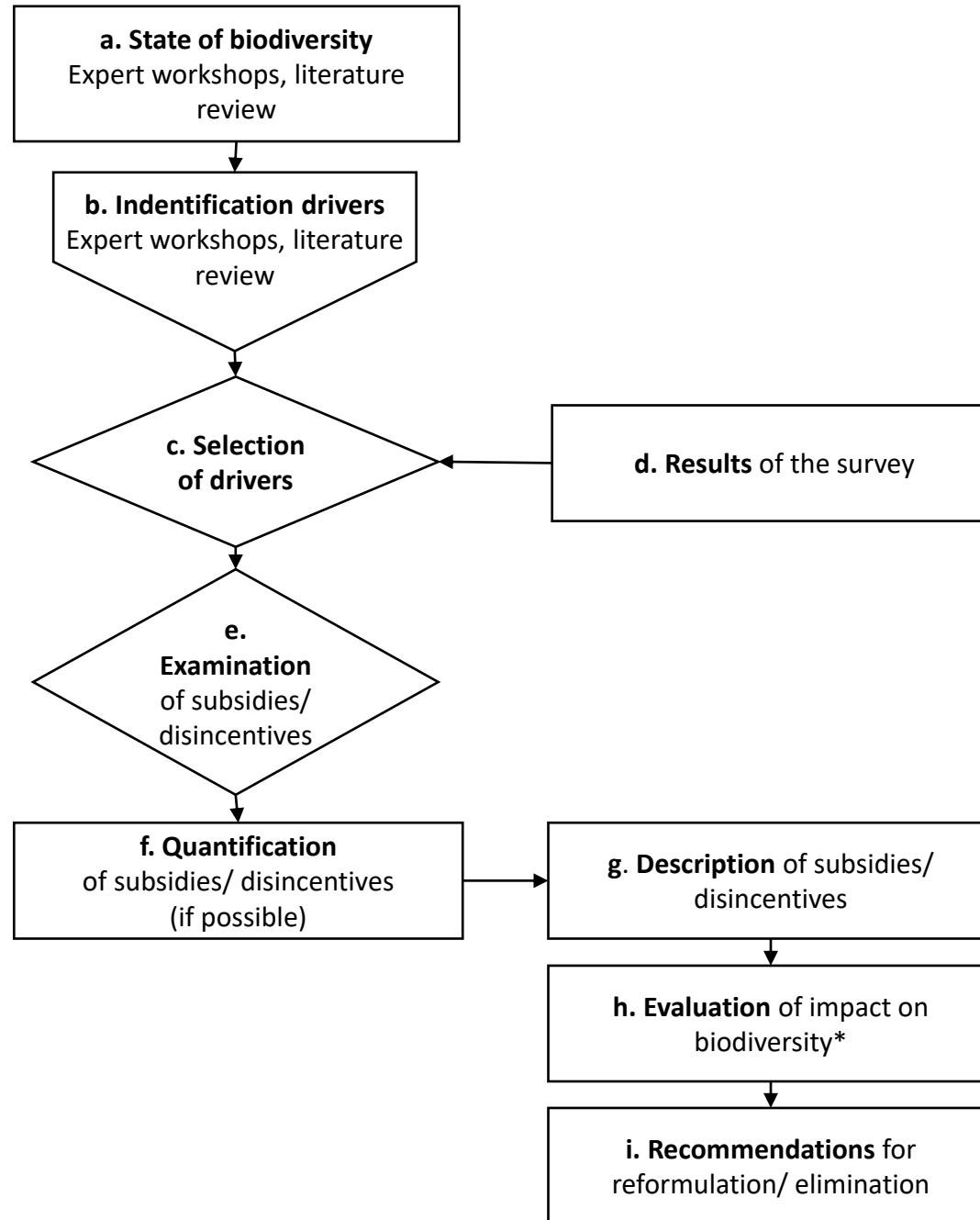
Content of the study

- **Overview** of biodiversity damaging subsidies on national level, and by way of example, on cantonal and communal level.
- Recommendations for **reforming, redirecting or removing** subsidies in order to minimize or eliminate negative effects.

Types of subsidies

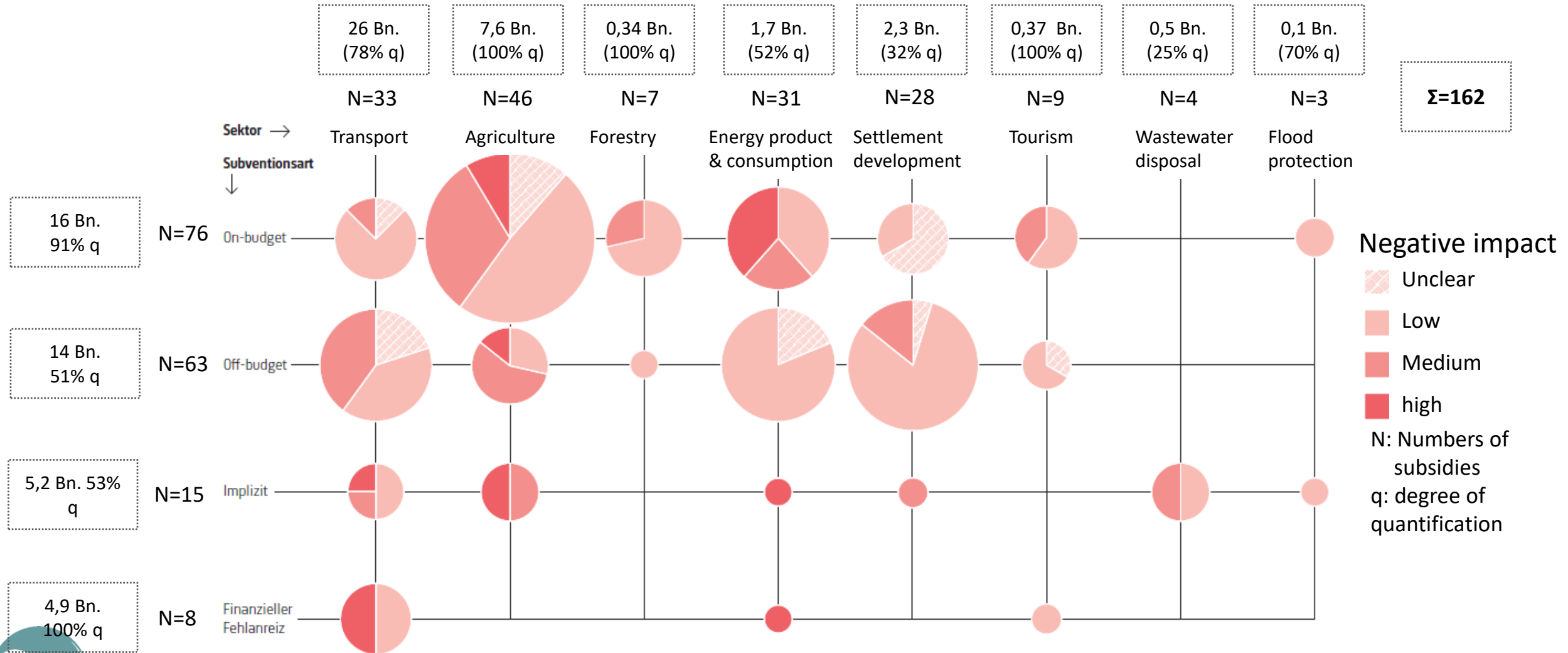


Approach

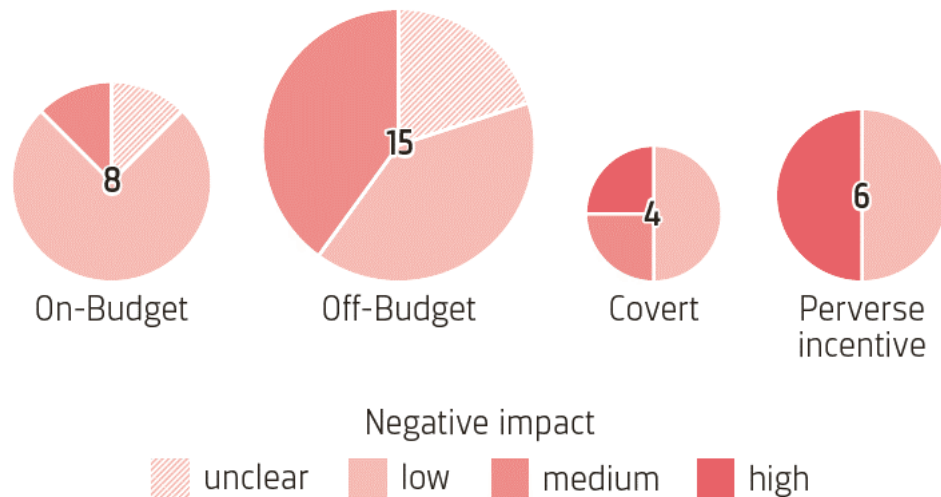
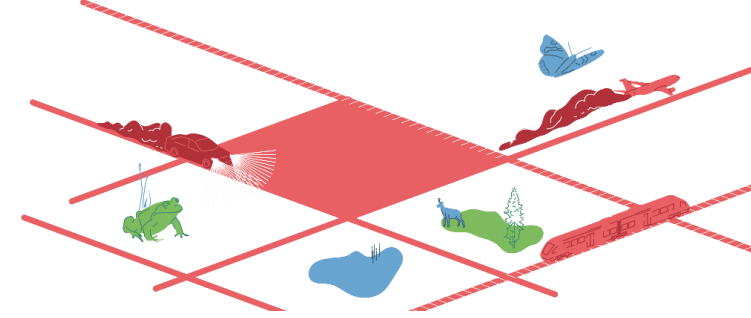


* proportion of harmfulness; level of damage caused

Unintended negative effects within eight sectors



Transports (N=33)

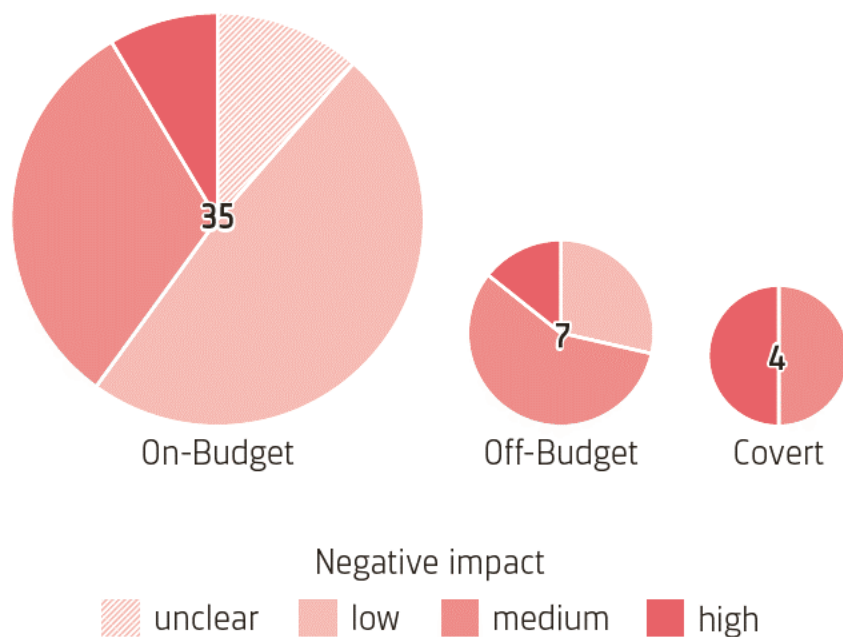
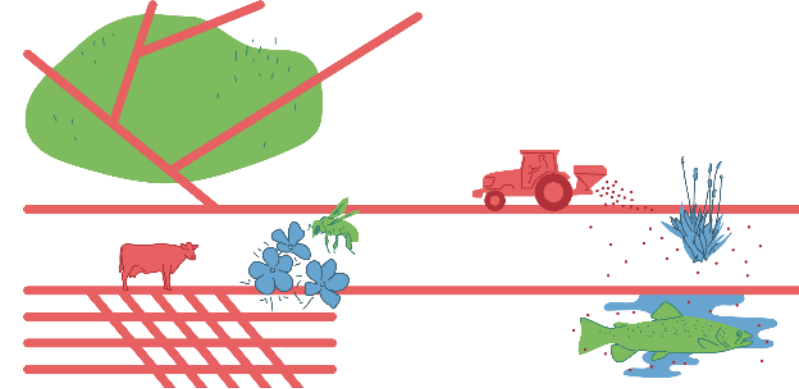


EXAMPLE:

Rebates on charges for motorized transport

- Exemption / refund of mineral oil tax and mineral oil surtax in certain sectors
- Exemption of mineral oil tax in customs enclaves
- Exemption of international air traffic from VAT
- Public parking which does not cover its costs (Community level)
- ...

Agriculture (N=46)



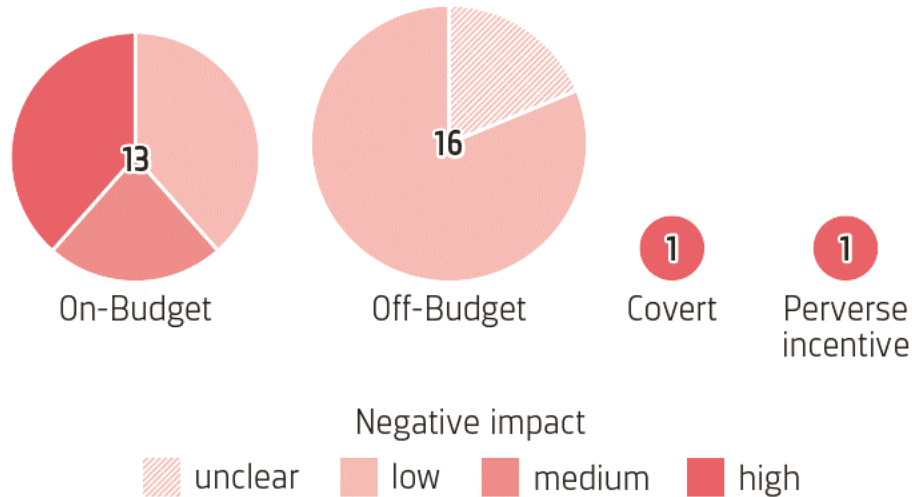
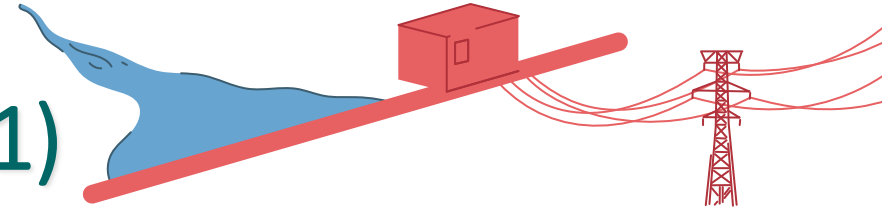
EXAMPLE:

Basic payment

- Linked to minimum level of livestock
- Lower rate of payment for biodiversity priority areas

- Promotion of sales of meat and eggs
- Financial contributions for structural improvements
- ...

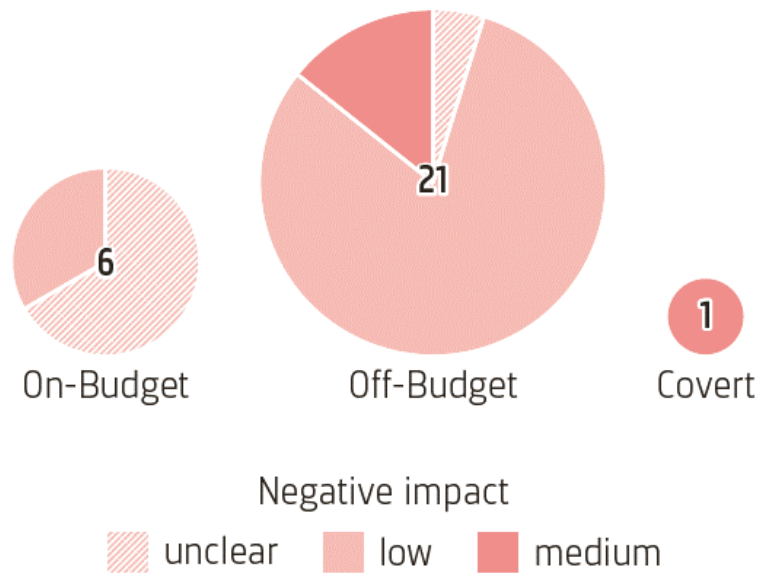
Energy production, -consumption (N=31)



EXAMPLE:

Free allocation of emission allowances for companies that are integrated into Emissions Trading Scheme

Settlement development (N=28)



EXAMPLE:

Support for home ownership through tax breaks

e.g.

- Deduction of under-utilization: tax breaks for unused living space
- Payment of access cost through communities
- ...

Subsidies damaging biodiversity are economically inefficient

- Budget is charged in several ways:
 - Subsidies damaging biodiversity
 - Funding for biodiversity promotion
 - Repair costs of damages
- Administrative expenses through restrictions, control measurements, monitorings, etc.
- Reputational damages for recipients of subsidies that are damaging biodiversity

Possible political approaches

a) Process of subsidies allocation and evaluation	b) Reform individual subsidies	c) Align sectoral policy goals with environmental goals
Federal Act on Financial Assistance and Subsidies	By prioritization of impact	Planning basis i.e. traffic scenario
Federal Act on the Swiss Federal Audit Office	By opportunity	
Financial Budget Act	Convert off- into on-budget subsidies	
Presentation guidelines for Federal Council Dispatches		
Regulatory impact assessment		

Since the publication

- Overall public interest in topic
- Various sectors are afraid of reduced financial support (small hydro, wind, forest, roads, agriculture ...), hence criticism
- Hearings in the Swiss Parliament Commissions
- Numerous political interpellations/requests at federal and cantonal level
- Two pending reports from the federal administration
- The Federal Office for the Environment is now in the process of proposing reforms for individual subsidies.

Thank you for your attention

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Report and factsheet: wsl.ch/subventionen

