Overcoming barriers to reform

- Competitiveness impacts
- Distributional impacts
- Influence of vested interests and rent seeking
- Political and social acceptability of reform
FRANCE: THE TAX ON PESTICIDES AND PESTICIDE SAVINGS CERTIFICATES
Pesticide use rises despite ambitious targets for reduction

Evolution of pesticide use compared to objectives of the Ecophyto plans


Note: Changes in agricultural “number of unit doses” (Nodu) compared to Ecophyto plan. 2015 is an estimate based on 2012-14 average.
Policy reforms

• Target to reduce pesticide use by 50% (“if possible”)

• Tax on pesticides since 1999
  – Low rates not sufficiently strong incentive to reduce; Resistance to increase rates
  – Expansion of tax base

• Pesticide savings certificates
  – Novel, complex instrument
Political economy lessons

• Public concern about risk of pesticide use an increasingly important driver of reform
  – Campaigns by NGOs, media attention
  – Public opinion expressed through market choices (demand for organic products)
  – Strong support at Ministerial level (ban of neonicotines)

• Broad stakeholder engagement advanced reforms
  – “Grenelle” model
  – Heterogeneity of agricultural sector
SWITZERLAND: REFORMING AGRICULTURAL SUBSIDIES
Reforming agricultural support in Switzerland

Structure of direct payments to farmers, 1986-2013

Agricultural Policy 2014-17: Reforms

• The effectiveness and efficiency of direct payments system questioned

• Reforms to better target policy objectives, including for biodiversity

Distribution of direct payments by category, 2014

Political economy lessons

- Active lobbying by environmental NGOs helped to build an alliance of market-oriented and ecological interests
  - Coalition of trade liberalisation interests and environmental interests
- Seizing window of opportunity
  - Green Liberal Party’s success in 2011 elections
- Broad stakeholder consultation
  - NGOs encouraged engagement of agricultural groups who would benefit from reform
EU PAYMENTS TO MAURITANIA AND GUINEA-BISSAU: SUSTAINABLE FINANCING FOR MARINE PROTECTED AREAS
Funding marine protected areas via a conservation trust fund
• Environmental NGOs concerted effort to build a shared understanding of benefits of marine conservation to fisheries
• Credible “broker” FIBA lobbied actively domestically, at the EU level and in the broader donor community
• Wavering political support threatens long-term stability of financing
ITQS AND RESOURCE RENT TAX IN ICELANDIC FISHERIES
Reform of fisheries to avert impending collapse

Discrepancy between recommended TAC for cod and landings, 1995-2015

Source: Based on data from Marine Research Institute (2016), http://data.hafro.is/
Political economy lessons

• Limited initial stakeholder engagement
  – Mainly government and scientists

• Subsequent reforms to address distributional impacts
  – Winners and losers as a result of initial free allocation of quotas
  – Resource rent tax to more widely share the benefits of harvesting a common property resource with the general public
Thank you

The Political Economy of Biodiversity Policy Reform

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http://www.oecd.org/environment/resources/mainstream-biodiversity/