



OECD work relevant to economic incentives and trade in flora and fauna

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Brief intro to the OECD

- Established in 1960; membership now 30 countries; Secretariat around 1900 (of which half is professional staff)
- Works through almost 200 different committees and subsidiary bodies
- Main focus is on improving economic policy, but also policies in other areas (e.g., the environment) that have economic consequences
- Work relevant to conservation of habitat, trade rules, being carried out in numerous bodies, especially under the Agricultural Committee, Environmental Policy Committee, Fisheries Committee, and Trade Committee



The Working Group on Economic Aspects of Biodiversity (est. 1993)

- Key goal: assist member countries in developing policies for achieving sustainable use of biodiversity (by product: support the Convention on Biological Diversity)
- Collaborates closely with international organizations
- Initial concentration: economic incentives for the conservation of biodiversity
- Current concentration: broaden the scope to include: market creation, valuation, access and benefit sharing, among others

Interactions between ecosystems and economic sectors

Ecosystems

Sectoral Pressures	Coastal Zones	Marine Ecosystems	Arable Land	Forests	Inland freshwater ecosystems	Mountn. and Subm. Regions	Grass and Rangelands	Arid- and Semiarid Areas
Tourism	*	*		*	*	*	*	*
Fishery	*	*			*			
Road	*		*	*	*	*	*	*
Transport								
Agriculture	*		*	*	*	*	*	*
Forestry			*	*	*	*		
Land-use	*		*	*	*	*	*	*
Shipping	*	*						
Industry	*		*	*	*			*



Economic incentives means ...

- charging fees, charges and environmental taxes
- creating markets and assigning well-defined property rights
- reforming or removing perverse subsidies



Analytical work on environmentally harmful subsidies

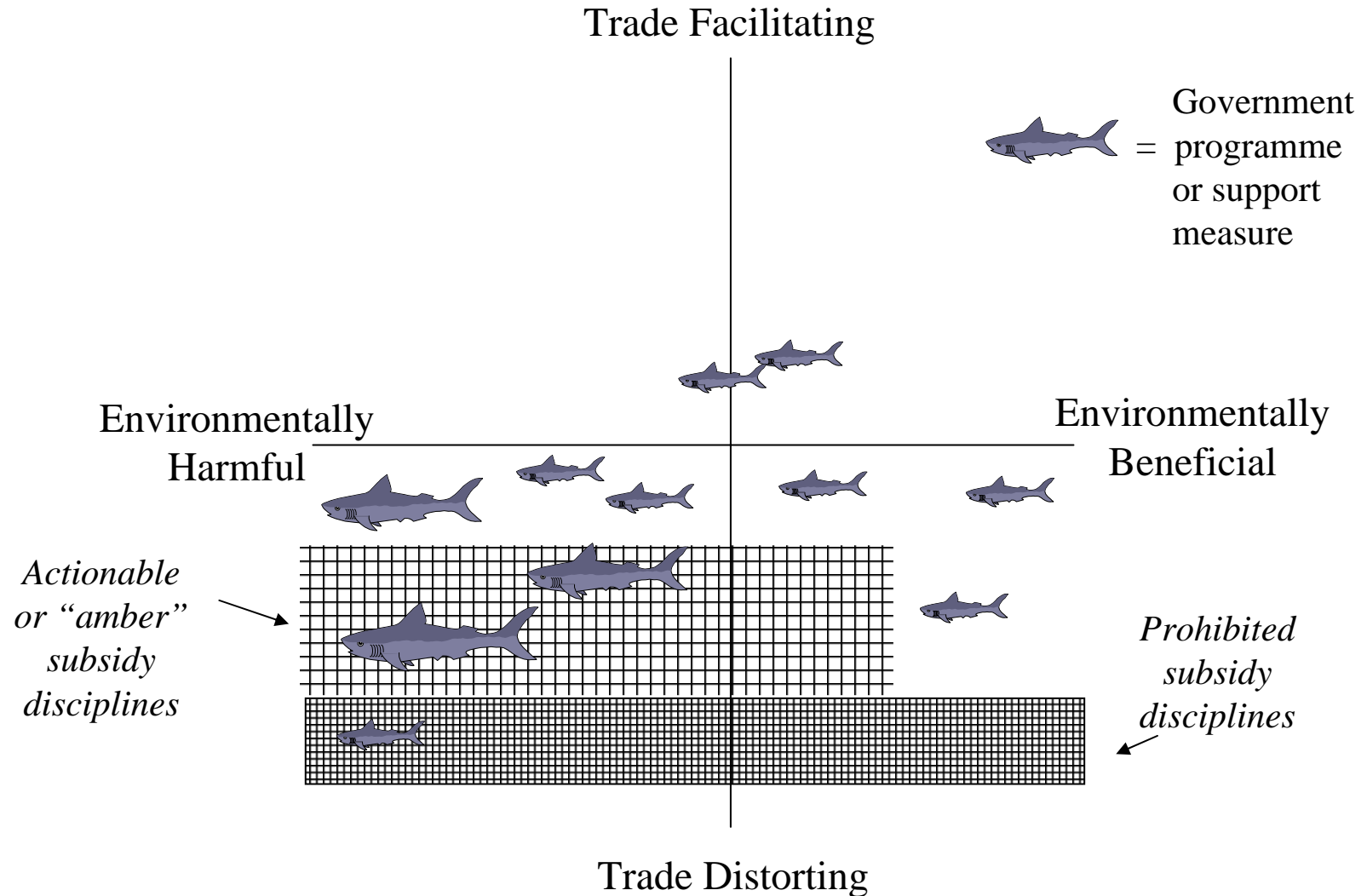
- Goal is to identify those subsidies the removal of which would lead to an environmental improvement, other things being equal.
- Have developed a “quick scan” checklist (no substitute for detailed analysis)



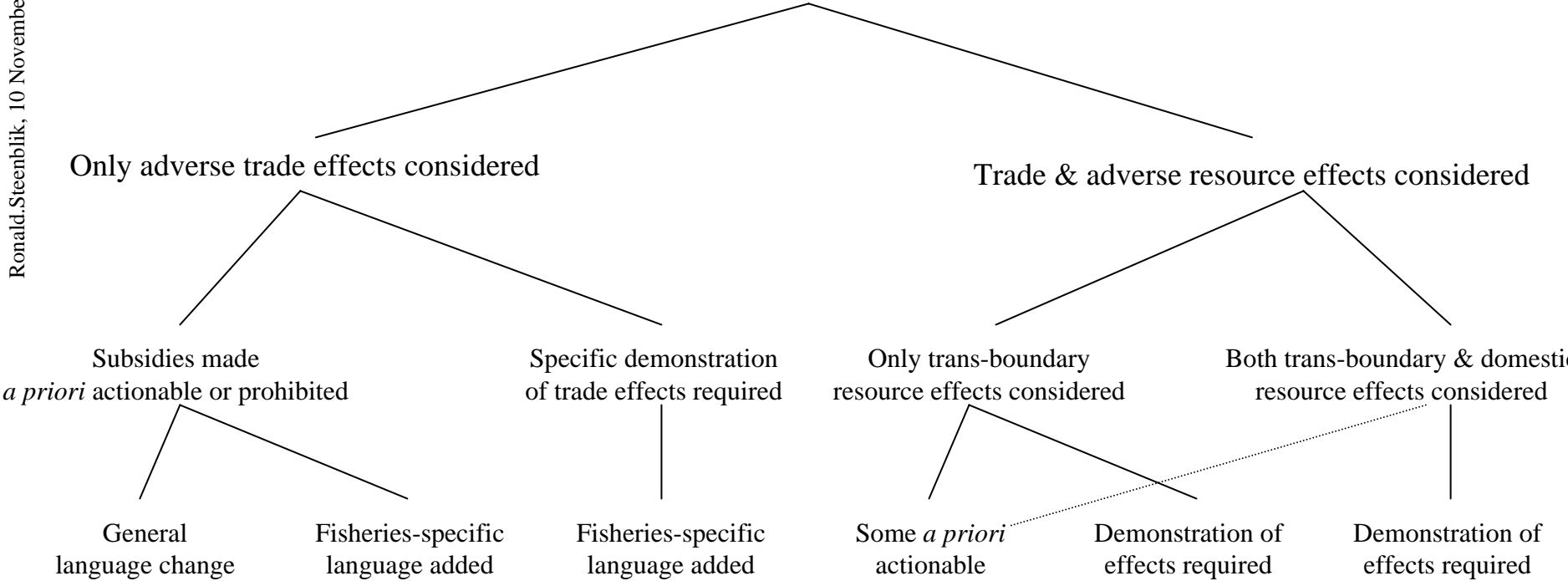
Directions for future analytical work

- Continue data collection
- Undertake and coordinate empirical application of the checklist
- Undertake in-depth reviews of reform of environmentally harmful subsidies
- Examine the economic and social implications of phasing out environmentally harmful subsidies
- Help inform discussions on possible new disciplines

Sectoral support seen from both the environmental and trade perspectives



Agreement “to clarify and improve” WTO disciplines on fisheries subsidies



ADVANTAGES	Would not alter the general mission of the WTO			Would make environmentalists happy		
	Could improve disciplines on other natural-resource industries	Easiest to negotiate	Well-targeted	Easier to negotiate and administer than one for which all res. effects must be demonstrated	Well-targeted	Well-targeted Most comprehensive
DISADVANTAGES	Likely to have only a minimal effect on subsidies that undermine resource conservation			Encourages a proliferation of sector-specific language or agreements		
	• Re-opens SCM • Difficult to negotiate • Risk of unintended consequences	Proliferation of sector-specific language		More difficult to negotiate than trade-only agreement		
		Would cover only a few subsidies	Could lead to complicated disputes	Difficult to prove trans-boundary effects		Would set precedent for disciplining subsidies with no trans-boundary effects



Web sites

General

<http://www.oecd.org/>

Environmentally harmful subsidies

<http://www1.oecd.org/agr/ehsw/>