

Executive summary

This report examines Belgium's progress since the previous OECD Environmental Performance Review in 1998 and the extent to which the country is meeting its domestic objectives and international commitments regarding the environment.** The progress made by Belgium during the review period is seen in the report as resulting from the authorities' environmental and economic decisions and actions, as well as from the efforts of private enterprises, households and non-governmental organisations. Forty-seven recommendations are made that could contribute to further environmental progress in Belgium.

In a country as densely populated and economically developed as Belgium, pressures on the environment are strong. As much as one-fourth of the territory is built-up or covered with dense networks of roads, railways and navigation canals. Industry, heavy freight and passenger traffic, and intensive livestock production and crop cultivation also put pressure on the air, soil, water resources and nature. In this context, making development economically, environmentally and socially sustainable is a challenge. Because of Belgium's very open economy (exports reaching 83% of GDP and imports 81%), and its location, there are many physical and economic interdependencies among Belgium, its European partners and beyond. This explains the very proactive attitude of Belgium concerning international environmental issues.

In the period leading up to 1993, Belgium went through a series of institutional reforms which transformed it into a federal state made up of three regions and three linguistic communities. Since then, environmental responsibilities have been clearly defined and the federal, regional, community and local authorities have done a great deal to accelerate efforts to reduce pollution, protect nature and biodiversity, and also promote sustainable development.

However, Belgium is still catching up on the environmental backlog from the past. The challenge now will be to: i) pursue efforts to implement environmental policies effectively and efficiently; ii) further integrate environmental concerns into economic and social decisions; and iii) meet the country's international environmental commitments.

Implementing strengthened environmental policies...

After periods of uncertainty and of major environmental reforms associated with the process of federalisation of the country, Belgium's federal and regional authorities were able, during the review period, to build on: i) stable environmental institutions with a clear division of responsibilities and mechanisms for co-operation, ii) EU environmental legislation as well as the country's international commitments, and iii) co-operation and partnership with industry, trade unions and environmental NGOs. Total expenditure on pollution abatement and control grew significantly, reaching about 1.7% of GDP. Nature protection also progressed, with the extension of protected areas in the context of the Natura 2000 network, despite the very high densities of population, activities and infrastructure of the country. Well established regional environmental administrations now all have planning cycles, indicators of progress and policy review mechanisms, and all have implemented advanced environmental policies. Federal authorities have exercised their responsibilities (e.g. ecotaxes, product standards, trade matters, international matters, radiation protection and protection of the marine environment). Better environmental management was achieved through a mix of policy instruments, including economic instruments, information campaigns, agreements (between the regions, provinces and municipalities), regulations (which were codified or streamlined) and voluntary actions (taken by industry). Inspection authorities improved their effectiveness and efficiency. Progress with single permitting and the use of environmental impact assessment was noteworthy. All these efforts have contributed to partly repay the country's outstanding environmental debt.

** The report also reviews Belgium's progress in the context of the OECD Environmental Strategy. The Objectives of the "OECD Environmental Strategy for the First Decade of the 21st Century" are covered in the following sections of these Conclusions and Recommendations: maintaining the integrity of ecosystems (Section 1), decoupling of environmental pressures from economic growth (Sections 2.1 and 2.2), and global environmental interdependence (Section 3).

However, a number of indicators show that the results are not sufficient. Energy use, material use and pollutant emission intensities (i.e. per unit of GDP) remain relatively high. Indicators of densities of environmental pressures (i.e. per km²) are also very high. Addressing this will require Belgium to strengthen and/or extend its environmental efforts and to make them more cost-effective by increasing the use of economic instruments (e.g. taxes, charges, emission trading mechanisms) and economic analysis (e.g. cost-benefit analysis), notably for air, water and waste management. Belgium has still not fully implemented all EU environmental directives. The mix of policies covering waste management could often be more efficient. Voluntary approaches could often be more ambitious. Land-use legislation, planning and policy, which formally address environmental concerns, need to do so more widely in practice, to better control urban sprawl and the loss of green spaces.

...and integrating better environmental concerns in economic decisions

Belgium made progress over the review period in decoupling environmental pressures from economic growth for some conventional pollutants (e.g. SO_x and NO_x emissions) and for water abstractions. Growth in household waste for final disposal was also decoupled from economic growth due to high rates of recycling. Sustainable development institutions were developed at the federal level (Sustainable Development Law, establishment of a governmental committee and of a council for sustainable development, creation of a Secretary of State position for sustainable development). Two federal plans were adopted along the three pillars of sustainable development, together with evaluation and consultation procedures. Principles of sustainable development were also embodied in the regional environmental plans. The regional governments made some progress in integrating environmental concerns into agriculture (by augmenting support for agri-environmental measures). Climate change policy is moving ahead with the regional climate change plans and national burden-sharing agreement, and through a range of domestic measures, participation in the EU emission trading scheme and the Kyoto Protocol flexibility mechanisms.

However, there is still a need to decouple road freight transport from economic growth, as the increase in road freight transport is of high concern. Energy intensity (total primary energy supply per unit of GDP) is still considerably higher than in neighbouring countries. Integration of environmental concerns into energy policy is lagging. Energy prices should internalise environmental external costs. Pressures on water and soil resources (from water abstractions, nitrate and pesticides) are among the highest in the OECD. The targets to expand organic agriculture have not been met. A number of tax concessions lead to perverse effects on the environment. No action has started on a green tax reform as recommended in the last OECD environmental performance review. The effectiveness and economic efficiency of the country's subsidy schemes for rewarding environmental behaviour may need to be reviewed. Quantitative targets are needed and cost-benefit analysis should be used more systematically for setting priorities.

International commitments met...

In recent years, Belgium has improved its record in ratifying international agreements and in transposing EU Directives, and has reduced delays in ratification processes as a result of enhanced co-ordination between federal and regional authorities on international issues. Concerning marine issues, Belgium initiated "sea-use planning" and the creation of marine parks in its newly designated exclusive economic zone, following ratification of the Law of the Sea in 1999. Aerial surveillance of illegal discharges at sea was extended (Bonn Protocol); the control of ships calling at Belgian ports was improved to comply with the Paris Memorandum of Understanding on port state control; and efforts were made to strengthen oil spill preparedness, response and control. Concerning trade, with a very open economy, Belgium actively promotes multilateral approaches to trade/environment issues, implementation of specific multilateral environmental agreements, and an EU policy to import tropical timber from certified forests. Over the review period, CO₂ emission intensity decreased and Belgium prepared for timely implementation of the new EU emission trading scheme, including by creating a national greenhouse gas registry. A comprehensive national climate plan is being prepared building on a national burden-sharing agreement. Belgium's official development assistance increased from 0.35% of gross national income in 1998 to 0.53% in 2005.

...and to be met.

However, integration of climate change objectives in energy policy could be strengthened: the impacts of energy pricing and of the energy mix on mitigation should be further assessed, a CO₂ tax is no longer envisaged, and there is a tendency to rely on buying credits on external markets to comply with Kyoto commitments. CO₂ emission intensity is still high by European standards and efficiency gains could be obtained by enhancing co-ordination of regional climate plans. Nitrogen loads in water bodies remain very high, and Belgium still has difficulty complying with the EU Nitrates Directive and North Sea commitments to reduce land-based sources of pollution. The share of official development assistance devoted to the environment (e.g. water) is low, and efforts should be made to ensure that bilateral and development co-operation by the regions does not erode the national focus on selected countries and sectors. Monitoring and inspection efforts concerning illegal trade (ozone-depleting substances, hazardous waste, endangered species) should be stepped up.

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Annex: 47 Recommendations*

Environmental Management	<ul style="list-style-type: none"> ▪ increase the use of <u>economic instruments</u> (e.g. taxes, charges, trading mechanisms) and <u>economic analysis</u> (e.g. cost-benefit analysis); ▪ strengthen the review by regional authorities of municipal <u>land-use plans</u> to increase their effectiveness in addressing environmental objectives; strengthen <u>co-operation among regions</u> in land-use planning and environmental impact assessment; ▪ strengthen environmental <u>inspectories</u>; increase their effectiveness and efficiency, where appropriate; ▪ review the experience with <u>partnerships</u> between government and non-governmental organisations (e.g. industry, trade unions, environmental NGOs) to see how such partnerships can be made more ambitious, cost-effective and transparent and how they can be associated with other instruments.
Air	<ul style="list-style-type: none"> ▪ strengthen measures to reduce <u>PM</u> emissions, especially from the transport sector (e.g. fuel quality control, stricter car inspection for diesel vehicles); ▪ boost efforts to reduce <u>ozone</u> episodes; reduce emissions of NO_x, VOCs, PAHs and trichlorobenzene; consider additional measures to reduce <u>household emissions</u> (e.g. PAHs, NMVOCs); ▪ better control air pollution from <u>ocean and inland navigation</u> (e.g. fuel quality standard); ▪ evaluate and implement policy mixes (including use of economic instruments) to <u>improve the efficiency of air quality management</u>; ▪ adopt a <u>national transport plan</u> and ensure that the various (e.g. federal and regional) transport plans are consistent, mutually supportive and well implemented; ▪ develop <u>transportation</u> pricing and taxation (e.g. excise tax on fuel, road pricing) to help internalise the environmental damage costs; ▪ improve <u>energy efficiency</u> in all sectors, with special attention to the building sector.
Water	<ul style="list-style-type: none"> ▪ review and revise <u>manure management</u> and <u>fertiliser use policies</u> in order to further reduce nutrient loading of ground and surface waters; ▪ bolster current efforts to reduce <u>pesticide</u> contamination of water sources (e.g. by increasing the rate of the existing pesticide tax); ▪ maintain the recent acceleration of construction of <u>waste water infrastructure</u>, including upgrading existing sewerage networks; ensure that financing arrangements do not slow progress; improve synchronisation in the construction of regional waste water treatment and municipal sewerage infrastructure; ▪ firmly implement measures to achieve full <u>cost recovery of sewerage and waste water activities</u> through "polluter pays" charging systems, with due regard to social concerns; ▪ speed up the <u>provision of sewage treatment</u> for all dwellings outside zones served by public systems; ▪ formulate measures to identify and remove remaining and new sources of <u>hazardous substances</u>.
Nature and Biodiversity	<ul style="list-style-type: none"> ▪ complete the <u>National Biodiversity Strategy</u> (as required under the UN Convention on Biological Diversity) with close co-operation between regional, federal and local authorities and stakeholders; include quantitative targets, as appropriate; ▪ strengthen the <u>management of protected areas</u> (e.g. new nature parks, agreements with landowners and/or land users) and the <u>connectivity between protected areas</u> in the context of Natura 2000, including through enhanced regional co-operation; extend biodiversity corridors by improving the ecological water quality of rivers, as required by the EU Water Framework Directive; ▪ enhance <u>nature conservation on farmland</u>; set targets and periodically evaluate achievements; ▪ promote <u>common forest management</u> among private forest owners, so as to create economies of scale and foster environmentally-friendly land use, thereby enabling sustainable forest management; ▪ enhance public and private <u>financing of nature and biodiversity conservation</u> (e.g. hunting plans and fees to control large game populations, local nature tax on building permits); ▪ further <u>implement international agreements</u> to protect nature and biodiversity (e.g. CITES, CBD).
Integration environment economy	<ul style="list-style-type: none"> ▪ establish a <u>green tax commission</u> and review, and if necessary revise, the relevant taxes and other economic instruments to improve their effectiveness and economic efficiency; review systematically the environmental effectiveness and economic efficiency of the country's financial assistance schemes; ▪ further implement the federal plan for <u>sustainable development</u> (2004-08); develop and implement a national strategy for sustainable development, in line with UN commitments; ▪ set <u>quantitative targets</u> for the environment in relevant planning (e.g. economic and sectoral); make further use of economic analysis for setting environmental and sustainable development priorities; ▪ further <u>integrate environmental concerns into sectoral policies</u> (e.g. energy, transport, agriculture) through strategic environmental assessment and development of market-based mechanisms; further implement policy and measures to improve <u>energy efficiency</u>; ▪ strengthen <u>institutional co-operation</u> between departments and between federal and regional governments, in particular as regards the environment-energy interface; ▪ conduct a <u>comprehensive review of climate</u> mitigation measures beyond the EU emission trading scheme.

* These Recommendations were formally approved by the OECD Working Party on Environmental Performance.

<p>Integration environment-social</p>	<ul style="list-style-type: none"> ▪ continue to improve <u>access for all to environmental information</u>, and improve the <u>comparability</u> of information among regions; ▪ increase citizens' <u>access to justice</u> in environmental matters; ▪ implement the user-pays principle for environmental services (water, waste) while continuing to give access to these services to <u>the poor</u>; consider extending fiscal incentives for energy-saving building insulation; ▪ continue to develop <u>environmental education</u>, particularly at higher education levels; ▪ continue to <u>develop partnerships with NGOs</u> and further involve local volunteers in managing protected areas, including in densely populated areas; ▪ further analyse the impacts of environmental policy on <u>employment in Belgium</u>.
<p>Health and environment</p>	<ul style="list-style-type: none"> ▪ further develop and firmly <u>implement the NEHAP and CEHAP</u>; specify appropriate <u>environmental health outcomes</u> and incorporate these in the plans of all governments; ▪ build on the current <u>co-operation among federal, regional and community entities to address environmental health issues</u>; in particular, strengthen research on and monitoring of the link between exposure to environmental conditions and human health, including multi-factorial effects; ▪ analyse the <u>costs and benefits</u> of environmental health policies; ▪ ensure that <u>data collection efforts</u> focus on policy-relevant information and establish mechanisms to transfer policy-relevant research to policy makers; consider extending the Flemish biomonitoring programme to cover the whole country; ▪ continue to strengthen the possibility for the <u>public to make balanced decisions</u> on health and environment, e.g. through education, product labelling and information campaigns; ▪ place greater emphasis on public <u>access to green urban areas</u> in land-use planning policies.
<p>International co-operation</p>	<ul style="list-style-type: none"> ▪ adopt and implement the comprehensive <u>National Climate Plan</u>, taking account of the National Allocation Plan, reviewing reliance on buying credits on external markets and other flexibility mechanisms, and maximising synergies between federal, regional and sectoral policies and measures; ▪ integrate objectives related to climate change in <u>energy and transport policies</u> (e.g. energy efficiency, energy pricing and taxation, transport pricing and taxation); ▪ enhance protection of <u>marine ecosystems</u>, e.g. through creation of new marine nature reserves; continue efforts to reduce pollutant releases into the North Sea, by increasing urban waste water treatment and reducing agricultural run-off; ▪ strengthen efforts to prevent illegal trade of <u>ozone-depleting substances and hazardous waste</u>; ▪ increase the environmental component of <u>official development assistance</u> (e.g. water); ▪ proceed with pending <u>ratifications</u>, including through better co-ordination among Parliaments.