

**Unclassified**

**ENV/EPOC(2003)5/FINAL**



Organisation de Coopération et de Développement Economiques  
Organisation for Economic Co-operation and Development

**29-Mar-2003**

**English - Or. English**

**ENVIRONMENT DIRECTORATE  
ENVIRONMENT POLICY COMMITTEE**

**ENV/EPOC(2003)5/FINAL  
Unclassified**

**SUMMARY RECORD OF THE EPOC DIALOGUE WITH STAKEHOLDERS PARTNERS**

**25 November 2002**

For more information, please contact Dian Turhneim, Environment Directorate  
Tel: +33 (0) 1 45 24 97 77 - Email: dian.turnheim@oecd.org

**JT00141794**

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### **Agenda Item 1: Welcome and Introductions**

1. The *Chair of EPOC*, Helena Cízková, welcomed the participants to the stakeholder dialogue, including representatives of business, trade unions and environmental NGOs, as well as EPOC delegates and Bureau members. She explained that the four main topics for discussion listed on the Agenda [ENV/EPOC(2002)22] had been established in consultation with the stakeholder representatives, based on the topics for discussion on the EPOC Agenda.
2. The *Chair* introduced her colleagues on the EPOC Bureau, and asked the representatives of the three stakeholder groups to introduce their colleagues.

### **Agenda Item 2: OECD Work on Sustainable Development: Follow-Up to the WSSD**

3. The *Secretariat* provided a brief overview of the participation by OECD in the World Summit on Sustainable Development (WSSD) preparation process and the Summit itself, and the work that OECD is undertaking in support of the WSSD Plan of Implementation. They provided information on the WSSD Type II Initiatives in which the OECD and OECD Member countries will participate.
4. A representative of *trade unions* welcomed the opportunity to discuss the follow-up to the WSSD with EPOC. He emphasised the contributions of trade unionists to the WSSD, including the participation of 426 trade union representatives, lobbying of negotiators at the Sandton Conference Centre to ensure strong text (e.g. on social aspects of sustainable development, the three pillars, and corporate accountability) in the WSSD Plan of Implementation, and promotion of the workplace assessments of sustainable development. He circulated a Workplace Checklist for Sustainable Development Assessments [ENV/EPOC/RD(2002)20] they had developed, drawing in part on the OECD Environmental Strategy, as well as a note on “The Need for Fashioning a New Deal” [ENV/EPOC/RD(2002)19]. He stressed that OECD’s assessment of work in the follow-up to WSSD should strongly consider the social dimension, and the integration of the three pillars. The Inventory of OECD work should be used to identify gaps where new work could be prioritised, such as work on the prevention or precaution principle and work on education and capacity building for sustainable development. It could also be used to identify new Type II Partnerships for OECD that could be developed, for example working with TUAC on Workplace Assessments or the implementation of the OECD Guidelines for Multinational Enterprises.
5. A representative of the *business and industry community*, stressed that while business actively participated in the WSSD, many felt that it was a bit of a “circus”. Government representatives negotiating the outcomes of the Summit were still largely isolated from civil society participants, and business commentators are not sure the final outcomes (the Plan of Implementation and Political Declaration) will really be used. He stressed that one of the major changes at WSSD had been the increased focus on the business community and their role in achieving sustainable development. While this is an important opportunity, he warned against restricting business activities too much at the risk of limiting innovation. In terms of the follow-up by the OECD, he highlighted in particular the importance of the work on the cost-effectiveness of different policy instruments while stressing some of the practical difficulties in their application, particularly in non-OECD countries. He also suggested further work on creating the right conditions for private investment in least developed countries, and work with small and medium sized enterprises (not just multinationals) on sustainable development.
6. Representatives of the *environmental NGOs* expressed concerns about both the large implementation gap since the Rio Earth Summit in 1992 and the increasing credibility gap with respect to the ability of governments to guide sustainable development. Many were disappointed by the outcomes of the WSSD, as well as concerned about the increasing attention paid to the Type II Partnerships. They stressed that these were not new – such partnerships had been in place for years – but represented a worrying shift in responsibility away from governments and on to others, including the private sector. They

emphasised that governments have the primary responsibility to ensure that the obstacles that lead to the current implementation gap are overcome. They highlighted the role of the OECD in work on: filling analytical gaps regarding the targets missing from the WSSD outcomes; assessing the effectiveness of voluntary agreements (e.g. the WSSD Type II Partnerships); overcoming obstacles to policy reform, lack of leadership, and enhancement of civil society participation; monitoring implementation of sustainable development through peer reviews (while recommending that the Environmental Performance Reviews be increased in frequency); corporate accountability; sustainable consumption and production; and work with NIS countries.

7. A *number of the stakeholder representatives* questioned the role and composition of the OECD Ad Hoc Group on Sustainable Development, and stressed that they would very much welcome the opportunity for dialogue with the Group. The *Chair* of EPOC, in her role as one of the Bureau members of the Ad Hoc Group on Sustainable Development, explained that the Bureau of the Group had met recently. They had planned for a Spring 2003 meeting of the full group to discuss how to accelerate work on the four elements of the 2001 Ministerial mandate on sustainable development and the type of input needed for the 2004 Ministerial. The Spring meeting will also address the issue of stakeholder consultations.

8. In the discussion, stakeholder representatives highlighted again areas of specific value-added by OECD in the follow-up to WSSD, in particular work on the MNE Guidelines and corporate accountability, and the OECD peer reviews.

### **Agenda Item 3: Export Credits and Environment: OECD Work**

9. The *Chair* opened this item, informing participants that the work of the OECD on export credits and environment is conducted under the auspices of the Working Party on Export Credits and Credit Guarantees, not under EPOC.

10. Representatives of the *environmental NGOs* indicated that a document submitted by NGOS [ENV/EPOC/RD(2002)15] was available, indicating key reforms they felt are needed by European Export Credit Agencies. They suggested several areas of potential reform in the environmental practices of Export Credit Agencies, including environmental impact assessment, transparency and public participation, accountability and monitoring, and export credits targeted to specific sectors (e.g. renewable energy, forestry). They also suggested that EPOC could constructively bring forward the planned review of environmental policies in international financial institutions so that it could be used in the 2003 review of the Common Agreement on Export Credits and Environment. They stressed that energy was one of the biggest sectors supported through export credits, as well as being a key area for environmental concerns.

11. Representatives of the *trade unions* suggested that the discussion could better focus on export credits and *sustainable development*, rather than just *environment*. They also suggested that current investments by Export Credit Agencies distorted the effects of Overseas Development Assistance. They supported suggestions for workshops or other multi-stakeholder discussions on Export Credits and Sustainable Development, but felt the decision not to establish a Joint Working Party at OECD on the issue was misguided.

12. A representative of the *business and industry community* stressed that, in the face of calls for change, the current version of the Common Agreement on Export Credits and Environment should be given a chance to work first. Furthermore, within the scope of all the elements of a major infrastructure project, the impact of export credits is relatively small.

13. The *Secretariat* summarised recent progress within Export Credit Agencies to enhance their environmental assessment processes. It also clarified that the planned summary of environmental policies in IFIs was not linked to the 2003 review of Common Approaches on Export Credits and Environment.

#### **Agenda Item 4: Environment Communications Strategy**

14. Representatives of the *business and industry community* welcomed the attention by EPOC to communication of its work and messages, and expressed appreciation for the increased dialogues between EPOC and stakeholder partners. They stressed that communication should be a two-way dialogue with key partners and stakeholders, rather than simply dissemination of EPOC's products to these partners, and that partners could be important vectors for further dissemination of EPOC's messages, for example through industry newsletters, etc. Ensuring that easily readable, brief executive summaries were available for all products would help to disseminate these messages more easily, particularly for the lengthier OECD reports. They suggested that EPOC and the Secretariat consider the development of a regular newsletter and work to improve the accessibility of the environment pages on the OECD website, citing the OECD Environment, Health and Safety pages and newsletter as an example of good practice.

15. The representative from the *environmental NGOs* expressed thanks to EPOC for the constant improvement in EPOC's dialogues with stakeholders, while maintaining a pragmatic and flexible approach to these dialogues. He highlighted the practical problems stakeholders face, however, as they are invited to an increasing number of such dialogues, often at the last minute, and without sufficient time to co-ordinate inputs amongst their networks. He suggested that the EPOC model for stakeholder dialogues could be usefully adopted in other OECD Committees as well. He welcomed the increased transparency with respect to EPOC documentation, but regretted that limited resources restricted their ability to disseminate the work as widely as they would have liked. He thanked the Greek Delegation for their continued financial support of the role of the European Environment Bureau as a network for NGO inputs to EPOC, but suggested that increased funding could usefully expand the current activities.

16. The representative of the *trade unions* stressed that while the reports and outputs of EPOC were useful, and they often passed them along to trade union representatives, they were often uncertain how directly relevant they were for workers. He stressed that clearer decisions by EPOC on specific areas or policies would be of greater interest. Better use could also be made of press releases and electronic dissemination tools.

17. The *Chair* welcomed the comments of stakeholders, and suggested that that the further development of partnerships between EPOC and stakeholders could play an important role in enhancing EPOC's work and further disseminating its messages.

#### **Agenda Item 5: Structure and Frequency of EPOC Dialogues with Stakeholders**

18. The *Secretariat* reminded participants of the current format for EPOC dialogues with stakeholder partners. Prior to each EPOC meeting, the Draft Agenda for EPOC is circulated to stakeholder partners for consideration as to whether they wish to provide written comments and/ or hold a stakeholder dialogue on any of the Agenda Items. Following a decision by EPOC in November 2001, the Stakeholder Dialogues have been expanded both in time (from a working luncheon to a half-day session) and in representation (from the EPOC Bureau to all interested EPOC Delegates). The Spring 2002 dialogue differed from this standard procedure, with the main discussion focussing on a single substantive issue (environmental taxes) as agreed at the previous dialogue.

19. The representative of the *business and industry community* welcomed the stakeholder dialogues, but underlined that they would benefit from more active participation of EPOC members. He suggested that further advance notice of the timing and topics for discussion at the dialogues could help all participants to better prepare for the discussions.

20. The representative from the *trade unions* emphasised that the new format for the dialogues was an improvement, and asked EPOC for feedback on how the stakeholders could better participate as well. He suggested that stakeholders could perhaps circulate their main points or questions in advance of the dialogues, to help Delegates in their own preparation. He also asked Delegates to challenge the trade unions on environment issues, rather than simply being challenged by them.

21. The representative from the *environmental NGOs* suggested that the structure of the Spring 2002 stakeholder dialogue – focussing on a single substantive issue – lead to a particularly good debate. He suggested that the Agenda at the current dialogue was perhaps too heavy, with little time for preparation.

22. Topics for substantive discussion in future stakeholder dialogues were suggested by *various participants*, including: implementation of the OECD Environmental Strategy, domestic greenhouse gas emission reduction programmes, trade and environment, country chemicals policies, resource efficiency, integration of environmental concerns in sectoral policies, public procurement, subsidies and the environment, and tools for environmental policy integration.

23. In the discussion that followed, *EPOC Delegates* expressed appreciation to stakeholders for their participation in the dialogues, and thanked them for their useful inputs to the discussions EPOC would be holding over the coming days. They stressed the improvements in the new format for Dialogues, and supported suggestions for ensuring the Dialogues were more interactive in future. These included including identification of a single substantive issue for discussion well in advance, and the possibility of submitting written inputs earlier in the process.

24. The *Chair* concluded by stressing the importance of multi-stakeholder dialogues for governments, but also the need for all to respect the rules of the game and recognise the different responsibilities (e.g. with respect to export credits, the main responsibility lies not with EPOC, but with another OECD body).

#### **Agenda Item 6: Concluding Comments**

25. The representative of the *business and industry community* stressed the importance of the WSSD process and its outcomes for both governments and the various stakeholder groups. He regretted that the process itself highlighted the fact that governments had still not made the transition to co-operative co-ordination amongst Ministries on sustainable development issues. He stressed the importance to stakeholders of being able to influence the work of EPOC, not simply to respond to it.

26. The *environmental NGO* representative thanked EPOC for the invitation to participate in the dialogue. He emphasised the important role that OECD can play in helping governments to close the policy implementation gap through analytical work and accountability mechanisms such as the peer reviews.

27. The *trade union* representative highlighted the significant impact of the WSSD on the trade union movement, indicating that they were now facing a new paradigm with respect to the social pillar of sustainable development. He stressed the need for governments to better engage workers in the implementation of sustainable development, including through the OECD Environmental Strategy. Changing consumption and production patterns is important, and the workplace is an arena in which both consumers and producers can be influenced.

28. The *Chair* concluded by thanking participants for their constructive inputs, and suggesting that a clear message emerging from the discussions was that the OECD could do more on cross-sectoral co-operation for sustainable development. She indicated that EPOC Bureau members would report back to EPOC on the results of the discussions, as they were discussed under the EPOC Agenda.