



Organisation for Economic
Co-operation and Development

PRESS STATEMENT
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Launch of the Environmental Performance Review of Denmark

By Mr. Lorents Lorentsen, Environment Director

Dear Minister, dear colleagues,

On behalf of the OECD, it is a great pleasure to present, here in Copenhagen, the second OECD Environmental Performance Review of Denmark, focusing on the country's environmental achievements and challenges. The report examines the environmental performance of Denmark as a whole, due to the combined efforts of its government, including national and local governments, as well as civil society, such as enterprises, trade unions and environmental NGOs.

The report reviews the period 1999-2007 and shows that efforts to reduce pollution are bearing fruit. But, more needs to be done to green the economy, particularly in the transport, agriculture and energy sectors and in fiscal policies.

THE REVIEW OF DENMARK

This report examines the environmental results achieved, with respect to Denmark's domestic and international commitments. It is an evidence-based report, building on data and facts. The assessments presented here are built on the policy experience of OECD, having conducted some 60 country environmental performance reviews;

An earlier draft of this report was the basis for a formal examination of Denmark, which took place for a full day in June 2007 in Paris, where representatives from all OECD countries

asked questions to the Danish delegation. The report includes 37 recommendations, which were approved by all OECD countries including Denmark itself, so they are not just words of the OECD Secretariat.

The review of policies and country performance is a core function of the OECD. Our aim is to promote policy dialogue and exchange best practices among member countries. The aim is to help improve environmental results, not to rank countries -- it is not an Olympics in environmental policies. We have also reviewed environmental performance of key non-member countries such as China and Russia. Other OECD country review programmes address other policy areas. For instance, the latest Economic review of Denmark was published in 2006 and a new one is to be released soon.

ACHIEVEMENTS: AREAS WHERE DENMARK IS DOING WELL

Denmark has made significant environmental achievements on several fronts. I will only mention a few of them here:

- ◇ Denmark has decoupled environmental pressures from economic growth—or the environmental pressures grew more slowly than GDP or decreased while GDP increased-- in several areas, including air emissions of sulphur oxides (SOx) and nitrogen oxides (NOx), water abstraction, the use of nitrogen fertilizers and of pesticides.
- ◇ Environmental policies are overall based on good economic analysis (such as cost-benefit analyses) as well as good use of economic instruments such as taxes, fees and charges.
- ◇ Strategic environmental assessment (e.g. of government bills) and environmental impact assessment (of projects) are widely used.
- ◇ Environmental concerns have to some extent been integrated into agriculture, for example, we see increased use of agri-environmental measures as well as increase in

organic production); and into energy policies, we see emphasis on climate change, energy efficiency, and renewable energy.

- ◇ Also, Denmark has a very proactive attitude concerning international environmental issues. Environmental aid has been a significant part of the country's Official Development Assistance (ODA), Denmark established the Greenland Dialogue on climate change. Looking forward, Denmark will host in 2009 the COP meeting for the UN Framework Convention on Climate Change (UNFCCC) in Copenhagen.

All these achievements of Denmark are built on a long tradition of well-balanced environmental policies, as well as on EU environmental legislation; and on active co-operation and partnerships with civil society.

CHALLENGES: REMAINING HEADACHES

However, the report provides 37 recommendations for further improvements. Among OECD member countries, the actual results of Denmark are in the middle range for some indicators for example, those on pesticide use, nitrogen oxides (NOx) emissions intensity (per unit of GDP), and below OECD averages for others, for example on municipal waste generation per capita, and nitrogenous fertilizers use. Some health indicators are of concern, for example, the country has some of the OECD's highest rates of mortality from some types of cancer, and allergy and respiratory diseases affect about 20% of the population. This suggests that Denmark's environmental policies have not always been strong enough to counter the pressures on the environment from transport, agriculture, fisheries and other economic activities, as well as from changing consumption patterns, all in a country with a highly successful economy and a high population density. Let me mention a few selected areas that need particular attention or further improvements:

- ◇ Territorial government reform needs to take into account better enforcement of environmental legislation at the local level.

- ◇ Further improvements in environmental health are needed, particularly by doing more to reduce air pollutants such as particulate matter, nitrogen oxides and ground-level ozone and hazardous substances in water. Denmark has no environmental targets for fine particulates (PM_{2.5}).
- ◇ More should be done to promote access to nature and outdoor recreation for all.
- ◇ Despite progress in water management (e.g. nitrogen leaching cut by half), Denmark still has water quality problems in, groundwater, lakes, rivers and coastal waters.
- ◇ Nature and biodiversity protection efforts need to be strengthened, for example by establishing national parks, strengthening management of the Natura 2000 areas, and better defining objectives for the conservation action plan.
- ◇ The effectiveness and efficiency of economic instruments need review and improvements, for example by limiting tax concessions, strengthening their incentive effect, extending their scope; and reducing environmentally harmful subsidies to agriculture and fisheries. These should be considered in the context of a broader tax reform taking into account environmental objectives.
- ◇ The integration of environmental concerns in transport policies needs strengthening, with a sustainable transport plan, and an environmental review of transport infrastructure plans and projects. Environmental concerns could be better reflected in the transport sector by a review of transport taxes: for example, by removing tax breaks for commuting, considering road pricing, and balancing tax on car use and ownership.
- ◇ Denmark is far from meeting its climate change related emission commitments. Domestic efforts to meet greenhouse gas related targets should be redoubled.
- ◇ Marine protection should receive high priority. Denmark needs, *inter alia*, better marine ecosystem protection, and to cut marine discharges of toxic substances and nutrients,

and implement sustainable management of commercial fisheries and aquaculture to reduce marine pollution from these activities.

CONCLUSION

In conclusion, I would like to reiterate our two key messages.

- ◇ Since the first OECD review in 1999, the well-balanced environmental policies of Denmark have led to significant environmental progress.
- ◇ But further environmental progress is needed for health and economic reasons and to achieve a number of environmental objectives. This requires further greening of the Danish economy, to be reflected especially in transport, agriculture, energy sectors and fiscal policies. This will be critical to achieve environmental progress. I believe greening of the Danish economy is both healthy for its people and profitable for the Danish economy.

Minister, let me thank you, and through you, the many talented and committed officials and experts who have contributed to this review in a spirit of openness and transparency. I would now like to hand over the report to you, Minister. It is now up to you and your colleagues to follow up on the collective recommendations by OECD countries.