



ENVIRONMENT DIRECTORATE  
ENVIRONMENT POLICY COMMITTEE

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**STAKEHOLDER CONSULTATION WITH MINISTERS: WRITTEN STATEMENT FROM  
ENVIRONMENTAL CITIZENS ORGANISATIONS**

**19 April 2004**

*A consultation between representatives of business, trade unions, and environmental citizens organisations and Environment Ministers will take place on the afternoon of 19 April 2004, in advance of the Meeting of the OECD Environment Policy Committee (EPOC) at Ministerial Level on 20-21 April.*

*Written statements from the three stakeholder groups are available in advance of the Stakeholder Consultation at:*

- Business & Industry: ENV/EPOC/MIN(2004)7*
- Trade Unions: ENV/EPOC/MIN(2004)8*
- Environmental Citizens Organisations: ENV/EPOC/MIN(2004)9*

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## **CONTRIBUTION OF ENVIRONMENTAL CITIZENS ORGANISATIONS TO THE FIRST ASSESSMENT OF THE IMPLEMENTATION OF THE OECD ENVIRONMENTAL STRATEGY FOR THE FIRST DECADE OF THE 21<sup>ST</sup> CENTURY**

This contribution presents a view of environmental citizens organisations (ECOs) on the state of implementation of the OECD Environmental Strategy for the first decade of the 21<sup>st</sup> Century. Responsibility for this statement lies with: the European Environmental Bureau, Climate Action Network, ANPED, Friends of the Earth International, Greenpeace International and the World Wide Fund for Nature International. The statement is supported by international, regional and national organisations active in the OECD region, a copy of the list will be available at the meeting.

### **INTRODUCTION**

The undersigning organisations,

1. Appreciate the opportunities environmental citizens organisations (ECOS) were offered to give input in the preparatory process for the OECD Environmental Strategy in 2001, and the invitation to contribute to the first assessment as well. Congratulate the OECD Environment Policy Committee and its Environment Directorate for their efforts to organise **an inclusive and transparent process** and for the Greek Government for its continued financial support for the participation of environmental citizens organisations.
2. Repeat their conviction that this Strategy is important to give guidance to the industrialised countries organised in the OECD, who together have **the predominant responsibility for the global environmental problems the world is facing**, and therewith also for the establishment of effective policies to overcome these problems, fully in line with the objectives set in the UN Millenium Summit and the Johannesburg World Summit on Sustainable Development. Rigorous implementation of existing obligations under the range of Multilateral Environmental Agreements (MEAs) to which OECD countries are signatory would be a good start.
3. Repeat their conviction that the **OECD as an organisation** can play a major role in developing the necessary policies to change unsustainable production and consumption patterns in its member countries, and in developing external policies that assist less developed countries in choosing and maintaining a sustainable development path.
4. Remind the OECD and its Member States of the **weaknesses** ECOs highlighted in their common statement presented to the Environment Ministers Council in May 2001: the failure to adopt targets and timetables for improved environmental performance in OECD countries which would reflect the urgency of the problems faced; and the failure to acknowledge the current fundamentally unsustainable use of both renewable and finite natural resources in the OECD and globally.
5. With the following specific comments, do not intend to respond to all areas of the Strategy. We appreciate the draft background document on the implementation of the OECD Environmental Strategy (*OECD Environmental Strategy – 2004 Review of Progress*) and call upon OECD Members to take its observations and conclusions seriously.

## I. CLIMATE CHANGE AND ENERGY

6. Underline the urgency of tackling climate change, requiring prompt action. We note the statement made at the UNFCCC COP9 by Kiyo Akasaka, OECD Deputy Secretary General, that *“The effects of global warming are increasingly evident. Despite widespread uncertainty about its exact impacts, there is sufficient knowledge today to justify action to limit climate change. OECD governments committed to taking the lead in significantly reducing greenhouse gas emissions, beginning with the UNFCCC in 1992”*<sup>1</sup>. It is vital that OECD countries take urgent action in the light of clear scientific consensus on climate change and the potentially devastating social and environmental consequences of this dangerous phenomenon. Such action must be based on principles of equity and justice and reflect how 80 % of the world’s people living in the world’s poorer countries, and consuming only 40 % of the energy, are likely to be most directly affected by global warming. The OECD and its members should commit to lead the world by limiting global warming to a temperature increase of below 2 degree centigrade over pre-industrial temperatures. Prompt action is required to reduce greenhouse gas emissions well below current levels before we lose the window of opportunity to achieve this goal.
7. Call for all OECD members to (re)affirm their **commitment to the Kyoto Protocol**, and to the implementation of domestic policies necessary to achieve their commitments. The Kyoto Protocol targets and timetables for reducing greenhouse gas emissions are a crucial first step to addressing climate change. As well as beginning to reduce emissions, continued commitment to the Kyoto Protocol helps build the climate of trust that is necessary for all countries to address this global issue together. We believe that binding commitments with clearly articulated targets and timetables are a fundamental requirement of successful climate change policy. And it is time to start working on additional binding emission reduction commitments beyond the period covered by the Kyoto Protocol.
8. Are greatly disappointed that of the OECD countries, the USA, Australia and Turkey refuse to commit themselves to the Kyoto Protocol. We are particularly concerned at the stance of the USA because of it is the largest single greenhouse gas polluter. Call upon the other OECD members **not to negotiate with the current US Administration** at this point. The US Administration has made it abundantly clear over the last three years that it strongly opposes any binding limits on greenhouse gas emissions, whether domestic or international. It continues to launch rhetorical attacks on the Kyoto Protocol, and seeks to create the appearance of domestic action with a voluntary emissions goal indistinguishable from business-as-usual emissions growth. This is a calculated strategy of delay, not a negotiating position or alternative policy approach. Any weakening of the commitment to a system of binding limits can only add legitimacy to the US Administration, and delay the emerging political will within the US at the state level and within Congress. It is the unfortunate reality that other OECD countries must move forward in the absence of US cooperation, and develop a functional international policy regime that the US will rejoin in the future.
9. Call upon the OECD Countries and OECD-based industries to ensure that clear sustainable development and climate benefits are achieved through the use of Joint Implementation and the Clean Development Mechanism. Priority should be given to renewable energy and energy efficiency projects, especially at smaller scales. Further, the bulk of climate policies and reduction of greenhouse gas emissions must occur at home. It is absolutely necessary for the industrialised countries to take the lead at home, given their high emissions per capita and historic contribution to climate change, and given they have the technical and financial capacity to develop innovative technologies that will be needed to make steeper reductions in the future. We also recognise that appropriate efforts undertaken in non-OECD countries can provide technology and investment needed to promote a lower-carbon development pathway.

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<sup>1</sup> <http://www.oecd.org/dataoecd/36/50/26235340.pdf>

10. Call upon OECD members to implement sustainable, environmentally sound energy policies and to further develop renewable energy sources, energy efficiency and emission reduction technologies. Research into new technologies is an important part of an adequate global warming policy but technologies that may not be available for decades cannot be an alternative to effective policies to deploy currently available renewable energy, energy efficiency and emission reduction technologies. We need both. Furthermore, research must focus **on energy efficiency and renewable energy**.
11. Call upon OECD members to **support adaptation in non-OECD countries**. Additional mechanisms and funding are needed to address the impacts of climate change to which the Earth is already irreversibly committed. Furthermore, adequately addressing adaptation concerns is necessary component of future international cooperation on climate change with non-OECD countries.

## II. DECOUPLING ENVIRONMENTAL PRESSURES FROM ECONOMIC GROWTH

12. Urge the OECD to recognise that the prevailing approach towards economic development is unsustainable and presently takes insufficient account of environmental or social externalities as well as the basic requirement for economies to maintain their natural resource base. We urge the OECD to implement policies which will contribute to the creation of a sustainable society. We remind OECD Governments that **only absolute reductions in resource use will deliver the necessary and sustainable improvements in our environment**, regardless of the economic trend. We note that such decoupling of environmental pressures from economic growth is taking place in a few areas only.
13. Call upon the OECD and its Member States to agree, promote and apply **Factor 4 and Factor 10** as mid-term (2020) and long term (2050) objectives for the reduction of resource use in OECD countries. In this way, OECD would define the level of (necessary) ambition for the policies to be developed. The OECD could provide leadership in the OECD countries together achieving these targets. In combination, we call upon the OECD countries to apply the concepts of carrying capacity, ecological footprint and/or ecological space to determine the ecological challenge they are facing and respond to it taking into account as well global environmental and social justice.
14. Call upon the OECD and its member states to define the **top twenty resources most threatened by unsustainable use**, globally and locally, and develop quantitative targets for sustainable management and effective instruments to achieve these targets. This prioritization and progress towards targets should be evaluated every five years.
15. Insist that reduction of pressures upon one's own environment by **shifting resource use to other countries is NOT a sustainable solution**.
16. Appreciate that in some OECD countries environmental concerns have become a larger part of **national agriculture policies**. Are concerned, however, that the commitment in the OECD Environmental Strategy to, on the national level, *"phase out or reform those agricultural policies and subsidies that have environmentally damaging effects before 2010 and according to an agreed timetable"* will not be honoured without more substantial reforms of agricultural policies. The shift away from production linked subsidies towards other kinds of income support observed in many countries does not by itself ensure that the subsidies will not support a) environmentally damaging agricultural activities, and b) dumping of agricultural products on the world market under the production cost. **Farm subsidies should be much more strongly linked to environmental performance of the farms** in order to make sustainable farming more economically viable and

competitive than the environmentally damaging one. At the same time, **all export-related subsidies should be phased out** according to the same timetable. Export-related subsidies drive up production in the exporting countries while frustrating the development of the agricultural sector in other parts of the world, in particular in developing countries, with negative environmental impacts.

17. Consider that in the fields of energy and transport some OECD countries have taken important initiatives to make the market work for the environment by introducing or increasing environmental taxes (while reducing other taxes/premiums so that the taxation burden upon society remains stable). Regret that business and industry federations continue to campaign against such measures and that politicians and governments in many cases tend to bend for this. Consider that this opposition is leading to marginalisation of this instrument, and to exemptions that undermine both its effectiveness and credibility. Call upon the OECD to continue its valuable work on the promotion of **environmental fiscal reform** (taxes and subsidies), and to focus on removing obstacles as well as on exposing false arguments.
18. Call upon the OECD and its member countries to give a major boost to the use of sustainable production and consumption patterns by “**greening public procurement**”. We call for a specific project for the OECD to help public authorities at all levels to identify how they can contribute concretely to the use of environmentally and socially sound technologies, construction methods, clean produced food, transport modes, etc. For this purpose, OECD countries should remove those legal barriers that might prevent public authorities to choose those products and services that have the most environmentally and socially sound life-cycles.

### III. GLOBALISATION

19. Call for, in general, **full integration** of environmental and related social justice considerations into all governments policies and activities regarding external affairs and trade and investment policy making.
20. Consider, in the light of a global ecological crisis at unprecedented level, that **too little progress** has been made by OECD members to “**manage the environmental impacts of globalisation**”. Policies of the WTO, World Bank and IMF as well as the activities of transnational corporations continue to pose a threat for the environment. International economic governance does not comply with sustainable development and international environmental governance is still too weak to be effective. **The real challenge for OECD governments is to reduce environmental impacts to sustainable levels whilst providing a decent quality of life for ALL people in a globalised world.**
21. Are disappointed by the limited progress with regard to **ratification and implementation** by OECD countries **of Multilateral as well as Regional Environmental Agreements**. We see as agreements where full and urgent ratification and compliance is essential and priority: the Kyoto and Biosafety Protocols, the Rotterdam Convention on Prior Informed Consent, the Stockholm Convention on POPs, as well as the already negotiated international agreements in the field of liability for environmental damage.
22. Acknowledge the existing weakness of the international environmental regime and call for the **fundamental and dramatic strengthening of UNEP**, with the aim to ensure better coordination of MEAs, including their effective implementation and compliance. We urge OECD governments to secure increased governmental funding allowing UNEP and MEAs to consolidate, perform their mandated tasks and decrease corporate influence on environmental policy making.

23. Call upon the OECD members to promote that UNEP, its Governing Council and MEAs take the **lead in trade and environment negotiations**, including on the relationship between MEAs and WTO rules, offering a more democratic and open forum.
24. Reject the use by some OECD countries, notably the US, of the WTO as a threat in order to ‘chill’ the further development of environmental legislation, e.g. in the case of GMOs, chemicals etc. OECD members need to refrain from using WTO rules against environmental policy making and **support the precautionary principle and environmental rules**, while fully taking into account the needs of developing countries.
25. Observe that the agreement among WTO members to review the developmental and environmental impacts of the trade negotiations<sup>2</sup> has not led to any submission in WTO by OECD members on how to move this forward. OECD members should recommend an **independent review of WTO** decisions conducted by the UN in order to determine whether they are compatible with MEAs and promote sustainable development.
26. Conclude that, while a number of countries have conducted **Sustainability Impact Assessments of trade policies**, these have had no impact so far on the actual negotiating process. Assessments need to be conducted early enough to have an impact on the policy making process. A follow up mechanism needs to be obligatory in order to ensure that the results will be integrated into the policy making process. OECD countries also should commit and upgrade funding to support developing countries and UNEP to conduct assessments at national level.
27. Insist that **corporate social and environmental accountability** cannot merely be left to voluntarism. Believe that instruments for global corporate social and environmental responsibility and accountability are best formulated at the global level in the UN, and urge the OECD to cooperate towards a legally binding framework for this purpose, in accordance with the agreement<sup>3</sup> reached at the Johannesburg Summit in 2002.
28. Appreciate the continuous opportunities for involvement of ECOs in the discussions at OECD level on the **OECD Guidelines for Multinational Enterprises**. Insist that all OECD member countries implement the agreement on the OECD Guidelines of 2000, and handle expediently and diligently all cases brought to the attention of their National Contact Points. We express concern about the recent narrowing of the scope of the Guidelines to merely the investment nexus, which rules out a large part of the corporate supply chain where most social and environmental problems are found.
29. Welcome the 2003 OECD agreement on the Recommendation on “**Common Approaches on the Environment and Officially Supported Export Credits**”. Consider however that this will only lead to more rigorous environmental policies and guidelines if the agreement is interpreted and implemented by OECD governments and Agencies consistent with the objectives of the agreement, including “*to promote coherence between export credits and environmental protection policies, thereby contributing towards sustainable development*”, bearing in mind the substantive interrelation of the agreement's various provisions. We call for maximum public access to environmental assessments and information from these Agencies. We also call for environmental policies of Export Credit Agencies coherent with relevant MEAs, fundamental Human Rights Law and Conventions of the ILO, and in particular with the recommendations of the World Commission on Dams and the World Bank Group sponsored Extractive Industry Review. Furthermore, support for the use of fossil fuels and nuclear should be stopped.

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<sup>2</sup> Para 51 of the Doha Declaration.

<sup>3</sup> Par 45 ter in the Johannesburg plan of implementation