

Welcome and Statement by Chair

Meeting of the Environment Policy Committee
(EPOC) at Ministerial Level

April 28-29, 2008

OECD Conference Centre - Paris, France

by

Mr. Alfonso Pecoraro Scanio

**Minister for the Environment,
Land and Sea, Italy**

Honourable Ministers,
Secretary General,

I wish to welcome you to this meeting which I have the honor to chair.

We, Ministers of the Environment of OECD member countries, are gathered here, after four years, together with Ministers and representatives of those countries with the most dynamic economies and those approaching membership in this Organization, which places international cooperation at the basis of economic and social development.

The agenda and the specific topics of the four sessions of this ministerial meeting require to focus on two major issues:

1. reflect on the most recent trends on the state of environmental resources and on the future scenarios that can develop according to those trends;
2. consider the challenges which are in front of us and strengthen international cooperation, actively intervening to reduce the impacts of climate change.

I will be pleased and honored to take part to the discussions which will see us committed today and tomorrow, sure that the outcomes of this meeting will mark a significant step forward for the entire international community.

Nonetheless, please allow me, as Chair of this meeting, to underline some issues which I consider of great importance.

I do not need to praise the precious work which the OECD Secretariat for years has been carrying out together with governmental experts in the field of environmental policies: from the analysis of environmental performance of countries to the economic assessment of environmental policies; from the research on material flows and on the efficient use of resources, to the economic value of biodiversity; from the cost of in-action to the use of economic instruments and of ecological fiscal reforms to support a correct and efficient functioning of the market. All these important activities of OECD assisted us and continue to guide us to strengthen development and cooperation among our countries.

It is clear, however, that economic and social costs of environmental degradation are having a negative impact on economic growth, in OECD countries, in countries with emerging economies and in developing countries. The issue regarding the cost of in-action has become a significant factor in the identification of the best *mix* of economic and environmental policies, as stated in the “*Stern Review*”, published in 2006, and in the OECD *Environmental Outlook to 2030*, which Secretary General Gurría will briefly convey the main messages in his address to Ministers.

On the other side, the IV IPCC Report warns us that the balance of ecosystems is under serious threat and that we are slowly slipping on a tilted floor. As donor countries we have a great responsibility to support a global growth based not anymore only on fossil fuels but on an increasing share of renewable sources and energy efficiency.

There is also the need to decentralize energy production with greater benefits in terms of access to energy, economic development and employment.

We have the obligation to increase the effectiveness of our interventions with national and international investments, in clean and innovative technologies, in new production systems, in new modalities of efficiency in the use of available resources, including water, and so projecting ourselves in the long term perspective.

Many options have been indicated with regards to the development of renewable energy and non-fossil fuels: solar, wind, hydropower, geothermal, hydrogen, biofuels.

I believe that in order to set forth on the right road we need to undertake many initiatives simultaneously, using many instruments in different sectors of economy and of the market, in the field of production and of consumption, moving around or balancing in a different way some delicate mechanisms.

The issues still under discussion are many and significant:

- √ The definition of a new framework to fight climate change which is shared by everybody and therefore which should be competitiveness-neutral;
- √ The creation of a more equal market liberalization, to use not only for economic purposes, but also, and in particular, for environmental, social and development goals;
- √ The definition of an appropriate mix of energy, which ensures energy security and protection of the environment, as well as the increase of efficiency in the use of energy;
- √ The use of economic instruments to internalize environmental costs in the economy;
- √ The creation of a more efficient system of international environmental governance which strengthens institutional capacity and in which OECD identifies a new vision of work;
- √ The creation of wider spaces and modalities to allow contributions from and participation of civil society.

Distinguished colleagues, Secretary General,

I would like to close my intervention by recalling which are some of the main objectives of this meeting.

Among these we should carry out a serious evaluation of the policy options presented by the *Environmental Outlook 2008* in order to find their immediate application. The *Outlook* has demonstrated that, acting to fight climate change, would benefit other crucial issues linked to the protection of the environment. In particular, I would like to underline the efforts to halt the loss of biodiversity, the management of reduced water resources and health benefits of reduced local air pollution.

A further objective is to give a mandate to OECD to update the present Strategy and create a framework of action beyond 2010 and to work on a new *Outlook*. The case of the price of cereals which is affecting the life of millions of people, clearly invites us to manage the economy, the environment and society according to long term perspectives of sustainability. To this extent, instruments as scenarios, appear to be useful. For this reason, we must identify actions and policies which fit the role and responsibilities that OECD countries hold, to continue in a shared commitment.

Finally, we have the responsibility and the chance to work out a strong and clear message to transmit to Ministers of Economy and Finance of OECD, in view of their meeting of next June.

I therefore ask you to assist me in drafting and transmitting a significant, balanced and, at the same time, courageous message.

Thank you.