



**GREENPEACE**



## **OECD COUNTRIES TO RESPOND EFFECTIVELY TO CHALLENGES RAISED BY ENVIRONMENT OUTLOOK 2030**

### **STATEMENT FROM ENVIRONMENTAL NGOS TOWARDS OECD MINISTERIAL MEETING 28-29 APRIL 2008**

**Date: April 25, 2008**

#### **Introduction**

The undersigned environmental organisations appreciate the opportunity to provide input towards the 2008 OECD Environmental Ministers Meeting.

The OECD Environmental Outlook to 2030 gives a variety of figures, trends and background information on drivers, pressures and potential policy responses. The document draws an alarming picture of a world where a growing number of people consume more food, more goods, more space and more energy— leading to dramatic losses in the earth's natural resources, its richness of nature and landscapes and quality of the environment. But the situation is even more dramatic for a majority of the world population who lack sufficient access to basic needs in terms of food, clothing, shelter and sanitation. Consequently, creating equal access to resources without causing further deterioration and depletion of the earth's natural resources is *the* major challenge for OECD countries.

Like the Millennium Ecosystem Assessment, the IPCC reports, the Stern Report and GEO 4, the OECD Environmental Outlook makes a powerful and compelling case for urgent change. We recommend OECD Members develop and implement whole of government policy responses to the major challenges outlined in the report leading to fundamental and lasting change. We recommend the OECD Environment Directorate and Environment Policy Committee assist OECD countries to develop or improve national policies in each sector to a scenario where national governments are individually sustainable and contributing positively to global sustainability.

Environment Ministers can't do it alone. We acknowledge their struggles in governments to influence the short term economic growth priorities of agriculture, trade, finance, transport and industry. We therefore ask the OECD to take the conclusions of this report and work with other ministries to inform and convince them to quickly adapt

to sustainable policy approaches practices. An obvious starting point is a clear message and call to Economy and Finance ministers who meet in June 2008

We also agree with and amplify the call by Angel Gurría, Secretary General of the OECD in the Preface of the report who calls on governments, businesses, trade unions, NGOs and all citizens to join forces to ensure the ecosystem services that support economic growth and human well being are not lost.

Our following response highlights a number of priority areas for immediate action.

### **A compelling case for change: choose for future security**

The main message arising from the Outlook 2030 is one of urgency. Actions and behaviour by OECD Governments over the next decade will decide whether catastrophic consequences are prevented, mitigated or enabled.

The second message Outlook gives us is that adequate policy responses are achievable and affordable with an almost negligible reduction in annual GDP growth. At this stage, the cost of inaction outweighs the cost of action. The Outlook shows that even a limited policy package can have largely positive effects. Numerous additional benefits, not quantified by Outlook, such as improved health will also be economically positive if the right policy packages are implemented.

Thirdly, Outlook demonstrates consequences aren't a future possibility, they are happening now.

Fourthly, Outlook demonstrates clearly perverse subsidies are still facilitating perverse behaviour. In a world where the negative consequences of fossil fuel have been repeatedly shown to worsen our atmosphere, tens of billions of dollars of subsidies are still used to prop up a largely carbon based economy. It is important to make a clear choice to stop environmentally harmful subsidies and make environmental protection top priority for local, national, regional and global policy frameworks.

### **But some things got lost**

There are messages missing from the Outlook report which tends to a technical examination of the more direct pressures. Many current examinations of future patterns conclude that environmental protection is a major condition for improved quality of life, peace and stability. Repeatedly reports coming from the defence sector anticipate that natural resource conflicts will increase tensions, wars and consequent numbers of environmental refugees. Global distribution patterns, poverty, inequity, poor governance and the role of the corporate sector are playing ever increasing roles in the conditions which escalate to conflict and it is surprising the Outlook report avoids analysis and conclusions on these topics.

Further, implementation of environment and sustainable development targets is partly stagnating due to tensions between developing and developed countries over aid, trade and development. In avoiding discussion of such matters, the Outlook report misses a significant opportunity to analyse the global forces which will shape the medium to long term future of the environment and hamper sustainable development.

Unsustainable consumption patterns are a major driver to biodiversity loss and our ability to sustain life on earth. The most recent footprint data show in 2003 humanity's total footprint exceeded the biologically productive capacity of the biosphere by 25 percent. The footprint growth shows no sign of decreasing. And the global distribution of wealth is unfair by any standard. One-fifth of the population of the earth live in poverty, and global distribution patterns are squeezing more from them as industrial agriculture throws them off the land and slum areas of cities bulge to fit them in. OECD countries have a moral responsibility to account for and correct this inequity considering so much of their private and public sector funding and trade mechanisms directly contribute to these conditions. While OECD countries give aid with one hand, policies and measures in the finance, investment, trade and agriculture sectors take far more with the other. For instance, the impact of free trade and investment agreements on biodiversity and the environment have not been addressed. Outlook missed an opportunity to define these problems and to call for adequate policy responses to address these.

### **Seeking OECD leadership and committed politicians**

We acknowledge due to the uneven rates of economic development there are common but differentiated responsibilities and we call on OECD policy makers and politicians to implement nationally and in concert with each other specific targets and limits, to fund the related policies meaningfully and approach implementation with a determination for success.

OECD members should promote the setting of **concrete targets** which are consistent over the longer term: they are a necessary part of a clear message; they give direction and certainty, and are important communication tools. Good intentions won't defend us against the catastrophic consequences of our actions.

Policies must go further than just relative improvement of efficiency or end-of pipe technologies, as these are only partly successful to improve the environment 'at home' in the richer industrialised countries. But they don't prevent global deterioration when a significant part of the pollution and destruction has been outsourced to developing countries.

OECD countries are in the best financial position to demonstrate leadership, and bear most responsibility as the largest contributors to global environmental degradation. Even in the future, according to the Outlook, the emissions per capita of for example GHG will be almost threefold in OECD countries compared with both BRIC and the rest of the world. In contrast, many non-OECD countries are more vulnerable to confronting the

impacts of climate change and consequent environmental disasters such as flooding and have less capacity to adapt to these changes.

We face daunting and complex problems which require an integrated and demonstrably meaningful approach. Drawing from the OECD Outlook, we suggest seven immediate priority areas.

## **1. Fighting Climate change**

OECD countries must lead the way in stabilizing atmospheric concentrations of greenhouse gases to keep global temperature rise well below two degrees compared to pre-industrial levels with at least 80% of global emissions cut by 2050 compared to 1990. Notably, global emissions must peak and decline in 10-15 years.

As a first step, we call on OECD Ministers from industrialized countries to collectively commit to reductions in emissions of at least -30% domestically.

By 2009 OECD countries must be ready to sign a global legal framework for emission reductions for the period post 2012 to meet these targets, which includes a binding package of financial and technology support for southern low carbon development to fulfill the obligation of industrialized countries.

Perverse subsidies and market distortions are considerably facilitating increased fossil fuel burning in the transport and energy sector. Governments must dramatically reduce these and introduce price mechanisms as well as regulatory frameworks to limit energy use and enhance clean technologies.

Governments must set upper limits for the total use of energy and invest in energy efficiency and renewable energy, to prevent the neutralising effect of increased production and consumption over technology improvement. This will include implementing efficiency with ambitious standard setting and effective market instruments.

Bio-energy has been identified as an important part of a mix of solutions for decreasing carbon emissions and meeting emissions targets. While we believe bio-energy can play a role, not all bio-energy development is sustainable. The types of crop, location, technologies and inputs used can cause significant negative environmental and social impacts. These include deforestation, species and habitat loss, soil erosion, loss of carbon from cultivated soil, excessive water use, land use conflicts, food shortages, food price surges and livelihood loss or people displacement.

On top of that, the net carbon gain of biomass use is variable, depending on which materials are used, the production process and whether it is converted into a liquid biofuel or not. Concerns with second generation biofuels related land conversion include water use, removal of organic material and actual net carbon gains.

Direct and indirect impacts of land use change, agricultural practices, use of byproducts and low carbon sources of energy, conversion techniques and final energy use must be considered in the equation to measure GHG balance. Any potential displacement effects concerning food or people must be honestly examined and addressed. Permanent grasslands, natural and semi natural forests, natural floodplains, wet and peat lands, important habitats for threatened species and high conservation areas should not be converted. Better practices must be used for management of bio-energy production, small producers must have an equitable playing field and fiscal measures such as subsidies and other financial instruments, if at all used, should be only allowed for sustainable bioenergy production, defined by strict and widely accepted criteria, as promoted by a number of NGOs.

OECD countries should implement complementary measures including land use planning, food security measures, improvement of law enforcement, governance and measures to protect biodiversity. OECD countries should also facilitate technical exchange, technology transfer and adaptation in the South.

Linkages from climate policy must be made to other sectors and policies to ensure climate gains facilitate the protection of biodiversity, the integrity of ecosystems and ameliorating the human consequences of climate change.

## **2. Bringing production and consumption within the earth's limits: setting targets for resource efficiency and sustainable production and consumption**

Governments need to set limits on pollution and resource use to ensure production and consumption patterns meet sustainability criteria and respect the carrying capacity of the earth. This will require a mix of regulatory and economic instruments which can be facilitated by education, information and stakeholder involvement. Reliable long term targets and ceilings will spark ecologically sound innovation.

Significant research and analysis has informed discussion to set growth limits for greenhouse gas emissions and a range of pollutants, but policymakers need more information about limitations on the use of materials and the production of renewable materials in agriculture and forestry. These limitation recommendations should be based on the availability of the resource, and on sustainable management and extraction practices. Priority should be given to those materials with the largest environmental impact (based on currently used amounts). As an immediate step, governments should set targets for large efficiency improvements in the use of materials, comparable with the 20% EU target on energy efficiency.

The OECD members should use the **ecological footprint** as one of the indicators for sustainable consumption. They should also facilitate technology transfer to assist the transition to sustainable consumption and production patterns for and with the BRIC and other developing economies.

OECD Ministers should meet within 12 months to consider draft targets across a range of consumption and production matters and set them for short and medium term implementation and review. They could use best practice examples to assist with target setting.

Ministers must also take account of the true cost of ecosystem services in national budgets and adopt national indicators that measure the state of biodiversity and pressures on natural ecosystems.

### **3. Protecting biodiversity. Decreasing land use per capita in developed countries.**

The Living Planet Index shows biodiversity in alarming decline. Between the years 1976 and 2005 average global index decline was around 30 per cent. The Outlook projections show continued biodiversity loss and it warns this will lead to further carbon emissions, decline in water quality, loss of drinking water sources, less protection from extreme weather events and loss of genetic material. Increasing land use pressure is a major driver of biodiversity loss, either directly as habitat is lost to infrastructure, urban land sprawl or agriculture and indirectly through intensification of agricultural practices.

The trend that richer countries use more land per capita for infrastructure as well as for their consumption (diet, wood & paper, fibres, etc.) should be reversed. As the Outlook report suggests, well designed compact cities can make more efficient use of natural resources and improve the quality of urban life. In addition, we need innovative policy approaches to ensure that rising incomes do not require sharply increased land conversion for higher intake of animal fats.

The ecological footprint is also a useful indicator to communicate the need to reduce the land use per capita.

The Outlook policy package does not include any explicit policy aimed at protecting biodiversity, marine and terrestrial areas. This must be corrected and the analysis and targets must include the impact on lands in other countries used for the production of goods for OECD countries.

We call on OECD Ministers to develop joint biodiversity protection implementation plans between environment, agriculture, food, water, finance and health ministries in order to take urgent action to reduce the rate of biodiversity loss by 2010.

As part of the answer the Convention on Biological Diversity's Programme of Work on Protected Areas needs to be urgently implemented, prioritizing the protection of areas that are important for ecosystem protection, food security, water supply, health and disaster mitigation. We would like to see OECD countries create incentives and financing measures to support further establishment and maintenance of protected areas.

#### **4. Put sustainable marine and freshwater management high on the agenda**

Subsidies, inefficient harvesting practices, bycatch, pollution and increasing consumption are leading towards the collapse of major fish-stocks. There is an urgent need for coherent and effective marine protection policies around the globe.

Increasing water use for agriculture, energy, mining, tourism, aquaculture, other industrial use and urban areas, combined with water scarcity resulting from climate change are causing significant water stress. Economic regulatory frameworks, international trade links, rising global incomes, resource tenure and rights and consumption choices are combining to increase the world's water footprint to unsustainable levels. Water footprint analysis must include the water effectively abstracted from other countries in the production of goods which cross borders.

Water stress, water scarcity and water conflict will come up strongly in the short to medium term future unless OECD ministers act urgently to change water policy and practices.

OECD Ministers must make sustainable water management a top priority and find adequate and meaningful responses to over-abstraction and radically improve water governance. This includes laws and policies determining water access, allocation, use and value, private sector finance, public sector finance flows, national resource management policies, supply chain management and capacity to manage water effectively. International, national and regional development policies must ensure water use is sustainable, particularly in terms of agricultural use and energy use and must also be linked to biodiversity protection.

Water policy must be linked into and form a large part of new sustainable agricultural and sustainable urban policy portfolios.

#### **5. Apply sustainability criteria for all renewable resources**

Unsustainable agriculture, forestry and fisheries have a detrimental impact on vast areas of our planet. The fledgling trend to diminish subsidies to these sectors and ask for better environmental performance is positive, but insufficient and too slow to guarantee results within time frames to avoid catastrophic consequences. We note environmental policies have so far mostly been targeted at limiting negative impacts such as the use of certain pesticides. In the EU, cross-compliance for obtaining agricultural subsidies only means that farmers who receive subsidies should respect current legislation – a normal obligation for every farmer and every citizen. Ministers should discuss the mechanisms to ensure that subsidies will only go to those that perform significantly better on the protection of the environment and nature than legally required.

Sustainability criteria should be developed for and with all the sectors that produce renewable resources (mainly agriculture, forestry, fisheries). The share of the production according to these criteria should gradually increase with the aim of reaching 100% in 2030.

## **6. Commit to 100% green public procurement and abolish harmful subsidies: first steps but significant signals**

As production and consumption patterns are the underlying driver to unsustainable resource use, it is a major challenge for OECD Governments to change these. We believe governments must lead by example and immediately commit to achieve 100% green and socially responsible public procurement by 2010. This includes all areas of government expenditure from building and renovation to consumables, to government cafeterias to equipment and services. Public money should only be used to pay for the most sustainable products and services on the market to drive market change.

Further, OECD countries should abolish all environmentally harmful subsidies. Fiscal policies must be changed and expenditure redirected to support and drive market change toward sustainable production and consumption. It is time for political determination and for OECD ministers to walk the talk on the many sustainability targets, agreements and plans their governments have signed up to.

We agree with the OECD call to get the prices right by taxing the bad and encouraging the good by designing the necessary frameworks to enable sustainable production and consumption. The OECD has a wealth of information and we call on them to support each national government with information, ideas and policy frameworks. OECD Ministers should report yearly on environmentally harmful subsidies and steps taken by their governments to abolish them, including timeframes for any phase outs, savings made and redirection to support environmentally sustainable activities.

OECD countries must also acknowledge the costs of inaction will be high and move to meaningful policy change now. Meanwhile the OECD should continue to work on and publish the costs of inaction.

## **7. Improve international coordination and cooperation**

As the Outlook shows, in an increasingly globalised world, sustainable development and protection of the environment can't be achieved without international coordination and cooperation. A world with large differences in well-being and quality of life, combined with increasing scarcity of resources, is an unstable world which poses enormous risks for all. The OECD as an organisation can play a major role in developing the necessary policies to move to sustainable development and to assist developing countries in their move to sustainable development, resulting in more equal distribution of wealth and a higher quality of the environment with a lower total use of natural resources for the world as a whole. For a start, all the existing obligations in international agreements to provide

financial support (in addition to existing ODA), technology transfer and capacity building to the developing countries must be urgently met.

In fact, what should be advanced are international rules that are legally binding to make trans-national corporations accountable and liable for their contribution to environmental degradation and biodiversity impacts.

At a time when reports like the Outlook, IPCC and GEO 4 clearly show the urgency of action, it has been disappointing to see lowest common denominator tactics used by a number of countries to water down, distort, or destroy international agreements with time bound targets. We call on OECD countries to take on responsibility for both national action and international coordination and cooperation.

OECD countries have the financial, technical and institutional means to play a significant role in tackling the complex aid, trade, development, fiscal, market, agricultural, equity and environmental policies and outcomes. Using these means, they should cooperate with developing economies and share experiences, views and knowledge to develop new sustainable production and consumption patterns and the international agreements to achieve these.

**Recommendations:**

- On the basis of the analysis and conclusions of the Outlook 2030, the OECD should take further action to quickly broaden the base of sustainable development and environment work across all government policy areas. An obvious starting point is a clear message and call to Economy and Finance colleagues who meet in June 2008
- With regards to climate change, OECD countries must take quick and prompt action to ensure a fair, equitable and successful post 2012 agreement is concluded by 2009, in place by 2012 and includes measurable targets to achieve dramatic reductions in emissions to keep the atmospheric concentration of greenhouse gases within 2 degrees Celsius of pre-industrial levels.
- OECD countries must ensure the use of bio-energy is managed such that negative impacts on the environment are avoided. Some environmental organisations propose implementing this through the use of strict and widely accepted criteria and complementary measures including land use planning, food security measures, improvement of law enforcement, governance and measures to protect biodiversity.
- OECD countries should set targets and ceilings for pollution and the use of natural resources, as a prerequisite to sustainable production and consumption. The OECD should be asked to assist in determining targets and ceilings, and OECD Ministers should meet within a year to consider draft targets across a range of consumption and production matters and set them for short and medium term implementation and review.

- The ecological footprint should be used as an important indicator for determining the (over-) use of natural resources, including land.
- OECD governments must also take account of the true cost of ecosystem services in national budgets and adopt national indicators that measure the state of biodiversity and pressures on natural ecosystems.
- We call on OECD governments to develop biodiversity protection implementation plans jointly by environment, agriculture, food, water, finance and health ministries in order to take urgent action to reduce the rate of biodiversity loss by 2010 and to fully implement the Programme of Work on Protected Areas of the Biodiversity Convention.
- There is an urgent need for coherent and effective marine protection policies around the globe including further development of marine protected areas, decreasing harmful subsidies and promoting, supporting and implementing sustainable harvesting practices.
- OECD Ministers must make sustainable water management a top priority and find adequate and sustainable responses to over-abstraction, water governance, and providing access to safe drinking water and sanitation, through laws and water resource and demand management policies as well as mobilization of private and public funding. Agriculture and urban policies need to systematically contribute to sustainable water management. International, national and regional development policies must ensure water use is sustainable, particularly in terms of agricultural use and energy use and must also be linked to biodiversity protection.
- Sustainability criteria should be developed for and with all the sectors that produce renewable resources (mainly agriculture, forestry, fisheries). The share of the production according to these criteria should gradually increase with the aim of reaching 100% in 2030.
- OECD governments must take an integrated governance approach to taking up policies recommended by Outlook including removing perverse subsidies and distortions, changing taxation regimes to tax the bad and encourage the good and bringing production and consumption to within sustainable limits and setting and meeting targets for resource efficiency. Public procurement should increase to 100% in all OECD countries.
- The OECD should continue its work on the costs of inaction and broaden it to a whole of globe approach that includes costs borne by the developing world and policy recommendation to mitigate those costs.
- The OECD should develop and extend its work with BRIC and developing economies to facilitate technology transfer and sustainable development, consumption and production patterns.

- The OECD Environment Directorate and Environment Policy Committee should assist OECD countries to develop or improve national policies in each sector to a scenario where national governments are individually sustainable and contributing positively to global sustainability.
- OECD work in all areas should take the conclusions of this report and work with other ministries to inform and convert them to sustainable policy approaches practices.
- OECD governments should adopt a collaborative governance model where governments, businesses, trade unions, NGOs and all citizens join forces to ensure the ecosystem services that support economic growth and human well being are not lost.

**Overall, we urge all OECD members to move past the practice of** negotiating minimalist agreements based on national interests, and take up the challenge of the Outlook 2030. The only way to avoid the catastrophic consequences outlined, both from a security and economic point of view and the associated human and environmental cost is to approach negotiations with good will, honesty, responsibility, courage and firm resolve to set definitive, measurable and successful targets to individually and collectively achieve sustainable development.

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