

OECD Environment Policy Committee at Ministerial Level

Paris, 29-30 March 2012

NGO input to the OECD Ministerial Meeting,
prepared by the European Environmental Bureau (EEB) with particularly extensive input
by the Institute for European Environmental Policy (IEEP)

Session 1 on the implementation of the Environmental strategy and its future, which was renamed “What Progress have we made on the Environment, and what does the Future Hold?”

- Although we broadly share the analysis of limited progress mentioned in the issues paper and draft message to the Council, we would like to stress that most of the areas of progress are on the efforts side: new and better information, improved governance and citizen involvement. Important as this is, the principal criterion to assess progress is environmental outcome. How far have these efforts helped us resolving the environmental problems identified?
- In this respect, the picture is a deeply worrying one as has been underlined now by the OECD's Environmental Outlook for 2050. A number of problems have indeed been addressed with considerable success such as the emissions of NOX and SO2, following a major public outcry in the 80s in Western Europe and ensuing regulatory action, largely triggered by international agreements, that yielded results. However, when it comes to a lot of other problems, the limited progress identified has often been offset by emerging problems or only took place after things could hardly get any worse. For example, endangered species have indeed been on the rebound in some parts of Europe but this has been especially the case in countries where biodiversity loss had been particularly dramatic. Water quality in rivers has indeed improved dramatically but pressure on the rivers hydromorphology from hydro power and navigation is now obstructing the return of aquatic species and preventing rivers from providing key ecosystem services. Ozone destroying chemicals have been banned to a large extent but have been replaced by climate changing gases which now require new regulatory action.
- The challenges ahead of us must therefore not be underestimated. In particular, there should be more explicit recognition of the emerging insights into planetary boundaries and the strong indications that in the case of biodiversity, climate and the nitrogen cycle these boundaries have already been crossed. This should be taken as a call for action.
- Soil degradation and loss is a major challenge that so far has not received the attention and priority it deserves and should be put high up on the list of future challenges.
- The implementation of the Environmental Strategy leaves little doubt as to which tools can deliver on environmental outcome: Effective regulations and standards, environmental levies or taxes, phasing out or reforming harmful subsidies have time and again demonstrated their value.
- Finally as regards obstacles, the role of vested interest groups in hampering the adoption of sensible policies, although touched upon indirectly in the conclusions on the political economy of change, needs to be brought out more clearly. All transition processes produce winners and losers but it is the duty of governments collectively to put the common good above specific sectoral or commercial interests. In some cases we may argue about what the common good is but where major threats to planetary boundaries are concerned, there can be no argument.

Session 2 is a working lunch on “Connecting Environment Policy to the Science”

- For this session we would like to focus on one particularly important initiative to strengthen this link, the recently established IPBES under the CBD: The second session of the plenary meeting to determine the modalities and institutional arrangements for the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES) will take place in Panama from 16-21 April 2012. Strong support and commitment to make IPBES work is crucial; as the IPCC has shown such an organisation can be a key bridge between science and policy-making and play the key role of providing credible insights as regards level of risks (thresholds, tipping points, critical natural capital etc.).
- There is growing compelling scientific evidence that natural systems have “tipping points” or biophysical boundaries beyond which rapid and damaging change becomes irreversible. Large uncertainties will remain, however, due to the complexity of the analysis. IPBES can play a major role in helping advance with robust decision-making under conditions of uncertainty. Similarly, the work of bodies such as UNEPs International Resource Use Panel needs to be actively supported. Further scientific assessment and advice is needed to help achieving a greater shared understanding about priority needs and policy action for natural resource management.

Session 3 on the Environmental Outlook to 2050, “an urgent call for green growth policies”

- The OECD environment outlook provides a clear message to policy makers: Act now – or face major and potentially disastrous consequences. Prospects are more alarming than the situation described in the previous edition. The outlook also shows that action is affordable and often makes good economic sense.
- The study sends a strong alarm signal which comes at the right time. Action is badly needed, but there is continued resistance in many OECD countries to further ambitious regulatory and fiscal policies for a green economy transition. The outlook clearly shows that fears about losses in terms of economic growth and competitiveness are overall not warranted.
- The OECD is right in pointing to the needs for strong policy mixes: phasing out harmful subsidies, using environmental taxes more strongly, devising effective regulations and standards, encouraging innovation and valuing and pricing the natural assets and ecosystems services accordingly. As regards the question whether sufficiently ambitious policies are planned to tackle the alarming trends identified in the Environmental Outlook, the answer is a clear one: no, not even close. In the case of the EU, the debate on a 7 Environmental Action Programme which should create the political mandate for environmental policy development for the next decade and which should provide the answer to these trends, is still at early stage. The OECD’s outlook should therefore be understood as a call for action at an unprecedented scale and intensity, requiring in many sectors a radical departure from business as usual.
- Soil and land degradation is completely missing from the 4 key environmental challenges identified in the outlook. According to UNCCD, approximately 24 billion tons of fertile soil are disappearing annually. Arable land loss is estimated to be 30-35 times the historic rate.
- As regards the question how to adopt the necessary policies in times of tight fiscal conditions, there are many opportunities for meeting fiscal objectives in a green and just way, in particular in the area of phasing out harmful subsidies and shifting the tax base from labour to consumption of resources and pollution.

- Environmental harmful subsidy reform has seen some important recent commitments in the last years, both by the G20 and also at the CBD COP10 in Nagoya. Environmental harmful subsidy reform makes sense in times of financial austerity.. Aichi target 3 (Goal A) under the CBD's Strategic Plan for Biodiversity 2011-2012 states that “by 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied”. An additional commitment from Rio, creating a cross ministerial commitment, would be an invaluable endorsement for progress. The EU has committed to the need for phasing out EHS with the Europe 2020 Strategy and the ‘Roadmap for a resource efficient Europe’.
- There is a widening gap between perceived investments needs for a green economy and available investment resources. Significant investments will still be needed, for example in energy, transport and urban stock recreation, restoration of ecosystems and green infrastructure and brownfield redevelopment. There is no shortage of private assets that could be deployed. But investors look for certainty. It will need a predictable strong and long-term policy framework to mobilise private investment into a green economy transition.

30th March

Session 4 on Rio + 20 and the added value that the OECD could bring

- OECD should seek synergies between its green growth strategy and UNEP’s green economy initiative. Green growth needs to lead to a green economy, and both of these concepts need to be understood as components in a broader framework of sustainable development in which planetary boundaries are respected and poverty is eradicated. To take a specific example, both organisations can build in particular on their common recommendations as regards reform of environmentally harmful subsidies and support a strong commitment to such reform at Rio.
- If Rio is to produce a meaningful outcome, it will need to go beyond general statements of principle and agree on measures that effectively operationalise concepts such as green growth and green economy. OECD should support proposals that go in this direction, such as the idea of a Green Economy Roadmap.¹ OECD should also explore ways in which its work can support the development of new sustainable development goals to complement the Millennium Development Goals, an idea which is attracting significant support within the Rio+20 negotiations.
- OECD’s work on measuring well-being and progress (‘Better Life Initiative’) needs to feed into the discussion which will be held in Rio on developing measures to be used alongside GDP. The OECD should support the use of a wider set of indicators to measure progress better capturing the social and environmental dimensions and highlight the limitations of GDP as a measure of progress and a country’s health.

¹ As noted in the March 2012 EU Environment Council conclusions (para. 9): *“one of the main operational outcomes of Rio+20 should be the adoption of a green economy roadmap with timetables for specific goals, objectives and actions at the international level as a significant contribution to sustainable development, with emphasis on poverty eradication.”*

- OECD should ensure that people do not get the idea that green growth/ green economy can be sufficiently addressed by small adjustments to a business-as-usual approach. It needs to identify and push in particular for the game changing initiatives. It should be clear that we need a paradigm shift in the level of ambitions and the measures if we are to avoid most key ecological thresholds, crossing tipping points and high levels of risk (we are way beyond the assimilative capacity of ecosystems, there we do not need only decoupling but absolute reduction to safe levels), given that there will be 9 billion people by 2050. In addition, with expected continued GDP growth additional pressures on the environment from associated production and consumption will need to be fundamentally addressed to have a resilient environment that supports resilient economies and societies.
- The third revision of the Strategic Environmental Economic Accounts (SEEA) is about to be finalised. These have now reached a degree of maturity as regards methodology which allows them to be adopted by countries across the globe. The central framework of the SEEA is about to be adopted as an international statistical standard. OECD in particular has to step up its role in supporting the process, in particular in OECD countries, given its authority in financial and economic matters and its strong links with finance departments it is the right organisation to introduce national statistical offices and support the development of natural capital accounts and integration of environmental accounts in the System of National Accounts. The OECD countries could also support national pilot accounts and link to the World Bank led WAVES - *Global Partnership for Ecosystem Valuation and Wealth Accounting (WAVES)*.
- Rio should result in significantly strengthened environmental governance at all levels. At the level of international institutions, this should take the form of a commitment to upgrading UNEP into a UN Environmental Organization (i.e. a specialized UN agency for environmental protection) that would be on an equal footing with other UN agencies and be provided with sufficient and more stable funding. Improved governance also implies measures promoting greater transparency, accountability and civil society participation at all levels. OECD should give its support to such outcomes from Rio.

Session 5 is a working lunch dedicated to multi-level governance and the role of cities

- Cities have the potential to be key players in the transition to a green economy. This potential can be realised through:
 - Designing for low impacts – transport, buildings, spatial planning (including densification)
 - Providing integrated public transport systems, restricting parking in urban areas, congestion/parking charges to discourage personal car use
 - Creating and maintaining natural and semi-natural habitats – woods, parks, community gardens
 - Integration of ecosystem services into planning and decision making.
 - Investing in green infrastructures (green roofs, spaces, road verges)
 - Growing food locally and supporting community assisted agriculture schemes