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**ENVIRONMENT DIRECTORATE
TRADE AND AGRICULTURE DIRECTORATE**

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Joint Working Party on Agriculture and the Environment

ACTIVITIES IN THE ENVIRONMENT DIRECTORATE OF RELEVANCE TO JWPAE DELEGATES

28-30 June 2010

This document provides information on current and future activities underway in OECD's Environment Directorate that might be of interest to JWPAE delegates.

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NOTE FROM THE SECRETARIAT

This document provides information on current and future activities underway in OECD's Environment Directorate that might be of interest to JWP AE delegates.

ACTION REQUIRED: For information.

ACTIVITIES IN THE ENVIRONMENT DIRECTORATE OF RELEVANCE TO JWPAE DELEGATES

1. Green Growth Strategy

1. The *Green Growth Strategy Interim Report* was presented to Ministers at the 2010 Ministerial Council Meeting (MCM). The Interim Report outlines the steps that countries have undertaken to promote greener growth, especially in the context of the fiscal stimulus packages. It also discusses initial parameters of a green growth policy framework, as well as some of the barriers that will need to be overcome to enable the transition. Preliminary findings are presented on selected green policy instruments, on phasing-out fossil fuel subsidies, on green taxes, on jobs and skills development and importantly on innovation. This Interim Report only discusses a small sub-set of the issues that will be addressed by the overall Strategy and, as such, reflects only few parts of ongoing work that will feed into the 2011 Synthesis Report. The Interim Report was very well received by Ministers who, in the Ministerial Conclusions, reiterated the importance of accelerating the shift to greener economies. The Interim Report is available on the OECD website: www.oecd.org/greengrowth. The report is also supported by an overview flyer in several languages.

2. The consultation process on the Synthesis Report will start this autumn and will continue until May 2011. While the OECD Council will be the main reviewing body of the Report, consultation will also take place at the level of participating Committees across the Organisation. The Secretariat will circulate the outline – or draft versions – of the Synthesis Report to relevant Committees. Delegates will be strongly encouraged to *co-ordinate comments* via their Delegation and to make use of the green growth on-line platform to present their country's views.

3. A first draft of the complete Synthesis Report is due to go on OLIS in end-January 2011, a second draft should be issued in mid-March, and the final version is to be released in April, prior to the OECD Forum and MCM 24-26 May 2011.

2. The next Environmental Outlook

4. The OECD Environmental Outlook to 2030 published in 2008 contained individual chapters on key economic drivers (e.g. demographics, economic growth, trade, urbanisation, technology, etc.) and relevant sectoral developments (agriculture, energy, transport, fisheries, selected industries etc.), as well as chapters on a range of environmental challenges (e.g. climate change, air pollution, biodiversity, freshwater, waste). For the next Environmental Outlook, EPOC indicated that the report should not be as comprehensive as the last Outlook but instead focus on the four “red light” issues (climate change, biodiversity loss, water scarcity, environment and health). Therefore, the next Environmental Outlook is envisaged to contain fewer chapters, and it will not include a chapter on agriculture. However, issues relevant to agriculture are expected to be included in the chapters on: the Baseline (discussion on model refinements for land use and land use change); Climate Change (e.g. impacts of climate policies on land use and food prices); Biodiversity (e.g. impacts of changes in agricultural policy on biodiversity); and Water (e.g. efficiency improvements in irrigation water use, water quality and agricultural run-off).

5. Calibration of the ENV-Linkages and the IMAGE suite of models for the development of Baseline projections will start in the latter half of 2010. An Expert Meeting on Modelling for the

Preparation of the Next Environmental Outlook is scheduled to take place on 3-4 November 2010 to review the refined modelling framework. This meeting would benefit from the participation of appropriate modelling experts from the agriculture area and JWPAE Delegates will be kept informed of meeting preparations. Baseline projections will be fixed by January 2011, and the policy simulations as well as interpretation and analysis of the results will take place in the first half of 2011. Most of the drafting of the chapters will take place in the first half of 2011 as well. The December 2010 and June 2011 meetings of JWPAE could be an opportunity for a briefing and/or review on elements related to agriculture as they become available. The consolidated draft report will be reviewed at a Global Forum on Environment in Q3 2011, and the final report will be published in Q1 2012.

3. OECD Pesticide Programme

6. The work of the OECD Pesticides Programme is carried-out by the Working Group on Pesticides (WGP). The two main projects of the Pesticides Programme of interest to the JWPAE are the *Pesticide Risk Indicator* project and the future workshop on *Integrated Pesticide Management (IPM)*.

7. The *Pesticide Risk Indicator* project began in 1997 and has led to the development of two types of indicators, the aquatic risk indicators and the terrestrial risk indicators. It is now waiting for the results of the EU-funded HAIR (HARmonised Environmental Indicators for Pesticide Risk) project which addresses risks to aquatic and terrestrial organisms, ground water and human health (workers and consumers). The objective of the WGP is to test whether the HAIR indicator system can be used by OECD members for their pesticide risk indicator purposes. An expert group led by Germany has been set up to carry-out this work. The HAIR output delivery is planned for the end of 2010.

8. A workshop on Achievements, Main Barriers and Possible Solutions in Adopting and Implementing *Integrated Pest Management (IPM)* as the Main Element of Pesticide Risk Reduction Strategies will be held on 17-19 October 2011 in Berlin, Germany. The workshop will focus on IPM in agriculture; however, consideration of other IPM sectors may be given through case-studies (*e.g.* IPM in schools) when successful elements and lessons learned could be identified and transferred. It will not be a scientific neither a technical event where detailed IPM research strategies would be presented and discussed. The workshop will instead focus on practical measures, tools, mechanisms and structures, which help governments and stakeholders support the adoption and implementation of IPM, and ultimately help them reduce pesticide risks (see workshop outline in ENV/JM/PEST(2010)13, adopted by the WGP at its meeting last month). The detailed content of the workshop will be developed by the workshop planning group led by Germany.

9. More information about these two projects and other work underway by the WGP is available at <https://community.oecd.org/community/pesticides>.

4. OECD Work on Risk/Safety Assessment of Products of Modern Biotechnology

10. The assessment of the safety of products derived from modern biotechnology is an important challenge for countries as transgenic crops are increasingly cultivated worldwide, and as human foods and animal feeds derived from such crops are being marketed. In order to increase the efficiency of the risk/safety assessment process and reduce duplication of effort, the OECD works to harmonise country approaches and share information used in the process. Two closely related programmes are being implemented under ENV/EHS:

- The *Working Group on Harmonisation of Regulatory Oversight in Biotechnology* addresses aspects of the environmental risk/ safety assessment of transgenic organisms;

- The *Task Force for the Safety of Novel Foods and Feeds* deals with the safety assessment of foods and feeds derived from transgenic organisms.

11. The main purpose of the work is threefold:

1. To assist countries in evaluating the potential risks of transgenic products to ensure high standards of safety;
2. To foster communication and mutual understanding of the regulatory processes in different countries; and
3. To reduce the potential for non-tariff barriers to trade.

12. Both programmes identify a common base of scientific information that can be useful in assessing the safety of specific products with respect to human food and animal feed, as well as the environment. The aim is to ensure that the types of information and data used in safety assessments, as well as the methods used to collect these elements, are as similar as possible amongst countries. Delegates in these programmes are officials from OECD Members in charge of biosafety, with an increasing participation from non member economies concerned by the release of biotech crops and products, and experts from relevant observer organisations (FAO, WHO, CBD etc.).

13. The main outputs of the two bodies are the “*OECD Consensus Documents*”, which constitute practical tools for safety assessors and other stakeholders. These documents compile key information on major crops, trees, micro-organisms, as well as on introduced traits, which countries believe to be relevant to risk/safety assessment when comparing new (genetically engineered) products to conventional ones. The documents relating to *Environmental Safety* focus mainly on the biology of plants (species and taxonomic group, reproductive biology and potential for out-crossing with related species, centres of diversity, agronomic practices, major uses, ...). The documents for *Food and Feed Safety* contain information on the key nutrients, toxicants, anti-nutrients and allergens. To date, a total of 60 documents are available on www.oecd.org/biotrack.

5. Environmental Performance Reviews

14. The *Environmental Performance Review (EPR) of Slovakia* will include a chapter on agriculture and the environment. The peer review mission is planned from 27 September to 5 October 2010. The EPR will assess Slovakia’s efforts to meet both domestic objectives and international commitments in the area of agriculture and the environment. This entails reviewing environmental conditions in the agricultural sector, as well as agricultural and environmental policy measures and their cost-effectiveness. The report will be presented to the Working Party on Environmental Performance (WPEP) in June 2011. The WPEP will approve the EPR recommendations.

The scope of the chapter, as agreed with the Slovak authorities, is as follows:

- Features of the agricultural sector (e.g. trends, land ownership patterns, EU context);
- Positive and negative environmental performance of agriculture: use of fertilisers and pesticides, water, air, energy, soil;
- Agriculture and land use planning, infrastructure development, protection of landscape, tourism;
- Agriculture and biodiversity (e.g. wild and domestic genetic resources, interface with forestry);
- Institutional integration: environmental objectives of agricultural policy, sustainable agriculture strategy;

- Market-based integration: environmentally related taxes in agriculture, agricultural support and its impact on the environment, integration of environmental concerns in agricultural policy measures, international competitiveness;
- Agri-environmental expenditure and its financing;
- International co-operation (e.g. CITES, Carpathian Convention, European Landscape Convention).

6. The OECD Horizontal Water Project

15. A separate presentation of progress of the work under the 2nd Horizontal Water Project will be given under Agenda Item 6a.

16. As part of a reorganisation of EPOC's sub-structure, a new **Working Party on Biodiversity, Water and Ecosystems** will be established from the beginning of 2011, combining the current Working Group on Economic Aspects of Biodiversity with part of the Working Party on Global and Structural Policies. This Working Party will be responsible for future work under the Horizontal Water Programme. Key projects that are planned in the Environment Directorate for the 2011-12 PWB are:

- A major international initiative on the economics and governance of water security, including water policy dialogues in selected OECD and non-OECD countries;
- Water and climate change, focusing on the financial aspects of adaptation;
- Water and green growth, examining the role of integrated water resources management in the pursuit of green growth objectives; and
- The outlook for water as part of the OECD Environmental Outlook (see item 2 above).

17. These projects will be undertaken in consultation with partner Directorates under the Horizontal Water Programme. Water-related projects are also being undertaken in other Directorates, including a project on multi-level governance and access to public services (including water), which will be overseen by the Territorial Development Policy Committee, and projects under the COAG PWB.

7. Biodiversity

18. A major effort is underway to provide a strong OECD input to the COP 10 Meeting of the UN Convention on Biological Diversity (CBD), which will be held from 18-29 October 2010 in Nagoya, Japan [ENV/EPOC(2010)5]. Several recent or new deliverables, prepared under the EPOC's Working Group on Economic Aspects of Biodiversity (WGEAB), will be available as an input to discussions at CBD COP-10. These are:

- An OECD publication on "Enhancing the Cost-Effectiveness of Payments for Ecosystem Services: Key Design and Implementation Issues including the Use of Inverse Auctions" [ENV/EPOC/GSP/BIO(2010)1]
- An ENV Working Paper on "Metrics and Indicators for Effective Biodiversity Policies" [ENV/EPOC/GSP/BIO(2010)2]. Note that further work derived from the scoping paper is subject to approval by the WGEAB
- An ENV Working Paper on "Green Growth and Biodiversity" [ENV/EPOC/GSP/BIO(2010)3]

- An ENV Working Paper on “International Financing for Biodiversity: Innovative Approaches and Persistent Challenges” [ENV/EPOC/GSP/BIO(2008)5/REV1]

19. The OECD will be hosting a side-event at CBD COP-10 on *Recent OECD Work on the Economics and Policy of Biodiversity*, to reflect this recent work, and will have a publications stand.

20. In the lead up to the COP-10 meeting, the OECD Secretariat has been participating in various major international biodiversity exercises. This has included being *inter alia* a member of the Ad Hoc Technical Expert Group (AHTEG) on Climate Change and Biodiversity, involved in the CBD international workshop on *Innovative Financing Mechanisms* in January 27-29, 2010, Bonn, Germany and an active participant at the Trondheim Conference on *Getting the Biodiversity 2010 Targets Right: Working for Sustainable Development* in February 1-5, 2010, Trondheim, Norway.

21. The OECD Secretariat has also been actively contributing to The Economics of Ecosystems and Biodiversity (TEEB), the so-called Potsdam initiative, which was endorsed by G8+5 leaders at the Heiligendamm Summit on 6-8 June 2007. The OECD is part of the Core Team of TEEB for Policy Makers (Deliverable 1), providing input (including as lead author in Chapter 5.2 on International PES: REDD and beyond i.e. international payments for ecosystem services and reducing emissions from deforestation and forest degradation, respectively), and reviewing and commenting on several chapters.

22. In preparation for CBD COP-10, the OECD Secretariat has also been working on PR-related material including:

- Preparation of a brochure on Recent OECD Work on Biodiversity (similar to a booklet available on OECD work on climate change that has proven a very useful communications tool – see www.oecd.org/env/cc for an example).
- Preparation of an updated OECD Policy Brief on Economics of Biodiversity to highlight the new work.
- Restructuring and update of the OECD biodiversity website: www.oecd.org/env/biodiversity.

23. OECD work from other Directorates related to biodiversity will also be made available to CBD COP-10. For example, the Development Assistance Committee (DAC) is developing a *Policy Statement on Integrating Biodiversity and Associated Ecosystem Services into Development Co-operation*, and also held a joint meeting with the CBD to discuss the role of development co-operation in the issues of biodiversity and ecosystem services. They will have an updated note on trends in ODA to support the objectives of the CBD. Other relevant OECD work for COP-10 might include some of the work of the Joint Working Party on Agriculture and Environment (JWPAE).