

# Chairs' Summary



**ENSURING A RESILIENT  
& HEALTHY ENVIRONMENT  
FOR ALL**

OECD Environment Ministerial



| 30-31 March 2022

## MEETING OF THE ENVIRONMENT POLICY COMMITTEE (EPOC) AT MINISTERIAL LEVEL

30-31 MARCH 2022

### CHAIRS' SUMMARY

Environment Ministers from OECD's 38 member countries, the EU, invited partner countries (Argentina, Brazil, Bulgaria, Croatia, Egypt, Peru, Romania, South Africa), and selected intergovernmental organisations and stakeholders gathered in Paris on 30-31 March 2022 to discuss the environmental challenges facing the world and how to promote effective and efficient policy responses. The meeting under the theme *Ensuring a Resilient and Healthy Environment for All* took place under the guidance of the Co-Chairs, Minister Carole Dieschbourg (Luxembourg) and Administrator Michael S. Regan (United States of America) and the Vice-Chairs, Minister Sussan Ley (Australia), Minister Carlos Eduardo Correa (Colombia), Minister Tamar Zandberg (Israel), and Minister Rebecca Pow (UK).

Minister Dieschbourg (Minister for the Environment, Climate and Sustainable Development, Luxembourg) opened the meeting by calling for a moment of silence in solidarity with Ukraine and its people. She noted that this crisis should serve as a catalyst for a faster transition toward environmental sustainability and energy security. Minister Dieschbourg called for ambitious measures to meet the objectives agreed at COP26, and underlined the importance of OECD work to help countries with a sustainable and inclusive green transition.

Administrator Regan (Administrator of the Environmental Protection Agency, USA) similarly expressed his solidarity with the people of Ukraine. He outlined the critical importance of the discussions that would take place in the next two days surrounding, for instance, the implementation of the ambitions from COP26 and the cooperation on solutions to the plastics crises. He emphasised the importance of candid dialogue and exchange among Ministers. Administrator Regan highlighted the climate crisis as the most pressing challenge of our time, and called for ambitious action that would benefit all people, including the most vulnerable and those who have historically borne the burden of pollution.

The OECD Secretary-General, Mr. Mathias Cormann, opened the meeting by condemning Russia's unprovoked large scale aggression against Ukraine and its profound implications for the environment. Mr. Cormann also noted that since the last EPOC Ministerial Meeting took place in 2016, the COVID-19 pandemic has had significant consequences for environmental policy making. He highlighted the progress on climate action represented by the Glasgow Climate Pact at COP26, but emphasised the need for further urgent and ambitious action. He cautioned that the debate cannot only be climate focused as there are other, major environmental challenges such as biodiversity loss, plastics pollution, and sustainable water management. Mr. Cormann stressed that collaboration between OECD and non-OECD members is particularly crucial in addressing common environmental challenges. Finally, he congratulated EPOC for its more than half-century of existence and recognised the Committee's important role as a steward of OECD standards in the field of environment.

The meeting addressed a range of issues in plenary sessions and in six breakout groups. The issues of climate change and plastics were discussed in plenary sessions over the two days,

along with breakout sessions on biodiversity, the twin transitions of digital and net-zero, environmental justice, trade and environment, environment and human health and safety, and sustainable ocean management. Ministers also participated in two working lunches. The first addressed the role of the private sector in the net-zero transition, and the second covered public agency, education, and awareness. A dinner session focused on the question of how Ministers can get the most value added from the work of EPOC going forward.

At the end of the meeting, Ministers adopted *the Declaration on a Resilient and Healthy Environment*, reiterating their commitment for leadership on the environment, climate biodiversity and the sound management of chemicals and invited the OECD, through the Environment Policy Committee to reinforce its work in these areas<sup>1</sup>.

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<sup>1</sup> Turkey noted its views emphasising the importance of the guiding principles of the climate regime, namely equity and common but differentiated responsibilities and respective capabilities in the light of national circumstances, in its domestic climate actions.

## **Working Lunch with the Private Sector ENABLING A RESILIENT AND FAIR TRANSITION TO NET-ZERO**

Minister Zandberg (Minister of Environmental Protection, Israel) opened the working lunch by reflecting on the impacts of pandemic and the war in Ukraine on economies and societies. She highlighted the role of the private sector in achieving environmental goals, and remarked that businesses and markets are noticeably becoming more engaged with the challenge of reaching net-zero emissions and ensuring a just transition.

The session benefited from several presentations by private sector representatives. Ms. Norine Kennedy (US Council for International Business) stressed the importance of balancing short-term energy security, particularly in the face of challenges posed by the war in Ukraine, with longer-term diversification of energy supply in the transition to net-zero. She also underscored the need for this transition to be just for both workers and employers. Mr. Gonzalo Munoz (UN High-Level Climate Action Champion for COP25) emphasised the ambition loop, underlining the exponential growth of private sector commitments through initiatives such as the Race to Zero and the Race to Resilience. This includes securing and implementing net zero commitments from thousands of companies and hundreds of asset managers responsible for upwards of 130 trillion dollars in assets under management. Finally, Mr. Emmanuel Faber (Chair of the International Sustainability Standards Board, former CEO of Danone) stressed the need for a common language to understand the climate impact of portfolios, underlining this pivotal moment in developing such a common language that can guide decisions to align finance with environmental goals and avoid greenwashing.

Minister Zandberg opened the discussion by further stressing the need to balance responses to short-term crises, such as the war in Ukraine, with the need to remain committed to the longer-term goal of meeting net-zero emissions. She further underscored the importance of carbon pricing and taxonomies as a tool for guiding sustainable finance, innovation and technology.

Ministers highlighted the need to shift from linear to circular production models, with a transition from reliance on fossil fuels to ramping up renewable energy key to enabling this shift. Many ministers reaffirmed their commitment to long-term decarbonisation targets and the need for governments to signal this commitment to private sector actors and markets, providing necessary predictability for business leaders and investors.

To this end, ministers affirmed the key role of governments in supporting investments into green innovation, for example through green public procurement and green budgeting. Such support was depicted as serving to ensure both the long-term competitiveness of national economies, and the need to meet global mitigation targets. Innovation support also was deemed an important tool in promoting the creation of new jobs and nascent green industries.

Ministers also underlined the need for sustainable taxonomies in guiding investment decisions and capital markets. Setting standards for monitoring and disclosing the climate content of financial portfolios was highlighted as a key role for governments in directing capital markets to accelerate the transition to net-zero. Such regulatory efforts can help generate the framework conditions for accelerated climate action, and ensure a level-playing field for businesses.

Ministers finally highlighted the need to ensure a just transition for both workers and employers. They underscored the importance of government support for businesses, for example through re-training initiatives and support in the development of decarbonisation roadmaps. Here, many Ministers put a focus on supporting small and medium enterprises in their decarbonisation efforts.

Given the discussions, Ministers highlighted that the OECD could continue to support government's efforts to develop sustainable taxonomies, carbon pricing frameworks, a common understanding of green finance, and aligning finance with climate and broader environmental objectives.

## **Plenary 1**

### **MOVING TO NET-ZERO: CLOSING THE AMBITION GAPS ON CLIMATE MITIGATION AND ADAPTATION**

#### **Chair's introduction**

Administrator Michael S. Regan (USA) opened the session by highlighting the next decade as a decisive period for stepping up action towards the goals of the Paris Agreement, with Glasgow serving as the starting point for the sprint to 2030. He reiterated the need to urgently bridge the gap between medium-term goals and near-term action if we are to stand a genuine chance to limit global warming to 1.5°C, noting that long-term security of countries depends on the ability to reach net-zero and reduce dependence on fossil fuels while adapting to current and future impacts of climate change.

#### **Guest Speakers**

In his remarks, OECD Secretary-General, Mr. Mathias Cormann, stressed the importance of a whole-of-government, whole-of-society approach to meeting the climate challenge. He set out key thoughts in this regard including the need to mainstream climate change across all areas, step up efforts on implementation, to secure real net reductions in emissions, mobilise investment and realign global flows towards the transition, the need for reliable data and monitoring, and the importance of enhancing efforts towards adaptation and managing losses and damages.

Professor Johan Rockström (Director of the Potsdam Institute for Climate Impact Research) highlighted the unequivocal impacts of climate change that are already visible and the large risks of destabilisation of the whole Earth systems if action is not taken in this pivotal decade. He recognised the four interconnected crises (ecological, climate, pandemic and war) and the pivotal question of whether the crisis of war can accelerate the transition towards safe, secure and climate neutral energy sources. He noted that the SDGs provide a guide for future action on staying within planetary boundaries, and suggested a tiered "wedding cake" categorisation of the SDGs, highlighting that the biosphere-related SDGs are non-negotiable.

Ms. Amal-Lee Amin (Managing Director and Head Climate Change at CDC Group) reinforced that to deliver the systemic change we need, an enabling environment and policies to attract the scale of investment are required. She also emphasised the importance of a whole-of-government approach in which Environment Ministers can play a key role in setting the right standards, policies, fiscal and structural reforms needed and to think about how to incentivise the private sector to take on more risk regarding climate change efforts. Both Prof. Rockström and Ms. Amin highlighted that while we face an enormous task ahead, it is not impossible, as the science is clear and many of the technologies needed already exist to get us where we need to go.

#### **Main points of discussion among Ministers**

In the discussion that followed, many Ministers condemned the war in Ukraine and expressed their solidarity with the people of Ukraine, warning that the ongoing war should not undermine efforts to fighting climate change.

Many ministers recognised the need to enhance ambition of NDCs for 2030, while emphasising the need to align short-term targets with long-term commitments of achieving net-zero emissions

by mid-century to ensure a liveable future. The importance of staying on track and keeping a long-term perspective in mind when responding to the numerous near-term crises was also a point reiterated by several ministers.

Many ministers noted the need for ensuring and enhancing effective implementation of environmental and climate policies towards short- and long-term commitments. Many emphasised the need for reinforcing international cooperation, noting the important role to be played by multilateralism.

Several ministers also highlighted the importance of enhancing adaptation action, including through the adoption of inclusive national adaptation plans, national adaptation strategies, and stressed the importance of local/regional action to address the impacts of climate change. Many ministers also noted the importance of sharing lessons among countries on different tools, e.g. to analyse climate risks, climate risk maps, different approaches and measures to enhance to adaptation and resilience, and noted that climate adaptation and resilience, biodiversity and finance will play a central role at COP27.

Many ministers stressed the importance of addressing climate inequalities and addressing climate justice when fighting climate change in domestic policies. Some Ministers noted that the transition to net-zero needs to put justice and reducing inequalities at its core to ensure the transition is just and able to support vulnerable groups, youth etc.

Several ministers highlighted the importance of following up on sectoral initiatives such as Global Methane Pledge and the Glasgow Leaders' Declaration on Forests and Land Use, which provide important policy signals, and the need to translate these pledges into concrete domestic policy measures.

While many Ministers recognised that the energy sector is at the heart of the climate challenge, some also emphasised the importance of ensuring the transition towards sustainability in other sectors; examples covered water, agriculture and food systems, the waste sector and raw materials. Some ministers also highlighted the opportunity provided by the circular economy and enhancing resource efficiency to support more ambitious climate action and achieve long-term net-zero commitments.

Some ministers highlighted the importance of good governance in climate policies, including through regular reporting and follow-up on key objectives and through an inclusive process that engages actors at different levels, including local authorities, cities, and civil society who have a key role to play in supporting government in addressing the climate crisis.

Many Ministers also highlighted the role of regulation, standards and different policy instruments in closing the ambition gap and enhancing mitigation action. Some Ministers highlighted the important role of carbon pricing, as well as a global system and the need to improve international coordination on carbon pricing.

## Plenary 2

### MOVING TO NET-ZERO: ALIGNING FINANCIAL FLOWS WITH CLIMATE AND ENVIRONMENTAL GOALS

#### Chair's introduction

Minister Carole DIESCHBOURG (Luxembourg) highlighted the importance of the Paris Agreement's Article 2.1(c) on accelerating finance flows towards addressing climate change mitigation and adaptation goals. While there have been promising steps forward, including countries representing 80% of the world's GDP having committed to net-zero emissions, more efforts are needed. To ensure a successful transition, governments must ensure that regulatory and policy frameworks enable the actions needed.

#### Guest speakers

The second part of the plenary session focused on the need to accelerate the mobilisation of finance for both the mitigation and adaptation goals enshrined in the Paris Agreement as well as other environmental crises, notably the destruction of biodiversity and natural capital. The session was opened by Mr. Mathias CORMANN (Secretary General, OECD) who stressed the role of market signals, robust definitions of sustainable activities and data availability to monitor efficiency and progress.

Ms. Barbara BUCHNER (Global Managing Director of the Climate Policy Initiative) highlighted the gap between finance mobilised to date and the volumes required to stay within reach of the 1.5-degree goal. She called for a step-change in ambition, increasing the order of magnitude from billions to trillions and reallocating public and private finance from unsustainable practices to activities consistent with the Paris Agreement across all sectors. Effective public policies, combined with climate capacity mainstreamed across institutions and robust transparency and monitoring mechanisms, are required to unlock and redirect private financial flows.

Ms. Victoria REESER (2022 OECD Youthwise Representative from the United States) pointed out the unequal impacts of climate change across generations, noting the outsized burden placed on young people. She called on policy makers to unlock the capacity of younger people by investing not only infrastructure, but also in their capacity and skills that will be needed for the challenge posed by climate change.

#### Main points of discussion among Ministers

Many Ministers noted that public policies, including consistent standards and enabling environments, are key to unlock financial flows, notably from the private sector, to achieve both climate mitigation and resilience goals. Finance mobilisation has accelerated since COP26 and climate change adaptation has risen on the agenda, but some Ministers pointed out that additional effort is required to achieve climate goals. Moreover, other environmental concerns, including biodiversity and natural capital considerations need to be mainstreamed as well.

Many Ministers highlighted the role that the public sector can play in developing policies, regulations, and tools that promote green jobs and incentivise the transition to net zero. Some Ministers also noted the importance of circular economy approaches for carbon intensive sectors like textiles and construction, as well as critical minerals needed for this transition.

Many ministers highlighted that the mobilisation of green financial flows alone is insufficient to achieve the goals of the Paris Agreement and that governments must seek to phase out misaligned investments and harmful expenditure (e.g. subsidies for fossil fuels and other unsustainable economic activities) both domestically and internationally.

Several Ministers stressed that, while increased volumes of finance is important, the quality of investments and the scale and distribution of their impacts also warrant additional study. The availability of relevant data as well as the development of rigorous evaluation, monitoring and reporting frameworks are essential to optimise financial flows to achieve the goals of the Paris Agreement and other environmental objectives.

Many Ministers highlighted that governments and the private sector need to address multiple crisis simultaneously, including short-term shocks from the COVID-19 pandemic and the effects of the war in Ukraine as well as the longer-term threats posed by climate change. Ministers noted that concerted efforts must be made to avoid backtracking on progress made so far.

Several Ministers noted that the provision and mobilisation of climate finance for developing countries, in particular those most vulnerable to the effects of climate change remain critical. Some Ministers noted that coordination with IFI's is necessary to align financial assistance with climate goals, including through strengthening safeguards and phasing out fossil fuels and shifting to renewable energy.

### **Role of the OECD**

Many Ministers welcomed the role played by the OECD in providing evidence-based and a valuable platform for sharing experiences, best practices, data, and analytical tools. Some Ministers expressed their appreciation for OECD work in different areas, including the OECD's work on climate finance and tracking progress towards the USD100 billion goal, technical reports prepared by OECD to support the Carbon Market Platform, and work through IPAC to support implementation of the Paris Agreement. Some Ministers emphasised the importance of OECD climate action indicators accounting for the full range of market-based, regulatory and policy measures.

Some Ministers expressed support for EPOC to consider further work in different areas, including tracking mitigation and adaptation finance, and the development of metrics to monitor the quality of interventions to prevent greenwashing and ensure a just transition. Additionally, some Ministers expressed support for EPOC to consider further work in improving the understanding of macro-impacts of climate policies, economic analyses of policies, side-effects of the lack of policy coordination, supporting negotiations under the UNFCCC, providing targeted recommendations on how to accelerate work towards net-zero emissions, completing work by others, e.g. on carbon pricing, carbon border adjustments, adaptation etc.

## **Breakout Group 1 ACCELERATING ACTION TO ADDRESS BIODIVERSITY LOSS**

Minister Carlos Eduardo Correa (Minister of Environmental and Sustainable Development, Colombia) opened the session, noting that biodiversity loss is a global crisis, posing risks to the economy and human health. He noted the pertinence of the session on accelerating action to address biodiversity loss, with CBD COP15 and the adoption of a post-2020 Global Biodiversity Framework on the horizon. The Minister outlined the objectives for the session, namely to identify barriers and solutions to scaling up economic instruments, and to ensure these incentives are a key part of the post-2020 Global Biodiversity Framework.

The Chair's remarks were followed by presentations from Mr. Rodolfo Lacy (Director, Environment Directorate, OECD), Professor Partha Dasgupta (Emeritus Professor, Frank Ramsey Professor Emeritus of Economics, University of Cambridge), and Ms. Elizabeth Maruma

Mrema (Executive Secretary of the Convention on Biological Diversity). Mr. Lacy provided an overview of the economic instruments to protect biodiversity, noting that OECD data indicates significant scope exists to scale up the use and ambition of these instruments. Prof. Dasgupta highlighted key interrelated challenges identified in his independent review *The Economics of Biodiversity* and the ability economic instruments have to internalise external costs. Ms. Mrema noted the importance of addressing both the need to reform incentives, including subsidies, harmful to biodiversity and the need to scale up positive incentives, including economic instruments, so as to halt and reverse biodiversity loss.

In the discussion that followed, several Ministers emphasised that economic instruments are critical for addressing biodiversity loss and that they help to reinforce the polluter pays principle. It was noted that these instruments, such as biodiversity-relevant taxes and payments for ecosystem services, are critical to reflect the values of biodiversity in decision-making. Ministers also recognised that while some challenges to implementation exist, such as around possible distributive issues and measurement issues, that these and other practical issues can be overcome.

Several Ministers noted the need for more pilot projects, to learn from new initiatives and experiences with these economic instruments. A number of ministers highlighted the need for a whole-of-government approach, and strong stakeholder engagement, including from Ministries of finance, economy, and agriculture.

Ministers also identified several areas where the OECD can support country efforts including on:

- Sharing good practice on the use of economic instruments, their design and implementation, and overcoming barriers to their deployment, as well as further work on reforming incentives, including subsidies, harmful to biodiversity.
- Scaling up finance for biodiversity from all sources – public and private – and further work on tracking biodiversity finance, so as to support the provision of clear data and metrics.
- Supporting countries in the implementation of the post-2020 Global Biodiversity Framework.

## **Breakout Group 2**

### **ALIGNING THE DIGITAL TRANSITION WITH A SUSTAINABLE, NET-ZERO ECONOMY**

This session was co-Chaired by Minister Leonore Gewessler (Federal Minister for Climate Action, Environment, energy, Mobility, Innovation and Technology, Austria), and State Secretary Terhi Lehtonen (State Secretary, Ministry of the Environment, Finland). The Chair opened the discussion by emphasising that the digital transition provides significant opportunities to support the achievement of environmental and climate objectives. At the same time, the rapid rate of digitalisation can create new challenges, potentially harming the transition to sustainable, net-zero economies. It is therefore important that these two transitions are aligned and mutually reinforcing.

This breakout session benefitted from presentations from two lead speakers who set the scene for the discussion. Mr. Andrew Wyckoff (Director, Science, Technology and Innovation Directorate, OECD) emphasised the different ways in which the digital transition can support and hinder environmental policy goals. While digital technologies have a key role to play in enabling

countries to reach net-zero by 2050, they also raise challenges for environmental policy goals, including growing carbon footprints and electronic waste generation. Professor Dirk Messner (German Environmental Agency) underlined the importance of strengthening the linkages between digitalisation and environmental sustainability, and presented a three-step approach for digitalisation to act as a disruptive instrument in innovation for net-zero transition. This approach includes: (i) incentives schemes to steer innovation towards sustainability; (ii) alignment of firms' climate and digital strategies; and (iii) closer collaboration between digital and environmental research communities.

Ms. Manpreet Deol (Youthwise Representative, Canada) introduced a youth perspective and stressed the importance of reflecting on the environmental implications that rapid digitalisation has on youth and future generations.

In the discussion that followed, Ministers recognised the strong synergies between digital transition and the achievement of environmental and climate objectives. Ministers discussed the opportunities offered by digital technologies to accelerate the sustainability transition and shared their experiences and good practices, including energy and resource efficient design of data centres, optimisation of energy consumption, data gathering from satellite imagery for environmental monitoring, illegal logging prevention, and digital tools enabling circular economy approaches.

Ministers also acknowledged the sustainability challenges and trade-offs associated with the rapid uptake of digital technologies. Growing emission footprints and material use, high energy use in data centres and servers, mounting amounts of electronic waste and the increasing environmental challenges in the supply of critical minerals for technologies were identified as key issues hindering environmental policy goals.

Considering these synergies and trade-offs, Ministers expressed the importance of developing a comprehensive framework to better align the digital transition with climate and environmental goals. Ministers discussed concrete steps to strengthen the synergies between digital and sustainability transition, including collecting better information, establishing energy efficiency standards, developing pilot projects, fostering collaboration between public and private sector, promoting global digital cooperation, focussing on education and supporting SMEs technology adoption.

Looking ahead, Ministers noted that the OECD could help country efforts on aligning digital transition with a sustainable, net-zero economy through further work on the measurement of net environmental impacts of digital technologies.

### **Breakout Group 3**

#### **ENHANCING ENVIRONMENTAL JUSTICE AND THE MEANINGFUL INVOLVEMENT OF ALL PEOPLE IN DECISION-MAKING PROCESSES**

Administrator Michael S. Regan (USA) opened the session by emphasising the role of environmental justice to accelerate the net-zero carbon transition. Integrating environmental justice concerns in policy evaluation and addressing disproportionate impacts is necessary to appraise the full spectrum of policy costs and benefits.

Ms. Ingrid Barnsley (Deputy Director, Environment Directorate, OECD) introduced the concept of environmental justice and highlighted OECD work that documents instances of inequitable distribution of exposure to environmental risks, the costs and benefits of policies, as well as the

need to guarantee meaningful involvement of all in policy-making. Ms. Patricia Kameri-Mbote (Director of the Law Division, United Nations Environment Programme), stressed that promoting environmental rights requires ensuring access to information, as well as providing technical assistance including legal assistance.

Ms. Catherine Coleman Flowers (Founder, the Centre for Rural Enterprise and Environmental Justice) stressed the importance of designing mechanisms to engage the communities most affected by environmental degradation in decision making. Ms. Erika Xananine Calvillo Ramirez (2022 Youthwise representative, Mexico), highlighted the role of youth and indigenous involvement in promoting environmental justice and the need for safe spaces of engagement for all segments of society.

In the discussion that followed, several Ministers highlighted that the Covid-19 crisis aggravated the challenges faced by vulnerable communities. As countries implement recovery plans and move forward to meet the SDG targets, environmental justice needs to be a key consideration.

Ministers noted that specific socio-economic groups, including indigenous communities, low-income households, youth, women and racial and ethnic minorities, are more exposed and vulnerable to environmental pollution and climate change and corresponding health risks.

A number of Ministers highlighted the importance of ensuring that the costs and benefits of environmental policies are fairly distributed across the population. This entails protecting vulnerable households from high-energy prices while ensuring effective carbon pricing. A just transition needs to be ensured for workers and regions most affected by the implementation of ambitious net-zero policies.

Ministers also stressed that meaningful stakeholder engagement is a key enabler of environmental justice. Of particular importance is engaging vulnerable and underserved communities in decision-making processes and promoting their meaningful participation in environmental strategies. This requires that information is transparent, available and accessible, as well as the strengthening of investment in the education.

Ministers noted that social justice and environmental justice are intrinsically linked, and a whole of government approach is needed to address them. Challenges remain in defining environmental justice in a way that is meaningful across different contexts. Ministers welcomed the OECD's inaugural work program on environmental justice, including a review of definitions, connecting environmental justice experts from different countries to share best practices, and economic analysis of the environmental justice impacts of domestic environmental and climate actions.

#### **Breakout Group 4**

#### **MAXIMISING SYNERGIES BETWEEN TRADE AND ENVIRONMENTAL POLICIES**

Minister Carole Dieschbourg (Luxembourg) opened the session by emphasising the need to make trade and environmental policies work together to ensure a resilient and healthy environment for all in a rules-based international system. She also mentioned the importance of interlinkages between trade and nature, the circular economy, the outcome of the biodiversity COP 15 and the UNEA decision on a global plastic agreement. Mr. Rodolfo Lacy (Environment Director, OECD), the first speaker, laid out the key interlinkages between trade and the

environment, and how the OECD, through the JWPTE, has been assisting countries in seeking synergies and avoiding trade-offs between the two, such as in the areas of regional trade agreements and the environment, trade and circular economies, as well as fossil fuel subsidy reforms. Ms. Alejandra Aguilar (Co-Chair of the OECD, Joint Working Party on Trade and Environment, Costa Rica), the second speaker, then highlighted the dual challenge of promoting economic development and trade, while striving to ensure environmental sustainability and address climate change. In this context, she shared Costa Rica's experience on co-operation initiatives and the opportunity for economic growth through the co-operation of trade and environment policies.

Many participants emphasised the shifting paradigm from environment being a non-trade issue, to – later on – focusing purely on economic win-win opportunities towards, in recent years, identifying how trade can work towards and enable environmental goals. In this context, the world is facing the double-challenge of managing the decarbonisation of value chains while avoiding strains on international trade as well as enabling a rules-based and open trading system. Ministers additionally recognised that ambitious actions to address climate and environmental challenges cannot be considered in isolation, and that their interlinkages with international trade must be taken into account. Many participants, therefore, emphasised the need for different domestic institutions to cooperate in negotiating trade agreements and to develop a common language for these discussions.

Many Ministers stressed the importance of international integrity of climate and environmental policies, avoiding carbon leakage, environmental hotspots and global biodiversity loss. Ministers also touched upon further opportunities to align trade and environment issues, including environmentally sustainable supply chains and responsible business conduct, international environmental standards, trade and biodiversity, and environmental policy stringency and competition. Several Ministers identified the need to investigate sustainable material resource flows across borders, including the sustainable production and trade in minerals. This is especially important given recent disruptions of value chains including raw materials.

Many Ministers asked the OECD to continue to inform international, regional and national discussions, through data, evidence-based policy advice and analysis on trade and environment issues. Ministers reiterated strong interest for the OECD to work on specific issues on trade and climate change, trade and the circular economy transition, and trade in environmental goods and services. The OECD could also support the follow-up to the UNEA declaration on a global agreement on plastics. Ministers also mentioned the opportunity for the OECD to help countries in setting up and building institutional arrangements as well as a common language for trade and environment issues, to enable better communication between trade and environment ministries. Governments can exploit the fact that the OECD works interdisciplinary to help build bridges and bring trade and environment communities together, not least in the joint Working Party on Trade and Environment.

Finally, the Chair summarised that, between governments, OECD has the important role to ask the difficult questions that cannot be asked in other fora.

## Breakout Group 5

### STRENGTHENING ENVIRONMENTAL PROTECTION TO IMPROVE HUMAN HEALTH AND SAFETY

The Chair, Minister Zakia Khattabi (Minister of Climate, Environment, Sustainable Development and the Green Deal, Belgium), opened the session by emphasising that the protection of the environment affect health outcomes in many ways and that failing to address pollution generates large costs for our societies.

Professor Richard Fuller (Founder and CEO, Pure Earth) presented recent findings on the effect of air pollution and chemical pollution on mortality. Prof. Fuller highlighted that premature deaths due to air pollution are decreasing in OECD countries but still increasing in non-OECD countries. The negative health impacts of chemical pollution is a growing concern in all countries but are currently underestimated. Furthermore, a significant share of the health risks in OECD countries are coming from chemicals in products imported from abroad.

In the discussion that followed, a number of Ministers stressed the importance of implementing public policies aimed at significantly reducing pollution, which has significant health impacts. Ministers shared their experience on addressing challenges of pollution by introducing a variety of measures. This includes, amongst others, increasing green infrastructures in cities, the energy efficiency of buildings, implementing low emission zones, the use of biofuels, or advancing green public procurement to reduce pollution.

Some countries indicated that policies to mitigate pollution are often unpopular. It was highlighted that engagement and education of people is a key component to increase the awareness of the health impacts due to pollution. The Ministers therefore stressed that any tool to better communicate the benefits of these public policies would be welcome.

Many ministers flagged that there are considerable knowledge gaps with regards to the health impact of many pollutants such as micro plastics and other chemical substances including endocrine disruptors. Related to this, Ministers also stressed the importance of transboundary pollution, which requires international frameworks to be properly addressed.

Looking ahead, Ministers encouraged the OECD to further research the links between health and pollution as well as the economic costs of inaction towards pollution. Among the key priorities put forward by the Ministers are the increase of knowledge of the health risks associated with exposure to individual or multiple chemical substances such as endocrine disruptors, the better measurement of the value of prevented injuries as well as economic costs such as labour productivity and cost of illness.

## Breakout Group 6

### HARNESSING POLICIES FOR SUSTAINABLE OCEAN MANAGEMENT

The session was co-Chaired by Minister Rebecca Pow (Parliamentary Under-Secretary of State and Minister for Nature Recovery and the Domestic Environment, the United Kingdom) and Minister Sussan Ley (Minister for the Environment, Australia). The co-chair opened the session by emphasising that the ocean is under enormous threat and welcomed this important opportunity to discuss how policies can continue to support marine conservation and sustainable ocean management.

Ms. Kumi Kitamori (Head of Division, Green Growth and Global Relations, OECD) presented the OECD work on supporting countries to implement policies for sustainable ocean management, including by tracking policies on marine biodiversity protection and sustainable use, plastic pollution, coastal resilience, and developing the Sustainable Ocean Economy Database. Mr. Eddy Mazuaansyah (Deputy Undersecretary, Ministry of Environment and Water, Malaysia) shared the experience of Malaysia's ambitious roadmaps and policy instruments to reduce marine pollution from land-based sources, especially plastics. Mr. Stéphane Latxague (Programme Officer Europe, Ocean Foundation) presented the activities of the Ocean Foundation and called on policymakers to harness a suite of harmonised and collaborative policies to achieve a sustainable blue economy.

In the discussion that followed, Ministers shared country experiences with domestic policies to improve conservation and sustainable use of ocean and marine ecosystems. These included expansions in Marine Protected Areas, policies to reduce marine plastic litters and other pollutants, enhanced monitoring and the provision of adequate financing for ocean conservation and coastal adaptation. Many Ministers stressed the importance of ensuring policy coherence across different levels of government, including harmonisation of approaches to waste management and recycling and the adoption of life-cycle approaches.

Many Ministers welcomed the recent progress on international cooperation efforts, including the High-Level Panel for a Sustainable Ocean Economy, the recent UN Environment Assembly Resolution to develop an international legally binding instrument on plastic pollution, the Coalition for Ocean Sustainability at the One Planet Summit, the UN 2022 Ocean Summit in Lisbon, the Global Ocean Alliance, the Global ambition for a 30x30 protection target, and the work on treaty on Marine Biodiversity Beyond National Jurisdiction. However, Ministers stressed the need to accelerate progress, especially ahead of the Convention on Biological Diversity, as well as to enhance regional cooperation, especially in Southeast Asia, the Mediterranean basin and the Arctic.

Ministers noted with appreciation recent OECD work and identified a number of areas where the OECD could continue to play a key role in supporting countries' efforts to advance sustainable ocean management and marine conservation. In particular, Ministers invited the OECD to continue to identify best practices and develop policy guidance on the protection and restoration of marine biodiversity and coastal areas through e.g. effective ocean management strategies, Marine Protected Areas, reform of environmentally harmful subsidies, and monitoring of progress in these areas.

Many Ministers also noted the important role that the OECD could play in reducing marine pollution, in particular marine plastics, by continuing to share international best practices, monitoring, and providing economic and policy analysis, including with work and activities specific to regions such as Southeast Asia.

## Working Lunch

### CITIZEN AGENCY, EDUCATION AND PUBLIC AWARENESS IN ADDRESSING ENVIRONMENTAL CHALLENGES

Minister Carole Dieschbourg (Luxembourg), opened the session by emphasising the crucial role of education in providing young people and citizens with the knowledge, skills, attitudes and values they need to make responsible and well-informed choices. Governments can equip students and citizens with the skills to build more sustainable cities, push the innovation frontier for green technologies, rethink individual lifestyles, consume differently, and back ecologically responsible policymaking.

Mr. Andreas Schleicher (Director, Education and Skills Directorate, OECD), first lead speaker, explained that while solid scientific knowledge was the single best predictor of the environmental attitudes and behaviour of young people, systems thinking tools and tools to increase youth's sense of agency and empowerment were needed to solve complex problems, such as climate change. The second lead speaker, Ms. Melati Wijsen (Founder, Bye Bye Plastic Bags and YOUTHTOPIA), spoke about the importance of environmental literacy in environmental education as well as the creation of meaningful spaces for youth to be heard and share experiences, which would equip the receivers of education with the tools to act on their knowledge.

In the discussion that followed, ministers focused on sharing their experiences across two types of government initiatives, namely, strengthening environmental education, and establishing effective outreach or networks to exchange best practices.

#### Environmental education

Many Ministers emphasised the power of environmental education to not only increase understanding but also to empower people to act on it to support the climate transition and resilience. While several ministers noted that climate change has already been integrated into school curricula and efforts are underway to mainstream climate change into all academic subjects at universities, others pointed more efforts were needed to bring education and environmental communities together. Some examples of ongoing initiatives included actions ensuring that young people have the right tools and training to become future leaders, or actions directed towards reaching out to marginalised communities. The importance of increasing exposure to nature, also amongst those communities that do not have easy access to nature, was raised as an important tool to create emotional attachment to nature. Facilitating interactions between primary students and nature or home and forest schooling where students learn outside were raised as exemplary practices to increase exposure to nature.

#### Citizen engagement, effective outreach and building of networks

With regard to effective outreach and networks to share best practices, some Ministers raised the importance of involving all citizens and engaging them directly in policy implementation. Direct engagement in policy implementation and decision-making can increase policy acceptability and trust in government. Trust in government is seen a significant factor in citizens' willingness to support climate policies. Many Ministers described their established practices,

through which they engage with youth representatives directly, for example, by establishing a citizen group to involve all community members, including marginalised communities. The importance of creating a common language around climate change and resilience was also underlined by one Minister.

Many Ministers also raised the importance of effective outreach, the most important being the need to create spaces for activists to connect and learn from each other. Other actions included awareness raising initiatives at the level of environmental institutions, educational institutions or political campaigning. The importance of creating and engaging in networks to exchange best practices amongst government administrations world-wide, including on the development of environmental laws, was also highlighted.

Looking ahead, Ministers noted that the OECD could help country efforts through providing a forum to diffuse environmental knowledge and skills. Harnessing the OECD's reach, the OECD could help develop an approach to environmental education that is both comprehensive and targeted.

### **Plenary 3**

#### **ADDRESSING THE GLOBAL PLASTICS CHALLENGE**

Administrator Michael S. Regan (USA), opened the session by emphasising the significant risks to people's health and the environment that plastic pollution is causing and underlining the need for both domestic and expressed support for the UNEA negotiations where the global community came together and agreed to launch negotiations on a legally binding international agreement on plastic pollution, with the ambition of completing its work by the end of 2024. He announced that the United States of America will conduct their OECD Environmental Performance Review (EPR), which will have a focus on Marine Plastic Litter and involve Japan to pilot a multi-country approach to EPRs. He also invited OECD Members to the US co-hosted "Our Ocean Conference", taking place in Palau in April. OECD Deputy Secretary General Jeffrey Schlagenhauf pointed to the significant work that the Organisation has been developing in this space over recent years and offered continued support to members' and partners' policy-making efforts in this area.

Following this, Mr. Shardul Agrawala (Head of Environment and Economy Integration Division, Environment Directorate, OECD) presented key insights from the OECD's Global Plastics Outlook and Dame Ellen MacArthur (Founder, Ellen MacArthur Foundation) provided further context and her assessment of priorities. The two lead speakers identified the significant scale of plastics production and pollution and its associated risks for human health and the environment. They also pointed to a number of levers that can serve to address these challenges, including strengthening markets for recycled plastics, boosting green innovation and incentivising product design that is leading to increased resource efficiency. They also acknowledged the progress made via industry-led initiatives, but recognised that further policy intervention at domestic and international levels is required to effectively address the plastics pollution challenge and complement voluntary efforts.

During the discussion, Ministers welcomed the Global Plastics Outlook as an important point of reference for domestic and international-level policy-making.

Ministers recalled important domestic policy measures that have been implemented across many countries in recent years. These include actions within circular economy transition efforts, such as bans and taxes on an increasing range of single-use plastic products prone to littering,

economic, and regulatory policy instruments, such as extended producer responsibility, that promote the reduction, reuse and recycling of plastics, boost innovation, and address hazardous substances. There was a shared view in the room about the need for a whole of lifecycle approach to public policies tackling plastics pollution. Many Ministers noted policies that address the end of life of plastics, which are often already well established, can be further strengthened, especially through improved waste management infrastructure and practices that lead to increasing the circularity of the plastics value chain. At the same time, Ministers acknowledged the importance measures up-stream of end-of-life management that create incentives for a more efficient production and consumption of plastics, reduction at source and better product design and influence consumer behaviour, leading to the elimination of unnecessary plastics, the boosting of green innovation, and to the mainstreaming of plastics that are safe by design.

Ministers also discussed cooperation at the international level and stressed the need for a global approach. In this context, they welcomed the resolution recently adopted by the United Nations Environment Assembly (UNEA-5) entitled “End plastic pollution: Towards an international legally binding instrument” that requests to convene an intergovernmental negotiation committee to develop an international legally binding instrument on plastic pollution. The resolution, adopted in March 2022, was recognised by Ministers as an important step in the fight against plastic pollution. However, Ministers acknowledged that much work still lies ahead. They highlighted a series of challenges that need to be addressed, including measures to reduce plastics leakage in low and middle-income countries, green innovation and the facilitation of technology transfer and trade in advanced green technologies, better regulation of waste plastics exports, alignment of product standards that ensure reusability, durability and recyclability of plastic products, as well as improved availability of data, indicators and analysis to support the prioritisation of international and domestic policy efforts.

Finally, Ministers encouraged the OECD, through EPOC, to support the objectives of the upcoming intergovernmental negotiating committee under UNEA with relevant analytical work, such as reviewing existing metrics, and the use of economic instruments through a full lifecycle approach, economic analysis of reuse models, the impact of decarbonisation of plastics, enhancing the development of good practices to strengthen domestic policy and provide a forum for exchange of experience between members and partners.



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