

STATEMENT FROM ENVIRONMENTAL NGOS TOWARDS OECD MINISTERIAL MEETING 25-26 MAY 2011

OECD Green Growth Strategy Synthesis Report: Misses the Dimension of Reform and Urgency of Action

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Introduction

Since it was first announced in May 2009, environment NGOs have closely followed and participated in the OECD Green Growth Strategy, leading up to the launch of the Synthesis Report in May 2011. As part of the recognised role with the OECD, the EEB has co-ordinated involvement and input from other environmental NGOs. We appreciate and value this opportunity to be part of this important process and piece of work.

Closed Eyes to the Evidence

The OECD will launch their Green Growth Strategy Synthesis Report against the backdrop of a well-established, active and abundant global debate on green growth. **However, the OECD does not use this opportunity to go further in its own findings and recommendations, to challenge the existing growth model.** As a long awaited and laboured piece of work it comes as some surprise and disappointment that the OECD remains cautious in the messages it sends.

The current model of economic growth is dependent on ever-growing levels of material and energy consumption. This is unsustainable on a finite planet. Humanity's ecological footprint is currently 44% above the planet's capacity to replenish renewable resources and absorb pollution and waste. This has profound environmental consequences that threaten our security now and in the future.

A "Green Growth Strategy" only deserves that name if it will effectively prevent the major environmental disasters ahead of us.

Our obsession with growth was only ever a means to an end, not an end in itself. Since there is now significant evidence that the means undermines the ends, a more fundamental rethink is required.

The OECD has said that "*[g]reen growth means fostering economic growth and development, while ensuring that natural assets continue to provide the*

*resources and environmental services on which our well-being relies*¹." There is no doubt we have gone far beyond these simple win-win formulations.

The Case for Urgency

Environmental limits, imbalances, resource scarcity and risks of irreversible and dangerous changes to our natural systems threaten to undermine our wellbeing and security, let alone our continued capacity to grow or develop. The need for a green growth agenda becomes all the more compelling. **Countries must heed the warning that we have already crossed the ecological threshold in three critical areas: climate change, global nitrogen cycles and biodiversity loss.**

We are therefore living outside a 'safe operating space for humanity'. The consequences of exceeding these boundaries are well understood and any uncertainty over the timing of nonlinear changes should not offer false security: **we cannot deny the urgency for action.** The importance of this agenda is not only the scale of economic transformation but the speed within which it must be achieved in order to avoid dangerous environmental feedbacks, currently best articulated by climate modelling. Since we have so far failed to properly value and manage our natural capital, efforts are needed to take into account their true costs and their role in supporting our economic growth and therefore ourselves.

Poor Measurement Tools

The OECD proposes that the indicators will play a pivotal role in measurement, to develop a consistent environment-economy accounting framework. It comes with some considerable concern therefore that there is **no commitment to a composite indicator**, but rather a shopping list of 20 'headline' indicators. It is extremely worrying that a key part of the work remains to be defined. The proposed process to identify a composite indicator risks key measurements being omitted and this will threaten the entire purpose of the report. Furthermore, indicators for monitoring the Green Growth Strategy must be able to monitor progress towards absolute decoupling.

The model the OECD uses and bases its recommendations upon does not take into account the economic and environmental cost of inaction, i.e. the key motive for another model of growth. Nor does it account for the expected gains from resource efficiency under a green growth strategy, i.e. one of the key purposes of such a strategy. It comes as no surprise therefore that the model shows only setbacks and no benefits from a Green Growth Strategy (less growth than under business as usual). This is in clear contradiction to the core idea of the strategy (enhancing economic growth by going green, creating jobs, reducing externalised costs etc), and offers a basis for deriving policy recommendations which is at best weak and at worst grossly misguided.

¹ Executive Summary, OECD Green Growth Strategy Synthesis Report, 2011

Investing in our Wellbeing

The option to continue our current growth model is no longer available to us: **governments must take the lead in diverting and dedicating capacity, introducing a well defined framework for action and significant policy reform.** At a time when economic recession demands a change in thinking, a Green Growth Strategy is all the more justified and to be welcomed. The OECD sets out the additional benefits that a green growth strategy brings, including **greater competitiveness and productivity, stability, new jobs and innovation.**

Different national contexts will require different policy responses, all of which should be clear, predictable and coherent to industry, investors and consumers alike. The OECD presents an impressive tool box of the essentials: policy and market instruments, regulation and investment which will help to reinforce the economic and environmental policy.

Crucial Next Steps

It remains to be seen on how countries will adopt and foster such approaches. The OECD will be expected to monitor and evaluate progress as well as ensure that other aspects of its work programme reinforce these recommendations. In addition to the composite indicator, tangible delivery and evaluation mechanisms for the Green Growth Strategy are yet to be defined.

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