

Organisation for Economic Co-operation and Development

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Launch of the Environmental Performance Review of Switzerland

By Mr. Lorents Lorentsen, Environment Director

Minister, Ladies and Gentlemen,

- On behalf of the OECD, it is a great pleasure to present, here in Bern, the <u>second</u> OECD Environmental Performance Review of Switzerland, focusing on the country's environmental <u>achievements and challenges</u>. It examines the environmental performance of <u>Switzerland as a whole</u>, due to the combined efforts of its governments, including federal, cantonal and municipal governments, as well as civil society, such as enterprises and environmental NGOs.
- Minister, the report reviews the period since 1998 and shows that environmental efforts of Switzerland are clearly <u>bearing fruit</u>. But <u>further progress</u> is needed, requiring a strengthened sustainable management of <u>natural resources</u>.

THE REVIEW OF SWITZERLAND (\$3/\$4)

This report examines the environmental results achieved, with respect to Swiss' domestic and international commitments. It is an evidence-based report, building on data and facts. The assessments presented here are also built on the policy experience of OECD, having conducted some 58 country environmental performance reviews;

- An earlier draft of this report was the basis for a <u>formal examination</u>, which took place for a full day in September 2006 in Brussels, where representatives from all OECD countries posed questions to the Swiss delegation. The report includes <u>46 recommendations</u>, which were approved by all OECD countries including Switzerland itself.
- The review of policies and country performance is a <u>core function of the OECD</u>. Our aim is to promote policy dialogue and exchange of best practices among member countries. We have also reviewed environmental performance of key non member countries such as China and Russia. Other OECD country review programmes address other policy areas: for instance, the Economic review of Switzerland was published in 2006.

ACHIEVEMENTS

Switzerland has made significant environmental achievements on several fronts. I will only mention a few of them here:

Concerning Environmental Management (S5)

- Switzerland has the <u>lowest emission intensities</u> of OECD countries for SOx and NOx. For instance, SOx emissions per unit of GDP are of 0.1 (kg/1 000 USD of GDP) for Switzerland, 0.3 for France, Germany or Japan and 1.4 for the US. NOx emissions per unit of GDP are at 0.4 for Switzerland, 0.6 for Japan, 0.8 for France and Germany and 1.8 for the US.
- It has drinking <u>water</u> of high quality, advanced <u>waste water infrastructure</u> serving 97% of the population (70% for France, 92% for Germany, 64% for Japan and 71% for the US), again the best figure among OECD countries.
- It has advanced <u>waste management</u> and <u>noise abatement</u> policy.
- ♦ It has made good progress in the <u>sustainable management of forests</u>.

Concerning Sustainable Development (S6)

- ♦ Good progress has been made to implement the <u>polluter pays principle</u>.
- Use of <u>economic instruments</u> has increased (e.g. for waste and water management).
- Most importantly, economic <u>benefits</u> have been derived from environmental progress (in terms of health, tourism, eco-industry and agro-food industry).
- Agro-environmental measures have been developed and implemented effectively.
- ♦ The Environment/Health Plan and the SwissEnergy programme are also major advances.

Concerning International Co-operation (S7)

- Switzerland has a very proactive attitude concerning international environmental issues. With a very open economy and with its location at the heart of Europe, Switzerland has many geographical and economic interdependencies with European partners and beyond.
- ♦ Concerning Multilateral Environmental Agreements, and those relating to trade particularly, Switzerland has implemented effectively the Montreal Protocol (concerning ozone depleting substances), the Washington Convention (concerning endangered species), the Basel Convention (concerning hazardous waste) and the OECD Acts (concerning chemical products).
- Regional co-operation has been quite fruitful (e.g. Rhine, Rhone, co-operation with EU).

All these achievements of Switzerland are built on very solid environmental institutions, environmental legislation, environmental democracy and environmental expertise; on active co-operation and <u>partnerships with civil society</u>. Environmental <u>expenditure of 1.4% of GDP</u> (which is not a very high figure) are translating into concrete results. There is no evidence of a negative impact on the competitiveness of the Swiss industry from the pollution related efforts of the country.

CHALLENGES

However, the report provides 46 recommendations for further improvements. Let me particularly stress the need to strengthen further the use of economic instruments and economic analysis as well as to integrate environmental concerns into economic sectors such as agriculture, energy, transport, tourism, land use planning (aménagement du territoire) and in fiscal policies. Indeed if traditional pollution issues are mastered here in Switzerland, there remain a range of issues to be mastered, many of them associated to natural resource management.

Concerning Environmental Management (S8)

- ♦ "New" <u>air pollution</u> issues have emerged, with concern with fine particulates, ozone and their associated health impacts.
- Water basin management and management of aquatic ecosystems (renaturation of rivers, flood control, minimum flows) have to be developed much further.
- ♦ The degradation of <u>biodiversity</u> urgently requires a national strategy (as requested by the Convention on Biodiversity) and its vigorous implementation.
- ♦ The rapid loss of <u>agricultural and natural land</u> demands a revision of the federal law on the "aménagement du territoire".
- The network of <u>protected spaces</u> has to be further expanded, strengthened in its management and interconnected. New national <u>parks</u> might be considered.

Concerning Sustainable Development (S9)

- ♦ A <u>Commission</u> to review taxes, economic instruments and subsidies (from an environmental point of view) should be set up.
- Reinforcing the implementation of the <u>PPP</u> would require a thorough review of the need to get the pollution/noise damages to be born by activities (e.g. energy, transport) generating them.
- Efforts should be made to move towards more sustainable consumption patterns (e.g. concerning transport, land use, leisure activities), particularly by use of economic and regulatory instruments.

Concerning International Co-operation (S10)

Switzerland should aim at preserving its <u>positive environmental international image</u> and the associated benefits. This may imply inter alia:

- ♦ To achieve its domestic and international <u>climate change</u> commitments, including the implementation of the CO₂ tax.
- ♦ To engage in pending <u>ratifications</u> of international agreements (e.g. Aarhus, Espoo, Alpine Convention Protocols).
- ♦ To strengthen the environmental dimension of official development assistance.

CONCLUSION (S11/S12)

In conclusion, I would like to reiterate our three key messages.

- Switzerland has achieved <u>remarkable environmental progress</u> concerning pollution related issues. It is among the very best OECD countries. **BRAVO**.
- Nevertheless, <u>further progress</u> is needed concerning a range of <u>domestic issues</u> (to stop the degradation of nature and biodiversity, to stop the rapid loss of natural and agricultural land, to move towards sustainable consumption patterns) and has to maintain its positive international environmental image with its associated benefits.
- To achieve a <u>sustainable management of its natural resources</u>, Switzerland will need to further strengthen its use of economic instruments and economic analysis in related policies and to ensure that the relevant sectors (energy, transport, agriculture, tourism, land use) integrate better environmental concerns, through both institutional and market mechanisms.

Minister, Ladies and Gentlemen, let me thank all of you, and through you, the many <u>talented</u> and <u>committed officials</u> and experts who have contributed to this review in a spirit of openness and transparency.