



## **Forum Nachhaltiges Österreich**

### **Comments on the draft review of the EU-SDS**

#### **COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT**

On the review of the Sustainable Development Strategy

## **A revised sustainable development strategy for the EU: Commitment for Action**

2006-02-28

This draft is based on drafted papers by the Green 10 and by the EEAC Working Group on Sustainable Development, both developed with contributions from Christian Baumgartner (Forum Sustainable Austria / International Friends of Nature)

The Green 10 is a platform of the ten large European environmental NGOs:

BirdLife International, Climate Action Network Europe, European Environmental Bureau, European Public Health Alliance-Environment Network, International Friends of Nature, Friends of the Earth Europe, Greenpeace, The European Federation for Transport & Environment, CEE Bankwatch Network, WWF European Policy Office.

The EEAC (European Environmental and Sustainability Advisory Councils) is the European umbrella of around 30 advisory councils for environmental policy and sustainable development from 15 countries in the European Union are participating in the EEAC network ([www.eeac-net.org](http://www.eeac-net.org)).

## CONTENTS

<b>1. THE GLOBAL CHALLENGE</b>	<b>3</b>
<b>2. CLIMATE &amp; ENERGY</b>	<b>7</b>
<b>3. PUBLIC HEALTH</b>	<b>8</b>
<b>4. SOCIAL EXCLUSION, DEMOGRAPHY AND MIGRATION</b>	<b>11</b>
<b>5. USE AND MANAGEMENT OF NATURAL RESOURCES</b>	<b>13</b>
<b>6. BIODIVERSITY</b>	<b>16</b>
<b>7. TRANSPORT</b>	<b>19</b>
<b>8. GLOBAL POVERTY AND DEVELOPMENT</b>	<b>21</b>
<b>9. POLICIES, INSTRUMENTS AND MONITORING</b>	<b>25</b>

# 1. THE GLOBAL CHALLENGE

## 1. 1. General vision and objectives

**The Millennium Ecosystem Assessment** is the most recent and severe warning that global sustainability is more than ever before under threat, suggesting that two thirds of the ecosystem services, on which humans depend, are in decline. A key objective for the EU is to *“Safeguard the earth’s capacity to support life in all its diversity, respect the limits of the planet’s natural resources and ensure a high level of protection and improvement of the quality of the environment.”*

The EU has a special role to play to ensure the maintenance and restoration of ecosystem functions and services, locally and globally. This is not a matter of choice. Rather, it is required by the Treaties of the Community and the Guiding Principles endorsed by the European Council in June 2005.

**The EU’s sustainable development strategy should inherently contribute to global sustainability.** The EU should reverse its current development path with the ongoing negative impact on people and the environment even in other parts of the world. This is a matter of solidarity and self-interest. The EU is part of the global environment, and the persistence elsewhere of poverty, environmental degradation and exploitation of human beings will impede the realisation of Sustainable Development in the EU as well. The EU should aim at the full implementation of the Millennium Development Goals, recognising that achievement of MDG7 ‘environmental sustainability’ is essential if all other MDGs are to be met.

The per capita consumption of resources and energy in Europe is above any sustainable level. This has already led to grave consequences for the European as well as the global environment. Improved environmental legislation in the EU is slowing down the deterioration in our own region, but in the given circumstances it is leading to an accelerated exploitation of environment outside Europe.

Future European generations, and current generations in emerging countries, will not be able to copy the current EU pattern of resource use without degrading ecosystems and, consequently aggravating poverty. The EU must dramatically change its consumption and production patterns and has to create space for others to benefit from the same sustainable consumption and production patterns in the future.

**Making the EU the most energy and natural resource efficient economy in the world** must be a key objective of the Sustainable Development Strategy. This objective should also guide the Lisbon Strategy which should, within the framework of the SDS, contribute to eco-innovation, environmental protection, economic performance, job-creation and social coherence in line with the sustainable development goals.

**The SD Declaration** adopted by the June 2005 European Council gives the broad principles to which EU policies should adhere in general. The **Sustainable Development Strategy should** outline the direction of changes with concrete objectives, targets, timetables, instruments, institutional arrangements and benchmarking. It should be in line with the objectives of the 6th EAP abiding by the Treaty to fully integrate environmental concerns into other policy areas. The strategy should be provided with an annually updated **implementation plan, progress report**, monitoring and evaluation process connected to it. The EU SDS needs to be interlinked to the national strategies for sustainable development. Member states should be committed to work and report on it in a manner comparable to the Lisbon Strategy

National Reform Programmes, and contribute to the development of EU wide instruments to enable effective implementation of national strategies.

## **1. 2. Comments to Commission document**

### **The Sustainability Challenge. An opportunity not to be missed.**

The European Commission's communication COM(2005) 658 ought to provide the opportunity for member states and all the European institutions to give new impetus to European sustainability policy. The communication indicates some of the important areas for attention and draws together in one place some of the programmes and initiatives at European level that are already tending towards sustainability. But it does not yet measure up to the severity and urgency of the sustainability challenge and the need for much stronger commitments by member states and by the Commission itself, and a much more determined effort to ensure that commitments are fully implemented.

Our Working Group sees the debate that has now been launched due to the communication as a crucial opportunity to reach out for a much broader base of political and public support for the goals of sustainable development and to galvanise leadership and commitment for some of the difficult SD policies that are needed to deal with current challenges to sustainability. Demographic change, environmental degradation, the impacts of globalisation all need to be taken into account. A new politics of sustainability needs to be created. The Working Group urges member states, the Council, the Parliament and the Commission together with stakeholder groups and wider society to build on the analysis in the Communication to create a stronger and more dynamic strategy for achieving truly sustainable development in Europe in the years ahead.

Our network appreciates the intention of the Austrian Presidency of the Council to seek develop the strategy in some of these ways. Our dialogue paper is offered as part of a broad move to build on the Communication a powerful relaunch of the EU sustainability strategy. We are ready to contribute to the debate and to play our part in strengthening the strategy.

### **Getting it straight. The Severity and Urgency of the Sustainability Challenge.**

The Commission's communication provides a useful summary of activity on sustainability issues at European level and indicates some areas where further work will be needed. But it does not provide a detailed assessment of how far Europe is meeting the sustainability challenge and the Johannesburg goals. And it does not provide either the targets or the machinery to enable Europe to drive sustainability forward more vigorously.

### Current State of Sustainability in the European Union.

The Communication refers to a number of important sustainability issues. However, it does not severely assess how far current situation and trends are already sustainable or fall short of sustainability. A more rigorous analysis of the recently published Eurostat sustainability indicators and of successive EEA reports would have identified more clearly where trends are currently least sustainable and therefore pointed out priorities for more vigorous action. In particular, it should have drawn sharper attention to the increasing threats from climate change, the loss of biodiversity and other natural resources, the need for more radical transformation of mainstream thinking about economic goals, and the management of development to avoid exacerbating these problems in the years ahead.

Given the well designed work on quantified assessments, the European SD strategy should make more use of quantified goals and indicators – not only as a reference but also as political instruments to manage SD policies. The EU Strategy should explicitly develop a reference mechanism for the key action fields.

In developing the strategy further our working group urges to identify more clearly where Europe under-runs mostly on sustainability goals so as to prioritise action in these areas and to emphasise them as crucial areas regular and intensive monitoring and review.

#### Current State of action at European and Member State level.

Similarly COM (2005) 658 refers to some significant areas of activity for sustainability. However, it does not assess the adequacy of existing commitments against the sustainability principles agreed by the Council and against the factual trends. Nor does it assess how far current implementation policies and actions are achieving existing targets. It does not set any new objectives, targets or deadlines or any strengthened measures for delivering existing targets – it merely gathers together a description of some of the action already carried out in various contexts that has relevance to sustainable development.

Our Working Group agrees with the widespread view that the most important task at present is to achieve better implementation of the wide range of existent targets and commitments. The ways to achieve this and to keep political attention on areas where there are continuing shortfalls should be the top priority for the new strategy. At the same the Union should seek to adopt more demanding targets and timetables in the areas where sustainability is most problematic.

There is also the need to clarify where action is most urgently needed at European level, and where it can appropriately be left to member state initiatives or/and to corporate responsibility. In many European member states, a national sustainable development strategy has been adopted and, in part, reviewed several times over. In their National Sustainability Strategies European member states are addressing challenging trends in energy supply, consumption and mobility, for example, but action options often necessitate measures at both national and European level. For any major move to bring forward sustainability solutions in a global perspective National SD Strategies need a frame of serious political options on European level. This is particularly true for such issues as clean coal technologies, renewable energies, and zero emission products.

#### **Making sustainability happen through key actions on competitiveness**

Ecological, social and economic problems are pushing forward the efforts to come up with solutions for sustainability. Among the not sustainable, economic trends unemployment, global poverty, and the inadequacy of conventional economic policies to open new markets and to create future-proof technologies are the most important.

The European sustainable development strategy adopted in 2001 (Gothenburg Summit) made a brave attempt to integrate these concerns but in practice proved ineffective and, consisting of fragments of a variety of documents, was virtually impossible to communicate. The unclear relationship between Lisbon and the sustainable development strategy produced contradictory and unproductive controversies that were more blockading than innovative.

In our view the annual Lisbon process should be broadened in scope and direction so that it becomes the occasion for a true annual assessment and stock-taking of the progress of the Union towards the long term sustainability goals defined by the sustainable development strategy. It is not sufficient for the Lisbon process to focus on the narrow traditional economic goals of growth and competitiveness. The sustainability challenge makes it imperative to focus on a broader and longer term concept of the well-being and health of society and its

relationship to the natural environment as the true goal. Conversely the sustainable development strategy needs to take full account of the economic dimension and to help identify the technological and economic opportunities that will arise in the transition to a more sustainable society in the future.

### **Cross-cutting issues: delivering coherence**

Many of the biggest sustainability challenges span several different DGs in the Commission and several different Council formations. It is not easy to achieve integrated and coherent action across these different formations either at European or at national level. But COM (2005) 658 offers no new suggestions as to how such integrated analysis and action might be promoted at either level. Indeed it weakens the existing status of SD reporting by removing sustainable development from the annual Spring Council review, and thereby destroys the essential linkage between the Lisbon agenda and the SD goals that had been made at the Gothenburg Council.

We urge that the sustainability agenda and action should be co-ordinated within the Commission by high level structures similar to those that have been adopted for the competitiveness agenda.

### **1.3. Key Actions**

- Reconfirm the objectives from the Gothenburg conclusions as well as the Barcelona conclusions
- Ensure that the annual Lisbon review process should continue to be undertaken within a sustainability framework as agreed at the Gothenburg and Cardiff summits
- Incorporate innovation for sustainability and the long-term competitiveness of the European economy as a seventh key action area into the reviewed SD Strategy. The linking of the two strategies needs to be highly visible in order to streamline political thinking. In the course of a broad discussion on the SD Strategy possible areas for wide-ranging European initiatives should be explored.
- Identify key issues where a stronger impetus is needed in coming years to overcome barriers to change
- Agree on more ambitious measurable objectives for the priority themes, as outlined in the following chapters of this paper
- Ensure that market based instruments are applied more strongly and consistently throughout the EU, in some cases supplemented by legal instruments, especially:
  - Aim at environmental taxation reforms in all member states, with a common objective of a 10% tax-base shift away from labour to environmental pressures, within a period of 5 years. It might be difficult to achieve (the unanimity requirement) as a detailed legal instrument, hence, the alternative of Open Method Of Coordination should be considered;
  - Agree on effective instruments for speeding up the uptake of eco-innovations such as performance targets for major product groups and levies or subsidies to steer market uptake;
  - Systematic mobilisation of public procurement for sustainable development, aiming at a 100% coverage by 2010 at all levels of government;

- A sustainability scrutiny test for the use of all 2007-2013 EU funds and insurance that a large part of it has specific environmental objectives;
- Phasing out or redirect the billions of Euros spent on environmentally perverse subsidies from the EU and Member States by 2010; specific proposals to be ready for the 2007 spring council.
- Inviting all member states to come up with proposals on how EU wide economic instruments can support national objectives and implementation, and feed these into proposals for the 2007 Spring Council
- Better implementation and enforcement of existing environmental legislation as a contribution to sustainable development

## **2. CLIMATE & ENERGY**

### **2.1. Vision and overarching objective**

Climate change is arguably the largest challenge humanity faces in the 21<sup>st</sup> century. It is already happening faster than previously expected. Scientific evidence indicates that we have no more but a few years left to change our behaviour, Yet we are still able to avoid catastrophic impacts through a global, concerted effort. A viable global regime to address climate change must be built on the core principles of equity and fairness and include an appropriate balance of rights and obligations.

Profound, long-term structural changes are needed to reduce our greenhouse gas emissions, especially the use of fossil fuels. To that end, we must build a sustainable European energy system that supplies our energy needs without harmful social, environmental and climate impacts. This will require significant increases in energy efficiency and the swift deployment of renewable energy technologies. It will also require fundamental changes of behaviour and production respectively consumption patterns.

The benefits of limiting the impact of the climate change will by far outweigh the costs of mitigation actions. We urgently need to motivate all international partners to implement effective policies against climate change and to develop mechanisms to help those more seriously affected by its impacts.

### **1. 2. Comments to Commission document**

#### **Positive elements are:**

- Stating the obvious: climate change is happening and it needs to be addressed at a global level;
- Points out that it will be cheaper to tackle climate change than to suffer its consequences;
- Stresses the need for mitigation as well as adaptation in the EU and globally;
- Reiterates the energy saving potential of Europe and its rich renewable energy resources.

#### **Elements that need to be improved:**

- The development of the EU's post-2012 commitment is not linked with its stated objective of staying below two degrees Celsius of mean temperature increase (pre-industrial levels);
- The sense of urgency is missing;
- It does not mention climate change threats to ecosystems, biodiversity and human life.

### **Points which are missing and should be added:**

- Reiterate EU's commitment to the two degree target;
- Short term and long term greenhouse gas reduction targets;
- Stronger implementation of existing policies and additional measures are needed;
- The need to address climate change as a horizontal issue that affects many aspects of EU policy-making (energy, chemicals, agriculture, waste, forestry, foreign policy, etc).

### **2.3. Key Actions**

Actions are listed from short term to longer term:

#### Short term

- It is crucial that the EU meets its existing commitment, such as its Kyoto Protocol target with the majority of the emission reductions taking place in Europe;
- Renewable energy: The EU must meet its existing renewable energy targets and adopt long-term, binding targets: at least 25% green energy supply by 2020 for primary energy;
- Energy efficiency: Ensure that the existing directives are fully implemented and deliver their full potential. Develop an energy efficiency action plan that will realise 20% of energy savings by 2020, as identified in the Green Paper on energy efficiency;
- International: Strengthen Europe's leadership in the negotiations for the second commitment period of the Kyoto Protocol – the UN regime must ensure that emissions reductions proceed fast enough to keep global warming below two degrees Celsius;
- New EU climate targets: at least 30% domestic greenhouse gas emission reductions by 2020, compared to 1990 levels;
- Develop a new directive on Green Public Procurement;
- The removal of market barriers which hinder the growth of clean energy, including putting an immediate end to subsidies to conventional energy sources (fossil fuels and nuclear energy);
- Transport emissions need to be tackled through a directive with binding fuel efficiency standards for new cars starting from 120g/km by 2010.

#### Long term:

- Climate target: Reducing the greenhouse gas emissions of the EU by 80% by 2050;
- Renewable energy: 50% of energy consumption from renewable energy sources by 2050.

## **3. PUBLIC HEALTH**

### **3.1. Vision and objectives**

The well-being and health of Europe's population is central to sustainable development as well as a fundamental right for all citizens. European citizens should be able to enjoy a maximum number of healthy life years, independent of social status and geographical location.

*'One in three child deaths in Europe due to environment'* was the head line of a publication in the Lancet (19th June 2004). The report goes on that *'100,000 deaths and 6 million years of healthy life lost every year, in children and adolescents from birth to 19 years of age, are caused by outdoor and indoor air pollution, unsafe water, lead and injuries.'* This illustrates clearly that the EU and its member states urgently need to address these and other public health threats, and that if left unchecked the trade off for *'growth and jobs'* will be at the expense of the health of our children.

The public health expenditure sums up between 20 and 25% of EU Government expenditure. For example, the average cost to society of one case of cancer per year and patient is estimated to be €2.5 million. The EU could save up to €161 billion a year by reducing air-pollution diseases.

Poor health within our societies is immediate to those affected, while concepts of European sustainable health are abstract and need Ministers, Parliamentarians and Commissioners to take responsibility for a more holistic approach to ensure preventive public health policies.

In the WHO Report for the Millennium Ecosystem Assessment<sup>1</sup>, Maria Neira, Director of WHO's Department for the Protection of the Human Environment, states: *"Human health is strongly linked to the health of ecosystems, which meet many of our most critical needs. We in the health sector need to take heed of this in our own planning, and together with other sectors, ensure that we obtain the greatest benefit from ecosystems for good health – now and in the future."*

Important EU objectives should be:

- Bridging health inequalities across the EU and protecting the health of those most vulnerable, like children and the elderly, independent of social status and geographical location through preventive and protective policies.
- A more holistic approach to health promotion and disease prevention (by addressing health determinants such as life-style factors, transport, urbanisation and energy policies at the appropriate level) to reduce the economic and social burden of illness in the long-term and increase healthy life years. In addition, better knowledge and therefore better health impact assessments linked to concrete targets and timetables to reduce the effects of pollutants - in particular hazardous chemicals, indoor and ambient air pollution, pesticides - on health will also facilitate improved preventive measures and decisions at an EU level.
- The health community and the EU's health care systems should provide leadership in working towards a more sustainable future, engaging the public.
- Look at the allocation of the EU budget in order to achieve the public health gains expected of a sustainable Europe. At present the public health and environment budgets do not reflect even the European Commission's own ambitions.

### **3. 2. Comments to Commission document**

Relevant objectives already included in 2001 and now reiterated in some form in the Commission paper include:

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<sup>1</sup> World Health Organisation Ecosystems and human well-being: Health Synthesis Report for the Millennium Ecosystem Assessment. <http://www.who.int/globalchange/ecosystems/ecosystems05/en/index.html>

- Create by 2005 a European capacity to monitor and control outbreaks of infectious diseases.
- Improve capacity to monitor and control health impacts of certain substances (for example dioxins, toxins, pesticides) in food and the environment, especially their effects on children.
- Make food safety and quality the objective of all players in the food chain.
- By 2020, ensure that chemicals are only produced and used in ways that do not pose significant threats to human health and the environment.
- Tackle issues related to outbreaks of infectious diseases and resistance to antibiotics.
- Reorient support from the Common Agricultural Policy to reward healthy, high quality products and practices rather than quantity; following on from the 2002 evaluation of the tobacco regime, adapt the regime so as to allow for a phasing out of tobacco subsidies while putting in place measures to develop alternative sources of income and economic activity for tobacco workers and growers and decide an early date accordingly.
- All legislation to implement the new chemicals policy in place by 2004.
- Improve consumer information and awareness through education, and clear labelling of food.

One measure has not been reiterated:

- Develop by 2003 a comprehensive Community strategy to promote health and safety at work, to achieve a substantial reduction in work accidents and professional illness.

The only new measure includes a key action:

- To curb the increase in preventable life style diseases through **health promotion and prevention**

### 3.3. Key Actions for the EU and member states:

- ensure a strong **REACH** chemicals policy with the substitution of hazardous chemicals for safer ones that will ensure a halving of the consumption of harmful chemicals by 2010 compared to 1995 and eliminate human made releases of harmful chemicals by 2020 (as obliged by OSPAR and HELCOM).
- examine the potential health threats, costs and benefits of the interactions of EU agricultural and nutrition policy between organic farming, GMO use and pesticide residues to ensure **healthy food** and rural environment.
- develop and upgrade generic preparedness plans on handling health threats from **communicable and non-communicable diseases** (in preparation for a possible pandemic influenza, TB or obesity epidemic) taking into account the European Centre for Disease Control and World Health Organization guidelines.
- launch a **Green Paper on indoor air** pollution, including the EU's role in Framework Convention on Tobacco control.
- ensure EU policies effectively prioritise reducing the impact of environmental health stressors on diseases such as asthma and respiratory diseases, childhood cancer, neurodevelopment disorders, disease related to the endocrine system with **targets and timetables in a precautionary manner**. Coordinate research including bio-

monitoring on health threats including emerging threats (climate change, EMF, potential health threats from new technology)

- develop information processes that will highlight the links between environmental pollutants, exposure and health impacts in order to make better Health Impact Assessment. Improve our understanding of what environmental factors cause health problems under a **European Environment and Health Tracking** system.
- implement a comprehensive Community strategy to promote **health and safety at work**, to achieve a substantial reduction in work accidents and professional illness.
- promote the use of **Green Spaces** in the urban setting to increase physical activity and promote biodiversity.
- ensure that the health of vulnerable groups, such as **children and the elderly**, are taken into consideration, by implementing the Children's Environment and Health Action Plan for Europe (CEHAPE) in all EU countries.
- ensure reductions of 84% for SO<sub>2</sub>, 55% for NO<sub>x</sub>, 29% for NH<sub>3</sub> and 60% for VOC compared to 1990 levels by 2010. PM, 80% reduction of PM 2.5 by 2010 and WHO **air quality standards** with respect to human health are no longer exceeded.
- reduce exposure to unhealthy **noise** levels and reduce traffic **accidents** by 50% by 2010 compared to the year 2000.
- To curb the increase in preventable life style and environmental related diseases through health promotion, for example a European '**ONE STOP SHOP**' Health Portal as well as a promoting major **education and training** programs.

## 4. SOCIAL EXCLUSION, DEMOGRAPHY AND MIGRATION

### 4.1. Vision and objectives

The objectives to be achieved through sustainable economic and social development of states, need to be formulated from two perspectives: First of all from the perspective of a new perception of competitiveness and responsibility and secondly from the perspective of generating attractive and 'transferable' social models. The latter are also the prerequisites for ensuring an environmentally sound catch-up development of other countries, especially in Africa, East and South-East Asia.

In its Green Paper on demographic change, the European Commission emphasised the connection between the family-friendly management of paid work and demographic change: *"If Europe is to reverse this demographic decline, families must be further encouraged by public policies that allow women and men to reconcile family life and work."*<sup>2</sup>

However, we wish to underline that - if the disproportion of generations is reduced and regional cohesion is guaranteed - even some decline of Europe's population, could help to reduce pressures on the environment and improve access to housing and jobs.. Facilitating work-life balance for men and women is one of the key concepts in this context. The need for policies enabling work-life balance is also expounded in the European Commission's report on the equality of women and men: *"However, experience shows that Member States having*

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<sup>2</sup>Green Paper "Confronting demographic change: a new solidarity between the generations", COM (2005) 94, Brussels

*comprehensive policies to reconcile work and family life for both men and women show higher fertility rates as well as higher labour market participation of women.”*<sup>3</sup>

The policies proposed and recommended to achieve work-life balance cover both long-term perspectives and short as well as medium-term steps in the envisaged direction. All considerations start from the assumption that working-time policies can enable work-life balance and promote gender equality, if they are addressed to both women and men and designed to bring up a fairer gender distribution of paid and unpaid work.

Hence, in the long-term perspective, there is no way around re-assessing and re-distributing the total volume of work that keeps societies going. In other words, the value of unpaid work (household chores, reproductive work, DIY and voluntary work) needs to be enhanced as compared with paid work and it needs social security coverage. To spark off an ongoing discussion among all the stakeholders is the task of policy makers and of states.

The elements of an appropriate and consistent policy mix for short and medium-term measures are – apart from statutory provisions regulating working time and rights of codetermination: provisions for child care at company level, socio-political measures, changing corporate culture and prevailing societal concepts of a fair gender division of labour. All the mentioned issues need to be tackled simultaneously and a continuous development of the consistent policy mix needs to be ensured.

## **4.2. Comments to the Commission proposals**

Good points of the paper are:

- The fact that the sustainability strategy does take account of social exclusion, demography and migration.
- The realisation that ‘tackling poverty and social exclusion in the EU is not just about increasing low incomes.’

Points for improvement are:

- Demographic change is mainly seen as a phenomenon engendered by a the aging of societies. The connections and interactions between migration and the aging of societies should be more clearly demonstrated.
- A clear distinction should be made between macro-demography and micro-demography and their different trends.

Points that should be included:

- Links between poverty, social exclusion and access to education systems.
- Make reference to the ongoing discussion about basic income and/or basic security.
- Women are eminently affected by poverty; single parents – most of them females – are a special risk group. Hence, all measures and strategies need to take into account gender aspects.
- Rural areas need special support to prevent migration to the cities, which leads to the thinning out of infrastructure needed mainly for the older, less mobile generation.

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<sup>3</sup> Report from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on equality between women and men, COM (2005)44, Brussels

### 4.3. Key Actions

*(Measures in Italics are already foreseen in the Communication from the Commission)*

- *In response to the discussions of heads of state and government at Hampton Court in October 2005, the Commission will present a communication in early 2006 which will look at ways in which the EU can help Member States respond to the demographic challenges they are facing, notably by promoting active ageing strategies, the integration of immigrants and better conditions for families. It will consult social partners on whether to propose new initiatives to support reconciliation of work and private life.*
- The structural funds and other instruments to support rural areas are to be used in proactive measures to secure the quality of the social environment for elderly, handicapped and less mobile people.
- *The Commission proposes a European Year of combating poverty and social exclusion. A roadmap for equality between women and men will be presented in 2006 to help achieve gender equality. The EU supports the efforts of member states to modernise social protection systems to ensure their sustainability.*
- The EU and its member states should take all necessary measures to implement a system that provides basic income or basic security to avoid poverty.
- The EU and its member states should take all necessary measures to improve access to kindergarten and preschool for children of migrants and to provide integrated language training.
- *The EU and its member states should continue to develop a EU policy on legal migration, strengthen the integration of migrants and their families and fight illegal immigration. The Commission has proposed support to member states integration measures through a European fund for the integration of “Third Country” Nationals for 2007-2013. It has issued a policy plan on legal migration, including admission procedures. It will also propose a common policy framework to fight illegal immigration in 2006.*
- The EU should provide motivation and support for the member states to strengthen and implement the following measures:
  - ‘Local initiatives’ to upgrade the child-care infrastructure, applying for example the German model of ‘family and civil society alliances’.
  - Demand and support proactive measures of companies to provide child care.
  - Sensitise public opinion by regularly publishing analyses and running pilot projects (e.g. by putting together and publishing so-called ‘family maps’, which illustrate in Germany the family-friendliness of regions).
  - Step up the use of audits and certifying procedures for ‘family-friendly companies’; family-friendliness is a competitive argument.
  - Inform companies about cost/benefit analyses of work-life balance projects and specific consultation programmes on working time organisation and the corporate benefit of work-life balance measures.
  - Launch projects that give incentives to qualified men and women to opt for part-time work.
  - Give incentives to men to take on a growing share of reproductive work (parental leave).

## 5. USE AND MANAGEMENT OF NATURAL RESOURCES

### 5.1. Vision and main objectives

We rely heavily on flows of natural resources – for raw materials, food, energy and land – and on natural processes to “absorb” the increasing waste produced by a growing human population, now of some six billion. The UN’s 2005 Millennium Ecosystem Assessment suggests that two-thirds of the ecosystem services, on which humans depend, are in decline. Europe’s demands on the planet have risen by almost 70% since the early 1960’s. Europeans are estimated to use 4.9 hectares of productive land on average per person to support their lifestyles (compared to 9.5 for the USA and 1.5 for China), whereas the global average is 1.8 hectares.<sup>4</sup>

Global patterns of resource use are of concern as they are reducing the earth’s regenerative capacity and the services that nature provides. On a global scale, economic development, combined with fair and equitable sharing of benefits derived from natural resources, access to resources and markets is necessary to alleviate poverty and increase human well-being. As Europeans currently use a greater share of global resources, in the long run it will be necessary to reduce this amount in order to avoid – or cope with - extreme price increases and accelerating over-exploitation and mismanagement of natural resources.

The global populations’ demand on the world’s resources is rapidly increasing, estimates suggesting a two to fivefold demand in 50 years when developing countries achieve levels of wealth similar to industrialised countries today<sup>5</sup>. Solutions will consist of a mix of reducing impacts, switching to substitutes, increasing resource productivity (make more from less) and reducing resource use. Estimates<sup>6</sup> led us to conclude that even in such a mix, the consequence is likely that for many resources Europe has to aim for at least **a factor 4 lower resource use in 2030**. Given the need for a more equitable distribution of resources combined with ongoing population growth, a factor 10 needs to be the orientation for 2050.

This general objective which could serve to give a general political guidance, will have to be translated into more specific reduction targets and intermediate targets, depending on the resource, their properties and impacts – in relation to the estimated carrying capacity and inter- and extra-generational equity.

Based on options for reducing impacts and availability of substitutes, a mix of reducing impacts, increasing resource productivity (make more from less) and reducing resource use will need to be employed side by side. Efficiency, eco-innovation and sustainable practices need to become inherent to our production and consumption patterns, while serving the well-being of people.

The thematic strategy on the sustainable use of resources should set out the roadmap for a sophisticated approach, tackling the major top 20 of most impacting resources. However, this approach takes time, whereas ecological as well as economic problems connected to our large and unsustainable resource use are urgent. Improving Europe’s resource productivity will in any case serve environmental and economic goals. As several member states have already opted for a qualified or quantified objective to increase their resource productivity<sup>7</sup>, it is now

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<sup>4</sup> Communication on the review of the Sustainable Development Strategy, December 2005.

<sup>5</sup> Sustainable use and management of natural resources, EEA, 2005.

<sup>6</sup> For example: “Towards Sustainable Europe”, Wuppertal Institute, 1995

<sup>7</sup> Sustainable use and management of natural resources, EEA, 2005, see table 4.2.

time for the EU to agree collectively on such a political target as well – we propose a **factor 4 resource productivity (Euro/kg) increase in 40 years (1990-2030)**, which is equivalent to an average annual increase in resource productivity of 3.5 % over this period. This is slightly more than the 3% target implicitly suggested in the Resources Strategy.<sup>8</sup>

Either way, this overall objective should be seen within the primary and overarching environmental objective of **reducing total resource use impacts to bring them within estimated carrying capacity** (to be assessed per resource category).

Reducing resource use directly through the development of smart dematerialisation solutions provides the best short cut to reducing resource use impacts and cost reductions, but depending on the type of resource and its applications, different mixes of efficiency, reduction and lowering impacts will be needed.

By taking a lead in finding innovative solutions to a better management and more efficient use of resources, the EU can promote a more resource efficient economy and position itself as a world leader in eco-efficient technologies. The market for sustainable products and processes will have to grow to meet the demands of a fast growing global ‘middle’ class, for consumer goods and services alongside environmental quality and respecting regional and global carrying capacities.

A coordinated approach, anticipating the need to shift to a fully sustainable production and consumption process, will provide Europe with a competitive edge. Governments have a major role in ensuring success, by providing a predictable, long-term regulatory framework, also using market instruments and public procurement power.

## **Overall Objective**

Safeguard the earth’s capacity to support life in all its diversity, reduce the total environmental damage to a level respecting the limits of the planet’s natural resources and carrying capacity, including equitable access to resources for people in developing countries.

## **Operational objectives**

- Improve resource efficiency : get more output (service) from each unit of resource used and reduce the total environmental damage (noxious emissions to air, water and soil as well as overexploitation of land and other resources) to negligible levels, by reducing the damage caused by each unit.
- Improve management and avoid overexploitation, degradation and destruction of renewable natural resources such as fisheries, biodiversity, forestry, water, air, soil and climate. Agree on sustainable management criteria and labels for products from agriculture, forestry, fisheries and natural ecosystems.
- Prioritise the most damaging resources on the basis of their environmental impacts, taking into account total volumes and impacts per kg, and develop total impact reduction targets and policies for each.
- Aim at halving adverse impacts of total EU resource use by 2020.

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<sup>8</sup> Quote: “If an annual improvement in resource productivity of 3% is achieved, while the economy grows at 3% per year as well, resource use will be more or less stable. It should be noted however, that, everything else being equal, stabilising material use will not be enough to reduce economy-wide environmental impacts and achieve decoupling. A reduction of environmental impacts therefore needs to complement productivity gains.”

- Increase overall resource productivity in the EU with a factor four by 2030 compared to 1990, and a factor 10 by 2050.
- Achieve 100% green government procurement in EU and member states by 2010.
- 12 % of goods and food derived from agriculture, forestry, fisheries and natural ecosystems produced and imported in the EU meet sustainability criteria by 2010, and 100% by 2030.

## 5.2. Comments to the Commission proposals

The basic analysis of the Commission is short but correct. The mentioning of tax reform, public procurement and promotion of eco-efficiency and eco-innovation markets is positive, as is the announcement of an action plan on sustainable production and consumption.

The problem is that, apart from repeating some existing targets, no measurable binding targets are set, and that most actions are of a voluntary and general character. The urgency and magnitude of the problems as briefly described in the SDS, does not match with the unambitious and voluntary approach when it comes to targets and actions.

Amongst major drivers of global resource and ecosystem deterioration are agriculture, forestry and fisheries, but no concrete actions to boost sustainable production in these sectors are announced.

## 5.3. Key Actions

- Develop economic instruments such as: tax shift from labour to resources, energy taxes, virgin material tax, tax deductions for secondary materials, public (and company) procurement awarding tenders for lowest total impact of products/services over the lifecycle.
- Develop proposals for public procurement for a range of products with a significant impact on (sustainable) resource use.
- Develop proposals for mandatory performance targets for major product groups.
- Developing, setting and applying criteria for the sustainable management of all major resources – combined with introducing mandatory labelling of the products/materials derived from these resources, starting with resources with highest impacts.
- Introduce production and processing methods and life-cycle assessments as guidelines for trade policy.
- Support developing countries to meet EU standards and labelling requirements so they do not become a *de facto* barrier to trade.
- Enforce existing legislation to reduce impacts of resource use.
- Support and spread results of best practices which lead to reduced resource use, cost reduction and other environmental and/or social benefits.

## 6. BIODIVERSITY

## 6.1. Vision and overarching objective

Biodiversity continues to decline at an alarming rate across the European Union: populations of farmland birds – the EU’s indicator on biodiversity – have plummeted in recent years. This is not only worrying in its own right; nature conservation provides jobs and vital ecosystems services, promotes good public health and is fundamental for a pleasant quality of life.

When adopting the EU’s Sustainable Development Strategy at the Gothenburg Summit in 2001, Europe’s leaders pledged to halt biodiversity loss within the EU and globally by 2010. With four years to go to meet this important commitment, the EU is way off the track.

The EU’s overall objective should be to halt biodiversity loss by 2010 in the EU and globally as well as to reverse the trends in the long term putting in place the right instruments and mechanisms.

The EU’s financing policies – particularly the Common Agricultural Policy, the Cohesion Policy and the Common Fisheries Policy – hold the key to halting the loss of biodiversity. For too long EU common policies have promoted unsustainable management of the land and sea. Recent reforms were a step in the right direction, but much more needs to be done to ensure that EU funds help rather than hinder the achievement of the EU’s nature conservation goals.

The review of the EU’s budget in 2008/2009 presents a unique opportunity to overhaul EU spending in favour of wildlife conservation and protection of the environment. But before then, the European Commission and member states could ensure that national spending programmes for CAP and rural development, structural funds and fisheries allocate sufficient resources to nature conservation measures over the period 2007-2013, e.g. Natura 2000 and agri-environmental schemes, and that these programmes are fully consistent with EU environmental policy.

Globally, EU policies and actions affecting the wider world must apply safeguards and impact assessments to ensure the Union does not impact negatively on the biodiversity of other areas through ill conceived economic development or trade programmes and policies. Moreover, sufficient funds should be allocated by the European Union and its member states to halt biodiversity loss internationally.

## 6.2. Comments to the Commission proposals

Positive points in the paper are:

- The inclusion of natural resources as a key issue.
- The reference to the UN’s 2005 Millennium Ecosystem Assessment.
- The recognition that biodiversity loss has economic impacts, including tourism and sectors such as agriculture and other sectors that use biological information as a source of innovation.
- The recommendation that the EU and member states should ensure sufficient funding for the management of Natura 2000 sites and fully integrate biodiversity concerns into internal and external policies.

Points for improvement are:

- The commitment to halt biodiversity loss by 2010 should explicitly be mentioned in the natural resources section (now it is only in the Annex).
- The merging of natural resources and biodiversity: the two issues should be separated.
- The lack of recognition that the EU’s own financing policies have contributed to biodiversity loss throughout the EU.

Points to be added:

- Links between biodiversity conservation and the quality of life and health of EU citizens.
- An effective indicator on biodiversity, e.g. the farmland bird index, which is currently an approved SDS indicator for biodiversity.
- Funding for the conservation of protected species and the Natura 2000 network.
- Specific reference to the financing programmes from which Natura 2000 should be funded, i.e. rural development, structural funds, LIFE+ and fisheries funds.
- Reference to the vital need for effective implementation of existing nature conservation legislation e.g. Birds and Habitats Directives, Water Framework Directive (WFD), environmental liability.
- The review of the EU's budget in 2008/2009.
- The need to limit the potential biodiversity impacts of renewable energies such as bio-fuels.
- GMOs and the precautionary principle.
- EU forest strategy and action plan.

### 6.3. Key actions

The following short term actions are needed:

- Sufficient funding should be allocated to protected species, the Natura 2000 network from the rural development programme, structural funds, LIFE+ and fisheries funds, on the basis of the Commission's estimates that the management of Natura 2000 costs EUR 6.1 billion per year.
- Sufficient funding should be allocated to halting biodiversity loss internationally via the EU's thematic programme for the environment under Heading 4 (external actions) and by ensuring sufficient resources for the implementation of the Convention on Biological Diversity.
- Full implementation of nature conservation legislation and, in particular, the conservation and management of protected species and Natura 2000: sites designated by 2006 (marine sites by 2008); all sites under an effective management regime by 2010. For any new countries entering the European Union the above should be met on the date of accession.
- Member States have to make full use of the provision contained within the financial perspective agreement of December 2005 which allows 20% of CAP Pillar I funds to be modulated to CAP Pillar II (rural development) and the agri-environmental measures contained within it.
- Progress towards meeting the 2010 target should be measured by a robust and meaningful biodiversity indicator (e.g. the farmland bird index). Work on biodiversity indicators such as SEBI 2010 process should be supported.
- The precautionary principle should apply with regard to GMOs.

- Action to tackle climate change (see climate chapter). The biodiversity impacts of renewable energies, e.g. biofuels, should be limited as much as possible through accreditation schemes and environmental assessment.
- Increase consumption and procurement of sustainable products from agriculture, forestry and fisheries (see chapter 5 on natural resources).

Actions for the medium and long term to reverse the loss of biodiversity:

- The review of the EU's budget in 2008/2009 should lead to a fundamental overhaul of EU spending in favour of wildlife, the environment and sustainable development.
- As required by the Water Framework Directive, all European water bodies should achieve Good Status or their alternative objective set and justified in the river basin planning process, by 2015. Heavily modified water bodies should achieve Good Ecological Potential and Good Chemical Status.
- The objectives of the emerging Marine Framework Directive – to protect and conserve the marine environment – achieved within a reasonable timeframe.
- Biodiversity conservation should be a key objective of the EU's forestry policy (strategy and action plan as well as related instruments such as FLEGT).

## **7. TRANSPORT**

### **7.1. Vision and objectives**

The EU should aim for a sustainable transport system that minimises consumption of non-renewable resources, land use, impacts on ecosystems and human health, and limits waste, emissions and uses renewable resources within the absorption capacity of the planet. This system is socially inclusive, by providing access for all citizens to the most essential goods and services, offering choice of transport mode, and protecting vulnerable user and other groups from safety risks, health risks and nuisances caused by transport.

EU external support should foster sustainable transport planning, initiatives and programmes in developing countries, including the upgrading and maintenance of national, local and regional public transport systems, rather than focusing on funding new roads.

The cornerstone of the SDS transport section should be 'double decoupling' for passenger and freight transport: decoupling of transport growth from economic growth and an absolute decoupling of environmental impacts from transport growth. In particular, energy use by transport should be stabilised by 2010 and halved by 2030.

### **Headline objectives**

#### Short term:

- In 2010 a transport and infrastructure pricing system in place which reflects the real costs to society and give sufficient incentives to start reversing current trends, decoupling transport growth from GDP growth.
- Halting construction of new infrastructure that harms ecosystems or is not viable from a socio-economic point of view.

#### Long term:

- In 2030 halving of total energy consumption by this sector compared to 2000 levels

## 7.2. Comments to the Commission proposals

A positive point is that proper transport pricing is a priority, yet we regret the weak wording. . All modes of transport are still chronically under priced (price levels) and wrongly priced (price structures). This is a major reason why the external costs of transport still amount to 8% of the EU's GDP.

We regret that the paper does not contain any reference to improvements of the EU's policy for investment in transport. Current EU-sponsored projects as a rule are decided upon in 'high level groups' and completely lack transparency, thereby wasting taxpayers' money and harming both the environment and participation of the public.

We agree that a strict policy to reduce emissions at source is of critical importance. But ambitions are by far not high enough.

EU leaders said in the 2001 Gothenburg European Council that *'Action is needed to bring about a significant decoupling of transport growth and GDP growth, in particular by a shift from road to rail, water and public passenger transport.'*

It is very unfortunate, certainly in the light of the Lisbon strategy, that this communication drops the objective to decouple transport growth from economic growth. This is related to the perception that curbing transport growth would automatically curb economic growth. However, this perception is at best doubtful and at worst clearly wrong. There is a wealth of scientific and empirical evidence that decoupling is feasible and does not just help the environment, but also the European economy.

For example, the Commission should pay more attention to one of the conclusions of the authoritative report of the UK's Standing Advisory Committee on Trunk Road Assessment (SACTRA): *"There is scope for carefully judged policies which help to decouple the rate of traffic growth from the rate of economic growth, thereby reducing the environmental and congestion costs of traffic and also – to some extent – assisting in **delivering the benefits of economic growth**. Such policies include pricing, management and investment initiatives."* (SACTRA, the UK Standing Advisory Committee on Trunk Road Assessment, Transport and the Economy, 1999).

The well-monitored example of London confirms the findings of numerous theoretical studies that transport policy *can* seriously tackle transport volume. The London congestion charge has curbed use of private cars by 35% and 'has had a broadly neutral impact on the economy of central London' (April 2005 monitoring report). The more recent example of Stockholm shows that urban road pricing is an excellent way to break the link between economic development and transport growth.

Closer analysis of different countries and regions within the EU reveals a wide variation of transport intensities per unit of GDP and shows that the assumption that decoupling threatens competitiveness is doubtful at best.

When freight transport intensity of different countries is measured against the country's score on the Global Competitiveness Index, there is a wide variation in the amount of freight transport that different countries use to earn their income. It also turns out that the most competitive countries score relatively low in freight intensity – they earn their income with activities that are not transport intensive.

In addition, the development of the freight transport 'intensity' (tonne kilometres per €GDP) versus the competitiveness score shows that the top-5 of competitive countries (Finland, Sweden, Denmark, UK and the Netherlands) all managed to decouple their freight transport

volume from economic growth, by 9 to 15 per cent. Most of the countries that did not decouple had a lower competitiveness score.

In conclusion:

- as a general trend, competitive countries need less transport to earn their GDP than uncompetitive countries
- the most competitive countries have managed to decouple freight transport from economic growth, while many of the less competitive ones have not

### **7.3. Key Actions**

Instruments to achieve the objectives are:

- The European Commission should continue to vigorously promote the use of infrastructure charging in the EU, by proposing a framework for internalizing external costs in transport, in parallel with the upcoming methodology to calculate external costs of road freight transport
- Economic and environmental assessments should be made much earlier in the process, publicly available, and subject to independent scrutiny. This will also mean better staffing at the EIB's evaluation departments and much better public availability of the results of this work. Also, the results of these assessments should have consequences – economically or environmentally unviable projects should be stopped or at least drastically modified.
- A much higher percentage of EU funds should go towards human-scale projects, in particular into innovation of regional and national public transport networks and systems
- Fuel consumption of new passenger cars could and should be halved over the next decade – rather than considering to allow bio-fuels to count towards car fuel efficiency objectives. Air pollution from new vehicles could and should be practically eradicated before 2010. The climate, energy dependence and human health should be respected more than the current business model (larger, heavier, more powerful) of the vehicle industry.
- Bio-fuels should only be produced in a sustainable way.
- Aviation and shipping merit special attention. As global decision making is virtually absent, and in many cases even hampers environmental progress, the EU should very clearly pursue an independent and much more progressive approach to these modes.

## **8. GLOBAL POVERTY AND DEVELOPMENT**

### **8.1. Vision and objectives**

The European Union's Sustainable Development Strategy should systematically promote sustainable development in the rest of the world. A coherent international approach to sustainable development is required. Here the EU can provide a global leadership role to meet its international commitments.

Global economic integration is being accompanied by increasing levels of natural resource use, pollution and more unequal access to natural resources. The world is facing serious and, in some cases, irreversible environmental challenges which not only impede sustainable development efforts around the world but also undermine global efforts to reduce poverty. The Millennium Ecosystem Assessment has identified the extent and increasing magnitude of the pressure we are putting on the planet. Environmental challenges are set to become an increasingly important feature of social, economic and political relations between Europe and the rest of the world in the coming decades.

Current consumption and production patterns in the EU are not sustainable – the EU has an ecological footprint 2.2 times larger than its own biological capacity. Europe cannot pretend to be following a path to sustainable development through the accelerated unsustainable exploitation of the environment in other parts of the world. Reducing our own pressure on the global environment while creating space for others to improve their quality of life now, and in the future, is an objective that must be tackled now.

Commitments made within the agreed international framework for sustainable development and the EU's contribution to the Millennium Development Goals should be the building blocks for the EU's approach to sustainable development. These include the Rio Declaration and Rio Principles, the Johannesburg Plan of Implementation, the Monterey Consensus, and the outcome of the Millennium Review Summit. These international agreements have increasingly underlined our fundamental dependence on natural systems and resources for development and the role of environmental assets for poverty alleviation. There is substantial evidence that investment in sound and equitable environmental management produces high economic and social returns for developing countries.

To meet global challenges, the EU has to ensure that its internal and external policies are coherent and work together for the overarching goal of sustainable development. As well as aid and development, the EU should promote sustainability in all its policies –for example, trade, agriculture, fisheries, foreign and security policy, investment and economic cooperation – and through its role in international or multilateral institutions.

### **Headline Objectives**

- The Sustainable Development Strategy should be in line with the concept of conserving and enhancing natural capital. Indicators should be adopted which capture the need to “improve the quality of human life while living within the carrying capacity of supporting ecosystem”.
- The EU SDS should support the achievement of the Millennium Development Goals and the implementation of the outcomes and commitments of the international sustainable development agreements since Rio.
- Based on the principles of European Consensus, aid and development policy should seek to eradicate poverty in its multi-dimensional aspects and in the context of sustainable development and will contribute to the achievement of all the Millennium Development Goals.
- Monitoring of the progress of the EU Sustainable Development Strategy should include all relevant stakeholders including the European Parliament, civil society, national parliaments, and representatives of those countries whose own sustainable development is impacted by EU policies and actions.
- Policy coherence is a multidimensional commitment with a firm legal basis in the EC Treaty which needs to take place within the overall framework of the EU Sustainable Development Policy. The intentions laid out in the Commission Communication “Policy Coherence for Development – Accelerating progress towards attaining the

MDGs are the first steps in considering the challenge of how non-aid policies can assist developing countries in attaining the MDGs.

- Trade can foster sustainable development but also detract from sustainable development. The EU should commit to reform its common commercial policy in order to stimulate trade that helps meet global challenges and to reform international trade rules in order to reduce the negative externalities of trade.
- Foreign direct investment (FDI) far outweighs aid flows to other countries and therefore has to contribute to national and regional sustainable development objectives and globally agreed development goals. FDI can contribute to the promotion of sustainable development principles, environmental and social standards, clean technology and sustainable natural resource management. European governments have a responsibility for providing, through dialogue with FDI-receiving countries, a regulatory framework which is conducive to such investments by European companies, including the financial sector.

## **8.2. Comments to the Commission proposals**

We welcome the fact that the global dimension has been included into this revision of the Sustainable Development Strategy.

However, the current chapter on global poverty and development challenges focuses on aid and poverty reduction and misses many other opportunities to define how all its policies could contribute to the global dimension of sustainable development.

This five-year revision of the strategy presents a great opportunity for the renewal of the EU's commitment to sustainable development as an overarching objective. The vision and the key actions should aspire to leadership and ambition. Since the 2001 strategy publication, there has been further erosion of natural capital, degradation of ecosystems, continuing inequality in measures of human wellbeing, increases in greenhouse gas emissions and in climate-related natural disasters.

The G10 suggests that the chapter should equally cover other aspects and impacts of EU policies and actions for example in the fields of agriculture, trade, fisheries, business practice, investment, migration, common foreign and security.

The principles of good governance (for example participation and transparency) and environmental governance (for example equitable and transparent decision making over access, use and management of natural resources) are fundamental for the promotion of sustainable development but are currently lacking from the communication.

The list of "actions" in the Annex is an incomplete list of communications, decisions, proposals and instruments. They do not represent a list of legally binding commitments nor a list of actions with targets and timetables against which progress on the SDS could be measured. Additional actions in areas of EU policy-making could be included such as fisheries, agriculture, corporate social responsibility, investment to make a more holistic EU contribution to the global dimension of sustainable development. Thus the proposals made within the Commission's communication "Policy Coherence for Development – Accelerating progress towards attaining the Millennium Development Goals" (2005) could be taken forward.

## **8.3. Key Actions**

- The EU and its member states should increase their volume of aid to 0.7% of Gross National Income in 2015, achieving an intermediate target of 0.56% in 2010 with individual objectives of 0.51% and 0.17% for the EU 10. This increase will be fully financed through additional resources and will not include amounts under debt cancellations or relief agreements.
- The EU and its member states should increase the effectiveness, coherence and quality of their aid policies by greater coordination between member states, the development of a common EU Programming framework and increasing coherence between development and other policies. The quality and effectiveness of aid through budget support and sector wide approaches should be measured against sustainable development objectives.
- European Community aid and development programming should apply a strengthened approach to mainstreaming the cross cutting issues – human rights, gender equality, democracy, good governance, children’s rights and indigenous peoples, conflict prevention, combating HIV/AIDS and environmental sustainability – through the use of tools such as strategic environment assessments, environmental impact assessments, technical expertise, support for capacity, and in-country dialogue. In the spirit of the European consensus, the use of shared environmental and social assessments in the preparation of country strategy papers would contribute to donor harmonisation and effectiveness.
- The thematic programme for Environment and Sustainable Use of Natural Resources including energy should be a key instrument for delivering results for environmental dimensions of development and other external policies. The programme should be an instrument with multi-annual financial earmarking of at least 450m € per annum in order to address the global environmental challenges posed by economical, political and social pressures on our natural resources.
- Ensure enhanced funding for biodiversity projects and programs and deliver mainstreaming of biodiversity in economic and development co-operation in order to meet the 2010 biodiversity target.
- The EU should advocate the improvement of international environmental governance through the strengthening of multilateral environmental agreements and their implementation and the carrying out of the Almaty guidelines. The EU should also support capacity building and participation for good environmental governance at all levels and the promotion of Rio Principle 10 on access to information, justice and participation in decision-making.
- The EU should base its negotiating positions on trade in multilateral, regional and bilateral settings on sustainability impact assessments. It will draw operational conclusions from these through open and transparent processes guided by the aim to foster global sustainable development.
- The EU should use measures currently at its disposal to foster more sustainable trade, such as preferential market access, public procurement, and certification and labelling. The implementation of the General Systems of Preferences Plus and the strengthening of its scope and applicability could promote sustainable trade schemes.

- Regional and bilateral trade agreements should also contribute to sustainable development and developing countries should have the freedom to define the trade policies that suit their particular circumstances. These would acknowledge national priorities in sustainable development such as food security, livelihoods, agricultural development and environmental sustainability.
- Install a monitoring mechanism of subsidies and grant mechanism from European policies and actions, which looks at the impact on developing countries' environment.
- In terms of subsidies, the commitment to front-load the phasing out of export subsidies as agreed at the WTO Ministerial in Hong Kong should be taken forward by EU. Subsidies that drive the degradation of marine ecosystems and fish stocks should be phased out.
- Agreements on liberalisation in trade in environmental goods and services should be designed to meet current global challenges and the definition of such goods and services should be developed through a forum that has the appropriate range of expertise.
- The EU should continue to promote international agreements to deal with global environmental problems and their legitimacy to include trade provisions, where necessary, in order to balance both short and long term concerns.
- The EU should increase the effectiveness, coherence and quality of its aid policies by improving the performance of the European Investment Bank in terms of funding for sustainable development, the consistency of the EIB's lending policies with EU sustainable development and aid policies, and by increasing the transparency of its operations. The EU should also promote environmentally sustainable pro-poor policies through other international financial institutions such as the World Bank and IMF.
- The EU has a role in promoting corporate responsibility and citizenship when encouraging or facilitating foreign direct investment. The EU should promote the adherence of EU-based companies to the OECD guidelines for multinational enterprises.
- An EU wide framework on socially responsible investment should be put in place to allow private and institutional investors to take into consideration social and environmental criteria. To date, public policy at EU level has not kept pace with some of the changes at member state level, which encourage a growing number of ethical funds and increased oversight of pension investments.
- The adoption of indicators within the EU which will measure progress in improving the quality of life while living within the overall capacity of supporting ecosystems. Such indicators should capture the overall impact of natural resource use irrespective of the origin and will help to measure and manage Europe's overall footprint.

## **9. POLICIES, INSTRUMENTS AND MONITORING**

### **9.1. General vision and objectives**

As the commission states: “One of the most powerful methods to promote change is to ensure that markets send the right signals (“getting prices right”), thus providing a powerful incentive for people to change their behaviour and shape the market place accordingly. (...) This means building the cost imposed on others in society by “polluters” into the price of the product, as some Member States have already done (for example, through charges or green taxes). In this way, producers have an incentive to produce and consumers an incentive to consume more environmentally-friendly goods and services.”

Policy making needs to put more focus on finding win-win-solutions, in stead of focusing on trade-offs. This means that creative and interlinked thinking should be promoted together with a broad stakeholder involvement when policies are designed.

The Europeans’ awareness of sustainability issues is high. The challenge is to translate that awareness into more sustainable behaviour by putting the right economic and legal incentives in place and let governments lead by example. Education and communication are only effective when the appropriate legal and financial framework is in place, to steer relevant choices and decisions consistently in the same direction. For example, when prices of more sustainably produced alternatives are always higher or when cleaner alternatives are hard to find, communicating that they should be chosen remains an uphill battle.

## **9.2. Comments to Commission proposals**

We have the impression that the Commission has a rather good understanding and knowledge of the barriers, challenges and instruments that play a critical role in the (lack of) progress towards sustainable development. However, the Commission shows a large degree of self-restriction in proposing objectives and actions to foster sustainable development. The causes for this must lie within those parts of the Commission who still think that an ambitious sustainable development policy is a barrier to economic growth, or even worse who think they have to defend the specific interests of those economic sectors who fear that their short term interests are in danger when sustainable development policy will really take off.

Many EU member states have adopted a national sustainable development strategy, and some have already reviewed them once or more often. National Councils for SD, where they exist, play an important role in the national debate on SD.

The NCSD role is mainly

- Agenda setting and advice on SD policies
- Framing objectives and indicators, high level projects
- Review of progress achieved
- Public communication

COM(2005) 658 makes proposals for a monitoring and reviewing scheme for sustainable development in Europe. In order to step up reviewing procedures the Commission proposes to member states that they should establish or strengthen independent advisory councils for sustainable development at national level. They also suggest a light peer review process for reviewing progress in the implementation of national sustainable development strategies in which EEAC might play some part.

These proposals are welcome. They are the first of its kind and they seriously address some of the shortcomings of European SD Strategies and the difficulty of keeping them alive and dynamic. However, the proposals will need firming up if they are to deliver significant results. In a further dialogue we would be glad to offer experience from member states considering the establishment and work routines of such bodies.

We believe that in the countries where national advisory councils exist, they have been able to play a valuable part in helping to shape effective national strategies and in the public communication of sustainable development to stakeholders and wider audiences. EEAC research has shown that such councils are best able to make a significant contribution to the advancement of sustainable development when they are based on an independency and stakeholder participation. EEAC and its members would be well placed to play an advisory role in helping to demonstrate the benefits of such Councils and to advise on the modalities of their establishment.

### 9.3. Key actions

- All EU institutions should ensure that major policy decisions are based on proposals that have undergone impact assessments, consistent with the inter-institutional agreement on better law-making.
- The Commission will ensure that all of its major initiatives are subject to impact assessment and that completed impact assessments are made available to the public when decisions are made. All three dimensions of sustainable development should be considered in an equitable and balanced manner, on the basis of the SD principles adopted by the June 2005 Council and included in this SDS.
- Member states should also make much wider use of balanced impact assessment when developing policies when spending public funds and developing strategies, programmes and projects. They should follow recommendations in the Community Strategic Guidelines to ensure cohesion and structural funds strengthen synergies between environmental protection and growth.
- Impact assessment should be complemented by a wider use of evaluation to assess *ex-post* the impact of policies.
- The EU and member states will take the external dimension into account looking at impacts of policy proposals.
- The EU will seek to use the full range of policy instruments, whilst promoting the use of market-based instruments for the flexibility they offer in meeting sustainable development objectives. Member states should ensure that full use is made of the array of instruments at governments' disposal and that any subsidies provided are used in a manner, which is coherent with the objectives of sustainable development and in accordance with the treaty.
- The Commission will collect member states recommendations on EU wide implementation of effective policy instruments, such as legal and economic instruments, and make specific proposals for such EU wide effective instruments to the 2007 European Council. European wide tax shifts from labour to resources and pollution should be included in the proposals, as well as performance targets for products and services with significant potential to reduce negative impacts. The green paper on economic instruments for environmental policy expected spring 2006, could play a role in this process.
- The Commission will mainstream sustainable development in its information and communication activities, for both internal and external EU policies. The Commission will organise more focused, interactive and in depth stakeholder fora on the various strands of the strategy, to raise knowledge and awareness, evaluate progress, develop new ideas and exchange best practice.
- The Commission should call on the business leaders and other key stakeholders of Europe to engage in urgent reflection with political leaders on the medium- and long-

term policies needed for sustainability and propose ambitious government and business responses which go beyond existing minimum legal requirements.

- The Commission will consult stakeholders, citizens and member states and come up with recommendations at the EU and national level to abolish counterproductive legislation and instruments and replace them by incentives that work in the right direction. The Council should receive such recommendations, which include the change of environmentally harmful subsidies, in time for the 2007 spring Council.
- The Commission should submit a brief progress report every year. It will list progress and results of all commitments and actions announced in this strategy, and comparing these with the targets and timetables that have been set. In addition, it will draw on the set of sustainable development indicators, designed with the assistance of national experts, adopted by the Commission in February 2005<sup>9</sup>, supplemented with an indicator on how much productive land Europe needs (such as the footprint indicator).
- The European Council and the European Parliament should yearly discuss progress, if necessary review priorities and provide general orientations on sustainable development at least every two years, also with a view to achieve greater coherence between member state and EU strategies
- Member states review their national strategies in the light of the European Union's strategy and publish them by no later than the end of 2006, making sure that at least all the themes from the EU strategy are addressed. Member states should indicate how using national policy instruments could be more effective and better integrated with actions taken or proposed at European level;
- The EU SDS should commit member states to set up or strengthen NCSDs to assist in the preparation and monitoring of national SD strategies, and should commit member states to report regularly on progress on their national SD Strategies (similar to Lisbon reporting).
- The EU SDS should ask for strengthening and networking those experiences made in reviewing NSSD on national level and involving civil society in SD matters. In order to assist follow up action at EU level we suggest the establishment of an independent European advisory council on sustainable development, which could liaise with national councils and help to focus attention on issues that need to be addressed at European level. Building on the existing network between national SD councils, EEAC would be well placed to assist the Commission and others in organising such work, and to help in arranging for workshops, capacity building, communication, and outreach to stakeholders.
- Have a continuous dialogue with the people and organisations - business leaders, regional and local authorities, NGOs, academia, and citizens organisations - which are engaged and committed to make change happen.

28 FEB 2006

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<sup>9</sup> SEC (2005)161.