

## German Council for Sustainable Development (RNE)

### Responses to Questionnaire on the European Union Sustainable Development Strategy (EU SDS), 29. Oct 2004

Questions excerpted from: COMMISSION STAFF WORKING PAPER, Public consultation - Review of the EU Sustainable development strategy, Brussels, 30 July 2004, SEC(2004)1042

The results of this consultation will serve as input to the Commission's review of the EU Sustainable Development Strategy, which is expected to be completed by January 2005. In line with good practice on stakeholder consultation, the Commission will publish the responses on its website, together with a summary, identifying who has said what and how the contributions will be taken into account. Would you prefer your comments to remain anonymous?

YES  NO

### Please tell us about yourself

*Note: This consultation is subject to a Data Privacy Statement (press ctrl + click to access)*

<b>I am replying</b> (compulsory)	
<input type="checkbox"/> <b>As an individual</b> (please continue in this column)	<input checked="" type="checkbox"/> <b>On behalf of an organisation or institution</b> (please continue in this column)
<b>Sex</b> <input type="checkbox"/> male <input type="checkbox"/> female	<b>Name of the organisation or institution</b> German Council for Sustainable Development (Rat für Nachhaltige Entwicklung, RNE)
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## **Topic 2 – The EU's Overall Approach to Sustainability**

**Q1. Do you agree with the EU's overall approach to sustainable development as described above?**

Disagree (Description is correct, but approach is not satisfying).

**Q2. If yes, say why. If no, please explain how the overall approach (as opposed to individual elements of the strategy) could be improved.**

The EU SDS is a good first effort to reach a consensus on the priority areas of sustainable development and identify some objectives and indicators. The main problem with the strategy is that it is not *strategic* – in many areas it does not have long-term performance measures that are quantifiable (timeframes nor targets) and focus on outcomes. Nor does the strategy include annual performance measures, either outputs or outcomes, which would be associated with each long-term outcome goal, to evaluate progress toward achieving these long-term outcomes. As currently written, the strategy has no clear understanding of whether these various activities will lead to outcomes, particularly for furthering sustainable development. What further weakens the strategy is the lack of scrutiny and evaluation of the measures that currently exist in the strategy.

The overall approach needs clear leadership and, as the conceptual frame is concerned, the parallelism of the SD review and the Lisbon process must be addressed. In particular, the EU SDS shows a heavy bias on the supply side and neglects measures of consumer policy for sustainable development. Additionally, the EU SDS should incorporate the issue-specific actions and goals of the 6<sup>th</sup> Environmental Action Programme (EAP). The disconnect of the EU SDS from both Lisbon and 6EAP weakens its implementation and subsequently, its impact.

The EU SDS should require member states to establish a national SD policy. National SD strategies should tie into the EU SDS, and the EU SDS must develop a mechanism for regular review and peer consultation with member nations. There should also be an involvement of the local level. It is necessary to have an EU survey and easy access for the public. Member nations should report regularly, for example, on how each has advanced or achieved the specific goals of the EU SDS. These progress reports could be compiled and published as an EU document and made available to the public. Clear and timely communication with member nations is important to promoting the EU SDS concepts within those nations and, therefore, promoting national efforts. A clear set of objectives and quantifiable targets must be introduced.

As a first step to improve visibility, a coherent and comprehensive publication on EU SD policies would contribute to a better communication. An action program following the introduction of the EU commitment to be the world's most eco-efficient region by 2010, as recommended by the network of European Environmental and Sustainable Development Councils (EEAC), could serve this aim. Further, the SD policy needs a higher political visibility and a feasible approach for a better horizontal integration of EU-policies.

**Q3. Do you think the sustainable development strategy and the Lisbon strategy complement each other in a satisfactory manner?**

Disagree.

**Q4. If yes, say why. If no, say why not.**

While the two strategies overlap in some theme areas, there is an obvious disconnect of the SD strategy from the Lisbon Strategy. This is particularly apparent in the absence of sustainable

development measures to support the Lisbon goals of combating poverty and social exclusion and dealing with the economic and social implications of an aging society. Because both these goals deal heavily with economic effects, sustainability requires that both the Lisbon and EU SDS strategies include a perspective of how the environment impacts and can be impacted in achieving these goals. Because both processes concern some of the major future challenges in Europe, there should be a close relationship between the Lisbon and EU SDS reviews. Too often both processes are misperceived as a competitive relation between environment and economy. This is because the strategies are not carried out side-by-side, but rather as two separate strategies.

In particular, instruments of consumer policy should be included in both the Lisbon and EU SDS review. The measures discussed in both the 2001 SDS and the current review tend to emphasize the demand side. This can be detrimental for both the EU's economic success and its sustainability performance.

### **Topic 3 – Taking Stock of Progress Since 2001**

#### **Reviewing the Six Priority Issues – Part A**

##### ***I. Combating Climate Change***

**Q5. Do you agree that the EU has made satisfactory progress over the past three years towards meeting its climate change objectives?**

Disagree.

**Q6. If no, explain why. Do you think the objectives need to be updated?**

The EU should be commended for establishing an EU trading scheme for greenhouse gas emissions for 2005 and for vigorously advocating for use of alternative fuels. While some progress has been made, the EU has not met one of its main SDS 2001 objectives: the EU is not on target to meet its 2010 Kyoto goals, nor can it show “demonstrable progress in achieving these commitments” by 2005. Furthermore, the third main objective, as stated in the EU SDS review, “invites the European Investment Bank to promote [SD] . . .” is a process to get to an outcome, not an objective in and of itself. Additionally, it is difficult to assess progress in the climate change priority area, because the SDS review evaluates only the main objectives and not the “Measures at the EU level”. For example: is the phase out of subsidies for fossil fuel production and consumption on track to meet the 2010 timeline? Is the strategy on track to meet the 7% alternative fuels fuel consumption of cars and trucks by 2010?

The main climate change objective clearly needs to be updated, with an explanation that the current objective has not been met. The EU must make the necessary arrangements to implement Kyoto, and the strategy must begin to look beyond the end of Kyoto in 2012 in order to implement measures that will sustain future ongoing reductions. A new objective of percent reductions in emissions for 2020 and 2050 should be developed. New objectives should be set in other areas with timeframes and targets. For example, the strategy should set intermittent timeframes for an increasing percentage of new member countries being on track to meet 2020 and/or 2050 emissions reductions goals. We suggest that the EU SDS incorporate national CO<sub>2</sub> reduction goals that are conditional (% national reduction in relation to % EU reduction) as is the case in Germany. In addition, SDS efforts in climate change should incorporate those actions and goals detailed in the 6EAP. Finally and most importantly, **the updating and development of new objectives and measures must be done in conjunction with the EU review of the Kyoto Treaty, which is occurring right now**, with comments due 31. October 2004 (see [http://europa.eu.int/comm/environment/climat/future\\_action.htm](http://europa.eu.int/comm/environment/climat/future_action.htm)).

**Q7. Have the right measures been identified? Have they been well implemented? Are there other actions that should be taken during the next five years?**

For some measures, it is difficult to say whether they are the right measures and have been well-implemented, because many have not been properly evaluated. Other measures lack a clear link to the objectives, are not quantifiable, do not have rigorous targets, and/or do not have timeframes. For example, the measure “Clear action to reduce energy demand . . .” could only be identified as a proper measure when revised, for example, to “Energy demand will be reduced by X percent by 20XX.” The data from this measure can then be converted into emissions reduced, which therefore contributes to the main objective of meeting Kyoto targets (and/or a new objective of emissions reductions by 2020/2050). Furthermore, “more support for research, development, and dissemination of technology . . .” is so vague, that **anything** can be considered progress. This is not strategic, nor is it an outcome measure; more support for research does not necessarily result in investing in appropriate research. In addition, investments in research are considered an input or a process, not an end result. The strategy in general needs to move toward proposing measures to achieve **results**.

Measures should be developed to also be more inline with 6EAP actions and goals.

**Q8. In tackling climate change, how can the EU best combine directly promoting particular technologies and giving price signals to market actors, leaving it to them to develop technological solutions?**

It will be interesting to see how the emissions trading system affects pricing. It can result in the development of more efficient technologies as a response to the market. There should also be an “equal treatment” of fuels regarding sustainability aspects (taxes, emissions trading). Also, coal subsidies should be eliminated. Tax breaks should be considered for industries pursuing research in clean technologies, because such research in the early stages is cost intensive, which can hinder pursuit and advancement of such research. Another consideration is to offer grants to researchers (individuals or groups at universities, industry, or non-profits) to research and develop technologies. (See German Council on Sustainable Development’s recommendations in *The Perspectives for Coal in a Sustainable Energy Industry: Guidelines for a Modern Coal Policy and the Promotion of Innovation*, October 2003.)

The potential of private households to contribute to energy efficiency still remains to be developed. Up to now, improvements for energy efficiency have been achieved mainly by industry. On the demand side there have been some EU initiatives, like energy labels, but the EU is far from offering a consistent strategy for energy efficiency on the consumers’ side. The EU should explore innovative solutions, like Denmark’s energy efficiency funds or Japan’s “top runner” rule, which makes the most energy efficient technology a standard for industry, the EU should then develop them into a consumer-oriented strategy for energy efficiency. The same applies to renewable sources of energy, which should be developed to have a high relevance on the consumer market.

**Q9. What role do non-EU countries have in addressing climate change and what can the EU do to encourage or assist them?**

A distinction should be made between developing and developed countries. Through existing aid framework in developing countries, such as the EU’s efforts to implement the WSSD commitment of access to energy, the EU can influence sustainable energy production with minimal adverse impact to climate change. This can be done through a variety of methods, such as technology transfer. For example, the German Council for Sustainable Development recently recommended a

closer examination of the export of used industrial facilities, such as power plants, and discussion of environmental and social standards for the export of reusable facilities. For developed non-EU countries that are addressing climate change via national strategies and not via Kyoto, the best influence from the EU would be for the EU to achieve its own Kyoto targets. The EU cannot lead other developed nations to support international efforts if it cannot itself meet its own emissions reductions targets. To fall short of such goals would further the arguments by some non-EU countries that either climate change goals are too far-reaching and unattainable, or that the economy must suffer at the expense of meeting climate change targets. In addition, by creating new markets for renewable energies and clean coal technologies, the EU would encourage market-driven economies all over the world, and, at the same time, contribute to EU competitiveness goals. Furthermore, the EU should use its good relations with the United States, which is the world's biggest emitter of greenhouse gases, in a way that argues for political and policy changes concerning climate policy.

**Q10. Have the actions taken achieved a satisfactory balance between the economic, environmental and social dimensions of sustainable development? What short and long term trade-offs or synergies do you see between actions to address climate change and actions in other domains?**

It is too soon to say.

## ***II. Public Health***

**Q11. Do you agree that the EU has made satisfactory progress over the past three years towards meeting its objectives in the field of public health and food safety?**

Disagree.

**Q12. If no, explain why? Do you think the objectives need to be updated?**

Public health is an important aspect of SD. Objectives should be developed for specific health conditions. Children's health should be considered in this priority area, as well as in the poverty and social exclusion priority area.

**Q13. Have the right measures been identified? Have they been well implemented? Are there other actions that should be taken during the next five years?**

Without proper evaluation, we do not know whether the measures are contributing to SD. The measures lack a clear link to the objectives, are not quantifiable, do not have rigorous targets, and/or do not have timeframes. Measures should be developed for specific health conditions, including those specific to children. Economic, social, and environmental burdens tend to fall disproportionately on children, with impacts to their health. The EU SDS discusses that future generations should not be adversely impacted by present actions, yet the current generation of children are not addressed.

**Q14. Should public health threats in non-EU countries be reflected in EU policies? If so, how? How should non-EU countries be encouraged to reflect health threats in their policies?**

The EU should help the candidates for the second enlargement round (Bulgaria, Romania, Turkey, Croatia) to adopt an appropriate health policy.

**Q15. Have the actions taken achieved a satisfactory balance between the economic, environmental and social dimensions of sustainable development? What short and long term**

**trade-offs or synergies do you see between actions to address public health threats and actions in other domains?**

Synergies exist with the following domains: poverty and social exclusion, global, climate change, and in some cases, the aging society.

### ***III. Poverty and Social Exclusion***

**Q16. Do you agree that the EU has made satisfactory progress over the past three years towards meeting its policy objectives in the field of poverty, employment, education and social exclusion?**

Disagree.

**Q17. If no, explain why. Do you think the objectives need to be updated?**

There is no evidence that progress has been made in any of the objectives by European policies. A revised EU SDS cannot choose again simply to disregard development of sustainable development indicators in this priority area. The environment is inextricably linked to a sustainable economic well-being. Sustainability requires that both the Lisbon and EU SDS strategies include a perspective of how the environment impacts and can be impacted in achieving this goal.

Notably absent are health objectives related to poverty. Development of objectives for these should be considered, especially for children's health.

In addition, objectives for children-specific issues, such as child labor, prostitution, homelessness, and drug addiction, should be considered in this priority area. Particularly important is education for girls. As stated in the previous section, economic, social, and environmental burdens tend to fall disproportionately on children. The EU SDS discusses that future generations should not be adversely impacted by present actions, yet the current generation of children are not addressed.

**Q18. Have the right measures been identified? Have they been well implemented? Are there other actions that should be taken during the next five years?**

Because the SDS objectives lack a connection to environmental objectives, the supporting measures also lack this component. Notably absent are health measures related to poverty, such as nutrition, health care coverage, sanitation, access to potable water, mortality, morbidity, etc. Poverty measures specific to children should also be developed. Furthermore, the review does not discuss whether 2001 timeframes have been met.

**Q19. Do EU policies help address the international dimension of the issue? How do non-EU country policies help or hinder solving the issue in the EU or globally?**

The EU should especially consider what implications its policies may have on the candidates for the second enlargement round (Bulgaria, Romania, Turkey, Croatia).

**Q20. Have the actions taken achieved a satisfactory balance between the economic, environmental and social dimensions of sustainable development? What short and long term trade-offs or synergies do you see between actions to address poverty and social exclusion and actions in other domains?**

No, as stated in earlier responses.

#### *IV. Ageing Society*

**Q21. Do you agree that the EU has made satisfactory progress over the past three years towards meeting its objectives in facing the challenges of an ageing society?**

Disagree.

**Q22. If no, explain why. Do you think the objectives need to be updated?**

There is no evidence that progress has been made in any of the objectives by European policies. A revised EU SDS cannot choose again to disregard development of sustainable development indicators in this priority area. The environment is inextricably linked to a sustainable economic well-being. Sustainability requires that both the Lisbon and EU SDS strategies include a perspective of how the environment impacts and can be impacted in achieving this goal.

**Q23. Have the right measures been identified? Have they been well implemented? Are there other actions that should be taken during the next five years?**

Because the SDS objectives lack a connection to environmental objectives, the supporting measures also lack this component. Furthermore, the review does not discuss whether the 2001 and 2002 measures have been accomplished.

**Q24. According to you, what would be the three most promising approaches to ensure the financial sustainability of our pension systems (e.g. raise the participation rate and/or retirement age, phase in retirement, adjust annual pay-outs, broaden the 'tax base' beyond labour income, supplement by (private) fully funded systems etc.)? Please rank in descending order of importance.**

No answer.

**Q25. What could be the role of immigration in alleviating the impacts of ageing societies in Europe? What impacts might this have in developing countries? How can any potential conflicts best be balanced?**

The German National Strategy on SD explicitly references the migration challenge and attempts to describe the level of integration of immigrants, for example, by measuring the rate of immigrant school children dropping out of school). Immigration to a certain extent can help spur an economy and alleviate the economic burdens brought on by an aging population in a country that also has a low birthrate.

One potential problem for developing countries is the “brain drain”, wherein the most educated of a population immigrates to a developed country. In one notable case, however, this is being reversed: engineers and IT specialists from India that immigrated to the US and UK are now looking to invest in India in their own start-ups.

**Q26. Have the actions taken achieved a satisfactory balance between the economic, environmental and social dimensions of sustainable development? What short and long term trade-offs or synergies do you see between actions to address the challenges of an ageing society and actions in other domains?**

No, as stated in earlier responses.

## *V. Management of Natural Resources*

**Q27. Do you agree that the EU has made satisfactory progress over the past three years towards meeting its objectives in the management of natural resources?**

Disagree.

**Q28. If no, explain why. Do you think the objectives need to be updated?**

Similar to public health, it can take many years and even decades before impacts in biodiversity are noticeable and measurable. While recognizing this, it is difficult to determine whether progress has been made in the objectives. The review states that the Common Agricultural and Fishery Policies (CAP and CFP, respectively) were revised. These are important processes to achieving SD, but the strategy does not detail what long-term outcomes are expected, nor when they will be achieved. The lack of targets and timeframes also poses a problem for evaluating whether progress has been made. The objectives should be updated to include protections of certain species and animals, with specific targets and timeframes. The German government, for example, introduced an objective and an indicator on species lost, which as a method could be used by the EU. In addition, what is the baseline from which to measure the objective of halting biodiversity decline by 2010? Furthermore, it is not apparent that the objectives contribute to sustainable consumption and production.

**Q29. Have the right measures been identified? Have they been well implemented? Are there other actions that should be taken during the next five years?**

The measures are mainly processes and many seem not to have been achieved. The review does not report on what progress was made on each measure. The measures should be revised to link more clearly to objectives and should be quantifiable, with target and timeframes. Measures should include pesticide and chemical exposure in the environment, as these impact ecosystems and wildlife. Measures also should be developed for invasive species, which can have significant economic and environmental implications to a community and country. In addition, it is unclear why it has taken over three years to develop a set of biodiversity indicators.

Finally, measures for securing natural resources also need to address the economic side of the subject. This entails a far more precise approach to the CAP reform and its impacts on biodiversity, and it calls for transparency of production methods for consumers.

**Q30. Is the international dimension of the management of natural resources well taken into account in EU policies? How do non-EU country policies help or hinder achieving the EU objectives?**

No, the responsibility of the EU for impacts of its policies on developing countries is not described sufficiently. The cooperation between the EU and developing countries should be fostered, especially with international associations. While the implementation of CAP and CFP, per the Commission's 2003 Annual Report (see *Annual Report 2003 on the European Community's development policy and implementation of external assistance in 2002*, European Commission), is important, more should be done to better communicate in the EU SDS how the international dimension is incorporated into EU policies. There is not sufficient explanation in the EU SDS of what the EU is doing internationally within this priority area, aside from the EU Water Initiative, "Water for Life".

The EU also should act on the candidate states for the second enlargement round not to adopt laws that run contrary to EU-SD-policy.

**Q31. Have the actions taken achieved a satisfactory balance between the economic, environmental and social dimensions of sustainable development? What short and long term trade-offs or synergies do you see between actions to address unsustainable use of natural resources and actions in other domains?**

No. Objectives and measures are needed to better balance the three dimensions in this priority area. Effects on ecosystems and wildlife from pesticide and chemical exposure and invasive species can devastate an economy. More should be done in the realm of sustainable consumption and production. Better planning is needed to set long-term goals for the management of natural resources to mitigate potential negative environmental impacts from anticipated economic changes in the future. Trade distorting and environmental harmful subsidies should be reduced (see German Council on Sustainable Development's recommendations in *World Agricultural Trade and Sustainable Development*, May 2003).

## ***VI. Mobility and Transport***

**Q32. Do you agree that the EU has made satisfactory progress over the past three years towards meeting its objectives related to transport and mobility?**

No answer.

**Q33. If no, explain why. Do you think the objectives need to be updated?**

No answer.

**Q34. Have the right measures been identified? Have they been well implemented? Are there other actions that should be taken during the next five years?**

No answer.

**Q35. Is the international dimension of the issue well covered in EU policies? Is there an international dimension to EU policies to reduce the environmental impacts of transport? How do non-EU policies help or hinder achieving the EU objectives?**

No answer.

**Q36. Have the actions taken achieved a satisfactory balance between the economic, environmental and social dimensions of sustainable development? What short and long term trade-offs or synergies do you see between actions to address unsustainable transport trends and actions in other domains?**

No answer.

## ***VII. Beyond the Priority Issues***

**Q37. Having commented on the six priority issues identified in 2001, do you agree that the scope of the strategy should be widened by including additional priority issues?**

No, however, there are important issues that would help to strengthen the link between national and EU SD strategies, which should be further developed into the existing priority areas. These include:

urban environment, sustainable consumption and production patterns, and new partnerships. In addition, health objectives and measures, including children's health, and poverty-specific objectives and measures for children should be developed within the existing priority areas. Furthermore, commitments made in other efforts (WSSD, 6EAP) should be incorporated into the existing priority areas.

**Q38. If so which ones, and why?**

(Not applicable.)

**Q39. Alternatively, do you agree that the scope of the strategy be focused on a more limited number of issues?**

No. We recommend that the strategy better focus on the existing priority issues.

**Q40. If so which ones, and why?**

(Not applicable.)

**Changing the Way We make Policies – Part B**

**I. Improving Policy Coherence**

**Q41. How well do you consider the various Community policies contribute to sustainable development? How could their contribution be improved?**

There are simultaneous EU policies occurring in relation to SD, which are not entirely consistent with each other (have different priorities, goals, etc), e.g. 6EAP, Lisbon, current review of Kyoto, the strategy on the urban environment, implementation of WSSD commitments, financial perspective, structural funds, and the Cardiff process. This weakens the recognition of the EU SDS as the main SD guidance document for the EU. Better coordination would help to eliminate duplication and identify gaps. Lack of political leadership is detrimental to the EU SDS. In addition, mechanisms must exist to involve civil society and communicate SD.

**Q42. Do you agree that the Commission's approach of using Impact Assessments to increase policy coherence has been appropriate?**

Agree.

**Q43. If yes, explain why. If no, explain why not.**

We welcome the introduction of impact assessments in 2001 for the Commission's own proposals. Tools are needed, on the one hand, to evaluate actual achievements (ex-post evaluation), and on the other hand to evaluate and assess future development (ex-ante evaluation). We also welcome the implementation of the Strategic Environmental Assessment. Further work, however, is necessary to put into place a comprehensive impact assessment and reporting system for SD purposes.

The preliminary impact assessments that were published this year were of uneven quality. An "assessment of the impact assessments" seems like an appropriate step. Within the context of the EU's "governance" approach, all stakeholders should also be enlisted to broaden the transparency and scope of the process.

**Q44. Do you have any suggestions for improving or complementing this approach?**

Impact assessments should always consider social costs and social benefits, in addition to the environment. This means costs and benefits to the public and private sectors. This is especially important in calculation social costs, to include costs that may be incurred by industry from implementation of a policy or measure, which industry passes on to consumers, subsequently making those costs societal costs. Where industry costs are not considered, there is a tendency in impact assessments to overstate the social benefits and underestimate the social costs.

**Q45. Are there areas in which you think this approach is not being applied / implemented sufficiently?**

No.

## **II. Getting Prices Right to Give Signals to Individuals and Businesses**

**Q46. Do you agree that the EU and Member States have made satisfactory progress in making sure that prices reflect the true costs of economic activities to society?**

No answer.

**Q47. How can market forces best be used to promote sustainable development?**

No answer.

## **III. Investing in Science and Technology for the Future**

**Q48. Are the actions identified in the EU SDS in the area of science and technology appropriate in contributing to sustainable development? Have they been adequately implemented?**

The highlight of science and technology in the strategy is welcomed. The results of the recently finalized benchmark study of the European Environment and Sustainable Development Advisory Councils (EEAC) on national experiences with SD strategies may help to identify items for further research. ETAP, LIFE, and the 7<sup>th</sup> Research Framework Programme must be better linked to each other to prevent duplication but also to identify possible research gaps. Furthermore, greater financial investments in research do not necessarily result in investing in appropriate research. In addition, investments in research are considered an input or a process, not an end result. Measures that link research investments and results to sustainability must be included in the strategy. The strategy in general needs to move toward proposing measures to achieve **results**.

## **IV. Improving Communication and Mobilising Citizens and Business**

**Q49. How can communication and citizens and business involvement in decision making support the EU's efforts most effectively to achieve the changes in behaviour that will be needed if we are to move toward long-term sustainability?**

Without the above-mentioned groups, sustainability cannot be achieved. On the other hand, however, civil society and the private sector are misplaced when the state urges them to undertake responsibilities that originally were addressed by the state. Sustainability depends on state and local governments and the public (term defined as citizens and industry) understanding the concept and the strategy and taking part in achieving some of the objectives. In addition, public citizens can pressure industry to become more sustainable in its processes and products. The most direct partner for people and industry are the local governments; they have the responsibility to involve them in a direct way.

Some ways to communicate better with citizens and industry include: Raise awareness by going public with the strategy; Achieve a sense of urgency through a sound scientific description and analyses of “Europe at Challenge”; Increase visibility by best practice instruments, organizing a big-scale conference on the future opportunities and options of enterprises and politics; Make SD a prominent issue on the agenda of the EP. We recommend EP to rank SD as high as the budget.

Finally, Corporate Social Responsibility (CSR) could become a very important instrument for informing consumers about the sustainability performance of businesses. Some enterprises, particularly big multinational corporations, have already recognized that markets require them to put some efforts in corporate strategies for sustainability. But these strategies are often limited to small projects, which present the corporation as a "good neighbour" and citizen. For consumers and other external observers, it is often not possible to get an objective assessment of a company's sustainability performance. Therefore, transparency is the key to enabling consumers to profit from CSR. Full transparency will make sustainability a "public" topic, and it will enable consumers to verify industry's commitments to sustainability. This way, sustainability will evolve to be a general quality factor, and there will be genuine competition among enterprises for more sustainable production methods.

## **V. General Assessment of Changing Policymaking**

**Q50. Do you think the EU policy making process is conducive to achieving sustainable development?**

Disagree.

**Q51. If yes, say why. If no, please suggest how it could be improved.**

Our responses to Q2, Q4, Q55, Q58, and Q59 detail why we believe the EU policymaking is not the most appropriate level to achieving sustainable development. Please refer to those responses. In summary: no leadership, no proper coherent horizontal integration within the Commission, no coordination with other sustainability efforts (6EAP, Lisbon), no sufficient interaction with other organizations that play role in global sustainable development (OECD, UN, World Bank), poor strategic planning (lack of quantifiable long-term outcome and annual goals with targets and timeframes), no evaluation mechanism, no sufficient public involvement, no public communication strategy.

## **Measuring and Reporting on Our Progress – Part C**

**Q52. Are you familiar with the Commission’s structural indicators and sustainable development indicators?**

Yes.

**Q53. If yes, do you agree that they provide a reliable and useful way to measure and report progress in implementing the strategy?**

Disagree.

**Q54. Do you agree that progress on sustainable development is adequately reported on?**

Strongly disagree.

**Q55. If no, why not?**

There are three reasons why SD is not adequately reported and why the EU SDS should be improved. First, some of the indicators are not relevant to sustainable development, although they are relevant to economic tracking. This is symptomatic of the entire strategy: the EU SDS simply tried to add environmental indicators to existing economic and social ones, regardless that the latter were chosen in the Lisbon strategy for different reasons and timeframes than for which sustainable development indicators would have been chosen. In two priority areas, combating poverty and social exclusion and dealing with the economic and social implications of an aging society, the EU SDS chose simply to disregard development of sustainable development indicators, thereby ignoring an important environmental component to these objectives. Also, health-related indicators are notably absent from both the structural and SD indicators (please see responses to Qs 12, 13, 17, and 18), and the SDS fails to address instruments of consumer policy.

Second, there are no evaluations or associated progress reports of the objectives and measures. Even this questionnaire “review” is not a review, because there is no reporting on each of the objectives and each of the measures. Furthermore, in the absence of important timeframes and targets for many objectives and measures, it is not clear how the trends of the SD indicators to date contribute to achieving SD. A mechanism for regular review and peer consultation, as described in response to Q2, would be an appropriate instrument.

Finally, simultaneous EU efforts are occurring in relation to SD, which are not entirely consistent with each other (have different priorities, goals, etc), e.g. 6EAP, Lisbon, current review of Kyoto, and implementation of WSSD commitments. This weakens the recognition of the EU SDS as the main SD guidance document for the EU.

#### **Topic 4 – Linking the EU Strategy to Global and National Strategies**

**Q56. Has the EU strategy for sustainable development effectively contributed to global sustainable development?**

Uncertain. The international component was developed in 2002, and as such, it is too early to evaluate any long-term impact from the EU SDS on global SD.

**Q57. Are EU’s international commitments translated sufficiently into internal EU policies?**

No answer.

**Q58. Do you have any suggestions as to how this could be improved?**

Better incorporate SD into existing EU development policies. For example, the Commission’s 2003 Annual Report on development policy and implementation of external assistance evaluated progress on a number of indicators (see *Annual Report 2003 on the European Community’s development policy and implementation of external assistance in 2002*, European Commission). Given that there is already an EU infrastructure for implementing and monitoring development programs, the EU SDS should be incorporated into these already existing mechanisms.

**Q59. What are the top international priorities that should be dealt with in the EU strategy, and how should we deal with them?**

WSSD committed to addressing environmental health, including that of children, around the world, and explored the link of environmental quality with economic and social status. The EU should carry out this commitment by identifying and addressing the unsustainable conditions that impact children.

**Q60. Do EU internal policies help or hinder the achievement of global sustainable development? Which policies help? Which policies do not?**

It is difficult to point to specific policies as a hindrance; it is more important to note that EU **processes** hinder achieving SD globally. There seems to be a lack of connection internally between the environment and economics. Even on paper, via the EU SDS and Lisbon strategy, this communication does not seem to exist. The EU SDS should facilitate the communication internally between environmental scientists and policymakers and economists.

The planned 2005 review of the Lisbon Strategy should refocus on greater environmental integration, notably in the transport and energy sectors, including the development of overall and sectoral objectives and effective monitoring mechanisms, and review and promote progress towards agreed-upon targets. The Commission, with member states, should examine whether the open method of coordination could be used to spread best practice and achieve greater convergence towards the main EU environmental goals, including in the area of environmental technologies. Furthermore, the European Parliament and the Committee of the Regions should be better involved in the current review.

The issues of competition and internal market have a very dominant position within EU policy. There is an imbalance to policies relevant for sustainable development. The actions of the respective Directorate-Generals (DGs) (competition and internal market), although they don't account sufficiently for sustainable development, prevail.

**Q61. Do you think that the recent enlargement of the European Union has created new challenges for sustainable development that need to be taken into account?**

Strongly agree.

**Q62. If yes, which ones?**

The addition of the new member countries poses challenges in each of the three pillars of SD: economic, social, and environmental. The grappling to establish democracies should not be underestimated in contributing to challenges of political support for proposals as well as the policy development and implementation that must subsequently occur. Different economic status and existing environmental conditions and available natural resources will also affect the ability of the new member countries to participate in strategy development and implementation. Economic growth poses challenges, but also opportunities, to sustainable development of a newly expanded EU. Some specific thematic areas of the new members may include transboundary traffic, demographic change and migration, infrastructure in shrinking and growing communities, energy, new supply management and net architecture, sustainable consumption and production, education and SD.

**Q63. Is there a need to ensure stronger co-ordination between sustainable development strategies at different levels (e.g. local, regional, national, EU, international)?**

Strongly agree.

**Q64. If so, do you have any suggestions as to how this could be achieved?**

The EC should encourage member states to introduce and implement national SD strategies. National strategies should of course reflect issues of concern specific to associated member countries, but at a minimum, national SD strategies should tie into the EU SDS. The EU SDS must develop a mechanism for regular review and consultation with a sounding board, which reflects

lessons learned by those who are actively and effectively implementing SD strategies. This sounding board would either be created by the EU or the European Economic and Social Committee (EESC) could fulfill this role. Clear and timely communication with member nations is important to promoting the EU SDS concepts within those nations and, therefore, achieving the EU SDS goals. Additionally important are conferences and workshops, as well as cooperation with other networks, such as the Committee of the Regions, Eurocities, and the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP).

**Q65. Overall, would you say that the EU's progress towards sustainable development since 2001 has been satisfactory?**

Disagree.