



Federal Council for Sustainable Development (FCSD)

Second Opinion on the Review of the European Sustainable Development Strategy

- Requested by Prime Minister Guy Verhofstadt
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Main themes of the opinion: 15 recommendations for the new European sustainable development strategy (EUSDS)

1. The renewed EUSD Strategy and Lisbon Strategy should be better coordinated to make a more integrated European policy focused on sustainable development possible. This approach is also required at Member State level. The national reform programmes for the new Lisbon approach should integrate the different dimensions of sustainable development.
2. In theory, joint monitoring offers the best guarantee for effective coordination of the Lisbon Strategy and the European Sustainable Development Strategy. If such monitoring is not feasible, the European Sustainable Development Strategy should still be assessed annually, just like is done with the Lisbon Strategy.
3. Based on an analysis of unsustainable trends, environmental concerns deserve equal attention as growth and employment. Economic, social and environmental performance are not contradictory objectives: they are complementary and sometimes even mutually reinforcing.
4. To achieve these objectives, a more sustainable consumption and production pattern will be necessary within the EU. This concern should be a cross-cutting point of attention in the six current priority issues of the EUSDS.
5. More sustainable consumption and production patterns must ensure that economic growth is decoupled from excessive consumption of resources and environmental pollution. This will contribute in a large measure to the long-term competitiveness of the European economy.
6. The Commission should use the sustainable development indicators drawn up by Eurostat to back up its proposals for the review of the EUSDS, in particular for the follow-up of priority unsustainable trends, how these tie in with one another and policy options in this context.
7. Impact assessments theoretically constitute an important instrument for developing an evidence-based, more integrated and transparent European policy, but in practice they often leave a good deal to be desired. They do not always take all aspects of sustainable development into account. There is a need for a better coordinated process for impact assessments, along with more resources for the development of knowledge and follow-up.
8. The Commission's proposal to involve the Member States more closely in the process and to coordinate their sustainable development policy with the EU policy is positive. It can lead to a more coherent and more effective policy. It cannot however mean that the Commission is handing over its responsibilities to the Member States.
9. A peer review of national sustainable development strategies in the EU can give useful results provided it is more than an optional exercise. It would be appropriate to consider this comparative approach in relationship with the review of Member States' national reform programmes.
10. The European institutions are structured primarily by sector rather than horizontally. That does not favour ownership of the EUSDS in these institutions. Both the Council and the Commission need to provide a better institutional framework for sustainable development.
11. In addition to the different public authorities, stakeholders also have to assume their responsibility in the sustainable development process. Political ownership of the EUSDS is correlated with interaction and the input of civil society. The Commission's intention to consult stakeholders on the execution of the EUSDS is therefore positive. However, this cannot be an optional process. It must be clear how the views of stakeholders are taken into account.
12. To involve European citizens more closely in sustainable development policy, it is absolutely essential to frame the new EUSDS in a coherent and transparent way in a single document. The strategy should also be tangibly translated into a project of living, working, housing, consuming and mobility patterns, to make sure everyone understands the choices not only governments must make, but also the different actors and citizens in our society.



13. The Commission wants to achieve current objectives before setting new more ambitious targets for a sustainable development policy. That is understandable but this practical approach does not suffice for areas where current objectives and action plans lack precision and ambition, as is the case for the sustainable use of natural resources.
14. In its proposal for a new EUSDS, the Commission enumerates different objectives and measures for sectoral and partial strategies. The idea is to integrate these elements into an overarching framework and to indicate possible interactions, to harmonise different measures and to set priorities. The list of objectives and measures could be completed with data or proposals for policy instruments, responsibilities, a timeframe and financial framework for implementation of the different measures.
15. Sufficient attention must be given to possible areas of tension between the external and internal dimensions of the EUSDS. There is a need to ensure that sustainable development in Europe does not lead to environmental and social dumping in economically less developed countries.

Context of the opinion

- [a] *'The EU Strategy for Sustainable Development will be comprehensively reviewed at the start of each Commission's term of office.'* Thus states the European Commission document that launched the European Sustainable Development Strategy in 2001 (COM(2001)264). The new Barroso Commission must consequently present a review of the strategy to the European Council. The review was prepared through a public consultation held in 2004. In that context, the FCSD published an initial opinion on the review of the European Sustainable Development Strategy¹ at the request of the State Secretary for Sustainable Development, Els Van Weert.
- [b] The consultation was followed by another step forward in the review of the European Sustainable Development Strategy with the Commission's publication of a number of documents. On 9 February 2005, it put out a Communication on 'The 2005 Review of the EU Sustainable Development Strategy: Initial Stocktaking and Future Orientations (COM2005)37'. This was followed on 25 May by another Communication: "Draft Declaration on Guiding Principles for Sustainable Development" (COM(2005)218. The guiding principles were approved at the European Council of 16 and 17 June 2005). Finally, on 13 December 2005, the Commission released another Communication entitled 'On the Review of the Sustainable Development Strategy: A Platform for Action' (COM(2005)658).
- [c] The review of the European Sustainable Development Strategy (EUSDS) was on the agenda at the start of 2006 for different Council sittings: Environment, Energy, Transport, Ecofin, etc. Based on their Conclusions and on the Commission Communications, an ad hoc group, Friends of the Presidency, will formulate a proposal for a new European Sustainable Development Strategy on which the European Council of June 2006 will state its opinion. With a view to submitting Belgium's views, the Prime Minister requested the opinion of the FCSD, in a letter dated February 24 2006.
- [d] This second opinion is based on the FCSD's first opinion on the review of the European Sustainable Development Strategy. More specifically, it examines the extent to which the documents referred to above, published in the wake of the first opinion of the Commission and Council, respond to the ideas and recommendations set out in the first opinion. Based on this analysis, the FCSD then formulates proposals aimed at complementing or correcting the Commission's proposed EUSDS.

¹ FCSD 2004a09 of October 2004.



Assessment of the Commission's proposed strategy

Coordination of the EUSDS and of the Lisbon Strategy for a more coherent European policy

- [1] The European Constitution explicitly states that the Union shall work '*for the sustainable development of Europe*'². To attain that objective, the EU has a Sustainable Development Strategy (EUSDS) that was approved at the Gothenburg European Council in 2001. Another EU strategy forms part of the sustainable development framework: the Lisbon Strategy, whose content and process were renewed last year. It is of vital importance for the Union as a 'strategy for growth and employment'.
- [2] In parallel with the final objective, the EUSDS and the Lisbon Strategy also share a three-dimensional approach to sustainable development (while giving different emphasis to the economic, social and environmental components). As umbrella and cross-cutting strategies, they address a number of identical themes: energy, climate, mobility, ageing of the population and so on. Consistency is therefore of the utmost importance and the two strategies must be coordinated within the European Union's policy process.³
- [3] In several recent opinions⁴, the FCSD stated that such coordination is lacking: the EUSDS and Lisbon processes operate in isolation from one another in the European institutions. Too little attention is given to possible synergistic effects between the two approaches, and existing and potential areas of tension between the European Sustainable Development Strategy and the Lisbon Strategy are rarely mentioned. The choices and trade-offs implemented at this level are often vague and lack transparency.⁵
- [4] In the official discourse of the European institutions, this problem does not arise: the Lisbon and Gothenburg strategies are presented as complementary approaches, but using different instruments and placed in separate timeframes.⁶ The FCSD is of the view that this constitutes a positive political intention but that this principle is not yet a political reality in the European Union. This view is based on the fact that the European Council of 16 and 17 June 2005 reiterated in its Conclusions '*its attachment to sustainable development as a key principle governing all the Union's policies and activities*', while approving both the Integrated Guidelines for Growth and Jobs 2005-2008 and the Guiding Principles for Sustainable Development without making clear either how they are consistent or how they interact with one another.⁷
- [5] There is also a need to mention a number of examples of incentives for a more integrated European policy. For instance, in its recent proposals for an energy policy for Europe (Green Paper), the Commission examines the Lisbon objectives and sustainable development objectives in a single political framework aimed at '*balancing sustainable development, competitiveness and security of supply*'⁸. In the same spirit, the European Council of 23-24 March 2006 called for an '*energy policy for Europe aiming at effective European policy, coherence between Member States and consistency between actions in different policy areas*'

² European Constitution, Part 1, Title 1, Article 3.

³ In this context, the European Council of 23-24 March 2006 stated with respect to the review of the Lisbon Strategy agreed at the 2005 Spring Summit: 'It agreed to refocus priorities on jobs and growth coherent with the Sustainable Development Strategy...' Presidency Conclusions 7775/06 [4].

⁴ 2004a09 on the EUSDS, 2005a07 on the National Reform Programme and 2006a01 on the European Union Thematic Strategy on Natural Resources. All FCSD opinions can be consulted on www.frdo.be.

⁵ A more extensive analysis of the synergy and areas of tension between the EUSDS and Lisbon approaches can be found in the opinions referred to in the previous footnote: 2004a09 [16] to [23], 2005a07 [1] to [14].

⁶ See also the Commission Communication to last year's Spring European Council: COM(2005)24 of 2/2/2005 'Communication to the Spring European Council: Working together for growth and jobs – A new start for the Lisbon Strategy', p. 5: '*The Lisbon Strategy is an essential component of the overarching objective of sustainable development set out in the Treaty: improving welfare and living conditions in a sustainable way for present and future generations. Both Lisbon and the Sustainable Development Strategy contribute to ensuring this goal. Being mutually reinforcing, they target complementary actions, use different instruments and produce their results in different time frames.*'

⁷ Presidency Conclusions, 10255/05 of 18/7/2005 [8], quoted in FCSD 2005a07 [5].

⁸ COM (2006)105 of 8/3/2006 'A European Strategy for Sustainable, Competitive and Secure Energy'.



*and fulfilling in a balanced way the three objectives of security of supply, competitiveness and environmental sustainability.*⁹

- [6] If these words are indeed translated into political acts, a more integrated European energy policy could emerge. The FCSD nevertheless notes that the social dimension is still lacking in the recent Green Paper on energy: the Commission must also take account of the social impact (both positive and negative) of its energy policy, with respect to prices of and access to energy services, employment in the sector and the aspects of health and safety.
- [7] An integrated approach to the Lisbon objectives and those of the European Sustainable Development Strategy is also vital at Member State level. The FCSD once again drew attention to this in its recent opinion on the National Reform Programme: *'Also in regard to the Lisbon approach in Belgium, and in particular to the National Reform Programme (NRP) to be prepared on the basis of the Integrated Guidelines, the FCSD would like to see coherence with our country's approach to sustainable development. That will lead to a policy comprising economic, social and ecological dimensions, and implemented in a coordinated way in the different areas and sectors.'*¹⁰
- [8] The FCSD finds that the Belgian National Reform Programme 2005-2008, published in November 2005, gives too little account to this request for consistency with the sustainable development approach. Reference is of course made to the sustainable use of resources and synergy between environmental protection and growth, but the programme mentions only general points of action that already exist at this level¹¹. The Commission, moreover, does not mention them in its list of good examples for the Lisbon approach by Member States.¹²
- [9] To ensure better coordination of processes like the EUSDS and the Lisbon Strategy, it is important to review and assess them together. That is why the FCSD has always called for *'our country to defend explicitly the coupling of the EUSDS and the review of the Lisbon process.'*¹³ A joint assessment of both processes at the annual European Union spring summit in theory offers the best guarantee. An alternative is a separate assessment of the EUSDS at the June summit, if more attention is indeed devoted to this strategy and to coordination with Lisbon. The FCSD is in any case of the opinion that there must be annual follow-up to the EUSDS. The Commission's proposal to present an interim report every two years as the basis for debate at the European Council¹⁴, implies that monitoring of the EUSDS will be limited and out of step with the Lisbon process.

⁹ Presidency Conclusions 7775/06 [44].

¹⁰ 2005a07 August 2005, [15].

¹¹ Cf. Introduction, way 6 and 2.5. The objective of a general 1% annual increase in energy efficiency was described in one FCSD opinion as a *minimal relative value*: *'the FCSD considers that it is possible to set more ambitious objectives while respecting balance among the three pillars of sustainable development and taking into account the potential of the different Member States.'* (Opinion on the proposal for a European Directive on energy end-use efficiency and energy services, 2004a10 [20]).

¹² Annex to the Annual Interim Report 2006 on Growth and Employment:

http://europa.eu.int/growthandjobs/pdf/2006_annual_report_appendix_en.pdf. In the follow-up to the FCSD opinion at the General Meeting on 1 February last, the Prime Minister's representative declared in regard to possible actions for synergy between growth and the environment: *'We can have the ambition of being mentioned in the next Commission report under "best practice".'* (see follow-up of 2005 opinions on the FCSD website: http://www.frdo.be/nl/pubnl/adviezen/opv_adv/2005opv_Verhofstadt.pdf).

¹³ CFDD 2005a01 on the annual assessment of federal sustainable development policy [23], CFDD 2005a07 on the National Reform Programme [11].

¹⁴ Cf. COM(2005) 658 of 13.12.2005 'On the Review of the Sustainable Development Strategy – A platform for action'. Coincidentally or not, the Conclusions of the Spring 2006 European Council on the new Lisbon Strategy make no reference to the EUSDS or its imminent review.



Interaction between economic, environmental and social performances

- [10] In its Communication of December 2005 on the review of the EUSDS, the Barroso Commission proposes not only more limited follow-up in terms of timing, but also optional input to Lisbon by the Member States.¹⁵ At the start of last year, however, the Commission was still arguing for a 'reinforced reporting system' to focus on 'the short and medium-term delivery of the strategy's objectives'.¹⁶ This suggests that this Commission sees the Lisbon Strategy as taking priority over the EUSDS, which is explicitly stated moreover in its Strategic Objectives 2005-2009: 'The most urgent issue facing Europe today is clear: growth and jobs. Strong economic performance and dynamic growth were the cornerstone on which the European model of social solidarity and sustainability was originally built. The top priority today is to restore sustainable dynamic growth in Europe in accordance with the Lisbon Strategy.'¹⁷
- [11] This priority was expressed metaphorically by Commission President Barroso in his address to the European Parliament on the new Lisbon Strategy: 'It is as if I have three children – the economy, our social agenda, and the environment. Like any modern father – if one of my children is sick, I am ready to drop everything and focus on him until he is back to health. That is normal and responsible. But that does not mean I love the others any less!'¹⁸ The FCSD nevertheless concludes from the analysis of unsustainable trends, published by the Commission itself¹⁹, that all the children are sick and need care and that attention has to be given to the interaction between the symptoms and the remedies.
- [12] The FCSD stressed the importance of the interaction between economic, social and environmental performances in its first opinion on the EUSDS: 'Economic performance can generate the means needed to implement a social and environmental policy, while, conversely, environmental concerns can provide important economic impetus. With that in mind, the Dutch Presidency of the EU (second half of 2004) initiated a campaign based on eco-innovation. The most relevant question here is how innovation in the field of environmental technology can contribute to the realisation of the economic and social objectives set in Lisbon. (...) Moreover, the environment presents an economic opportunity in the sense that ecological amenities are necessary conditions for economic viability in diverse sectors, for example, in tourism and leisure activities, agriculture and fisheries.'²⁰
- [13] Innovation in eco-efficiency leads to more sustainable production through the combination of economic, social and environmental performance. This supply-side aspect interacts with demand-side developments, in this case with the drive to achieve more sustainable consumption patterns. In this context, the FCSD urged in its first opinion on the EUSDS that greater emphasis be placed on the aspect of 'sustainable production and consumption' by developing it further in the six priority issues as a priority cross-cutting objective.²¹
- [14] The FCSD consequently welcomes the fact that, in addition to eco-innovation and environmental technology, the European Council of 23 and 24 March 2006 also explicitly mentioned more sustainable production and consumption patterns as an area of action: 'exploration of specific actions to bring about more sustainable consumption and production patterns at EU and global

¹⁵ COM (2005)658 (13/12/2005) See [26] and ff below for the aspects of governance and vertical integration.

¹⁶ COM(2005)37 of 9/2/2005.

¹⁷ COM (2005)12 of 26/1/2005, p. 4. The FCSD points out that, following its review, the Lisbon Strategy also emphasizes other aspects: the 2006 Spring European Council refers to the decision of the 2005 Spring Summit to 'refocus priorities on jobs and growth coherent with the Sustainable Development Strategy' ([4] Presidency Conclusions), while the 2000 Spring Summit had set the new Lisbon objective as follows: 'to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'. ([5] Presidency Conclusions).

¹⁸ "Working together for growth and jobs: a new start for the Lisbon Strategy", speech by José Manuel Barroso to the European Parliament, 2 February 2005:

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=SPEECH/05/67&format=HTML&aged=0&language=FR&guiLanguage=en>.

¹⁹ COM (2005)37 of 9/2/2005: 'The 2005 review of the EU Sustainable Development Strategy: Initial stocktaking and future orientations'.

²⁰ FCSD 2004a09 of 29 October 2004, [25] and [26]

²¹ Cf. 2004a09 [52]. The six priority issues of today's EUSDS are climate change, public health, poverty and social exclusion, ageing of the population, management of natural resources and mobility/transport.



*level, including the development of an EU Sustainable Consumption and Production Action plan and fostering green public procurement, inter alia by promoting environmental criteria and performance targets, by examining the proposal for a Directive on the promotion of clean road transport vehicles as soon as possible and by making progress with the realisation of an ambitious European source-based policy.*²²

- [15] A policy based on more sustainable consumption and production patterns is needed to ensure the uncoupling of economic growth and the use of natural resources from environmental pollution. The FCSD recently issued an opinion on this problem at European level²³, and will be stating its view later this year on uncoupling at national level²⁴. In that opinion, the FCSD recommended that, in addition to reviewing the economic and environmental dimensions, the social dimension of sustainable production and consumption should also be explored and, with that in mind, referred to the integrated approach to these dimensions in the Third Federal Plan for Sustainable Development.²⁵
- [16] In the opinion mentioned in the previous paragraph, the FCSD stressed the potential impact of a natural resource policy and of decoupling on growth and employment, with reference to a report by the European Environment Agency on the subject: '*... A coherent policy response can bring about many positive economic effects. Large investments in environmental protection have helped to create around two million jobs in the European eco-industry. (...) Increasing the efficiency of resource use in sectors with high materials and energy costs will directly increase the global competitiveness of European industries. Emphasis on material and energy efficiency can also help to reduce unemployment, because economic restructuring and cost-saving strategies traditionally target the labour force first (...)*'²⁶
- [17] 'On the links between employment policies and environment policies'. Concerning the interaction between environment policy and jobs, the Commission has published an interesting working paper: 'On the links between employment policies and environment policies'.²⁷ The study concludes that '*there is no evidence that environment policy is a job-killer overall but instead it seems to have a neutral or even mildly positive impact on the overall number of jobs. This is especially true if environmental policy is well designed and hence is cost-efficient. Some environmental policies may be particularly favourable from the point of view of employment policies: for example, policies to promote environmental innovation or environmental tax reform.*'
- [18] The EEAC²⁸ Strategies working group, in a recent statement on the review of the EUSDS, established the link between a decoupling policy and the competitiveness of the European economy. The statement even suggests adding a seventh priority issue to the EUSDS, namely 'long-term competitiveness'. The FCSD is not convinced of the usefulness of adding still another issue, but nonetheless considers that this is an important angle that must be addressed further under the existing issues, for instance in relation to the point of view mentioned in [12], 'sustainable production and consumption'. This could contribute to the coordination recommended in [1] to [7] between the EUSDS and the Lisbon Strategy.

²² European Council – Presidency Conclusions – 23-24 March 2006- [76]

²³ 2006a01 of February 2006: Opinion on the European Union thematic strategy on natural resources

²⁴ Cf. action 15 of the Federal Sustainable Development Plan 2004-2008 and the request for an opinion from State Secretary Van Weert

²⁵ Third Federal Report on Sustainable Development: 'Understanding and Controlling Development', December 2005, p. 57. In this report, the Sustainable Development Task Force of the Federal Planning Bureau also examines the pressure of consumption and production patterns on health (2.2.2) and the impact of demographic factors (e.g. ageing of the population).

²⁶ FCSD 2006a01 [17], with reference to the European Environment Agency 'Sustainable use and management of natural resources' (EEA Report 9/2005), p 7. The European Council of 22 March 2005 also emphasized the contribution of an environment policy to growth and jobs in the EU ([19]).

²⁷ SEC (2005)1530 of 17 November 2005, p.18.

²⁸ EEAC: European umbrella organisation that groups the Environment and Sustainable Development Advisory Councils of the different EU Member States; the FCSD is a member. See <http://www.eeac-net.org/> for the statement '*Getting it straight and keeping up the pressure. A dialogue paper*'.



Indicators and impact assessment as policy integration instruments

- [19] For assessment and follow-up of both the EUSDS and the Lisbon Strategy, it is vital to have indicators that can be used to measure the real situation and the policy being implemented. The Commission states in its latest Communication on the review of the European Sustainable Development Strategy that strategy assessment in the progress report must draw *'on the set of sustainable development indicators designed with the assistance of national experts, adopted by the Commission in February 2005'*²⁹.
- [20] This refers to the list of sustainable development indicators (SDI) developed by a Eurostat international working group. The FCSD also highlighted the importance of that initiative³⁰, in particular because it gives attention to the interactions between indicators, which is of major importance for integrating policies relating to sustainable development. The FCSD therefore considers positive the intention of making these indicators the basis for monitoring the EUSDS. It proposes that they be put to use immediately to support the review of the strategy, inter alia to identify priority unsustainable trends, the links between such trends and policy options in this context.³¹
- [21] In its Communication of February 2005 on the review of the EUSDS, the Commission explains that sustainable development indicators *'will draw on, among other things, the various indicators developed within the sectoral policy processes and the synthesis already made from these in the set of structural indicators which have monitored progress towards the targets set as part of the Lisbon reform agenda.'*³² The FCSD considers in this context that it is also conversely necessary for the set of structural indicators to take account of the work achieved on the SDI.
- [22] For joint monitoring of the EUSDS and Lisbon processes (as argued in [9]), the 14 existing structural indicators are insufficient. The FCSD has stated in different opinions that the structural indicators on which the Commission bases the progress report submitted to the Spring European Council fail to give a balanced picture of the Union's progress towards sustainable development.³³ The European Council concurred with this view on the structural indicators in December 2003: *'Progress is also needed in reinforcing the balance of the indicators in keeping with the priorities of the strategy for sustainable development established by the EU and the Sixth Environmental Action Programme. It is recommended that indicators on biodiversity and health be introduced as soon as possible, certainly by the time of the next review of the EU Sustainable Development Strategy (expected in 2004).'*³⁴
- [23] The Commission, in its different Communications on the review of the European Sustainable Development Strategy, stresses the importance of the impact assessment procedure for integrating policies contributing to sustainable development. In its Communication of December 2005, it states that impact assessment: *'enables policy-makers to identify the best options based*

²⁹ COM(2005) 658 of 13.12.2005 'On the Review of the Sustainable Development Strategy – A platform for action 3.1, with reference to SEC(2005) 161 of 9/2/2005 'Communication from Mr Almunia. Sustainable development indicators to monitor the implementation of the EU Sustainable Development Strategy' http://europa.eu.int/comm/sustainable/docs/Indicators_SEC_2005_0161_F_EN.pdf

and the report 'Measuring progress towards a more sustainable Europe – Sustainable development indicators for the European Union', European Commission, Eurostat 2005 (ISBN 92-894-9768-8).

³⁰ FCSD 2004a09 [36], 2005a01 [33].

³¹ See [45] below. The European Council of December 2005 stated in this context: 'The European Council looks forward to adopting in June 2006 an ambitious and comprehensive strategy, comprising targets, indicators and an effective monitoring procedure which should integrate the internal and external dimensions and be based on a positive long-term vision, bringing together the Community's sustainable development priorities and objectives in a clear, coherent strategy that can be communicated simply and effectively to citizens.' (Presidency Conclusions, 15914/1/05 REV1 of 17 December 2005, 13., our underlining).

³² COM(2005)37 of 9/2/2005, 5.5

³³ See 2002a03 (16/4/2002): 'Opinion on Sustainable Development Indicators', [2], 2004a09 (29/10/2004) Opinion on the European Sustainable Development Strategy review', [33] to [36],

³⁴ European Council Conclusions 15875/03 of 8 December 2003, p.3, quoted in FCSD 2004a09 [35]. The European Council of 23-24 March 2006 again announced a structural indicator for biodiversity, along with a *'review of the environmental structural indicators in order to cover the environmental dimension of the Strategy for jobs and growth more comprehensively and coherently'* (European Council Conclusions 7775/06 of 24 March 2006).



on a balanced assessment of the likely economic, social and environmental impacts, the links and tradeoffs between them and taking account of the views of stakeholders. (...) These all promote the integration of different policies leading to more coherent decisions and broader consideration about how to achieve more sustainable outcomes, exploiting win-wins, identifying and addressing knock-on effects and tradeoffs in the EU and internationally.³⁵

- [24] The FCSD has also already pointed out in several opinions³⁶ the importance of impact assessment as an instrument for a more evidence-based and integrated policy and thus contributing to the cross-cutting nature of sustainable development. The FCSD therefore appreciates the EU's development in recent years of an impact assessment method for its policy initiatives and calls on it to continue to optimise this procedure. In its opinion on the National Reform Programme, it states in this regard: *'For the moment, the Commission's impact assessments are not very transparent and are of unequal quality, and often do not present a sufficiently integrated approach. In addition, account needs to be given to the fact that certain aspects of sustainable development are hard to quantify (the value of biodiversity, for example) and as a result are not always sufficiently taken into consideration in impact assessments.'*³⁷
- [25] This assertion is based in particular on the FCSD's analysis of the preliminary impact assessments for its initial opinion on the review of the European Sustainable Development Strategy. Other studies, such as the one conducted by the EEAC³⁸ Governance working group, highlight a number of imbalances in the Commission's impact assessments. Long-term and non-marketable effects are not sufficiently taken into consideration. In this context, the Central Economic Council pointed out in a recent opinion that *'it is difficult or impossible to measure certain costs (e.g. the effect of a legislative proposal in the field of public health or the environment). As useful as a cost-effectiveness analysis may be, according to the CEC, it is not necessarily an effective instrument in all policy areas or effective with respect to all consequences of a law. All aspects must be integrated into the assessment and the three pillars must be judged in an objective, neutral and balanced way'*³⁹
- [26] The FCSD calls on the European institutions to consider all aspects of sustainable development and not to limit the scope of impact assessments. These must provide information in a transparent way on possible choices and the consequences of policy options and not implicitly take a certain direction: a good impact assessment contains no implicit policy direction but explicitly sets out the possible options⁴⁰.
- [27] In this context, the Commission should review its impact assessment procedure: coordination between the different Directorates-General, each responsible for carrying out impact assessments in its field, leaves room for improvement. An independent quality control by the Commission Secretariat General and/or an external body is consequently required to check whether impact assessments are indeed adequate and respond to the Commission's relevant guidelines⁴¹. The resources for doing so must be made available. Indeed, the impact assessment mechanism will not provide results if sufficient funds are not invested in building capacities for implementation, support (e.g. a help desk) and follow-up of the procedure.⁴²

³⁵ COM(2005) 658 of 13.12.2005, 3.2.

³⁶ FCSD 2001a16 [8], FCSD 2004a09 [28], FCSD 2005a01 [12], FCSD 2005a07 [12] – [14].

³⁷ CFDD 2005a07 of August 2005, [13].

³⁸ EEAC: see footnote page 28

³⁹ CEC, Opinion on Better Lawmaking, CEC 2005-1392 DEF of 21/12/2005:

<http://www.ccecrb.fgov.be/txt/fr/doc05-1392.pdf>

⁴⁰ Cf. also 'A sound integrated assessment will clarify, and not conceal, policy choices' mentioned in the Statement by the EEAC Governance working group 'Impact assessment at EU level: achievements and prospects' (February 2006). The FCSD recently again mentioned an example of a restricted view and limited analysis of possible policy options during impact assessments, in its opinion on the European Union thematic strategy on natural resources, 2006a01 [21].

⁴¹ See http://europa.eu.int/comm/secretariat_general/impact/docs/SEC2005_791_IA_guidelines_main.pdf. These guidelines and their annexes were expanded in March 2006 with a model for the assessment of administrative costs of European regulations for businesses and other parties concerned. According to the Commission's annual policy strategy for 2007, an external evaluation 'of the Commission's impact assessment experience' is planned (COM (2006) 122 of 14/03/2006, p.14.

⁴² In its last opinion on the review of the Federal Sustainable Development Policy, the FCSD called for investments in impact assessment capacity building and for attention to the quality of impact assessments: a



Governance and ownership⁴³ – the EUSDS and Member States' policy

- [28] Impact assessments can contribute in large measure to horizontal policy integration, i.e. to a coordinated approach in different policy areas and sectors. The EUSDS must also pay attention to vertical policy integration: consistency between the EUSDS and the sustainable development policies of Member States and of their regional and local levels. Indeed, a survey shows that the key issues of the EUSDS are found in most national and regional sustainable development strategies, which often refer to targets or instruments set at European level. The FCSD therefore asked in its first Opinion on the EUSDS for better coordination between the different political levels in areas such as energy and transport policy, fisheries and agriculture. A policy that is not complementary or is even inconsistent may indeed be ineffective.⁴⁴
- [29] The FCSD consequently applauds the Commission for recommending coordination with Member States' SD policies in its latest proposal for review of the European strategy: *'The different national strategies and the European Strategy should as far as possible be mutually reinforcing so that the whole can become more than the sum of its parts. It is therefore proposed that Member States: - review their national strategies as appropriate, in the light of the European Union's strategy and publish them by not later than the end of 2006. Member States are encouraged to review, in particular, how the use of their national policy instruments could be made more effective and better integrated with actions taken or proposed at European level'*⁴⁵.
- [30] The Commission then proposes organising a 'peer review' of national sustainable development strategies with a view to establishing models of 'best practice'.⁴⁶ The European Sustainable Development Network, third countries and the network of national advisory councils all have a role to play here. The FCSD believes this approach can provide useful results provided it is not optional.⁴⁷ That is why the FCSD had not only recommended a similar process in its first opinion on review of the EUSDS but also advised that *'at the Spring Summit, the Member States should report on (the implementation of) their sustainable development strategy'*⁴⁸. In its opinion on Belgium's National Reform Programme, it more specifically requested that the Lisbon plan be tied in to the national sustainable development strategy.⁴⁹
- [31] Indeed, the FCSD considers that the report on how the Member States are meeting the Lisbon objectives (the national reform programme) must be considered in relation to the report on how they express their sustainable development strategy in the framework of the EUSDS. This would enhance policy consistency and effectiveness: the two reports are based on sustainable development as the final objective, share several themes (energy, agriculture, mobility, climate,

sustainable development impact assessment implemented imprecisely, through lack of know-how, means or will, risks becoming an exercise in subjectivism and formalism.' 2005a01 [12], with reference to its Opinion on the preliminary draft Second Federal Plan (2004a04 [68]) and its opinion on the European Sustainable Development Strategy (2004a09 [29]).

⁴³ The Commission texts often use the term 'ownership'.

⁴⁴ FCSD 2004a09 [41] with reference to the European Economic and Social Committee: NAT/229 – EESC 661/2004 (28/4/2004): 'Assessing the EU sustainable development strategy – exploratory opinion', 5.3.

⁴⁵ COM(2005) 658 of 13.12.2005, 3.1.

⁴⁶ Meanwhile, the Commission has put out 'A guidebook for peer reviews of national sustainable development strategies' (February 2006). It makes an interesting distinction between a review of (part of) a Member State's sustainable development strategy by other Member States on the one hand, and the review of the way a specific SD theme is addressed in all the Member States.

⁴⁷ This risk is not imaginary. The peer review of the French sustainable development strategy (February 2005) produced few elements, as writes the French SD advisory council (National Sustainable Development Council, Opinion 2006-09 on *'The European Commission Communication on the review of the Sustainable Development Strategy'*, March 2006, [7]: 'The NSDC notes that peer review appears very positive and should be encouraged. It nonetheless also wishes to point out that its input can only be measured if recommendations made at the conclusion of such an exercise are given effect. Commitments in this regard must be made at Community level. In that respect, it points out that the equal presence of the different actors, including civil society and local and regional authorities, is decisive, that the responses made by members of the NSDC present in the French initiative shed a good deal of light on the questions raised by the peers, and finally that the process in which it participated produced interesting recommendations, but on the other hand, national or international follow-up since February 2005 to these recommendations is not known to date.'

⁴⁸ 2004a09 [41] and [42], with referral to the EESC opinion mentioned in the footnote on page 44

⁴⁹ 2005a07 [17].



etc.), use identical measures and instruments⁵⁰ and have the same process objectives for the coordination of national and European policy, collaboration between the Member States and identification of best practice. The FCSD therefore recommends, in accordance with its call for better coordination between the EUSDS and the Lisbon process and for appropriate monitoring of the EUSDS⁵¹, that the status and follow-up of Member States' reports on implementation of sustainable development policy should be similar to that of the national reform programmes. The follow-up of both reports should be coordinated in the policy process.

- [32] The Commission's proposal for greater vertical integration can make the Member States more closely involved in the process, which is unquestionably positive. Stimulating greater ownership of the EUSDS by the Member States and making them more responsible cannot however imply that the European institutions shirk their responsibilities. The FCSD warned, in a recent opinion on the Thematic Strategy on natural resources, against the Commission's tendency to give Member States, in large measure, responsibility for putting strategy into practice: *'Several arguments back up this position, which the Commission comments on its Communication and impact assessment. It makes no mention, however, of the disadvantages and risks of such an approach. Indeed, whether the strategy is interpreted and the way such an interpretation is made depends on the goodwill of the Member States. It is easy to imagine that measures will be dropped when the problem is no longer part of the political priorities of certain countries or when the Member State considers that certain initiatives (e.g. tax initiatives) would weaken its competitive position in Europe.'*⁵² In this context, an argument could even be made for intervention at EU level under the subsidiarity principle, since subsidiarity works in both directions: when the Member States cannot achieve policy goals satisfactorily, intervention at Community level is recommended⁵³.
- [33] The FCSD consequently considers that there is a need for a policy under which all levels of authority assume their responsibility and make their contribution. Attaining this goal can involve methods such as 'open coordination' and tools such as tripartite agreements and contracts for local administrations. In any case, this is an approach under which intra-Community levels (countries, regions, cities) can develop, in their specific context, a policy based on the attainment of goals set at Community level.⁵⁴ The Commission does not mention the open method of coordination in its proposal for a new European Sustainable Development Strategy of December, but does so in its 'Initial stocktaking and future orientations' of February 2005: *'The open method of coordination can be a powerful instrument to promote exchange of good practice, involve and mobilize stakeholders and put pressure on Member States to adopt a more strategic and integrated approach and deliver more efficient policies.'*⁵⁵ It is in that spirit that the FCSD considers that the new European Sustainable Development Strategy must specify where the open method of coordination is advisable. The vertical integration process cannot be an optional exercise.
- [34] Ownership of the European Sustainable Development Strategy at several political levels also depends on its structural and institutional framework. In this context, concerns include the question of whether the importance of sustainable development as a constitutional principle of the Union is sufficiently reflected in the organisation of the European institutions. The European institutions are structured primarily by sector rather than horizontally. At Council level, the General Affairs and External Relations Council examines matters 'that affect more than one

⁵⁰ In its recent opinion on the Thematic Strategy on natural resources, the FCSD stated that a number of measures aimed at more sustainable use of natural resources are already included in the list of possible measures the Commission proposes at national level for the national reform programmes: see 2006a01 [27].

⁵¹ See [7].

⁵² CFDD 2006a01 [25].

⁵³ Article 5 of the European Community Treaty states: 'In areas which do not fall within its exclusive competence, the Community shall take action, in accordance with the principle of subsidiarity, only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the Community.'

⁵⁴ Cf. CFDD 2004a09 [41] and 2006a01 [26].

⁵⁵ COM(2005)37, 4.



Union policy', but we observe that sustainable development does not get enough support as a policy area.⁵⁶

- [35] At Commission level, there is a Commissioner and a Directorate-General for Competitiveness but not for sustainable development: the Secretariat General prepares policy for the Commission President, who is responsible for SD policy. In this connection, the FCSD shares the view of the EEAC Strategies working group, which noted in its statement on review of the EUSDS: '*We see a need for strengthening the central capacity for leading and co-ordinating sustainable development work at the heart of the Commission and in the Secretary General's office with stronger coordinating mechanisms to integrate the approach of all the relevant formations in the Commission. (...) We urge that the sustainability agenda and action should be coordinated within the Commission by high level structures similar to those that have been adopted for the competitiveness agenda*'⁵⁷. An enhanced institutional framework does not guarantee a more effective policy, of course, but is an important foundation. Belgium's experience with this type of sustainable development framework at federal level can prove useful in this context.⁵⁸

Governance and ownership – The European Sustainable Development Strategy and social actors

- [36] In its proposal for the review of the European Sustainable Development Strategy, the Commission argues for significant input from the Member States and stakeholders: '*businesses, regional and local authorities, NGOs, social partners, universities and schools, and individual citizens and consumers*'.⁵⁹ The Commission stresses the importance of corporate social responsibility and will explore '*how to create effective partnerships with industry, trade unions, non-governmental organisations and consumer interests, particularly with a view to discussing ways of helping to curb the unsustainable trends identified in the context of the review*'.⁶⁰
- [37] The FCSD also considers that stakeholders must assume their responsibility in the sustainable development process and that ownership of the EUSDS by civil society must interact with political ownership of the strategy.
- [38] The Commission then proposes that civil society contribute to the European Sustainable Development Strategy through independent sustainable development advisory councils to be created by the Member States (where they do not already exist). The FCSD had already stated in its first opinion on review of the European Sustainable Development Strategy: '*The input of national sustainable development councils is obviously also essential to allow civil society to play its role in policy formulation*'.⁶¹
- [39] With regard to the consultation of stakeholders at European level, the Commission envisages a role reserved to the EESC and the network of national sustainable development advisory councils (EEAC), which can contribute to the review of national SD strategies through peer review (see [30]). The FCSD sees the consultation of stakeholders at European level as a positive initiative, but maintains that the EU institutions must clearly state here (both ex ante and

⁵⁶ On this Council's website, for example, there is no reference to sustainable development as an important policy: http://ue.eu.int/cms3_fo/showPage.asp?id=388&lang=en.

⁵⁷ EEAC: '*Getting it straight and keeping up the pressure. A dialogue paper*' (March 2006) on <http://www.eeac-net.org/>.

⁵⁸ See the comparative study 'Sustaining sustainability' (I. Niestroy, EEAC background study No 2, 2005), p 64: '*Achievements and challenges – Belgium: Getting all concerned departments committed is still a challenge, but the institutional setting has beneficial potentials.*'

⁵⁹ COM(2005)658, 3.2.

⁶⁰ COM (2005)37 of February 2005, 5.6. The Commission Communication of December 2005 on the European Sustainable Development Strategy makes no reference to partnerships.

⁶¹ FCSD 2006a01[43].



ex post) how their points of view have been or will be taken into account.⁶² Belgian procedures in this respect could be a source of inspiration.⁶³

- [40] To involve European citizens more closely in sustainable development policy, consultation with stakeholder organisations and councils is not enough.⁶⁴ The Commission is well aware of this and will '*mainstream sustainable development in its information and communication activities, for both internal and external EU policies. (...) Surveys consistently show that Europeans' awareness of sustainable issues is high. The challenge is to translate that awareness into more sustainable behaviour. Effective communication needs to be geared to national and local audiences, so Member States have a key role.*'
- [41] The FCSD reiterates in this context its request for sustainable development to be addressed as a priority subject of communication in which Europe emerges as a Union with policies aiming at sustainable development. It is absolutely essential to reproduce in a single document the European Sustainable Development Strategy to be approved at the European Council in June. This publication must explain to European citizens in a consistent and transparent way the sustainable development objective, how the Union aims to achieve it and how the different EU strategies dovetail with it.⁶⁵ Sustainable development must also be translated concretely into a vision of the way citizens live and work, of their habitat, consumption and mobility patterns, so that everyone understands the choices facing not only the public authorities but also the different stakeholders and citizens of our society and their impact on everyday life.

From objectives to implementation and instruments

- [42] In its first opinion on the review of the European Sustainable Development Strategy, the FCSD noted that the EUSDS is vague in certain respects: some goals lack precision and their implications for specific sectors are not always very clear. '*Where feasible, objectives ought to be quantified and made measurable, fixed within a timeframe. It is also important to elucidate the implications of certain long-term goals for the medium and short term, and to indicate who will be responsible for the implementation of the proposed measures.*'⁶⁶
- [43] Regarding the 'quantified' and 'measurable' aspect, the Commission makes a tangible effort in its December proposal. In Annex 2 of its Communication, it gives for each of the six priority issues an overview of operational objectives and targets, and examples of ongoing and planned actions. These are not new objectives or actions but elements of different EU thematic or partial strategies.⁶⁷
- [44] This approach is more limited than what was announced in the Commission's first Communication on the review of the European Sustainable Development Strategy: '*The revised strategy will therefore present new headline objectives for each of the unsustainable trends and set the intermediate milestones which will allow the EU to monitor actual progress.*'⁶⁸ The European Council of March 2005 likewise noted that the EUSDS could contain more: '*The new, more comprehensive and more ambitious strategy, comprising targets, indicators and an*

⁶² At an EESC forum on review of the European Sustainable Development Strategy, on 20-21 March 2006 (in Brussels), different speakers noted that in its proposal for a new SD strategy, the Commission gave almost no account to the input provided by the EESC through its multilateral forum of 14-15 April 2005.

⁶³ In Belgium, the law states that the government must ask the FCSD for its opinion on a preliminary draft federal plan for sustainable development and that, as appropriate, it shall explain the reasons why it does not abide by that opinion in the final plan. Then, the members of government who last year requested an opinion of the FCSD explain the following year at the first FCSD General Meeting how they have taken the opinion into account.

⁶⁴ The FCSD addressed this problem of *ownership* more fully in its first opinion on the review of the European Sustainable Development Strategy : 2004a09 [45] to [50].

⁶⁵ Cf. FCSD 2004a09 [4].

⁶⁶ CFDD 2004a09 [5].

⁶⁷ See Annex 2 of COM(2005)658. This annex also mentions the strategies under which the actions mentioned have been planned. Britain's Sustainable Development Council (SDC) demonstrated in a table that the objectives and key actions of the proposed EUSDS come from existing documents (table drawn up as input for the statement by the EEAC Strategies working group on the review of the EUSDS).

⁶⁸ COM(2005)37, 5.4.



*effective monitoring procedure, should be based on a positive long-term vision and should fully integrate the internal and the external dimensions.*⁶⁹

- [45] The Commission has nevertheless chosen not to move forward on new more ambitious objectives until current goals have been attained. The first task is to implement existing objectives and action plans effectively. Adding new objectives would have the effect of slowing implementation, states the Commission⁷⁰. The FCSD can understand this position but nevertheless considers that it needs to be qualified. In certain areas, existing objectives and action plans are too imprecise and lack ambition. The FCSD stated this recently in its opinion on the EU Thematic Strategy on natural resources: *'Interpretation of the strategy, however, currently appears to be too limited and not ambitious enough to meet these expectations. The FCSD considers that the strategy on resources (...) in general does not translate a strong enough commitment. More concrete commitments and objectives are required for indicators, priorities, measures and responsibilities alike.'*⁷¹
- [46] The FCSD is also of the view that merely enumerating objectives and measures from sectoral and partial strategies is not enough: these elements need to be built into an overarching framework. This framework must indicate possible interactions, harmonise the different measures and set priorities for reversing unsustainable trends.⁷²
- [47] The Commission apparently agrees, since it states in its proposal: *'The Sustainable Development Strategy provides the strategic policy framework for how best to address the main unsustainable trends. An essential element of this framework is the interlinkages between the trends. (...) The different strategies and action plans should therefore not be considered in isolation. Each, in its own way, will make a contribution to solving problems in other areas.'* It goes on to add however: *'The issue of interlinkages between trends is an area which still needs further development.'*⁷³
- [48] The FCSD consequently requests that the new European Sustainable Development Strategy indicate such links between trends and measures (see [17] to [20]). The Commission could then complete the interesting Annex 2 of its December Communication (overview of measures and objectives for the six issues of the EUSDS) with existing data or proposals for instruments, responsibilities, a timeframe and a financial framework⁷⁴ for implementation of the different actions. This could contribute to a large extent to the implementation of existing objectives, as argued by the Commission, and to the powerful policy needed to address unsustainable trends.
- [49] With regard to tools for a sustainable development policy, the Commission states that there is a wide array of instruments available and that the idea is to use the most effective mix of instruments to attain the objectives.⁷⁵ Reference is made to instruments such as the price mechanism (internalisation of external costs), the polluter-pays principle, labelling and consumer information, investments in science and technology, and public procurement policy. The Commission does not however state either where or how it intends to use these instruments.
- [50] Concerning the EUSDS objectives and measures, the Commission highlights the importance of both the internal and external dimensions in its review of the strategy. This is important because these dimensions were developed in isolation in the initial European Sustainable Development Strategy and because the way the two are connected was not always clear⁷⁶. In its

⁶⁹ Brussels European Council of 22-23 March 2005, Presidency Conclusions 7619/05 [42]. The European Council of December 2005 was on the same wavelength: see footnote page 31.

⁷⁰ See inter alia the comments by Commissioner Margot Wallström and Commission Secretary General Catherine Day at the EESC hearing on review of the EUSD, 20-21 March 2006.

⁷¹ FCSD 2006a01 [18]

⁷² In its opinion on the preliminary draft Second Federal Plan for Sustainable Development, the FCSD likewise stressed the importance of an overarching framework for actions under different strategies: 2004a04 [36] to [39].

⁷³ Introduction to Annex 2 of COM(2005)658

⁷⁴ There is no European budget specific to sustainable development. The European SD Strategy can nevertheless steer budgets in areas such as transport, energy, agriculture, research and development, cohesion policy and the Structural Funds.

⁷⁵ COM(2005)658, 3.2

⁷⁶ See FCSD 2004a09 [66] and [80].



Communications on the review of the EUSDS, the Commission refers to its international commitments in the area of sustainable development, the Union's development cooperation policy, and efforts to *'ensure that international trade is used as a tool to achieve genuine global sustainable development, both in socio-economic and environmental terms. It will do so both in a multilateral context (WTO, Doha Round) and as part of its regional and bilateral trade relations.'*⁷⁷

- [51] The FCSD believes this latter aspect is of the utmost importance: the Union must indeed make every effort to get its vision of sustainable development better translated into international trade policy. In its first opinion on the review of the European Sustainable Development Strategy, the FCSD pointed out that *'the danger does indeed exist of seeing the Union's efforts to achieve sustainable development, for example via cost internalisation, result in a competitive handicap to its economy compared to economies that ignore sustainable development.'*⁷⁸
- [52] Finally, the FCSD reiterates the request, formulated in its first opinion on the review of the EUSDS, for an explanation of the relation between the internal and external dimensions of this strategy. The Commission's intention to better tie together the two dimensions is positive but attention also needs to be paid to possible areas of tension between them: *'A win-win situation in terms of the pillars of sustainable development in Europe does not necessarily mean a win-win situation at global level. There exists the danger that environmental improvements in the North will export resource utilisation and pollution problems to the South. It is therefore incumbent on us to ensure that sustainable development in Europe will not lead to ecological (and social) dumping in economically less developed countries.'*⁷⁹

⁷⁷ COM(2005)658, 2.6 and Annex 2 point 6

⁷⁸ FCSD 2006a01 [79]

⁷⁹ FCSD 2004a09 (29/10/2004) 'Opinion on the review of the European Sustainable Development Strategy' [80], with reference to FCSD 2004a04 (12/05/2004) 'Opinion on the Preliminary Draft Federal Plan for Sustainable Development 2004-2008', [47]. See also FCSD 2006a01 'Opinion on the European Union Thematic Strategy on natural resources' (1/2/2006) [34] and ff.