

## Federal Council for Sustainable Development (FCSD)

### Secretariat Note on the Lisbon Strategy - Belgium's National Reform Programme - second cycle

*This note is based on the FCSD Opinions on the Lisbon Strategy and the Belgian National Reform Programme (2005a07, 2006a11 and 2007a12), and on other FCSD consensus Opinions (references footnoted)*

- [1] The FCSD views the Lisbon Strategy as extremely important to the future of the European Union and Belgium, and as a potential driver towards a knowledge-based economy in which well-being, and the quality of life and the environment go hand in hand. If it is to deliver this aim, **the Lisbon approach must be clearly articulated into the sustainable development framework**. In the 2005 Lisbon Strategy review, the European Commission noted on this score that, *“Making growth and jobs the immediate target goes hand in hand with promoting social or environmental objectives. 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.”*<sup>1</sup>
- [2] The FCSD nevertheless considers that Belgium's National Reform Programme and the progress reports published on it have so far **given too little weight to sustainable development policy processes** (e.g., the federal Sustainable Development Plans, the National Sustainable Development Strategy, and measures taken by the regional governments), even though other issues that are also tackled in the NRP (population ageing, research and development, transport/mobility, globalization, employment, poverty, sustainable use of resources, environmental protection, public health) are addressed.
- [3] The FCSD considers that the public authorities are letting slip an opportunity here to pursue a more integrated policy - a problem that has already arisen at the European level. In theory, the Lisbon Strategy and the European Sustainable Development Strategy (EU SDS) are complementary approaches<sup>2</sup> that use different instruments and different time frames<sup>3</sup>. This positive policy intent is not yet, however, a political reality in the EU, as the FCSD observed in its two opinions on the review of the European Sustainable

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<sup>1</sup> Commission's spring 2005 report, COM (2005) 24 of 2/2/2005: “Working together for growth and jobs - A new start for the Lisbon Strategy” p 5

<sup>2</sup> The Brussels European Council of 15 and 16 June 2006 stipulated that, *“The EU SDS and the Lisbon Strategy for growth and jobs complement each other. (...)The EU SDS forms the overall framework within which the Lisbon Strategy, with its renewed focus on growth and jobs, provides the motor of a more dynamic economy. These two strategies recognise that economic, social and environmental objectives can reinforce each other and they should therefore advance together”* (Council Doc. 10117/06)

<sup>3</sup> 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

Development Strategy<sup>4</sup>. In practice, the Lisbon process and EU SDS too often operate in isolation from one another in the Commission and Council alike: *“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”*<sup>5</sup>.

## A National Reform Programme within a sustainable development framework

- [4] The FCSD therefore calls for the **NRP to put a bigger focus on the framing of both federal and regional sustainable development policies in our country**. As the NRP is a national initiative, its future development will have to square with that of the National Sustainable Development Strategy (NSDS)<sup>6</sup>. At the end of May 2005, the FCSD published a report on the draft framework text for an NSDS in our country<sup>7</sup>, in which it already argued that for the Lisbon Strategy and National Reform Programmes, the NSDS *“should also constitute the political framework for this approach and our country's economic development initiatives must fit into a sustainable development context. The final aim is to build a society that is outstanding economically, socially and ecologically, based on an “eco-efficient” economy.”*<sup>8</sup>
- [5] Delivering this aim requires a long-term policy focus on sustainable production and consumption in order to decouple economic growth from the use of natural resources and environmental constraints<sup>9</sup>. In this context, the FCSD believes that the NRP must expressly make **decoupling a strategic objective**, as it is for example in the second federal sustainable development plan and in Flanders' Vilvoorde Pact<sup>10</sup>. It bears pointing out here that “socio-environmental” concerns, like energy and raw material conservation, environmental protection and public health, can apply more of a stimulus than

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<sup>4</sup> FCSD 2004a09 and FCSD 2006a06

<sup>5</sup> FCSD 2006a06 of 5 May 2006 § 3. In its Opinions 2005a07 (§8) and 2004a09 (§16), the Council exemplified these areas of tension: *“In the transport sector, for example, the aim of sustainable mobility (Gothenburg) could be at odds with certain investments planned as part of the European road network (Lisbon); in agriculture, greater competitiveness could be at odds with the unlimited opening up of our markets to products from southern countries; in industry, growth of energy-intensive sectors could be at odds with a restriction on greenhouse gas emissions.”*

<sup>6</sup> A link that is also tenuous in other EU countries: see ESDN Quarterly Report March 2008 “The governance of the Lisbon process”

<sup>7</sup> FCSD 2005a02

<sup>8</sup> FCSD 2005a02 § 8

<sup>9</sup> The FCSD has published two Opinions on a decoupling strategy: FCSD 2006a01 “Opinion on the European Union Thematic Strategy on natural resources” and FCSD 2007a09 “Opinion on decoupling growth, use of resources and environmental constraints in Belgium”.

<sup>10</sup> Vilvoorde Pact, objective 17: *“Flanders will be among the most eco-efficient regions by 2010. Flanders has created a major disconnect between economic growth, on the one hand, and environmental impact, energy and raw material consumption on the other hand.”*

a brake to “socio-economic” objectives like growth, competitiveness, employment and a balanced budget.<sup>11</sup>

- [6] This integration of economic, social and environmental concerns in theory forms part of the Lisbon Strategy, but still remains under-used in political practice. A step in the right direction was taken last year in one of the Lisbon priority areas, namely **energy policy**: both the Commission proposals and Council conclusions on a European energy policy look at the Lisbon and sustainable development goals through the same policy prism. The aim is to end up with an energy policy which “fulfils in a balanced way the three objectives of security of supply, competitiveness and environmental sustainability.”<sup>12</sup> A similar integrated approach has recently been brought to EU industrial policy, heralding a “sustainable industrial policy” whose main thrust is “to turn potential challenges into opportunities for EU industry, in order to lead the transition towards a low carbon and resource efficient economy.”<sup>13</sup>
- [7] Such integration should be the baseline in the other areas of the Lisbon Strategy. Accordingly, the FCSD welcomes the **Presidency Conclusions of the last Spring Summit**, that “*The transition to a safe and sustainable low carbon economy will have an impact on numerous policies and on the economic and daily life of citizens. Coherent policies exploiting the synergies relating to energy and climate change are also needed in the other three priority areas of the Lisbon Strategy as well as in other EU policy areas, including...*”<sup>14</sup>
- [8] This applies not just to the Community approach, but also to its national implementation. However, it **features too little in the first Belgian NRP**. The programme and its progress reports make only passing references to sustainable use of resources and synergies between environmental protection and growth, and cite only already existing general areas of action.<sup>15</sup>

## Towards sustainable use of energy and resources

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<sup>11</sup> Cf the recent FCSD Opinion 2007a07: “Evaluation of and recommendations for the federal government’s sustainable development policy ” §14 and FCSD 2005a07 “Opinion on the National Reform Programme for transposition of the ‘Integrated Guidelines for Growth and Jobs 2005-2008’” § 20

<sup>12</sup> European Council of 23/24 March 2006, Presidency Conclusions 7775/06 § 44. Also quoted in FCSD 2006a06 § 5. See also COM (2007) 1 of 10 January 2007 “An energy policy for Europe”: [http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007\\_0001en01.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007_0001en01.pdf)

<sup>13</sup> See COM (2007) 374 of 4 July 2007: “Mid-term review of industrial policy. A contribution to the EU’s Growth and Jobs Strategy”, endorsed by the Informal Meeting of Ministers for Competitiveness (SME and Industry) Lisbon, 20 and 21 July 2007: [http://www.eu2007.pt/NR/rdonlyres/242617DD-ECC4-4B20-A0CC-4BB95B793F0/0/Conclusoes\\_competitividade\\_EN.pdf](http://www.eu2007.pt/NR/rdonlyres/242617DD-ECC4-4B20-A0CC-4BB95B793F0/0/Conclusoes_competitividade_EN.pdf),

<sup>14</sup> Presidency Conclusions, European Summit, Brussels, 13/14 March, § 27

<sup>15</sup> Cf, introduction strand 6 and 2.5. of the NRP and progress report 2006. The aim of an annual across-the-board increase of 1% in energy efficiency was described in an FCSD Opinion as a minimum value: “*the FCSD believes that more ambitious objectives can be set that preserve balance between the three pillars of sustainable development and accommodate the different Member States’ potentials.*” (FCSD 2004a10 - “Opinion on the proposal for a European Directive on energy end-use efficiency and energy services”, §20)

- [9] The first NRP mainly catalogues economic, social and environmental measures taken by the regional and federal governments. All well and good as these measures may be, it is still only a list of existing measures. **What is largely missing is an ambitious, proactive approach with a long-term view translated into hard targets and a joined-up action plan.** The next NRP must therefore give an idea of how the European objective of sustainable energy production and energy efficiency is to be delivered.<sup>16</sup> Our country has ground to make up<sup>17</sup>, especially in power generation from sustainable energy sources.
- [10] The FCSD calls for the next NRP to address this issue in practical terms and to give more serious consideration to the issue of **energy efficiency in the construction and housing, manufacturing and transport sectors.** A clear statement will also be needed of how our country will apply the new European objectives (a 20% cut in consumption by 2020)<sup>18</sup>. Where housing is concerned, a useful lead can be taken from Germany's "Alliance for Jobs and the Environment", which brought together a range of actors to promote eco-friendly building renovations and stimulate energy saving. In that regard, the FCSD has **recently pointed out that an expansion of basic and further training will be needed in order to create jobs across-the-board in the areas of energy saving, eco-friendly construction and renovation.** One finding of a recent study entitled "Climate change and employment" is that a climate and energy policy will not in this case have negative effects on employment, and may even have a slightly positive effect, but that there will in any event be a shift in employment - in the construction, energy and transport industries in particular. As a result, workers will be called upon for new skills, which makes investment in education and training a priority.<sup>19</sup>
- [11] **Policy coherence** must also be ensured. Such joined-up working is often found wanting in areas such as mobility, for example. Here, the aim of turning Flanders into a logistics hub is economically important but must be looked at together with the aim of bringing sustainable mobility to Flanders. Another example is the inconsistency of taking steps to encourage a shift away from air travel towards more sustainable means of transport, while simultaneously developing measures to further expand air traffic.
- [12] The FCSD also expects the new NRP to report on progress with the **national strategy to promote sustainable production and consumption patterns** heralded in the 2006 progress report, and on the "**national plan of action for**

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<sup>16</sup> See Presidency Conclusions - European Council of 8/9 March 2007, Annex I: a 20% share of renewable energies in overall EU energy consumption by 2020. This Council also set all Member States a 10% binding minimum target for the share of biofuels in overall EU transport petrol and diesel consumption by 2020: [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/ec/93135.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/93135.pdf)

<sup>17</sup> See FCSD 2007a09 "Opinion on decoupling growth, use of resources and environmental constraints in Belgium", § 9

<sup>18</sup> See *inter alia*, COM (2006) 545 of 19 October 2006, "Action Plan for Energy Efficiency: Realising the Potential" and Presidency Conclusions - European Council of 8/9 March 2007, Annexe I

<sup>19</sup> FCSD 2008a03 § 121, referring to the study done for the European Commission in 2007 by the European Trade Union Confederation (ETUC), the Social Development Agency (SDA), Syndex, the Wuppertal Institute and ISTAS: see <http://www.etuc.org/a/3676>

**green public procurement**".<sup>20</sup> The FCSD finds these to be worthwhile measures and calls for their contents and implementation to be properly considered in the progress report.

- [13] This is particularly important in view of the policy on the matter being framed by the EU. The new European Sustainable Development Strategy sets an objective of an EU average level of **Green Public Procurement** (GPP) equal to that currently (2006) achieved by the best performing Member States.<sup>21</sup> Here again, our country has ground to make up. Research done for the European Commission in 2006 placed Belgium last for upping the rate of sustainable public procurement. Sustainability criteria featured in fewer than 10% of the awards examined (compared to between 20 and well over 60% elsewhere in Europe), notwithstanding that public spending accounts for 14% of gross domestic product - 33 billion euros in total - in Belgium. If used properly, such measures can give a stimulus to the economy, boost eco-innovation, and bring sustainable products onto the market.
- [14] **Taxation** can play a role here in some areas. That chapter of the Belgian NRP on sustainable use of resources and synergies between environmental protection and growth has already pointed out that the governments are making efforts "*to adapt taxation in order to improve the internalisation rate of external costs*"<sup>22</sup>. The FCSD has previously argued that "*taxation is an important instrument in the policy mix that has to be used to achieve the uncoupling crucial for a sustainable development*".<sup>23</sup>
- [15] Compared to other EU Member States, however, Belgium currently makes little use of environmental taxation<sup>24</sup>. The OECD, in particular, calls in its Environmental Policy Review 2007 for our country to put a bigger focus on this instrument.<sup>25</sup> The FCSD believes that the NRP could point out the opportunities and risks of environmental taxation in Belgium. The FCSD is currently drafting an opinion on the scope and inseparable conditions for introducing a form of green taxation.<sup>26</sup>

## Sound management is key to sustainable development

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<sup>20</sup> Also called the "national action plan for sustainable public procurement", designed by a "sustainable public procurement" working group of the Coordinating Committee for International Environmental Policy (CCIEP) and Interdepartmental Sustainable Development Committee (ICSD, see ICSD 2006 Report, 2.1.3). Public tendering can give a major stimulus to more sustainable consumption and production, and help bring innovative products onto the market.

<sup>21</sup> See <http://register.consilium.europa.eu/pdf/en/06/st10/st10117.en06.pdf>, p 12

<sup>22</sup> NRP *op. cit.* 2.5 (p 45)

<sup>23</sup> FCSD 2007a09 § 45, FCSD 2007a07 § 37, FCSD 2004a04 (5/12/2004) § 66 and FCSD 2004a09 (10/29/2004) § 73, see also FCSD 2002a07 § 44, FCSD 2001a08 § 25, FCSD 2001a09 § 23, FCSD 2003a04 § 35, FCSD 2005a01 § 34 and 35

<sup>24</sup> For a Eurostat/European Commission comparative report (May 2006), see [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-DU-06-001/EN/KS-DU-06-001-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-DU-06-001/EN/KS-DU-06-001-EN.PDF)

<sup>25</sup> See OECD website

[http://www.oecd.org/document/61/0,3343,en\\_2649\\_37465\\_38168061\\_1\\_1\\_1\\_37465,00.html](http://www.oecd.org/document/61/0,3343,en_2649_37465_38168061_1_1_1_37465,00.html)

<sup>26</sup> See FCSD 2007a07 § 37 and FCSD 2007a09 § 46. The FCSD had already defined a series of inseparable conditions for introducing environmental and energy taxes in its 1999 advice on energy taxation; FCSD 1999 a11 and in its second opinion on climate change policy; FCSD 2005a03

- [16] In paragraph 3 of this Opinion, the FCSD argued for an integrated policy which would join up the Lisbon and sustainable development approaches. The FCSD has already pointed out in different opinions the importance of impact assessment as an instrument for evaluating, each against the others, the social, economic and ecological aspects of a policy<sup>27</sup>. Not only do impact assessments help reinforce policy both qualitatively and quantitatively, but they also integrate it and consequently strengthen the cross-cutting nature of sustainable development.
- [17] To that extent, the FCSD welcomes the previous federal government's having set in motion a **sustainable development impact assessment procedure (SDIAP)**. This procedure should be given maximum transparency, such as through a dedicated impact assessment studies website, like that of the EU.<sup>28</sup> SDIAP, whose first "screening" stage is now operational, must be further developed and rolled out. The 2005 NRP and its 2006 Progress Report for Belgium mentions **impact assessments** already in use for certain procedures, citing the Kafka test at federal government level and the Flemish Regularization Impact Analysis (RIA).<sup>29</sup> The FCSD calls for the new NRP also to focus more on the scope offered by SDIAP, and the value of an impact assessment that includes economic, social and environmental considerations.<sup>30</sup>
- [18] Still on the governance issue, and for the drawing-up of the second National Reform Programme in particular, the FCSD calls for a **more integrated drafting process**. The website [www.be2010.eu](http://www.be2010.eu) indicates that among federal bodies, the Chancellery of the Prime Minister, FPS (Federal Public Service) Finance, Federal Planning Bureau, FPS Economy and FPS Employment all have a hand in the drafting process. To bring all dimensions of the Lisbon Strategy more into play, the FPS Public Health, Food Chain Security and Environment should also be involved, while its cross-cutting nature would be enhanced were the Interdepartmental Commission for Sustainable Development (ICSD), for example, to play a part in addition to the Chancellery. The FCSD welcomes that consultation of civil society is done in Belgium by involving a wide range of players in the NRP through consultation of the Central Economy Council, National Labour Council and Federal Council for Sustainable Development.

### **Innovation in a context of sustainable production and consumption**

- [19] "Investment in knowledge and innovation" is a priority area in the new Lisbon approach. Responsiveness to new expanding markets is a big part of innovation policy.

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<sup>27</sup> FCSD 2001a16 § 8, FCSD 2004a09 § 28, FCSD 2005a01 § 12, FCSD 2005a07 § 12, FCSD 2006a06 § 24, FCSD 2006a07 § 24

<sup>28</sup> Cf. FCSD 2007a07 Assessment opinion of and recommendations for federal government sustainable development policy § 27

<sup>29</sup> See point 2.2.1 "Better regulation and administrative simplification"

<sup>30</sup> Austria, Denmark, Finland and Sweden's NRPs in particular already do so: see [http://ec.europa.eu/growthandjobs/pdf/nrp\\_2005\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/nrp_2005_en.pdf)

One specific new market is that of **eco-innovation**, also sometimes called environmental technology. These terms may be used as synonyms, and may be defined differently. Broadly defined, “innovation” may refer as much to a new product as to a new technology, process or organization of a service, business or market; but innovation can also cover not just the introduction but also the spread and adoption of a new idea (invention).<sup>31</sup> In this approach, “eco-innovation” refers not only to particular environmental sectors and markets (e.g., alternative energy production, waste treatment, water and air purification, etc.<sup>32</sup>), but also to modernization in other sectors targeting a more efficient use of energy and raw materials. In this way, innovation can play into decoupling growth from environmental constraints and raw materials use in our country<sup>33</sup>, and to the implementation of a climate change policy.

[20] Energy and climate change, among other issues, have put eco-innovation on the European and Belgian agenda in recent years. So, the Flemish Science Policy Council has defined “Energy and the Environment for Services and the Processing Industry” as one of the six strategic clusters requiring a priority policy focus.<sup>34</sup> The Environmental Innovation Platform has set up a Flemish Action Plan for the Environment, Energy and Innovation<sup>35</sup>. In Wallonia, innovation forms part of the “Air-Climate” action plan, and a Marshall Plan R&D programme has been launched on renewable energy sources<sup>36</sup>. The Brussels Region has set the environment as one of the three innovation focal areas. These are positive initiatives that deserve to be developed and expanded. The European Commission in its “**Trend Chart on innovation**”, moreover, recommends that our country “*significantly boost and target R&D and innovation funding being directed towards sustainable development and eco-innovations*”.<sup>37</sup> In Belgium’s case, **the need to improve our environment is precisely what must give a major stimulus to innovation**. Just as the cabling problem in Finland drove innovation in mobile telephony, our air and water pollution, road congestion, etc., should give impetus to an innovation policy that delivers solutions to these problems.

[21] Taking such an approach would slot Belgium into European eco-innovation developments. Under the German Presidency, the European Council asked

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<sup>31</sup> For a definition of these terms, see inter alia, “Sustainable innovation” Charter & Clark, Centre for Sustainable Design (UK), May 2007: [www.cfsd.org.uk](http://www.cfsd.org.uk) and Peter Van Humbeek, “*Naar een industrieel beleid voor het milieu - technologie in innovatie als sleutel voor een duurzame welvaart*”, SERV-think piece, November 2002, 3.2.1

<sup>32</sup> For an overview of these sectors and their prospects, see Ernst & Young - “Eco-industry, its size, employment, perspectives and barriers to growth in an enlarged EU” Final report to the European Commission, August 2006:

[http://ec.europa.eu/environment/enveco/industry\\_employment/pdf/economy2006\\_summary.pdf](http://ec.europa.eu/environment/enveco/industry_employment/pdf/economy2006_summary.pdf)

<sup>33</sup> See FCSD 2007a09 § 44 “Opinion on uncoupling growth from resource use/environmental constraints in Belgium”: the ETAP national road map “*can be a key plank of the uncoupling strategy in our country.*”

<sup>34</sup> “*Technologie en Innovatie in Vlaanderen: prioriteiten. Synthesenota en aanbevelingen*” Studiereeks n° 18, November 2006, see <http://www.vrwb.be/MFiles/VRWB18-web2.pdf>

<sup>35</sup> See <http://www.mipvlaanderen.be/public/page.asp?id=79>

<sup>36</sup> See <http://planmarshall.wallonie.be/spip/spip.php?article34>

<sup>37</sup> Commission, DG Enterprise: European Trend Chart on Innovation: Annual Innovation Policy Trends and Appraisal Report, Belgium 2006 p 60, see [http://trendchart.cordis.lu/reports/documents/Country\\_Report\\_Belgium\\_2006.pdf](http://trendchart.cordis.lu/reports/documents/Country_Report_Belgium_2006.pdf)

the Commission to put forward proposals on a strategy for the promotion of eco-innovation in early 2008.<sup>38</sup> In the Presidency Conclusions of the last Spring Summit, the European Council notes that one goal of the Lisbon Strategy is “*unlocking the business potential of eco-industries and developing a sustainable industrial policy and sustainable and globally competitive lead markets, while taking into account the impact of Energy and Climate Change measures on competitiveness*”. (§27)

### The national environmental technologies action plan

- [22] Such developments can promote eco-innovation policy in the EU - a policy implemented through the EU's **Environmental Technologies Action Plan (ETAP)**.<sup>39</sup> ETAP involves a Community approach, but the Member States are also actively involved: they have to transpose and implement the Plan nationally, for which they have to draw up a roadmap. ETAP is a key link between the Lisbon and sustainable development approaches, so Belgium's new NRP must give a detailed status report on its national implementation.
- [23] As regards ETAP, the 2006 Progress Report mentions only a mandate “*to draw up an inventory of the existing or planned activities corresponding to the 28 actions of the European Environmental Technologies Action Plan (ETAP)*”. Such an inventory<sup>40</sup>, while obviously important is not enough. The FCSD stresses that the national ETAP cannot stop short at listing measures taken at the different policy levels. The first thing to do as regards ETAP, the NRP and other “national” approaches is to list what is currently being done by the policy levels concerned. But the next step must be a joined-up assessment of policy outcomes. This is the point at which to identify the good practices that should be introduced at all levels, and the gaps at different levels that could be filled by other levels' responsibilities (the “missing links”). This must be used as the basis for joining up actions, developing synergies, setting objectives and devising a multi-stage plan from a situation-status review.<sup>41</sup> **The FCSD's proposal for achieving such a national ETAP is to set up a Commission of the authorities concerned and the different forces in society** which would also carry out a SWOT (Strengths - Weaknesses - Opportunities - Threats) analysis of the Belgian eco-industry to come up with practical ways to go about capturing a world position in specific areas.
- [24] The FCSD's call for an integrated, overarching approach to innovation in our country stems from the conclusion that the current policy is fragmented, both

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<sup>38</sup> See Presidency Conclusions - European Council of 8/9 March 2007 § 17. Cf also COM (2006) 816 Chapter 2.4 Energy and Climate Change

<sup>39</sup> The Environmental Technologies Action Plan (ETAP) was approved by the Spring European Summit of 25-26 March 2004 on a Commission proposal (COM (2004) 38 of 1/28/2004). See also the Commission's ETAP website: [http://ec.europa.eu/environment/etap/index\\_en.htm](http://ec.europa.eu/environment/etap/index_en.htm)

<sup>40</sup> ETAP National Roadmap Belgium, version October 30, 2006 on [http://ec.europa.eu/environment/etap/pdfs/roadmaps/belgium\\_en.pdf](http://ec.europa.eu/environment/etap/pdfs/roadmaps/belgium_en.pdf)

<sup>41</sup> See FCSD 2007a07 “Evaluation of and recommendations for federal government sustainable development policy” § 30, FCSD 2003a09 “Advice on the vertical integration of sustainable development and multilevel governance”, §5, FCSD 2006a10 “Evaluation of Belgian climate change policy: procedural aspects”, FCSD 2005a02 “Opinion on the National Sustainable Development Strategy Framework Text” §§ 11-14

“vertically” (between policymaking levels) and “horizontally” (between policy spheres).<sup>42</sup> As policy responsibilities for innovation in our country are split between the regions and the federal state, **policy coordination at all these levels is paramount to deliver an effective innovation policy**. This is also one recommendation of a recent study on eco-innovation in Belgium: *“Optimum effectiveness can only be achieved by a joined-up approach aimed at exploiting these synergies at all relevant stages. Such coordination of policy instruments must transcend institutional borders. That requires regular dialogue between all competent authorities”*.<sup>43</sup>

In general terms, the FCSD stresses that an effective sustainable development policy requires joined-up working between all levels of policymaking, from local to international (multilevel approach)<sup>44</sup>. This requires policies at the different levels to cross-reference to scenarios that are also to be addressed at other policy levels, including a description of how they can mutually support and reinforce their policy on the matter: **the “mutuality principle” to buttress the “subsidiarity principle”**.

- [25] It is not just the “supply”-side (investment in research, etc.), **but also “demand” for eco-innovative products and processes that should enter more into the policy equation**. The federal government, for instance, could stimulate eco-innovation demand through its product policy. In that regard, the FCSD wants the new NRP to include a situation-status report on the “sustainable products strategy”<sup>45</sup> and the national action plan on “sustainable public procurement” (see § 11). It is unacceptable for the latter, which was announced years ago and prepared in a CCIEP/ICSD working group, still not to have been officially accepted and published.

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<sup>42</sup> See, *inter alia*, the CCE’s analysis in its “Analysis and Opinion on research and development, and innovation”, 31/05/2006, §8: “Belgium’s complex institutional structure produces policy fragmentation (...).”

<sup>43</sup> “*La contribution de l’Etat fédéral dans l’élaboration d’une future politique intégrée pour le développement du potentiel d’éco-innovation en Belgique*”, Institute for European Environmental Policy (IEEP), 2007, see <http://www.ieep.eu/index.php>. The study analyses the innovation process, and the instruments and policy for eco-innovation at EU and Belgian level, and makes a series of recommendations.

<sup>44</sup> Cf, FCSD 2003a09 “Advice on the vertical integration of sustainable development and multilevel governance”

<sup>45</sup> Cf, FCSD 2007a07 § 47 and §§ 10-11