



19 July 2002

From Sønderborg to Johannesburg and beyond

A helping hand - NGO proposals for the EU Environmental Council meeting

The European Environmental bureau - the largest environmental citizens organisation in Europe - welcomes very much the initiative of the Danish Presidency to organise an Informal Council of Environment Ministers on removing the barriers to sustainable development. The EEB is seriously concerned about both the preparation for World Summit on Sustainable Development (WSSD) and the uncertain fate of the Sustainable Development Strategy in the EU. With this contribution it hopes to assist the Council in its work and underline the support environmental ministers can get from the environmental movement if they take the lead in action for environmentally sustainable development globally and in our own region.

A. THE JOHANNESBURG SUMMIT

The EEB finds it very important to achieve a result in Johannesburg which is Rio +10 and not Rio -10. We want improvement in the environmental situation and it is crucial to have clear timetables and targets for the future. We know that very difficult negotiations on trade and aid are to be expected. We hope that these difficult negotiations will not have the effect that the discussions on environmental questions will be postponed until it is too late.

The Ministers for the Environment, both in the EU and the accession countries, have an important role to play. They have to ensure that all the brackets on environment in the draft Plan of Implementation are lifted and negotiated, hopefully before, or at least in the very beginning of the meeting in Johannesburg. The Ministers also have an important task in sending a signal to all the other Ministers in Europe, especially the Ministers of Trade and the Ministers of Agriculture especially on the complex issues on subsidies.

Europe has a special responsibility in ensuring a successful Summit, and our recommendations to the Environmental Council are therefore as follows:

EU leadership	* EU leadership in the international process The EU must take a lead role in the international process and push for an immediate improvement of the negotiations. Diplomacy is needed urgently. The EU has to argue for a clear vision, a meaningful Plan of Implementation with clear targets, timetables, dedicated funds, institutional requirements, monitoring, reporting, enforcement and compliance measures. Agenda 21, with its specific targets, focusing on environmental sustainability and development, provides the building blocks. The WSSD must provide the next step, which is implementation. EU has renewed its commitment to the Rio Principles and Agenda 21 at the Seville Summit. We would like the EU to stress two key elements from Agenda 21 in the negotiations at the WSSD; the precautionary principle and common but differentiated
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	<p>responsibility.</p> <p>The EU has an important role to play. The member states are among the most polluting, the most resource consuming and the richest countries of the world. Steps taken by the EU therefore have major impact globally. EEB therefore calls upon the EU Environmental Council to ensure following at the WSSD:</p> <ul style="list-style-type: none"> - A political declaration containing a conceptual framework or Vision backed by political commitments of Heads of States. - A rigorous Plan of Implementation backed by clear political commitments to implement and to add value to existing treaties and agreed programmes. Central to this Plan of Implementation are the means of implementation (financial resources, technology for sustainable development, capacity building) with clear targets and timetables. Development in the trade and finance area must also be reviewed through the sustainable development perspective and appropriate action has to be propelled from the WSSD.
<p>A global deal / Vision</p>	<p>* A clear coherence between decisions</p> <p>The EU has to work for a Global Deal based on a common, but differentiated responsibility, where the rich countries make steps to ensure a de-coupling of economic growth on the one hand and environmental degradation and increasing resource consumption on the other hand.</p> <p>A Global Deal should ensure direct interaction between The Political Declaration and Plan of Implementation and partnerships. The partnerships have to contribute with added money and value to the Plan of Implementation</p> <p>A Global Deal should ensure coherence between the different international processes; the Doha Round in the WTO, the FfD meeting in Monterrey and the WSSD in Johannesburg. Ministers must ensure that the Political declaration in Johannesburg in a clear statement affirms the authority and autonomy of Multinational Environmental Agreement.</p>
<p>Agriculture</p>	<p>* Ensure nature and the environment in the EU with a North /South perspective in mind</p> <p>The promotion of sustainable farming methods, food safety and security are key issues that governments must commit to addressing through the UN.</p> <p>The EU must work towards food self-sufficiency in developing countries, via the swift abolishment of export subsidies for agricultural products from the EU. Improved market access for 3rd World agricultural products must also be assured.</p> <p>The EU must improve global fair trade, and therefore work for the de-coupling between subsidies and production, thus eliminating</p>

	the incentive to produce more. Over-production leads to erosion of bio-diversity and lower prices at the World market.
Consumption and production patterns	<p>* Build a bridge from Agenda 21 to implementation</p> <p>The EU must work for a decision at the WSSD to develop a ten-year work programme to accelerate the shift towards sustainable consumption and production. The industrialised countries have to take the lead in changing their unsustainable behaviour towards more resource efficient production processes and lifestyles. The ten-year work programme must have clear targets and a timetable starting fall 2002.</p> <p>The ecological footprint, life-cycle approaches, eco-labelling and environmental impact assessment are important means to ensure a change in patterns. The EU should work for general acknowledgement of these tools in accordance with Agenda 21.</p>
Forestry /Bio-diversity	<p>* Stop and reverse the current loss of natural resources and bio-diversity by 2010</p> <p>The EU has committed itself to stop and reverse the current loss of bio-diversity by 2010 at the June 2001 Summit in Gothenburg.. The EU should therefore work for a clear obligation at the WSSD to stop the current loss of natural resources and bio-diversity by 2010.</p> <p>The EU must work for an integration of the Hague conclusions 2002 (UNFF) in the Plan of Implementation, and work for new forward steps to be taken.</p>

B. THE INTERNAL DIMENSION OF SUSTAINABLE DEVELOPMENT

The EU needs to go from words to action when it comes to the internal dimension of sustainable development. This is essential for the credibility of EU's external agenda, but also for the sake of the EU citizens itself. On the political level, the EU has come to important agreements that could lead to the kinds of innovation and changing of trends that we need. The Sustainable Development Strategy adopted in Gothenburg, the 6th Environmental Action Programme, Conclusions of several Environmental Councils all could contribute. However, the EEB sees a big gap between declarations and reality still. There is lack of sense of urgency, lack of leadership, lack of determination, lack even of conviction among many that environment and sustainable development are important enough to compromise on the more traditional priorities of the EU. **As long as Sustainable Development is not the driving force for government policies, lead by the Prime Minister or a member of government with comparable powers, environmental ministers continue to have an essential role of drivers for environmentally sustainable development, providers of ideas, watchdogs towards other parts of governments and societies as a whole, forming a pressure group on the EU level as well.**

Below, the EB comments and provides suggestions for action in specific areas.

1. The EU Sustainable Development Strategy

The Helsinki Summit in December 1999 started an important project, a Sustainable Development Strategy for the EU. The EEB considered the Commission contribution, presented in May 2001, as fairly good. It was both stressing the need for urgency and leadership, it proposed the right areas for priority action, and it presented a number of clear objectives and timetables. The Council did not agree with all of it at the time, but it did ask the General Affairs Council to further discuss the Commission's proposal. We are not aware this is being done in a systematic way.

We call upon the Environment Council to take the Commission's 2001 proposals as an important guideline for making progress on environmentally sustainable development.

The European Council decided that the follow up of the Gothenburg Summit would be integrated into the "Lisbon Strategy". The Lisbon strategy is aimed at economic and social renewal and includes a large number of rather specific targets, timetables and indicators – mostly within a timeframe of 10 years. The Commission's Synthesis Report would include the environmental dimension and thus present an integrated stocktaking of the progress on the three dimensions of Sustainable Development, leading to proposals for further action.

The Synthesis Report 2002 from the Commission however, paid limited attention to the environmental dimension and the Barcelona Spring Summit was not very active in keeping the momentum from Gothenburg going. The Synthesis Report suggested a lack of sufficient data which in our view was disputable. Moreover, with respect to options for policy making, analysis and forecasting of existing and future trends are as important as data on past performances.

The Environmental Council in March 2002 did produce an important set of conclusions with respect to the EU Sustainable Development policy, such as those on strengthening the environmental dimension of the Synthesis Report, improve the availability and application of relevant indicators, and the yearly adoption of Conclusions by the Environmental Council for the Spring Summit, also based on an annual environmental report from the Commission.

We encourage the Environmental Council to maintain its active role and pressure to improve the quality and scope of the EU Sustainable Development Strategy within the Spring Summits, adding appropriate indicators and forecasting on at least biodiversity, chemicals, fisheries and materials use.

From our side, the EEB will continue to mobilise for broad support for the environmental dimension of the Lisbon Strategy, as we did in 2002 in coalition with the European Trade Union Confederation and the Platform of European Social NGOs¹.

2. Sustainable Production and Consumption is key

As the Sustainable Development Strategy is presented as a supplement to the Lisbon Strategy, it is necessary to supplement the goals of Lisbon with the environmental dimension of sustainable development. The March 2002 Environment Council concluded "*that the EU should become a highly eco-efficient economy and use energy and natural resources in a way that respects the carrying capacity of the environment....*". **We call upon the**

¹ Making the economy work for sustainable development, 6/3/02 by Social Platform, ETUC, EEB

Environment Council to insist that the purpose of the Lisbon Strategy is revised in this way.

We wish to underline the importance of such a goal, especially in the light of the WSSD, to be complemented by concrete implementation programmes. **We recommend the EU to start partnerships and working relations with innovative sectors and major groups in society, with ambitious objectives in the field of energy and materials use – environmentally, but also socially and economically inspired. This can be related to agreements to be made at the WSSD on concrete Action Programmes.** In terms of industrial innovation, employment, knowledge, ICT applications and improving living conditions there is a world to win. **We recommend to give less attention to the usual opponents of change, as are represented by lobby organisations that are restricted by the lowest common denominator within their constituencies.** The Commission should become an active leader in this process.

3. Decoupling and dematerialisation: a few additional remarks.

Decoupling energy and resource use from economic growth is now a generally accepted goal for Sustainable Development. We welcome this approach, but must add **that absolute decoupling** – an absolute reduction - is needed. Relative decoupling is a positive trend but not sufficient to bring human pressures back into the range of the earth's carrying capacity.

Resource efficiency is an important approach towards waste prevention as well as the conservation of energy. It can help reduce transport volume and biodiversity decline (in Europe and world-wide), air pollution and water stress.

Recycling can play an important role, but real innovation will more likely involve substitution or reduction of the materials used. (Energy recovery is another thing, with generally less energy/material saving potential and higher environmental risks).

Dematerialisation is innovation policy beyond the boundaries of DG Environment. It requires a co-operative process between several DGs involved and hence should be a central pillar in the Sustainable Development Strategy. Key policy fields are:

- research policy: the potential of service oriented approaches; economic policy effects; technological innovation
- cohesion policy: clean production, service concepts, waste and chain management
- taxation policy: reduction on services that enhance dematerialisation
- trade and development policy: ecodumping, accident prevention
- subsidy policy: abolition of damaging subsidies which enhance resource use.

4. Impact Assessment

In response to both the Commissions proposals on Sustainable Development and the Better Regulation discussion, the Commission has presented its proposal for an integrated Impact Assessment of major policy proposals.

The EEB has welcomed the proposal in general, realising that experience will tell whether the methodology proposal will really bring change.

We however would like to urge you to insist that the Commission more explicitly put the objective of sustainable development central into the objectives of the Assessment. This is what it was about, when last year, in Gothenburg, the need for such an assessment was discussed. From now on, all relevant EU policies must show they will contribute to

real progress, in the environmental and social, as well as economical, towards sustainability! If this is not being made explicit from day one, this procedure may run against environmental interests rather than strengthen it.

Furthermore we would like you to urge the Commission not to limit the scope of the Impact Assessments to initiatives that are mentioned in its Annual Policy Strategies and Work Programmes. This may turn out to be too restrictive. Proposals that may not be seen by the Commission as major and strategic from the political point of view, still can have major negative impacts on for example the environmental or social situations. In principle, all proposals the Commission is producing need to go through an initial scoping procedure at least.

Thirdly, we find the element of transparency and public participation dealt with in a rather vague manner. Given the potential importance of this new instrument, also in increasing EU's credibility towards the citizens, **we insist on explicit rules for transparency and public participation, starting from the scoping phase.**

5. The Cardiff Process

“Environmental protection requirements must be integrated into the definition and implementation of Community policies and activities referred to in Article 3, in particular with a view to promoting sustainable development.” (Article 6, EC Treaty)

In Cardiff in 1998 the European Council requested all Council formations to develop integration strategies, with energy, transport and agriculture called upon to start off the process. Two further ‘waves’ were initiated at Vienna (1998) and Cologne (1999), calling on Industry, Internal Market and Development, and ECOFIN, GAC and Fisheries to join the process. These and other European Councils requested that progress has to be monitored, taking account of Commission guidelines and identifying indicators. Based on the 1998 Summit, the process has become known as the ‘Cardiff process’

Environmental Policy Integration is a necessary condition for Sustainable Development, but it is *not* the same. Specifically, the focus of the Cardiff Process is on improving environmental integration within the Council of Ministers.

The Cardiff Process has been hampered by a reluctance and resistance to rethinking existing policy approaches and methods of working. Nevertheless, the high-level pressure from the various European Council meetings has certainly delivered results. Apart from progress in the Council, it has also forced attention for environmental policy in other departments in the Commission – creating a first lifeline for further follow-up.

Despite its entering its fifth year, the process is still very much in its infancy in terms of content as well as with respect to the institutional embedding and implementation. The content of the sectoral strategies delivered so far is of a varying quality, and generally lacking essential strategic elements such as clear objectives, targets, instruments and timetables.

It is very unfortunate that since the Gothenburg Summit, the European Council is not asking for regular updates on the implementation of Article 6 from the other Councils. The EEB is of the opinion that at least once a year, possible during the Spring Summits, the European Council should review progress in all Councils on art. 6, on the basis of a set of criteria as set out in an earlier EEB position paper.²

² see "Environmental Policy Integration", EEB, December 2001, doc. 2001/019.

In the Göteborg Conclusions there is an explicit reference to 'relevant objectives' from the 6th EAP and SDS, which 'should to be taken into account' when finalising and further developing sector strategies. The recommendations made by the March 2002 Environmental Council (nr. 18 –20), were very valuable in this respect – mentioning inter alia the need for objectives, timetables, indicators and monitoring with respect to the sectoral strategies.

An important aspect of the institutional weakness is the lack of continuity in the steering of the process. As this is a Council-led process, it is very much dependent upon the Presidency of the day, with some Presidencies naturally giving the Process higher profile than others. The change of the Presidency twice a year means that momentum needs to be built up in a few months, which may get lost again when a different Presidency takes charge.

It is therefore widely agreed that some form of institutional anchoring is needed to ensure continuity and stability for integration. The current institutional weakness could be compensated by a stronger role of the Environmental Council and the Commission; environment ministers should also make sure that their colleagues and heads of state and government follow the recommendations made by the European Council and the Environment Council.

6. Agriculture: Get involved now!

If implemented, the proposals the Commission for the mid-term review of the Common Agricultural Policy (CAP) presented on the 10 July would contribute substantially to sustainable development. They are under attack from the first day from interest groups and some Member States. However, the Commission is pointing in the right direction, and this time the Agriculture Council should not be allowed to water the proposals down. **Environmental Ministers, and the Environmental Council, should actively participate from today in the debate on the Commission's proposal, defending it, preventing that short term interests of interest groups that are reluctant to change dominate.**

The Commission proposal clearly recognises the growing concern about the way in which food is produced and the way which agriculture is supported. Although the Commission wants to protect the farming community it also wants to send a strong message that "The Times They Are A-changing'."

The EEB released its own CAP position paper on 4 July³. It set out 5 benchmarks by which to judge the Commission's proposals. These were:

1. A move towards de-coupling direct farm-support from production
2. Setting environmental and animal welfare conditions to all direct payments, also in the new member states
3. Compulsory cuts in income support and recycling of those funds in rural development
4. Earmarking of half of all funds spent in rural development for agri-environmental measures, and
5. Phasing-out of export-subsidies by 2005.

It is safe to say that the proposal meets the 3 first EEB criteria. The 4th and 5th benchmark, however, are not met. A shift of funds from income support to rural development may lead to large environmental benefits, but this is by no means guaranteed. Member States may choose to spend all of the new funds on broader measures; for instance, early retirement

³ "Greener Fields: EEB Position Paper on further reform of the Common Agriculture Policy, July 2002, n°. 2002/10

schemes for farmers. In order to ensure environmental benefits, it is essential to earmark sufficient funds for agri-environmental measures.

The EEB is also concerned with social and environmental sustainability elsewhere in the world – hence the fifth benchmark. So far, there have been no indications that the EU will phase-out export subsidies. Such subsidies lead to the dumping of surplus production, like milk powder and beef on 3rd country markets, especially in the 3rd World and distortion of the livelihoods of hundreds of thousands small scale farmers outside the EU. **We find this practise wholly unacceptable and appeal to the leaders of the EU Member States to abolish it forthwith.**

7. Making the Market work for the Environment!

* Environmental Fiscal Reform

There is no shortage of political statements calling for internalisation of environmental costs in prices. The Gothenburg European Council put it as follows:

" "Getting the prices right" " so that they better reflect the true costs to society of different activities would provide a better incentive for consumers and producers in everyday decisions about which goods and services to make or buy"

Reality is different. Business and industry has so far effectively prevented implementing this principle, assisted by some governments and concerns existing by some about possible negative social impacts. Individual countries have taken some steps, but are seriously limited given that there is no determined EU policy.

This is why the EEB launched a campaign in September 2001 called: *"Making prices work for the environment / Environmental Fiscal Reform in Europe"*.⁴ We believe that awareness raising, targeted at the decision makers as the larger public, and EU policy co-ordination are key to the success of Environmental Fiscal Reform (EFR). **We call on EU Environment Ministers to take active part in this campaign. First step is to consistently push, individually and collectively, their Finance counterparts to reach agreement in the Ecofin on an efficient Community directive for the taxation of energy products before the end of the year** (as asked by the Barcelona European Council of March 2001). **But not any type of agreement, please! Commissioner Bolkestein rightly warned that the watering down process taking place in the Ecofin negotiations may lead to a meaningless result. We insist the Directive should reflect the original proposals of the Commission.**

This Directive can only be a small step. It is important that a perspective is presented that shows to the economic actors as well as society as a whole the dimension of the change that is needed. The EEB campaign is concentrated around 4 objectives:

- ▶ An additional minimum 10% shift in tax base from labour to natural resources by 2010, at EU and national level
- ▶ Removal of all environmentally adverse subsidies and reform of all subsidies that have a negative impact on the environment by 2005
- ▶ Energy saving and efficiency policies
- ▶ Fiscal incentives for environment protection

The EEB calls upon your active support to promote and achieve the objectives of this campaign. We need together to make sure that the public understands the advantages

⁴ "Environmental Fiscal Reform, making prices work for the environment/environmental fiscal reform in Europe", Campaign Platform, EEB, 2002

of using the market for environmental protection and the possibilities to prevent negative social impacts with specific measures.⁵

*** Environmental liability**

The EEB considers a strict environmental liability system with a compulsory insurance system as an important market tool to promote prevention and remediation of environmental damage. Economic actors will determine, with the help of insurance experts how to minimise their potential impact on the environment by taking innovative steps, with as reward a reduced insurance premium. However, the current Commission proposal on a Directive on Environmental Liability fails to perform this preventative function. **The EEB calls upon the Council to improve the Commissions' proposal, in particular by, among other things, increasing its scope, removing exemptions based on "compliance with permits" and "state of the art" and compulsory insurance and/or the establishment of dedicated funds.**

*** European Ecolabel**

A pro-active way to provide for an incentive for innovative sustainable products to find market access is by labelling them. *"Ecolabels need to be based on criteria that represent the best possible in the market or even represent productions and products within reach but not yet operational. Then they function as incentives for product, production and service improvement."*(from an EEB-letter to the environment ministers June 1999.)

For the EU Ecolabel, the decision making process has developed a relatively well working structure to select product groups and criteria in a multi-stakeholder approach. It functions in a way already as a kind of European Product Panel. By refining this and granting it more funding the outcome of this process could serve as a benchmark for the direction in which sustainability could. It would be of advantage to use existing structures rather than experimenting from scratch;

Ecolabels have to be credible above all. For that purpose meaningful NGO participation is needed. **We call upon the Environmental Ministers to promote meaningful participation of the national NGOs in the criteria setting of the EU eco-label scheme**, as this is at the moment hardly happening.

*** Public procurement**

The Community is in the process to revise its legislation on public procurement. Public procurement is the most powerful instrument to create market access for innovative sustainable products (16% of purchase done on the EU market is by public authorities). Public authorities are acting on behalf of the democratically elected bodies at municipal, regional, national and EU-level. So it is one of their task to protect public goods, among them the environment.

The Commission Proposal is allowing for environmental and social criteria but not to the extent they are needed. Very often the production processes are representing the most important environmental problem. The text of the Common Position of the Internal Market Council, however, does allow only for product related production criteria which makes it critical for certified timber, green electricity and non-chlorine bleached paper to be awarded a contract. Furthermore, the contract has to be exclusively for the purchasing authority and the authority is not allowed to take into consideration external costs.

⁵ Several Environmental Ministers have been invited, and some have confirmed, to take part in the Annual Conference of the EEB on this topic, October 10, 2002.

In June last year the Environmental Council mentioned using public procurement as an important part of integrated product policy. The EEB calls upon the Council to reconfirm this and convince the colleagues in the Internal Market Council to broaden the criterion for choice to the 'most advantageous for society, including environmental costs'.

8. Standardisation

The standardisation system in the EU has been developed as a system from industry for industry. Nonetheless it is producing quasi legislation. The integration of the environment is not more than token up to now and it is far from meeting the requirement of Article 6 of the Treaty. The participation of other stakeholders without an economic interest is very costly and time consuming. This leads to the highly questionable situation that industry is often creating its own laws without any checks and balances.

The EEB demands a legal framework for standard setting that obliges standard writers to integrate environmental protection. One such legal framework could be the directive on civil liability for environmental damage.

A voluntary form of obliging standard writers to integrate environmental protection in their work could be to demand standard bodies to undergo EMAS registration. Then they have to develop an environmental policy and have to live up to the requirements of the scheme.

Concerning the New Approach the Commission has not enough influence on the process to check and amend standards in the process to implement New Approach directives. There are frictions caused by the great autonomy of the technical standard committees and the Commission as the guardian of the Treaty.

After many years of discussion, the Commission has now agreed to financially support, for a period of three year, the foundation: Environmental Citizens Organisations on Standardisation (ECOS). This foundation will co-ordinate environmental NGO involvement in the most important working groups of the European Standardisation Committee (CEN). However, ECOS alone cannot shift the entire standardisation system so that it will consistently work for the environment. Besides the legal framework mentioned, more involvement of NGOs, also on the national level, is needed. **The EEB appeals to Environmental Ministers to provide funding for environmental NGOs to participate effectively in standard work at least in the fields they have a special interest.**

9. Institutional barriers

A problem to the further progress and implementation of integration and sustainable development is the competition between different sectoral as well as national interests in Commission and Council. The EEB has made proposals to the European Council, the General Affairs Council, the Sectoral Councils, the Environment Council, as well as to Commission, European Parliament and Member States in December 2001⁶. For the Environment Council we promoted a more active role. **In particular we promote the setting up of a high level Environment Policy Committee, similar to the Economic Policy Committee, under the Environment Council, to assist in the national co-ordination and preparation of EPI in the various Council formations and the preparation for the European Council.**

⁶ See footnote 1

The Environment Council of December 2001 has asked the Permanent Representatives Committee to consider such a possible structure. We are keen to know which solution Coreper has proposed, if any, and encourage the Council to not further delay this initiative, unless Coreper comes with an alternative better for environment and sustainable development.
