Brussels, 3 October 2002

To: Ministers for the Environment of the European Union
Commissioner for the Environment
cc. Environment Attaches at Permanent Representations EU Member States

Subject: Preparations for agreement in EU Environment Council, October 17, on Structural Indicators for the Synthesis Report.

Dear Minister, Commissioner,

On the 17th October, you will discuss input on indicators for the upcoming report on progress in the EU with regards to the Lisbon and Gothenburg objectives.

In the attached memo, EEB, FOE Europe and Friends of Nature International present you their concerns on the proposals for indicators for sustainable development from the side of the Commission (*"Analysis of the 'open list' of environment-related headline indicators")* and we offer you concrete suggestions for improvement.

For more background we refer to our publication from one year ago: 'Indicators for Sustainable Development' which has been attached as annex to this comments

Structural Indicators for Sustainable Development

Comments on the Report from the Commission to the Council "Analysis of the 'open list' of environment-related headline indicators" (Brussels, 20.09.2002, COM (2002) 524 final)

1.Indicators are only tools for policy making

We need indicators as part of sound analysis for policymaking, evaluation and adjustment. But they are a tool: they should give facts that are meaningful and reliable enough and can be accompanied by experts' comments to warn for possible misinterpretations. As with all statistics, they will never be a standalone fact and the data will always show some gaps and weaknesses. Politicians should not fall in the trap of leaving indicators out because of lack of reliable data: we need early warnings, especially when complete, solid data might still lack. This is also part of the precautionary principle. As a consequence, the process of using headline indicators is dynamic and thus an 'open list' is useful and necessary. It is very unlikely that a set of headline indicators will stay identical over ten years or more.

One example is *biodiversity*: for a long time governments all over the world have decided to act to halt biodiversity decline, but one agreed headline indicator for biodiversity was not available yet. The amount of facts on biodiversity decline is however overwhelming. If we start to use the facts about a limited group of species which are extinct or under threat in EU member states, we have not the ideal indicator but have made a good, practical start – which can also be understood by the larger public as well as by the every day politician.

2. Numbers matter

In the framework of the annual synthesis report, the Commission has chosen 42 structural indicators, of which only 7 somehow relate to environment. The first action which is needed is to increase the environmental part, in order to create a more balanced approach. However, the Commission does not wish to increase the number of environmental indicators, apparently for a very simple reason, as it wrote to the Council: "The overall number, however, cannot be increased, given that the number of structural indicators is already considered to be excessive." We hope that the Council will ask the Commission to think beyond these limited types of argument.

3. Systematic approach needed

The problem with the seven environmental indicators chosen for last years' report, as well as those on the 'open list', is that they are an unstructured mix of sectoral indicators and environmental indicators. From the current seven, 2 are about the transport sector, 1 about the energy sector and 1 about the energy intensity of the economic sector as a whole. Thus there are only 3 environmental indicators.

As we have proposed before, it would be useful to chose one headline indicator for each crucial sector, for this moment: *energy, transport and agriculture,* representing the most environmentally relevant sectoral driving forces. *Fisheries* could be added because of its political relevance for the coming years. Further analysis within such sectors, including broader sets of indicators, is needed.

But given the nature and limitations of the number of structural indicators, the majority of these should be environmental, not sectoral.

The truly environmental indicators should be directly related to either the pressures on or the state of the environment: greenhouse gas emissions, use of chemicals, air quality/pollution, biodiversity, land use, materials use and water quality.

4. Sectoral indicators

The present set of seven includes one for ***energy:*** the share of renewable in electricity generation.
This one is not even mentioned in the open list, but for a start this is a good indicator. However, we prefer to broaden it to the share of renewable in total energy consumption – in line with the agreed EU target of 12% renewable of total energy consumption.

Transport: the current set of seven includes two on transport: volume of transport and modal split of transport. Especially the modal split indicator is more suitable as a sub-indicator than as a general headline indicator. For transport the total volume – directly related to energy consumption and subdivided by mode (here does the modal split fit in) – gives more insight in the potential pressures for the environment. Relevant detail: we need absolute figures here, not indices per mode, as we wish to see in one view the potential pressures. The same applies to relating transport volumes to GDP: first the absolute figure, second the relative figure to show the degree of decoupling.

Agriculture: current a sectoral indicator is lacking here. Pesticide usage weighted according to toxicity is a relevant indication for agricultural practices, *treatment frequency* can be used as a readily available proxy. Pesticides residues on agricultural products is a very useful indicator for the sector, but too specific if we chose only one headline indicator per sector. *Area devoted to organic farming* is another good alternative for one sectoral headline indicator for agriculture, provided that the pesticides consumption is included in a chemicals indicator.

Fisheries: the focus on the fish stocks 'within safe biological limits' is too minimal; a first practical and relevant indicator for fish stocks should at least be based on the maximum sustainable yield, as recommended in the FAO code of conduct as well as in the most recent UN agreement on fish stocks. But further development of an indicator which takes ecosystem dynamics as a whole into account is urgently needed (impacts of fishing on non-commercial species and habitats). DG Fisheries is already familiar with this concept and relevant work has been done, for example in the Biodiversity Action Plan for Fisheries.

5. Remarks relating to priority themes

In the choice and further development of indicators, the next issues deserve priority:

Climate

In addition to - or in stead of - absolute figures, proposals are to have a distance to target (Kyoto) indicator here. We plea to keep absolute figures in as well, and suggest a sectoral, per capita as well as per unit GDP breakdown (to show degree of decoupling) as such sub-indicators are highly informative. Greenhouse gas emissions pose the single biggest threat to sustainability, in a number of ways, which we need not reiterate here. Thus, this indicator may have a few sub indicators, which help to analyse situations and trends and enable comparisons between different sectors and countries.

Chemicals

The Commission report pushes the chemicals indicator further into the future. A very practical alternative could be the number of substances classified related to the number of chemicals still to be classified, but the relevance to the environment is a bit remote. Similar and also simple, but more relevant would be to monitor the percentage of chemicals on the OSPAR list that have been removed from the European market.

Air quality

We agree with the Commission proposal on indicator no 9, which suggests that the current indicator on urban population exposure to ozone and particulate matter could be extended for rural areas as well as for other substances, such as benzene. It could relate to the emission of substances mentioned under no 10: CO, SOx, NOx, NH3, VOC.

Biodiversity

This is an urgent issue, where adverse trends are often irreversible. Debates about an ideal indicator could frustrate practical steps. A practical start could be made with an indicator for a limited group of species which are extinct or under threat in EU member states. Indicators on habitat diversity and the area under legal protection could be used in addition, being important preconditions for species diversity. Taking into account the urgency of the topic for the political agenda, here a practical combination with sub indicators could be made, which underlines an analysis aimed at action.

Water quality

Water quality should be related to the ecological quality of water bodies as defined under the Water Framework Directive. The Commission suggested in its report that it will take another 5 to 10 years before monitoring and reporting is fully operational. This should be speeded up, and these relevant indicators should be in place much sooner, as they combine the effects of nutrient discharges, toxic discharges and good water (also quantity) management.

Land use

(Changing) land use patterns are an important aspect of threats to sustainable development. Especially growth in built-up area is a driving force behind increase in transport and decline of biodiversity. In the total number of indicators we miss the global context – and here there is an opportunity to include in the analysis of land use in Europe the area of land that the EU is using outside Europe, mainly by importing products from agriculture and forestry.

Material use/ resource productivity

Waste generation, resource productivity, waste prevention, recycling rates, reduction of primary materials use: all these issues could be covered by analysing the total material throughput through the European economies. This will involve an analysis of imports and exports outside the EU – being very relevant for global sustainability questions and in particular for the WSSD commitments on sustainable production and consumption.
It is very urgent that these indicators and their relationships are better developed. This is very well feasible, as already important basic work has been carried out by several research institutes in Europe. A range of studies is available and indicate the relevance of this indicator for the internal as well as the external aspects of sustainable development. As suggested earlier, for the short term waste production with recycling percentages can serve as a proxy. Also here, a relevant sub-indicator is the degree of decoupling from GDP.

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