



Public Consultation : Review of the European Union Sustainable Development Strategy

INTRODUCTION

The **Council of European Municipalities and Regions** welcomes the opportunity to comment on the **European Union's Sustainable Development Strategy (SDS)**.

Local Authorities have a vital role to play in promoting sustainable development as they represent the level of government which is closest to the citizen. CEMR believes that it is in a good position to reach out to all citizens in Europe as it represents about 40 local and regional government national associations.

Since the Rio Earth Summit of 1992, **local and regional authorities have been among the key players and frontrunners concerning innovative actions for sustainable development**. Many municipalities throughout the world have developed "Local Agenda 21" programmes. The Local Agenda 21 processes promoted by local government in the member states should serve as inspiration to broader policies. These have sought to engage all sectors of civil society in the local application of Agenda 21, often with minimal support from member states or from the EU. Studying local Agenda 21 schemes will reveal the ways in which different sectors have taken ownership of the concept of sustainable development at a local level.

In Europe, more recently, the European Sustainable Cities & Towns Campaign, together with CEMR and ICLEI (Association of local government for sustainable development), have worked to reinforce the process, leading to the adoption in June 2004 of the "Aalborg commitments", a pledge to accelerate the efforts of signatories towards local sustainable development. The Aalborg+10 Conference of June 2004 has been a huge success, with the very impressive result of more than 100 signatories to the Aalborg Commitments. The Aalborg Commitments¹ seek to do two things. First, to act as a political document to highlight the need for local governments across Europe to act in an integrated way to meet the growing challenges of sustainability. And second, to provide a common framework for the development of urban sustainability targets at local level; by signing the document local governments commit to enter a target setting process in dialogue with their local stakeholders. More than 100 local governments signed the Aalborg Commitments during the conference, and more have signed since.

It is important that the EU equips itself with an efficient Sustainable Development Strategy. CEMR has welcomed the adoption of the EU Strategy. Local and regional governments are interested in the EU SDS mainly in light of the influence the Strategy can have on the Community policies that impact on them, and on the EU policy-making process at large.

¹ See: www.aalborgplus10.dk

SUMMARY OF KEY POINTS

Here are some main recommendations from CEMR:

- CEMR would recommend discussing social, economic and environmental aspects in specific and concrete terms and not only in conceptual terms. Clear objectives, deadlines and concrete responsible bodies are required to make the Strategy more visible and useful, avoiding the use of poorly defined concepts. The principles of subsidiarity and proportionality should be taken into account when developing European concepts and local and regional government should always be consulted and asked to participate actively in this policy formulating process.
- EU policies tend to conflict too much and risk being contradictory, notably regarding sustainable development objectives. There is a need for a clear definition of sustainable development in the context of the Lisbon Strategy. “No Lisbon without Gothenburg”: the Lisbon Strategy and the Sustainable Development Strategy should be merged to ensure greater integration, with a long term sustainable development strategy ultimately inspiring all of the EU’s economic, environmental and social ambitions. The sustainability agenda is quite ambitious, but, when it comes to concrete implementation, it is often marginalised to the advantage of economic issues. The EU and national governments must do more to extrapolate (and communicate on) the competitive advantage that sustainable development results in.
- The review of the Sustainable Development Strategy should result in a broader timeframe of at least 15 years to allow it to integrate more closely with national strategies, and with World Summit aims.
- The European Commission should provide clearer and more open information about the reporting on progress towards sustainable development at key milestones, and at a minimum every 5 years. This reporting should coincide with major global developments in sustainable development, such as the World Summit.
- Extended Impact Assessments should measure whether a policy is consistent with the aims of the Sustainable Development Strategy.
- The Systematic Dialogue with local and regional government associations should be used as a mechanism to bring together all spheres of governance and develop good governance, through which a shared vision of sustainable development can be delivered.
- There is currently a superposition of Community instruments (SDS, Environmental Action Programme, Cardiff and Lisbon processes, thematic Strategies, extended impact assessment etc...) that tends to make the whole process unclear. CEMR believes all this would gain from being simplified.
- The cross-cutting dimension of the Sustainable Development Strategy (SDS) should be reinforced integrating it clearly in all sectoral policies. Sustainable Development must not be perceived as an add-on to policy, but should be integrated across funding, policies and policy assessment measures

- Since sustainable development is a global issue, a pre-condition of its success is to ensure stronger policy co-ordination at all levels: local, regional, national, European and international. Stronger internal coordination is essential too (between the different EU institutions, the different DGs of the Commission, the different departments of national governments etc..).
- In general, there is a strong wish of local and regional governments that EU policies are less theoretical and more practical, thinking on those who are responsible to apply them “on the field”. This goes as well for the Sustainable Development Strategy. In a mutual interest to achieve sustainable development in the EU, local and regional governments would like to offer their collaboration to the European Commission.

OVERALL EU APPROACH

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

- CEMR disagrees

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

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

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

CEMR expresses serious doubt that the EU will deliver its sustainable development goals, and create the most appropriate framework for national and local governments to deliver their commitments without **integrating the Gothenburg and Lisbon agendas**. The separation of the Lisbon strategy from the sustainable development strategy is artificial and perpetuates the separation of the environment and social pillars from the economic. The problem of balancing the interests of the different pillars makes it difficult to try to concretely implement such a Strategy. Complicated trade-offs may always come in the way and tend to weaken the process. A single strategic approach is necessary to ensure a consistent and balanced overall framework.

The Lisbon Strategy should be interpreted in the light of the sustainable development perspective in order to **avoid conflicting positions**. Improved information, greater transparency in decision-making, and cross-sectoral thinking will all help. However, these new policy directions need to be underpinned by a methodology for the sustainability appraisal of policy options, to ensure that interlinked social, economic and environmental factors are identified and addressed. This in turn requires the EU to develop clear and measurable long-term objectives, backed up by indicators of progress and of impact.

The key sustainable development policy role for the European Union is to ensure that its social, economic and environmental policy functions cease to compromise each other and start to reinforce each other, through integration.

Supporting exchange at the local level - Insufficient resources and support by national / European policy for implementing sustainable development at the local level has been a major barrier to local action. Too often pockets of excellence exist without their experiences being

translated to others. As we suggest in our introduction regarding local agenda 21 initiatives, the EU should support exchange of information and best practises.

SIX PRIORITY AREAS

1. Climate Change

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

- CEMR agrees

Q6. Do you think the objectives need to be updated?

In a global context, the European Union has made a significant progress, but still needs to further strengthen green house reduction measures.

Climate change is a fundamental concern for local authorities, whose roles in flood risk management, housing development, planning, transport planning and provision, environmental protection and energy management means that they are key deliverers in the fight against climate change. Many local authorities, notably in accordance with Local Agenda 21 programmes, have developed their own strategies for decreasing greenhouse gases emissions.

Overall, the EU has a **positive attitude** towards the compliance of the Kyoto Protocol as it is the case of the Directive on emission trading, although the tools established so far cover just less than half of the greenhouse gas emissions. Other right measures have been already identified such as taxation, the reform of environmentally harmful subsidies, energy demand management as well as the promotion of renewable energies and energy efficiency. Local authorities play a key role in developing renewable energy, as they develop energy generation capacity using fuels such as biomass, and through their pivotal role in the planning regime. But the switch to more renewable energy sources has to be realised by domestic and industrial energy consumers as well as municipal. Setting concrete, long-term renewable energy targets at an EU level is a vital way to develop greater capacity and helps local authorities by providing a strong framework in which they can make decisions about renewable energy knowing that international commitments have to be met.

The efforts to tackle the production of **greenhouse gas emissions from vehicles has been limited**. The current voluntary agreement between vehicle manufacturers and the EU has not yielded the reductions needed to prevent further climate change. The problem of emissions from both private and business vehicles should be tackled urgently. Local and regional authorities have started to use low emission vehicles and are willing to make major investments in order to contribute to the CO² reduction. Significant technological developments have made alternative fuels a possibility, but until consumers are forced to meet the true costs of their vehicle use by greater incorporation of environmental externalities, then the current trend will continue.

The SDS should stress again the essential role of **environmental policy integration** for what concerns cross-cutting issues such as climate change. Local and regional governments should be considered as main actors/partners in the integration process for fighting climate change and protecting the environment at large.

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

The Commission has been active in making propositions reflecting the European Climate Change Programme's and the Strategy's main objectives (emissions trading, fuel and transport pricing and taxing initiatives, energy efficiency, renewable energies targets, research projects etc.). Some of these proposals have been adopted by the Parliament and the Council (emissions trading, energy taxation framework, alternative fuel legislation); others are slowed down and far from adoption, let alone implementation (eurovignette directive, diesel tax, transport infrastructure pricing).

CEMR welcomes the Commission's proposal for a directive on **energy end-use efficiency and energy services**, which introduces sound energy management and promotes energy efficiency measures. Local and regional authorities have great possibilities to encourage energy savings to both private and public sector. The expertise and skills, available at local and regional level, should be taken into account to develop further measures.

Promoting energy efficiency - The EU Energy Services Directive will help contribute to energy efficiency; however the impending liberalisation of the energy supply may conflict with this goal. Energy suppliers are not compelled to provide energy consumption data to local authorities. This can serve to prevent local authorities from targeting energy efficiency measures where they are most needed.

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

Structural and Cohesion Funds – significant improvements have been realised in renewable energy generation and energy management through these funds. The high level of integration of sustainable development in structural funds programmes is welcome, and should continue to be used to promote financial measures that support investment in renewable energy sources and encourage energy efficiency.

Taxing the use of natural resources favours innovation and resource productivity. Such taxes can be introduced in a revenue neutral way.

Biomass (wood chips, pellets, etc.) should be promoted; it is available in all countries, its technology is highly developed and can be commercialised and has a high potential. This is also an economic factor for the new member states: they produce and export biomass products. There is also high potential in **cogeneration**; its use has proven to be very efficient for district heating systems, which are very common in the new member states. **Solar thermal energy** is in wide parts of Europe a suitable form of energy to produce hot water not only for domestic applications but also for industrial processes. This technology is available, reliable and economically comparable to fossil fuel applications. The huge potential of this technology would justify specific policy similar to the cogeneration directive. The European Commission should seek ways to foster the use of solar thermal systems in Europe both by means of legislation and financial support.

The EU should work in partnership with local authorities - For example it could identify ways to support the implementation of the Aalborg+10 commitments, established by the European Sustainable Towns and Cities Network, which include commitments on transport, energy, and production and consumption².

² Aalborg Commitments: <http://www.aalborgplus10.dk>

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

CEMR recognises the positive and active role of the EU in getting Russia to sign the Kyoto Protocol. CEMR believes that one of the central roles the EU can play is in ensuring a long-term vision that is owned by both EU and developing countries, and developing capacity building for local government within non-EU states. CEMR encourages the EU to **continue putting pressure on other countries** for further effort on Kyoto and climate change, notably in the International Climate Change Negotiations. Europe cannot succeed on her own, but the EU can act as the standard bearer, and be an example for other nations to follow.

Recognition of social and economic benefits and exchange of practice - The EU should encourage other countries to recognise that this is not simply an environmental issue, but also realise social and economic benefits.

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

Although we agree there has been some progress regarding climate change, **EU policies tend to conflict too much and be contradictory**, notably regarding sustainable development. The sustainability agenda is quite ambitious, but, when it comes to concrete implementation, it is often marginalised to the advantage of economic issues. One striking example is energy: on the one hand the EU promotes energy efficiency and pricing policies as important tools for containing energy use. On the other hand the liberalisation of energy markets can have possible reverse negative effects as it may lead to an increase in the number of suppliers, a decrease in consumer prices, and thus an increase in energy use and emissions.

3. Poverty and Social Inclusion

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

- CEMR disagrees

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

It is not the point to agree or disagree with the targets Lisbon process has set. Besides in broad terms, it should be considered that these targets are moving in the right direction. The big issue is the inability of existing policy framework to combat poverty and social exclusion in an effective way. Both poverty traps and social exclusion potentials are going to be expanded in the near future due to European integration and enlargement process. This situation can only be confronted if we decide to increase social expenditure and to implement integrated and cohesive policies on the area of social policy and welfare. The amount of 1.27% of community budget for strengthening social cohesion and inclusion is not sufficient. The specific amount should be increased at least at the level of 5%.

Secondly, we have to guarantee a minimum income at European level. Local government authorities can play a protagonist role in implementing and formulating these policies as they have privileged access to social cohesion problems. Regional and intra-regional disparities remain a central element of combating social exclusion in Europe. More sophisticated

distribution and allocation of social funds are essential to this.

In any case, the objectives need to be updated, quantified and well defined and member states, regions and local authorities should reflect them clearly in their own policies.

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

Although the right measures have been identified, more needs to be done by reinforcing the open method of coordination, introducing more precise and quantitative objectives and strengthening the evaluation process.

The involvement of regional governments in these policies is crucial for their success as they often have the responsibility on these issues and they, together with the local authorities, are closest to the citizens.

- **Local strengthening** - Special attention needs to be paid to a consistent approach to supporting capacity building and sustainable decentralisation of decision making to local government and communities to help achieve these goals. Initiatives such as the UNDP's Capacity 2015 programme, the UN Habitat's Global Campaign on Urban Governance, Sustainable Cities Programme are strong in this area however good local governance needs to be further supported throughout European development programmes.
- **Maintaining the link between poverty and social inclusion policies** - While the EU has made some progress with the fight against poverty, it should do more to promote its social inclusion policies. There is a danger that the social inclusion process could become sidelined once the National Action Plans for social inclusion are streamlined with other policies in the wider social protection area. The Sustainable Development Strategy should commit to ensure that the profile of social inclusion will not slip down the political agenda.
- **Migration** – The strategy should identify how it will further support social cohesion and migrant communities, as promoted by the European Social Charter, the European Convention on the Legal Status of Migrant Workers and European Committee of Social Rights.

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

- **Meeting international poverty commitments** - The strategy should elaborate the further steps it will take to support international processes, particularly the Millennium Development Goals, the commitments made in the Johannesburg Plan of Implementation, the Doha 'development' trade round, and Monterrey Finance for Development process.
- **Local strengthening** - Special attention needs to be paid to a consistent approach to supporting capacity building and sustainable decentralisation of decision making to local government and communities to help achieve these goals. Initiatives such as the UNDP's Capacity 2015 programme, the UN Habitat's Global Campaign on Urban Governance, Sustainable Cities Programme are strong in this area however good local governance needs to be further supported throughout European development programmes.

- **Human trafficking** - The Strategy should outline supportive mechanisms to tackle illegal human trafficking. It should outline how it will support national and local authorities in tackling this issue.

4. Ageing Society

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

- CEMR disagrees

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

Policy initiatives relevant to the problem of the ageing society problem have to:

- Offer incentives to both demand (companies) and supply (older workers), such as reduced tax and social security contributions, job rotation, mentorship schemes etc.
- Combat high and persistent unemployment levels of older workers by the implementation of specialized schemes that mainly aim to their labour market and employment inclusion. A priority of older workers on existing training opportunities and other job creation projects should at any case be ensured.
- Encourage part-time employment on the welfare and social policy infrastructure ensuring pro-rata payment, access to training and other employee benefits.

Nevertheless, it should be mentioned that any initiative taken regarding older workers should also be complementary with the whole framework of employment policy for other vulnerable segments of the workforce, such as young people and women. By this way we avoid to combine the increase of labour force participation rate for older workers with fewer employment prospects for other unemployed and less benefited social groups, resulting in a pure condition of labour market segmentation.

The objectives should be updated according to the evolution of the labour market and the pension systems and more needs to be done to address the issue of older workers in the labour market.. Activities on lifelong learning and permanent education should also be fostered and reflected in the objectives.

Encourage the creation of social partnerships and co operations that employ older workers in order to take advantage of their special skills such as construction works, gardening, traditional and ceramic art souvenirs, handmade home art and furniture work.

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

Taking early retirement is a short-term answer to economic down turns. However, providing pensions for the growing number of older people has become a problem at national level, and local government wishes to encourage older workers to stay on beyond current retirement age to help mitigate this problem. However, encouraging older workers to stay on might prevent opportunities for younger people. More needs to be done to analyse flexible retirement models.

The positive results of lifelong learning should be enhanced and permanent education should be clearly promoted.

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

These should include the phasing in of a higher retirement age and raising the labour market participation rate.

Q25. Have the actions taken achieved a satisfactory balance between the economic, environmental and social dimensions of sustainable development? What short and long-term trade-offs or synergies do you see between actions to address the challenges of an ageing society and actions in other domains?

Immigration is already playing an important role in alleviating the impacts of ageing societies in Europe and this role will increase, given that migration has an increasing tendency in Europe.

Migration might cause serious problems of brain drain, empowerment and work force reduction that weaken development conditions in developing countries. Cooperation projects with developing countries should be fostered at all levels. The International Network of Regional Governments for Sustainable Development (nrg4SD) has as a priority set up cooperation projects, especially between developed and developing regions.

CEMR also wish to highlight the following two points:

- **Brain drain** - The potential loss of skilled and educated labour force from developing countries to Europe and other industrialised areas needs to be addressed including measures to counteract this loss such as support for sustainable economic development within developing countries, capacity building and educational activities.
- **Recognising the contribution of the older generation to labour shortages** - In its opinion on the Commission's communication on immigration, integration and employment (COM(2003)336), the Committee of the Regions noted that immigration alone will not make up for the labour shortage in the EU in the long term. The opinion was drafted by a UK rapporteur, who pointed out that we also need to examine the contribution of older people to the labour market and called on the Commission and Council to develop guidelines on recruitment of skilled labour from developing countries.

5. Management of Natural Resources

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

- CEMR is uncertain

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

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

The Sustainable Development Strategy should be a primary mechanism to ensure that we move towards more sustainable production and consumption patterns, and ease the pressure on natural resources.

- **Thematic Strategy on the sustainable use of natural resources** - The Thematic Strategy will be used as the framework to guide natural resource use in the future. The Strategy should undergo a full Extended Impact Assessment that takes account of the economic, social and environmental implications on all stakeholders, including industry and local government.
- The **Integrated Product Policy** initiative of the Commission announced in the SDS made a promising start, but it is now in a deadlock situation. Local and regional authorities regret this situation, since this life-cycle approach can have positive effects, notably in terms of municipal waste volume reductions. The Integrated Product Policy (IPP) should provide concrete objectives in a time frame and should not be just taken as a voluntary measure to be undertaken by businesses.
→ CEMR thus believes the Strategy should re-activate this initiative.
- **Waste policies** are key for delivering more sustainable use of resources. Although we do need EU minimum standards on treated waste and on waste disposal, some level of flexibility must be left to member states and to local authorities, that are essential actors of waste management. As part of the Waste Prevention and Recycling Thematic Strategy, CEMR insists on the need to develop waste prevention strategies that will decrease waste volume at source³. On the biological treatment of waste, CEMR advocates product norms rather than treatment standards. Furthermore, treated or recycled waste products need viable markets. Regarding the management of spent batteries and accumulators, CEMR wants the ban on the use of mercury to be extended to cadmium and lead, as well as a reinforcement of the producer responsibility principle so that it also includes the collection of spent batteries and accumulators⁴.

Application of proximity principle - Resources should be extracted, processed, consumed and re-used or re-processed as close to their original extraction and usage as possible to minimise the environmental implications of transportation, and to help develop more locally derived markets in re-processing of products. The EU can too easily lose this proximity principle in the application of the Internal Market.

6. Mobility and Transport

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

- CEMR disagrees

³ see our position at: http://www.ccre.org/prises_de_positions_detail_en.htm?ID=17

⁴ see our position and activities on batteries at:
http://www.ccre.org/prises_de_positions_detail_en.htm?ID=16

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

A strong commitment of the EU, the member states, the regional and local authorities is indispensable to implement the proper measures and policies to make transport more sustainable. Transport is the fastest growing sector in terms of greenhouse gases emissions, and may undermine the achievement of the EU Kyoto target.

The Strategy says: “The common transport policy should tackle rising levels of congestion and pollution and encourage the use of more environmentally-friendly modes of transport.” The Gothenburg European Council of 2001 placed shifting the balance between transport modes and decoupling transport growth from economic growth at the heart of the SDS. **However, this has not happened.**

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

Concerning one of the main objectives of the Gothenburg agenda, i.e. decoupling transport emissions and economic growth, it remains to be seen if:

- 1) The 2003 agreement on motor fuel taxes,
- 2) The dispositions for the promotion of alternative fuels, and,
- 3) The opening up of the railway network to competition

will have any meaningful effects on reducing or even just containing car traffic levels, a growing concern for local and regional authorities. CEMR has expressed its opinion on the eurovignette directive⁵. We believe that the revenue from tolls and user charges should be earmarked not only for the maintenance of the road infrastructure on which the tolls are levied but also for the transport sector as a whole. It should be made clear that this provision allows member states to use the revenue for the development of more sustainable forms of transport, in line with the White Paper on European Transport policy. Furthermore, we regret that the proposal does not include the external costs of congestion and environmental impacts as a basis for setting tolls. An approach which includes the full “marginal social costs” of transport (including environmental and congestion costs) would significantly enhance the efficiency and sustainability of the transport system, as suggested by the Commission’s 1998 White Paper on infrastructure charging (COM(1998)466) and the 2001 White Paper on European Transport Policy.

EU transport policies, as others, tend to be **contradictory** and conflict with each other. CEMR is not certain that the liberalisation of the rail market can effectively contribute to improving rail transport and making it more sustainable. However, rail is a fundamental alternative to private car use. In order to implement effective transport modal split, we need efficient freight rail services, financial means and political will. CEMR has doubts the liberalisation process can deliver these elements.

The same applies to **aviation policy** - The EU has set out policy aims to tackle harmful emissions and their impact on climate change, and is seeking to tackle the modal split in transport. However there is a lack of consistency in policy approaches, as one of the major causes of harmful emissions, air travel, has not been tackled from an environmental context. Air travel must not be allowed to grow at the expense of the environment and other, more inclusive transport modes. The impact of air travel on regional economic development must also be balanced with the environmental and social impacts of increased air travel. Regional airports can serve to be a driver for regional economic growth and improve access to services for peripheral communities.

⁵ see CEMR position at: http://www.ccre.org/prises_de_positions_detail_en.htm?ID=25

The 2003 Energy tax directive allows for the first time bilateral agreements between member states for taxing kerosene on Community flights. The EU should encourage member states to start developing agreements that can be set as examples to other countries. Such tax measures could also set an example at the global level and influence international negotiations on such matters. More internalisation of environmental costs is urgently needed in the air transport sector.

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

Generally, it is important to apply properly all environmental legislation applicable to different modes of transport and infrastructure, as well as environmental impact assessments. **Land use and planning** should also gain a greater role for making transport more sustainable. Useful assessment instruments should be developed to let public administrations evaluate the impacts foreseen and the possibilities of creating synergies with other dimensions. Unfortunately, the Strategic Environmental Assessment does not allow for a rigorous assessment, notably because of the lack of an independent evaluation and validation and the lack of a homogeneous methodology of calculation of the impacts in the medium term.

→ CEMR believes the Strategy should develop tools (models, indicators...) to know and measure the interrelation between land use and planning, transport and the environmental, social and economic impacts.

BEYOND THE PRIORITY ISSUES

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

- CEMR agrees

However, CEMR would like to make the following general remark on choosing priorities for the Strategy. Focussing on a limited number of severe problems can help to make the concept of sustainable development operational – both in terms of tackling the most pressing problems facing European society and in terms of demonstrating that sustainable development is about the major issues which face individuals, businesses and society. However, the focus on a limited number of problems, even if increased above the initial six, will not itself make the concept of sustainable development operational - it is the new policy directions which will do so. Simply focussing on a number of themes, even ones requiring cross-sectoral and long-term action, runs the risk of losing sight of the wider impacts of actions. Sustainable development cannot be achieved by focussing on specific issues, but it can be achieved when all actions, taken on any issue, are appraised for their wider and long term social, economic and environmental implications.

Q38. If so which ones, and why?

- **Good governance** - The core elements of good ‘sustainable’ governance need to be outlined in the strategy, acknowledging the importance of good governance at international, national, regional and local spheres. The EU strategy needs to clarify

how it will better ensure greater **horizontal** coherence between institutions and partners at the same level as well as **vertical** coherence – across different levels of governance. The strategy should clearly outline how each DG will review its policies and working practices to ensure they are instrumental in the delivery of sustainable development. Good governance includes in our view the protection of minimum levels of **public services**. Local and regional authorities are expected to deliver on social and environmental objectives that cannot be met by the market alone. While local and regional authorities can contract out services to private companies, they must keep the freedom to run their own public service companies⁶.

Good governance also includes a **systematic dialogue with local governments on EU policy-making** - local authorities are key players when it comes to implementing EU legislation, and promoting sustainable development at the local level.

- **Integration of environment into policies:** the 2001 Strategy recognises “integration” as one of the fundamental approaches that are necessary to make sustainable development a reality. However, after a good start in 1998, at least on paper, the Cardiff Process for integrating environmental concerns into Community policies, seems to be deadlocked. In terms of integration, special attention should also be paid to projects cofinanced by the EU, especially through the CAP, CFP, the structural funds and the cohesion fund and their compliance with sustainable development legislation and practices.
→ CEMR would therefore urge the Strategy to take into account the need to effectively relaunch the integration process at EU level. Integration should take place at all levels of administration, and at an early stage of policy formulation. The EU ought to set the example on this process.
- **Waste illegal dumping** - The dumping of used products and resources is a major problem both within and outside of EU borders. The Community as a whole must strictly apply the polluter pays principle, which requires stronger legislation at the EU level than the current Environmental Liability Directive. Future policy and funding programmes should concentrate on building a stronger market.
- **Agriculture** - This activity represents both a problem and a solution: it is the cause of, amongst other things, high levels of pollution, soil damage, damaging water resources and reduction in bio-diversity. However, environmentally friendly agriculture can form part of the solution to environmental problems. For such a change to take place a radical reform of the EU Common Agricultural Policy is needed. Such reform could be facilitated if agriculture is integrated as a priority area of the SDS.

CHANGING THE WAY WE MAKE POLICY

Improving Policy Coherence

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

EU legislation and regulation is contributing to taking some steps towards more sustainability, and to increasing awareness, in the environmental area (water and waste legislation, biodiversity, air quality, energy efficiency, climate change etc..). However, progress is too timid in light of the challenges. Furthermore, traditional environmental legislation is still

⁶ See CEMR positions at: http://www.ccre.org/news_detail_en.htm?ID=380

necessary, but it is not enough: we need new, innovative instruments, such as market-based tools and environmental policy integration that can have a broader impact. Horizontal and better integrated policies are indispensable if we really want to get to more sustainable consumption and production patterns.

The EU is well placed to provide over-arching long-term strategies for sustainable development, provided that such strategies are not too general and are accompanied with concrete targets and incentives for implementation at the national, regional and local levels. Progress is often hindered by contradictory policies: we need greater policy coherence.

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

- CEMR agrees

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

The tool of impact assessment introduced by the SDS can improve the coherence of the EU policies. The EU has made positive steps towards using Impact Assessments in key areas. Nonetheless, they are in urgent need of further development, including a measure to identify the potential impacts of policies on local government. As they are developed Impact Assessments should also be used to assess significant amendments proposed by the European Parliament and Council.

It would be useful that an **independent body** reviews the processes with a view to safeguarding transparency and trustworthiness of the assessment as regards third parties and public opinion. It would be useful to include in the assessment the pleas in relation to the projects analysed and the reasons given for refusing them.

Clear definitions and measures - The definition of sustainable development within extended impact assessments needs to have a clear definition at the outset of each extended impact assessment. This will help entrench it within the extended impact assessments process, and help local government ensure a consistent application of the concept of sustainable development throughout the EU.

GETTING PRICES RIGHT TO GIVE SIGNALS TO INDIVIDUALS AND BUSINESSES

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

- CEMR disagrees

Getting prices right is one of the main objectives set out in the Strategy (“the commission will give priority in its policy and legislative proposals to market-based approaches that provide price incentives, whenever these are likely to achieve social and environmental objectives in a flexible and cost effective way”). However, progress has been very slow. Price policies are an important tool for tackling waste volumes, as well as water or energy over-use. As such, local and regional authorities tend to be in favour of such initiatives, as long as they are consulted on the use of revenues and as long as the subsidiarity principle is respected. Many local taxes and charges cannot be prescribed at the EU level.

Transport Infrastructure Charging is an innovative tool that may have significant impact on traffic levels, that can represent an opportunity for encouraging transport cross-financing and modal split, and in which local and regional authorities could have an interesting role to play. The initial works around the European Commission's initiative opened interesting perspectives. The SDS could call for the initiative to be reactivated.

Harmonising the European prices of professional **diesel fuel** and aligning the price of non-professional diesel to that of petrol would make sense for internal market, public health as well as environmental considerations. Pollution from diesel particles is becoming increasingly alarming in urban areas.

Sustainable procurement - The Strategy should outline how governments, local and regional governments, and business will be encouraged to adopt sustainable procurement practices, including through supportive legislation, training and exchange opportunities e.g. ICLEI's 'Procure+' Sustainable Procurement programme for local government⁷.

MEASURING AND REPORTING ON OUR PROGRESS – PART C

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

- yes

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

- CEMR disagrees

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

- CEMR disagrees

Q55. If no, why not?

It is difficult to measure the right balance between the different pillars because of a **lack of indicators** to show the **interrelation** between the economic, social and environmental field. The lack of indicators also affects areas such as the protection and restoration of natural habitats, for which objectives are far from being attained. The indicators of the European Environment Agency complement the structural indicators of Eurostat, although in the 2004 Spring Report only three of the fourteen indicators are environmental (climate change, energy and transport), whereas agriculture, use of resources, biodiversity and chemical polluting products are not taken into account.

⁷ <http://www.iclei-europe.org/index.php?procuraplus>

In the three spring reports after Gothenburg, the environmental dimension seems to be less relevant than the other two dimensions of sustainable development.

A special effort should be done to reflect in one single document the progress of the EU in terms of sustainable development, measuring the progress towards mid-term and long-term objectives. It could include scenarios with predictable impacts in different sectors or in people's life.

There obviously is a **lack of political leadership** for effectively monitoring the SDS. The SDS tends to be treated marginally at the Spring European Councils.

LINKING THE EU STRATEGY TO GLOBAL AND NATIONAL STRATEGIES

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

- CEMR disagrees

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

Local –global coherence - The global SD strategy was introduced as a separate concern in Gothenburg in 2001. However, the issues of international trade and the inequalities in the use of resources globally should form a core part of the EU sustainability strategy and not left solely to be dealt with in the EU preparations for world conferences.

Trade and sustainable development - The strategy needs to address the international trade agenda more effectively. It should outline how it will support the strengthening of capacity of developing and especially least developed countries to engage in the international trade agenda, in accordance with aims of the Doha Development Trade round. It should highlight activities that will address this issue e.g. the new Generalised System of Preferences incentive that will aim to encourage sustainable development and good governance in developing countries.

NATIONAL DIMENSION

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

- CEMR agrees

Q62. If yes, which ones?

In the former socialist countries, the transition to market economy has had mixed consequences in terms of sustainable development. The beginning of the transition period was marked by sharp drops in polluting emissions from the heavy industries and in the use of agricultural chemicals, which allowed biodiversity to bounce back in some areas, and air quality to improve. Today, however, the increase of private car use and the progressive alignment to “western style” consumption patterns is reversing this situation, and new member states will soon be faced with challenges such as waste and water treatment on a larger scale for which they do not always have the financial and administrative means to respond to. Issues are thus getting similar to the EU-15 countries, but there is significant inequity in terms of capacities.

Thus there is clearly a lot to be done in relation to **increasing the capacity** of new members in relation to sustainable development. The strategy should identify means to promote understanding and implementation in those countries, including through supporting partnerships, exchanges and provision of training and resources.

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

- CEMR strongly agrees

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

Bottom-up as well as top-down - The strategy should highlight the need to enable more bottom-up, as well as top-down, learning and exchange, through supporting more direct dialogue between EU processes and local and regional authorities, as well community groups.

Formal consultation - Exchanges of best practice and the opportunity to create a shared vision for sustainable development are both vital, and can be realised through more regular and formal consultation of bodies, such as the Committee of the Regions.

The crosscutting dimension of the sustainable development strategy should be reinforced in all community policies. Since sustainable development is a global issue, a pre-condition of its success is to ensure **stronger policy co-ordination** at all levels: local, regional, national, EU and international. Stronger internal coordination is essential too (between the different EU institutions, the different DGs of the Commission, the different departments of national governments etc..). → see also Q. 38 on environmental policy integration

OVERALL ASSESSMENT

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

- CEMR disagrees

However, as it is a long-term process, and since this tool is indicative rather than prescriptive, it is difficult to assess the results of the Sustainable Development Strategy just three years on. About the environment, the 6th EAP is a much more concrete policy guidance to rely upon. It is very difficult to assess whether the SDS has had any direct influence onto environmental policy making, since the policy set up was already in place or in preparation. But the main impression that comes out three years after Gothenburg is that the SDS is a general tool that has had little concrete impact.

CEMR has tried to explain the reasons for this situation and to provide suggestions for improvements in the earlier sections of this paper. CEMR is available should you require any further explanation or information.

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