



EEB Comments on the Consultation on the future “EU 2020” Strategy Commission working document COM (2009)647/3

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Introduction

The European Environmental Bureau (EEB)¹ welcomes the Commission working document COM (2009)647/3 on the Future of the “EU 2020” strategy. It shows an important shift in thinking inside the Commission in the right direction.

We appreciate the possibility of giving input through this consultation, but regret that it comes late in the process and comes with a very short deadline (taking into account the Copenhagen climate meeting and the Christmas/Newyears holidays).

The main challenge the EEB sees for the coming period is the transition towards a new European economic and social model away from a narrow focus on competitiveness and economic growth towards an inclusive value based society that respects the carrying capacity of the Earth. With other parts of organized civil society in Europe, in the framework of the Spring Alliance², the EEB has launched an urgent call for a more sustainable EU agenda. The [Spring Alliance Manifesto](#) lists concrete proposals on how to achieve this and the EEB wants to refer in the first place to the demands listed in this Manifesto.

It is equally important to fully apply the objectives and requirements of the EU Sustainable Development Strategy to the “EU 2020” Strategy, including its guiding principles. The EEB refers to its comments made to the [2009 review of the EU SDS](#).

In this paper EEB furthermore presents specific suggestions on how the EU 2020 Strategy could become a successful strategy, delivering environmental and sustainability objectives for a healthy, clean, prosperous and socially fair European Union. It also responds to the specific observations, comments and proposals made in the Commission’s consultation paper.

The EEB asks that our comments will be taking into consideration when finalizing the paper and is available for further explanations and discussion.

¹ EEB is the largest federation of environmental citizens’ organizations in Europe. It groups together over 140 member organizations from more than 30 countries.

² A civil society platform initiated by EEB, European Trade Unions Confederation (ETUC), European Platform of Social NGO’s and Concord (European NGO confederation for relief and development) aiming to influence the direction the EU will take for the next decade: <http://www.springalliance.eu>

EEB'S MAIN DEMANDS FOR THE EU-2020 STRATEGY:

The EEB calls for a strategy aiming at an energy and resource efficient and low carbon economy and society, effectively protecting its eco-systems, leading to a reduction of the EU's ecological footprint by 50% within 20 years, while improving social cohesion, transparency of decisionmaking at all levels, and sustainable employment.

It calls for replacing GDP as the main indicator for success with indicators that show whether we are progressing on sustainable development, such as the Ecological Footprint and the state of our natural resources (or: capital), as well as indicators on well-being (inspiration could be taken from the Human Development Index), the eradication of poverty, and equity (between regions and rich and poor). The work on the assessment of ecosystem services should also be continued in view of integrating ecosystem services in national accounting and economic and political decision-making. Also work with the results of the Stiglitz Commission.

The Strategy should be a roadmap with clear targets, actions and time frames to move the economy in an eco-efficient direction. It should include legislation and standards where necessary; horizontal market and fiscal instruments; concrete steps in the eco-efficient transition or growth of sectors which also deliver quality 'green jobs' and sustainable employment; mobilization of investments in priority sectors such as: eco-efficient construction and renovation of buildings, sustainable transport, renewable energy and recycling, sustainable agriculture, nature protection and preservation and restoration of eco-systems;

Specific proposals:

- [A demand from the Spring Alliance Manifesto]. By 2020 a shift of at least 10% of the revenue or tax-base away from labour to environmental pressures, resource use including energy use, and capital, by applying the Open Method of Coordination combined with Enhanced Cooperation. This would encourage more efficient resource use, taxing what we do not want (resource depletion and pollution) instead of taxing what we want (income and employment). See the Annex for an EEB proposal on how to do this.
- Implement the [recommendations of the Environmental Council on Eco-Innovation of 21 October 2009](#).
- More ambitious targets for climate change. To prevent major climate change impacts, the world has to move fast and the EU has to show the way. The EU should consider a minimum reduction target of 40 % for EU domestic greenhouse gas emissions (compared to 1990).
- The launch of market based instruments that support the growth potential of the green sector and stimulate sustainable investments. Finally put an end to environmentally hazardous direct and indirect subsidies including tax reductions/exemptions and use the revenues either as part of a general environmental fiscal reform or dedicated subsidies for eco-innovation.
- Achievement of 100% green public procurement by 2012.

- The launch of a new European Energy Efficiency Action Plan including a binding absolute energy use reduction target of 20% for the coming decade. It should launch a major investment plan for renovation of existing buildings to realize the potential of 30% reduction of energy use in that sector. It should aim for at least 40% of the existing buildings in the EU to be renovated in the next decade, and include sufficient support to the commitment of the European Social Housing Sector to renovate 10 million of its housing stock (=40%) by 2020.
- Kicking off the 2012 review of the improved Sustainable Consumption and Production (SCP) and Sustainable Industrial Policy Action Plan promoting clearly defined criteria, targets and standards for green products, technologies and services and supported by a sound and integrated programme for European Eco-innovation. In addition, apply the Top Runner approach (increasing requirements on basis of best performing products on the market). Call for a sustainable consumption agenda, whereby lifestyle and behavioural aspects are addressed beyond labelling and product information – efficiency gains in production need to be complemented by reductions in consumption impacts.
- Preparations for EU resource use reduction targets to be adopted by 2011 and waste prevention targets by 2012 [Spring Alliance Manifesto demand]
- Substantial reforms of the transportation sector, aiming to develop sustainable and well functioning public transport systems, including in rural areas, which integrate demand management, with intelligent spatial planning and smart logistics for persons as well as for freight. This includes better access by non-motorised means of transport, as well as offering a public network which is a serious alternative – in terms of capacity and quality – for private air and road transportation, combined with other measures for a strong modal shift from road and air to rail, waterways and public transport.
- Start of a process of refocusing EU structural and cohesion funds to invest in local social infrastructures, and shifting them to sustainable transport, energy savings/renewables, water management, waste re-use/recycling and nature protection, so as to also allow the socially viable and weaker regions to have equal access to a sustainable development.
- Ensure that public financing of research also focuses on environmental and social sustainability, filling knowledge gaps and helping to reduce uncertainty in applications such as nanotechnologies and nano-sciences. Stop public financing of research related to energy production with nuclear fission and fusion.
- Ensure that all payments, investments and (in)direct subsidies with public money are consistent with sustainable development objectives.
- Include in EU-2020 explicitly the objective to contribute to the implementation of a post-2010 Biodiversity Rescue Plan which civil society is asking for [see Spring Alliance Manifesto]

With regards to the governance and public acceptance of the Strategy:

- The Strategy must no longer remain the domain of finance ministers and employment departments, but promote genuine stakeholder involvement in each stage of the policy cycle – a new Guideline should be developed which explicitly requires this governance model linked to agreed benchmarks.

- The Better Regulation Agenda should concentrate on better enforcement of existing legislation, modernization of control mechanisms but should not be used to undermine social and environmental objectives but to enhance implementation.

- The assessment of long-term, intergenerational sustainable development issues in Impact Assessments (IA) is still poor and the quality of IAs is at times lacking. Further investments in data collection and identification of appropriate methodologies – qualitative or quantitative, for the analysis of such impacts are needed.

Finally: the Strategy will contain parts where the Commission can and should take the lead, resulting in new EU legislation, programmes etc. Other parts will entirely depend on the role of Member States. The EEB warns that if the Strategy does not include clear targets and timetables, clarified for each Member State, (integrated) guidelines, national annual reports and annual Commission evaluations of progress, the Strategy risks to have little impact on what is happening in the EU in the next decade.

EEBs Responses to the Consultation Document of the Commission (referred to as “the Commission”)

This response follows the order of the document and uses the titles of it:

“This is the time for a deep transformation of Europe”

The EEB agrees that now is the time to transform Europe. The reasons for such a transformation however go far beyond the recent financial crisis and the resulting increased unemployment. At least as important is the permanent crisis caused by depletion of natural resources, excessive pressure on the natural eco-systems, rising waste and growing social inequalities in the European and global context.

“Sustainable growth” should not be the key objective of 2020, but instead it should be creating an ecologically and socially driven prosperous economy that delivers quality of life for everyone while reducing substantially EU’s ecological footprint. Whether this leads to GDP-growth or not, is not essential. Essential is the direction, quality and impact of the actions we undertake.

The transition towards a smarter and greener economy requires a new common economic strategy that is at the service of the society and the environment, investing in people, eco-efficient innovation, social cohesion and the environment. Such a strategy should also guide the Economic Recovery Plans and focus on less carbon emissions, less energy use, less resource use (including biodiversity), with more and better jobs, and services contributing to sustainable development.³ It should focus on living within the carrying capacity, while increasing the quality of life of all and ensuring the public health protection.

“Recognizing the constraints and facing new challenges

The Commission writes:

“In developing a new vision and direction for EU policy, we need to recognize that conserving energy, natural resources and raw materials, using them more efficiently and increasing productivity will be the key drivers of the future competitiveness of our industry and our economies”.

EEB agrees, but not only for “*future competitiveness*”. Reducing energy use, natural resources and raw materials are first and foremost essential requirements to ensure a sustainable future for the people in the EU and the world as well as to ensure that economic activities no longer undermine the preconditions for their own persistence in the future.

It should be clear what the nature and scope of this challenge is. Eco-efficiency is a key word. The World Business Council for Sustainable Development, which created this concept, defined it as⁴:

³ Spring Alliance Manifesto, Chapter I Put in place an new economic strategy

⁴ Claude Fussler with Peter James. *Driving eco-innovation – A breakthrough discipline for innovation and sustainability*. London, Pitman Publishing, 1996.

“Eco-efficiency is reached by the delivery of competitively priced goods and services that satisfy human needs and bring quality of life, while progressively reducing ecological impacts and resource intensity throughout the life cycle, to a level at least in line with the earth’s estimated carrying capacity”.

This definition looks beyond energy, and speaks both about ecological impacts and resource intensity as such, and sets a target: **to stay within the earth’s estimated carrying capacity.**

The “EU 2020” Strategy should follow this approach and set concrete, measurable targets for the increase of eco-efficiency (resource-efficiency) and an absolute decoupling of economic growth from the use of resources and environmental degradation to direct the economic policies.

The Ecological Footprint is currently a widely used tool to estimate the relation of human activities to the carrying capacity on an aggregate level. Europe’s current Ecological Footprint is estimated to be 2,5 times above its fair share of the planet. This means that the EU is living on the expense of other regions of the world – mainly the developing countries –, future generations and the regenerative capacity of ecosystems.

The EEB therefore proposes that the overall objective for the “**EU 2020” Strategy** should be **to reduce the EU’s Ecological Footprint by 50% within 20 years.** In order to get there a combination of targets and timetables, of supply and demand side measures, legislation and market instruments, information and mobilization of people is needed and coherence with the (current and future) sustainable development objectives of the EU should be ensured.

The discussions on an eco-efficient economy, organized by the Swedish Presidency, were a step in the right direction. Other positive initiatives include the current OECD work on Green Growth (EEB is currently coordinating the Environmental NGO input into this process). EU2020 should build upon these and reinforce them.

While currently the most attention is devoted to climate change, in its Environmental Outlook to 2030⁵ the OECD identified also biodiversity loss, unsustainable water management and health impacts of pollution and hazardous chemicals as the most urgent challenges to be tackled in order to turn the unsustainable trends. The EU 2020 strategy should therefore also address these challenges.

Human beings and their economic activities are embedded in ecosystems and depend on the various services the ecosystems deliver (ecosystem services) such as clean air and water, climate regulation, raw materials and nutrition. The preservation of the ecosystems and ecosystem services – which in turn largely depend on biodiversity and resilience of ecosystems – should thus be a priority of the EU 2020 Strategy. This strategy is needed to move towards a new economic model which recognizes both the intrinsic and functional/service values of ecosystems and biodiversity, the fact that the most of the natural assets are the irreplaceable and the urgent need for setting a value to these assets in order to fully integrate them in political and economic decisions. The beyond GDP Initiative of the Commission should therefore be followed and according indicators for comprehensive national accounting established and applied. It should use

⁵ OECD Environmental Outlook to 2030

the results of the Stiglitz-report and the Economics of Ecosystems and Biodiversity (TEEB) study, led by Mr. Sukhdev.

Social Cohesion is an important part of Sustainable Development and therefore should indeed be considered a key challenge for EU 2020. We are glad the Commission recognizes this, but we want to emphasize that action should go far beyond employment policies (For more concrete suggestions on these aspects see Spring Alliance Manifesto Section C “Establish inclusive societies”).

“Key priorities for EU 2020”

1.) *Creating value by basing growth on knowledge*

Public support for research and innovation needs to be targeted to the societal priorities of today and tomorrow, which means sustainable development. Sustainable lifestyles, eco-innovation and social-innovation should be the key drivers for this. In EU Research discussions one speaks now about the “Grand Challenges”. They need to be properly formulated and followed in choices on support.

EEB is convinced that the EU already has the resources and knowledge available for the transformation process towards a low carbon and resource efficient society. Action should be taken to mobilize these, and assist in the mainstreaming of their use.

A powerful and appropriate framework for Sustainable production and Consumption Patterns (SCP) supported by a Sustainable Industrial Policy can enable and stimulate improved citizen behavior. A fundamental change in the current SCP Agenda is however required to transform it into a strategic one that is embedded in an appropriate institutional framework. If seen as an overarching agenda playing a central role in the EU 2020 Strategy, the SCP Agenda offers the opportunity to develop intelligent and controlled transition to living better and more equally within the planetary limits.⁶

Innovation and creativity should not only be encouraged by giving ‘*incentives for the growth of knowledge based innovative firms*’. Existing more traditional sectors and industries should also be stimulated to change existing unsustainable production patterns. For example the reform of the Common Agriculture Policy (CAP) could help to move farming away from industrial practices on agro chemicals and GMO’s towards, sustainability, reducing water use by 40%, using less fossil fuels, conserving soils and carbon and restoring biodiversity.

2.) *Empowering people in inclusive societies*

The Commission does say, in one sentence, that fighting poverty and exclusion is more that creating jobs, and it refers to social security and pension systems. We think social inclusion is an essential part of sustainable development, so we want to see in the

⁶ Blueprint for European Sustainable Consumption and Production: finding the path of transition to a sustainable society, European Environmental Bureau (EEB) / Sustainable Consumption Research Exchange (SCORE!), May 2009

Strategy how the EU is going to provide this. ((See more ideas in the Spring Alliance Manifesto Chapter 7 Reduce inequalities and eradicate poverty).

We agree with the focus on development of skills for the new economy. However, as the Commission also underlines further on in the consultation document: this is not only about new sectors, It is a fact that “the new ‘green’ economic sectors in the field of renewable energies could not exist without the participation or the products of the conventional industrial sectors and the dismantling and recycling industries. Therefore, essential is to also focus on retraining employees in current, more traditional industries that need to move towards clean and efficient production. This requires public spending, including EU funding, for lifelong learning programmes as well as specific re-training in restructured sectors, and ensure training for the entire chain of providers, installers and suppliers in e.g. energy efficiency and renewable energy sector as well as to invest in key sectors like transport and housing.

We are convinced that “green jobs” will present a major niche for job-creation. On the micro-level, we can already can put in place a transition process to make every workplace a green work place, with new and extended rights relating to the protection of health and of the environment at work, and for the provision of training and skills related.⁷ The global market for environmental products and services is projected to double from \$ 1,370 billion per year at present to 2,740 \$ by 2020.

We ask the Commission to pay attention to a concern of trade unions about the quality of what are now called “green jobs”. According to the ETUC⁸, “gradually all jobs will become classified as ‘green jobs’, recalling that this classification currently refers too often to precarious jobs, of low intensity and involving low skill levels, and lacking attractiveness.” Further see the Spring Alliance Manifesto chapter 11.

Nature protection itself can also foresee in the demand of green jobs. A combination of sustainable nature and forest management planning through local land use and resource management can strengthen the community and integrate locals in the production chain.

Finally, good economic development is also about preventing projects that have a negative impact on the environment. Besides good impact assessments that lead to the right decisions, empowering people to play a role as watchdog is important. For that purpose the Aarhus Convention, to which the EU and all Member States but Ireland are Party, needs to be fully implemented, and access to justice in particular needs to be guaranteed at the EU and national levels. The pending Directive on Access to Justice needs to be finally adopted and the Regulation implementing Aarhus for EU Institutions needs to be adapted for this purpose.

3.) Creating a competitive, connected and greener economy

The Commission writes:

⁷ ETUC Resolution on Climate Change, the new industrial policies and the ways out of the crisis (adopted by the Executive Committee on 21 October 2009)

⁸ ETUC Resolution on Climate Change, the new industrial policies and the ways out of the crisis (adopted by the Executive Committee on 21 October 2009)

“Greening the economy is not only about the creation of new industries. It is just as important to accelerate the modernisation of Europe's existing industrial sectors, many of which will already be restructuring in the wake of the crisis. Achieving these objectives will be essential if the EU is to compete in a world where all countries will be looking for solutions to these challenges.”

Again we would like to stress that the EU 2020 vision should not only focus on more resource competition, but go for absolute reduction in resource use for environmental reasons. The Strategy should set concrete, measurable targets for the increase of eco-efficiency (resource-efficiency) and an absolute decoupling of economic growth from the use of resources and environmental degradation. As stated above, the EEB proposes that the overall objective should be to reduce EU's Ecologic Footprint with 50% in not more than 20 years. This is very much in line with the demand from the European Parliament of April 2007: ...*“that by 2030 the use of primary non-renewable resources in the EU must be reduced by a factor of 4, or the use of natural resources must be halved by 2030 while simultaneously increasing worldwide prosperity”*.

EEB agrees that we need to green all sectors involved; transport, energy, agriculture, fisheries and spatial planning. Not only because of resource use: all of these have to become 'ecosystem -proof'.

The World Energy Outlook 2009 from the International Energy Agency has as Reference (= Business as Usual) Scenario that between now and 2030 77% of the increased energy demand will be covered with fossil fuels, predominantly coal. Much of this will be in the emerging economies. This would create a climate disaster. The EU currently has the lead in wind-energy production. In the next decade we have to make a dramatic step away from fossils, whereby nuclear power is no alternative and bio-energy needs to be applied carefully, under strict environmental conditions. The EU can lead the way globally and this will also have a positive impact on export opportunities [see the strong global position of European wind-turbine producers].

The Strategy should also take into account that in the coming decade we may see the end of the “easy oil era” and that we achieve “peak oil”. But we should not wait for that either. As Nicholas Stern pleaded: we must find alternatives before hydrocarbons start running out, because if we use all or most of them without capturing or storing the emitted carbon dioxide, the resulting concentrations of green house gasses would put the planet at grave risk⁹. If one is concerned about using Carbon Capture and Storage at a large scale, as part of the environmental movement is, the search for alternatives becomes even more pressing.

With regards to targets, unlike the Commission, we do not regard the agreed objectives on climate change and energy (of December 2008) as sufficient. Recent science shows that industrialised countries, including the EU as such, need to make reductions of 40% by 2020. So the transition to an energy and resource efficient economy needs to have priority over other interests, otherwise it will not work. If we do not invest massively in energy savings, efficiency and renewables, we will ask for trouble. With regard to renewables one should always look at the overall environmental assessments and not

⁹ Nicolas Stern, A blueprint for a safer planet – How to manage climate change and create a new era of progress and prosperity

only focus on the green house gases. To that regard, EEB is particularly concerned about biofuels promotion.

For the transport sector this means not only investing in new technologies and modal shift (from road and air to rail and non-motorized), but also to focus on stabilization and reduction of mobility needs.

The Commission puts an ambitious target for the electricity sector: by the early 20's, 2/3 should come from low carbon sources. We agree, but this should not include nuclear and bio-energy only under strict environmental and social conditions.

President Barroso said at a Business Europe Conference (29 October 2009), *'Energy saving is the most readable available and cost effective way of addressing all three of the EU's strategic energy objectives at the same time: fighting climate change, ensuring security of energy supply, and achieving sustainable economic and social development.'*

EEB welcomes the Commission's intention to set a binding energy saving target, framed in a Directive¹⁰ as part of a new European Energy Efficiency Plan (EEAP). But this should be about absolute savings: by 2020 the EU should use 20% less energy than today. This target can be accompanied with specific targets for each Member State, as long as the overall ambition is achieved.

The new legislation implementing this target should include harmonized provisions on measuring, reporting and complying with the target and should be coherent with other legislation and clearly linked to financing. A carefully designed taxation system targeted at discouraging the use of energy wasteful products, combined with a complementary reduced VAT for energy saving goods and services should also form a fundamental aspect of the revised Action Plan.

The EU-2020 Strategy should include a determined commitment to environmental fiscal reform. This could contribute enormously to making energy production and consumption sustainable. The Spring Alliance Manifesto calls for by 2020 a shift of at least 10% of the revenue or tax-base away from labour to environmental pressures, resource use and capital, by applying the Open Method of Coordination combined with Enhanced Cooperation. This would encourage more efficient resource use, taxing what we want less (resource depletion and pollution) instead of taxing what we want more (income and employment). See Annex for EEB proposal on how to do this.

An EU wide initiative would reinforce the national initiatives taken in a number of countries, such as Sweden, Denmark, Germany, to a certain extent Netherlands, and currently France. Where isolated national reforms face strong opposition due to (real or perceived) cross-border competition issues, a coordinated approach between the EU-MS could lead to a dramatic move to energy and resource efficient production, goods and services, creating massive new employment.

This tax reform should be accompanied with subsidies reform. Already in 2008 the Commission should have produced a roadmap for the phasing out of environmentally perverse subsidies¹¹. It still has not done so. EEB calls upon its publication without

¹⁰ According to Draft EC Communication on a Low and Carbon Eco-Efficient and cleaner Economy for European Citizens

¹¹ EU Sustainable Development Strategy 2006

further delay, as did the Environment Council in October 2009, and inclusion of indirect subsidies such as tax-exemptions and advantages for company and leased cars.

Major efficiency gains can also be realized in reducing the energy (and water) consumption in the domestic sector. The Commission has calculated that for existing buildings 30% energy savings can be made, equal to 11% of total CO₂ emissions of the EU. However, the recently adopted revised energy Performance of Buildings Directive (EPBD) will by itself not achieve this. All Member States need to be mobilized to set ambitious energy requirements for existing buildings and the Strategy should include a major initiative to mobilize public funds for renovations. The EEB calls for such a major investment plan for renovation of existing buildings, aiming for at least 40% of existing buildings to be renovated in the next decade, and include sufficient support to the commitment of the European Social Housing Sector to renovate 8 million of its housing stock (consisting of 25 million homes, or 12% of all homes in the EU) by 2020¹².

Additionally major efficiency gains can be made through the improvement of environmental performance of energy using products like space cooling and heating equipment and systems while recognizing the huge potential of the Eco-design of Energy Using Products (Ecodesign) and establishing an EU energy label that sets minimum energy efficiency performance requirements of heating and cooling products.¹³

Plans inside Commission for a renovation campaign of 15 million buildings by 2020. This would achieve not more than 2% overall GHG reductions, while the total potential of cost-effective investments is calculated to be 11%. EEB calls for at least tripling the ambitions. We point at the "Cecodhas Offer to fight climate change": pledging to refurbish 40% of their 25 million homes by 2020 (=12% of the total housing), provided funding is available.

With regards to industry policy, besides energy efficiency, priority should be given to designing for re-use and material recycling. Waste management policy, with prevention as a first priority and reuse and recycling after this, is an essential part of an eco-efficient economy. We refer to the related demand of the Spring Alliance Manifesto: "*Set EU resource use reduction targets by 2011, and cut the EU's waste by setting waste prevention targets by 2012, to move the EU towards a globally equitable and sustainable share of the Earth's resources*".

Making it happen: starting with a successful exit from the crisis

EEB considers the crisis as a unique opportunity for accelerated transition to an eco-efficient economy. It also encourages the Commission to include in the debate on public finances the environmental fiscal reform mentioned above.

We support the further measures proposed by the Spring Alliance Manifesto in its chapters 1 and 12.

¹² See the CECODHAS Copenhagen offer:

http://www.cecodhas.org/images/stories/campaigns/Energy/copenhagen_offer_web.pdf

¹³ Cool products, Warm Homes: A European Manifesto for sustainable heating and cooling of Buildings

The Commission writes:

“The key challenge is how to balance the continued need for fiscal support to demand in the short run with the need to restore sustainable public finances and macroeconomic stability. There is a risk that the recovery will be slow, and will not generate sufficient employment growth to bring down high unemployment levels.”

The EEB comments that actions to create demand need to be compatible with the overall objectives of reducing energy and resource use, promoting eco-innovation and protecting eco-systems. While parts of the crisis responses had a clear environmental angle, others did not have so, including the subsidies for car purchase.

Making it happen: harnessing existing instruments in a new approach

We agree on the need for convergence and integration. That is why we want to see a strong link between the EU 2020 Strategy, the EU SDS, (improved) Sustainable Production and Consumption and Sustainable Industry Plans as well as the future Financial Perspective and Cohesion and Agriculture Policies.

The **Better Regulation Agenda** should be driven by a strong sustainable development dimension with ambitious goals to green the economy without undermining the basic principles to environmental protection. EEB sees opportunities for reducing administrative burdens for both business and implementing authorities by using modern IT tools as well as, to a certain extent, merging of existing legislation. It however warns against pressure of for less obligations, less restrictions, standstill or competitiveness proofing of environmentally relevant legislation. The better Regulation Agenda should reflect the need for innovation friendly policies that take the environment into account. In particular with regards to environmental policies, and end should be made to the false perception that this is particularly burdensome to business. A recent report from the High Level Group on the Reduction of Administrative Burdens shows that this sector is likely to produce less than 1% of total burdens for business¹⁴.

Fully exploiting the single market

In a single market economy consumer choice is essential; the EU should help to structure public debate on consumption issues and to keep them at the forefront. It can use its comparative strength in initiating product standards¹⁵. The eco-design directive and the “top runner” approach should be maximal exploited.

Setting EU 2020 in a global context

The Commission writes:

„International trade is one of the motors of growth, employment and investment in the EU. We should act both under the WTO and via bilateral cooperation to ensure that barriers to international flows of trade and investment are reduced, and to promote open and rules-based global trade. We should also deepen our economic and political relations with key strategic partners, placing particular

¹⁴ http://ec.europa.eu/enterprise/policies/better-regulation/files/hlg_opinion_environment_160409_en.pdf

¹⁵ Getting into the Right Lane for 2050, A primer for EU debate, Netherlands Environmental Assessment Agency, Stockholm Resilience centre, Stockholm University, October 2009

emphasis on market access, access to energy and raw materials, and progress on environmental and social objectives.“

Regarding the initial postulate, „international trade is one of the motors of growth, employment and investment in the EU“, European Union should further consider the negative impacts growing trade liberalization has shown in different so called „developing countries“. EU policies should be oriented on the overall principle of policy coherence for development and respect, protect and fulfil human rights all over the world. It should thus properly focus on necessary rules and regulations for global trade regimes, assuming its responsibility for the development of all peoples, while allowing, f.e. marginalized countries to protect themselves and their economies from possible devastating social, environmental or economic consequences of liberalization strategies.

Following its ambition of establishing a “green economy”, the EU should focus on reducing the use of resources and not count on increased imports of energy and resources. Neither it should not use its global power position to pressure developing countries to increased export of those resources, if this competes with domestic demand.

The EU Raw Materials Initiative, which acknowledges the need for increased resource efficiency and recycling of raw materials, unfortunately also has a focus on increased raw materials import, as the proposals challenge other countries' rights to restrict trade on environmental grounds and their ability to process raw materials themselves. The EU's 'security of supply' of raw materials (favourable towards Europe's industries) seems to at odds with the long-term sustainability of the natural resources sector.¹⁶

The EEB refers to the Spring Alliance Manifesto, part E, for specific demands for EU's international policies.

Supporting growth through full use of the Sustainability and Growth Pact

No comments

Reflecting political priorities in our public budgets

The Commission writes:

'While consolidating public finances, Member States will need to redirect public expenditure towards the thematic objectives of EU 2020 so that the necessary investments in Europe's future can be made can be made'.

The EEB agrees with mobilizing public budgets for political priorities, provides these priorities are focused at sustainable development as outlined in this response. This requires improved policy coordination by gearing EU structural and cohesion funds, which constitute 35% of the EU budget, to the concrete targets of Community policies (sustainable development, climate, water, waste, biodiversity). And funding for other purposes should in any case not undermine the EU's sustainability objectives.

¹⁶ Friends of the Earth Europe Commentary EU Raw Materials Initiative, February 2009

More-over, Member states could set a green public procurement target of 100 % by 2012. To realize this target the Commission could lead on the acceleration of agreements on EU-labels to progressively function as criteria for such procurement.

Establishing clear governance to make the new strategy effective

The EEB calls upon the Commission and European Council to take the lead, and fully involve the European Parliament, but appreciates a partnership approach for the delivery of EU 2020 objectives. EEB will as environmental citizens' federation use its capacity to provide input into the relevant debates at EU and national levels.

Given the nature of the EU 2020 Strategy, we strongly recommend the Commission to work with the Spring Alliance, a unique platform of four different parts of European civil society, which had initiated the Spring Alliance Manifesto, and which has already started discussions with President Barroso. In July, he received a delegation of Spring Alliance representatives. Shortly after his re-election he also participated at the Spring Alliance High level Conference "Putting People and Planet first: EU leadership for a social and green strategy post 2010" and entered into debate with civil society representatives. We hope this can be the start of a more systematic dialogue with civil society. We are convinced that through such a constructive and interactive approach the Commission will not only benefit from a large and diverse knowledge network and create more public support, it will also contribute to developing an effective programme and appropriate EU 2020 integrated guidelines for Member States.

As called upon in the Spring Alliance Manifesto policy making should be a democratic process, hence necessary investments in dialogue with European citizens, trade unions and civil society must be made to help citizens understand what decisions are made on their behalf. There is a need to develop, in close consultation with social partners and civil society organizations, specific principles, guidelines and benchmarks on how to strengthen the governance of EU strategies and to promote a more effective participation of social partners and representative of civil society actors.

In general broad stakeholder consultations should be introduced not only on early policy drafts but also on impact assessment studies, quality and availability of data, choice of scenarios assessed and methodology used. Clear feed-back should be given on how stakeholder input was used and followed and the consultations should be well-timed, adequately communicated to all potential stakeholders; while background material should be provided in good time. The use of on-line consultations, particularly the use of multiple choice questionnaires, should be limited. Such questionnaires in most cases constrain effective stakeholder participation during consultations. Instead, the focus should be on consultations that generate real dialogue.

ANNEX: Open Method of Co-ordination (OMC): a viable option for Environmental Fiscal Reform (EFR) in the EU

The rationale:

In its Green Paper on Market Based Instruments for Environment, the Commission recognized the role of environmental tax reform (ETR): *“shifting the tax burden from welfare-negative taxes, (e.g. on labour), to welfare-positive taxes, (e.g. on environmentally damaging activities, such as resource use or pollution) can be a win-win option to address both environmental and employment issues”*¹⁷.

In the Environment Technology Action Plan¹ (ETAP) of 2004, the Commission already considered the Open method of Coordination to be *“the most appropriate way of moving forward”* in achieving the actions announced in the Commission’s Communication on ETAP. This included Action 17: *“Encourage systematic internalization of costs through market-based instruments (...) (by) Commission, Member States and regional governments ... (using the) Open Method of co-ordination, Communication on environmental taxes and charges.”*¹⁸

How OMC can stimulate, promote and achieve EFR in the Union:

The Open Method of coordination, in contrast to the “Community method”, **aims at coordination rather than harmonisation of national policies**. It commits all Member States to work together towards shared goals while respecting legitimate national diversity. It is also more inter-governmental and voluntary than the traditional EC methods (e.g. legally binding Directives etc).

EEB proposes using the OMC to:

- establish a **common EU objective** and timeframe for EFR: e.g. **“achieve a 10% tax shift from labour to natural resource pollution in a period of ten years”**
- agree on a set of common (possible) EU measures/actions to be translated and undertaken at the national level (acknowledging national diversity)
- **fix guidelines** for the Union and its Member States on how to achieve the common objective of a 10% tax shift, with **specific timetables** for the short, medium and long term pointing at the broad range of tax instruments available
- establish, where appropriate, quantitative and qualitative **indicators and benchmarks** tailored to the needs of different Member States and sectors as a means of comparing best practice;
- provide a platform (e.g. contact point or common website or joint events like a regular item on the agenda of ENVECO¹⁹ – with possible access for NGOs) where Member States can **exchange information** on best practice – raise stakeholder awareness at the national regional and local levels and highlight effective combinations of measures);
- **translate** these European guidelines into **national and regional policies** by setting specific targets and adopting measures, taking into account national and regional differences. **Enhanced co-operation** could be a useful tool to give interested Member

¹⁷ ‘Green Paper on Market-Based Instruments (MBI) for Environment and Energy-related Purposes’¹⁷, on 28 March, 2007, page 5

¹⁸ COM(2004) 38 final, page 22

¹⁹ This is a group of the COM where experts from the ENVironment and the ECONomics/Finance Ministry meet twice a year to discuss issues concerning both Ministries like eco-taxes or environmental economics.

States an opportunity to cooperate with each other on how to translate the European guidelines into their national, regional and local policies; and provide for such Member States to exchange information and share practical experiences on the most effective combination of measures;

- provide for **periodic monitoring**, evaluation by Commission and possibly also through peer review, as a mutual learning process.

The OMC has been applied across a growing range of policies e.g.; employment, social inclusion, pension reforms and its application varies across policy areas; in some cases Commission and the Council may issue joint recommendation to the Member States on how to implement specific policies (e.g. European Employment Strategy and the Broad Economic Policy Guidelines), while in other sectors, common benchmarks and indicators have been established (e.g. economic policy, structural reforms, employment, social inclusion and education).