



# REFORMING EUROPE TOWARDS SUSTAINABILITY



EUROPEAN  
ENVIRONMENTAL  
BUREAU



# About the European Environmental Bureau

## Mission

The European Environmental Bureau (EEB) is the environmental voice of citizens in Europe, standing for environmental justice, sustainable development and participatory democracy. We seek to ensure a healthy environment and rich biodiversity throughout the European Union and beyond.

## Members

Established in 1974, the EEB works in close cooperation with the 150 member organisations present in more than 30 countries, to advance ambitious environmental and sustainability policies in Europe.

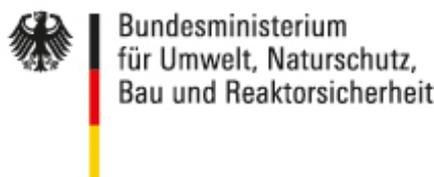
## Partners

Our philosophy is to work together with like-minded people, organisations and funders to effect positive change for the environment. EEB is a founding partner of the Green 10, the informal grouping of ten leading environmental networks in Europe, core partner of the Spring Alliance, a coalition of European networks from several sectors and founding member of the European SDG Coalition, a network that follows up on the review and implementation of the 2030 Agenda for Sustainable Development on EU and member state levels.

## Governance

With a Secretariat of some 30 staff members and a Board of 30 national members, the EEB brings expertise, outreach and financial, administrative and operational effectiveness to its work to promote higher standards of environmental and sustainability policy, and maintains high standards of organisational governance, as a member of the International NGO Accountability Charter.

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## EXECUTIVE SUMMARY

The status of EU policies on sustainable development in general and environment in particular suffered a serious setback in July 2014 when then President-elect of the European Commission Jean-Claude Juncker announced a set of Political Guidelines for the new Commission which, in their focus on a traditional jobs-and-growth agenda, virtually ignored environment other than climate change. The announcement two months later of a system for filtering new Commission initiatives on the basis of the ten priorities contained in the Political Guidelines, coupled with mission letters issued to the new line-up of Commissioners, confirmed the most severe attempt to weaken and downgrade environmental policy in decades.

The ensuing criticism not only from civil society organisations, but crucially also from the European Parliament led to the belated inclusion of sustainable development within the mandate of First Vice-President Timmermans, without however any change being made to the Political Guidelines. The incoming Commission did not lose time in implementing its new approach, threatening to withdraw legislative proposals on air and waste already in the co-decision process and failing to include long-awaited environmental initiatives in its 2015 work programme. The pushback from the Parliament and Council led the Commission to back down in relation to the air package and to couple the withdrawal of the waste package with a promise to replace it with a more ambitious proposal. However so far, despite the fact that the principle of sustainable development and the objective of a high level of protection and improvement of the quality of the environment are enshrined in article 3(3) of the Treaty on European Union, there has been little evidence in terms of concrete results that the present Commission takes its responsibilities towards the environment and sustainability seriously. On the contrary, the Commission failed to deliver on its promise of a more ambitious circular economy package by weakening waste recycling targets and has sought the endorsement by the Parliament and Council of its ten priorities through its proposal for a revised Inter-Institutional Agreement on Better Regulation (IIABR), as part of the 'better regulation' package it launched in May 2015.

Despite the Juncker Commission's unpromising start with respect to environmental and sustainable development issues, there are some significant upcoming opportunities for it to give greater priority to these issues.

First, the **Europe 2020 Strategy's mid-term review (MTR)**, which it has now been implicitly confirmed in the Commission's Work Programme will take place in 2016, provides an opportunity to strengthen the environment-related aspects of the Strategy, so that even if it will still fall short of becoming a true sustainable development strategy (given that it has been designed as an economic growth strategy) it will at least be more consistent with sustainability principles. The addition of targets on resource productivity and associated environmental footprint targets and indicators is one example of how this could be achieved.

Second, the adoption in September 2015 of the **2030 Agenda for Sustainable Development 'Transforming Our World'**, including universally applicable sustainable development goals (SDGs), implies processes at both EU and Member State levels for ensuring that the SDGs are fully and effectively implemented and applied throughout the EU. At Member State level, the creation or revival of national multi-stakeholder sustainable development councils will be an important aspect.

A third and related issue concerns the future of the **EU Sustainable Development Strategy (SDS)** that was last significantly revised in 2006 and is thus well out of date. The SDG implementation process should provide an impetus for the preparation of a new SDS, based on the 2030 Agenda for Sustainable Development and including a plan of implementation for the 17 goals and 169 targets broken down to the EU level. This would also provide the overarching framework for the Europe 2020 MTR.



Fourth, the **Commission's Political Guidelines** and the ten priorities contained therein need to be revised in the light of the above elements. The fact that the Commission put these on the table in its negotiations on the IIABR and that they did not feature in the final agreed text could be seen as creating an opportunity to revise them as a necessary step towards securing broader endorsement for them. Also the retabled Circular Economy Package, despite not delivering on the promise of more ambition, has de facto led to a change in Juncker's political priorities with new further proposals to implement this package now expected to feature in the Commission's Work Programmes.

The present paper explores each of these avenues for pursuing a more sustainable Europe. It identifies three conditions for making progress: the recognition of wellbeing, rather than growth in GDP, as an overall objective; achieving sustainable lifestyles; and reforming governance to better serve the goal of sustainable development. Specific proposals under the latter heading include reform of the Commission's REFIT and impact assessment processes, creation of a new high-level group on policy coherence for sustainable development, new structures for provision of scientific advice and better use of the European Semester.





## PART I

# BACKGROUND TO SUSTAINABLE DEVELOPMENT IN EUROPE

Since the '60s, environmental concerns have become more and more visible in policy-making at international level. After the publication of the book "Silent Spring" of Rachel Carson, people became aware that the reckless use of chemicals and technologies; the limitless creation of waste and use of natural resources is unhealthy and unsustainable. On an international level, it was the UN General Assembly which convened in 1972 at the Stockholm Conference on the Human Environment<sup>1</sup>. Attended by representatives of 113 countries and more than 400 inter-governmental and non-governmental organisations, this conference is widely recognized as the beginning of modern political and public awareness of global environmental problems.

Some argue<sup>2</sup> that this conference, and more importantly the scientific conferences preceding it, had a real impact on the environmental policies for Europe. For example, in 1973, the European Commission created the Environmental and Consumer Protection Directorate and drew up the first Environmental Action Programme. This increase of interest and improvement in research collaboration arguably paved the way for further understanding of environmental concerns, and created the foundation for European environmentalism, such as through the creation of the European Environmental Bureau.

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1 See Stockholm Declaration at <http://www.unep.org/Documents.Multilingual/Default.asp?documentid=97&articleid=1503>

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2 Björn-Ola Linnér and Henrik Selin, 'The Thirty Year Quest for Sustainability: The Legacy of the 1972 UN Conference on the Human Environment', Paper presented at Annual Convention of International Studies Association, Portland, Oregon, USA, 25 February – 1 March 2003, as part of the panel "Institutions and the Production of Knowledge for Environmental Governance" (co-author Henrik Selin), p. 3.



# European Union Sustainable Development Strategy

From then on, several sectoral initiatives on environmental issues were taken on European and national levels. In 1987, environment policy became an explicit part of the Treaty of Rome. It was not until 1997 however, five years after the UNCED Summit in Rio de Janeiro, that sustainable development was given recognition at the highest level in EU governance when it was included in the Treaty of Amsterdam as an overarching objective of EU policies. At the Gothenburg Summit in June 2001, EU leaders launched the first EU Sustainable Development Strategy (SDS), based on a proposal from the European Commission. This strategy was composed of two main parts. The first proposed objectives and policy measures to tackle a number of key unsustainable trends, while the second part, which was arguably more ambitious, called for a new approach to policy-making that ensured that the EU's economic, social and environmental policies mutually reinforce each other. The central instrument developed for this purpose was the obligation for the Commission to submit each new major policy proposal to an impact assessment addressing potential economic, social and environmental impacts.

In June 2006, after a consultation period of two years, the European Council adopted a renewed version of the SDS. Seven key challenges were identified in this second version:

- Climate change and clean energy
- Sustainable transport
- Sustainable consumption & production
- Conservation and management of natural resources
- Public health
- Social inclusion, demography and migration
- Global poverty and sustainable development challenges

Additionally, the renewed SDS includes two crosscutting policies that aim to contribute to the knowledge society, namely education and training as well as research and development.

The Commission carried out a review of the SDS in 2009, which on the one hand underlined that the EU had mainstreamed sustainable development into a broad range of its policies in recent years, e.g. in relation to climate change and the promotion of a low-carbon economy, but on the other, pointed out that unsustainable trends persisted in many areas and that efforts needed to be intensified. Responding to the review, the European Council affirmed that sustainable development was a fundamental objective of the EU under the Lisbon Treaty. The Presidency Conclusions on the review affirmed that the SDS constituted “a long-term vision and an overarching policy framework providing guidance for all EU policies and strategies and including a global dimension”.

However, having an official SDS did not in practice mean a huge step forward in the implementation of sustainable development as the overarching goal. It is possible that the whole sustainable development discourse, including the SDS, has given the environmental dimension (including the recent EU Environmental Action Programmes) a “protective shield” against claims that protecting the environment is incompatible with (more narrow) economic objectives. However, the EU SDS has never enjoyed the same prominence or priority as the Europe 2020 Strategy, discussed below. The European Council was due to decide by the end of 2011 on when a comprehensive review of the SDS should be undertaken. In fact, it was only in October 2012 that the European Council called for the SDS to be reviewed “as soon as possible, at the latest in 2014” and for the commitments in the Rio+20 outcome document to be implemented through the SDS and the Europe 2020 Strategy. Unfortunately, the Barroso II Commission resolutely ignored these calls.



# Europe 2020: the EU's growth strategy

Since the inception of the common European market, its main goal has been to be competitive in economic terms on the global scale. This was clear since the '50s and '60s with the foundation of the common market, and through the Werner plan in the '70s, the Single European market in the '80s, and the Economic and Monetary Union in the '90s. In 2000, an overall strategy was developed for the first time for economic and social European policy coordination. This so-called 'Lisbon strategy' was aimed at achieving the "most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion". It was indeed an ambitious reform programme for further integration of the two policy areas. It meant in practice, however, further liberalization of the financial market, more flexible labour conditions, and more de-regulation of the European Market without the required parallel strengthening of environmental or social standards.

The mid-term review, carried out by a committee chaired by the Dutch former Prime Minister and Social Democrat Wim Kok, was very negative<sup>3</sup>. According to the report, there was a lack of political will due to an overloaded agenda, lack of coordination and conflicting priorities.

In 2008, the world experienced the worst financial crisis since the Great Depression of the 1930s. This radically changed the political context in Europe and elsewhere, with economic recovery being even more strongly prioritized at the expense of social and environmental objectives.

In this context, in 2010, the Europe 2020 ten-year 'growth and jobs' strategy was launched, to function as the main 'compass' for the EU for the decade to come. According to the European Commission, though, the strategy is about more than just overcoming the crisis from which most of the European economies are now gradually recovering, it is also a way to address the shortcomings of the current growth model. It puts forward three priorities:

- Smart growth – developing an economy based on knowledge and innovation.
- Sustainable growth – promoting a more competitive economy that is greener and more resource-efficient.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

This orientation with its outdated growth-fixation is clearly much narrower than in the SDS, but the approach is still broader than in the Lisbon strategy and the resource-efficiency dimension has become central. Linked to the strategy, five headline targets have been set for the EU to achieve by the end of 2020:

- 1. Employment**
  - > 75% of 20-64 year-olds to be employed
- 2. Research & Development**
  - > 3% of the EU's GDP to be invested in R&D
- 3. Climate change and energy sustainability**
  - > Greenhouse gas emissions 20% (or 30% if conditions are right) lower than 1990
  - > 20% of energy from renewables
  - > 20% increase in energy efficiency
- 4. Education**
  - > Reducing the rates of early school leaving to below 10%
  - > At least 40% of 30 to 34-year-olds completing third level education
- 5. Fighting poverty and social exclusion**
  - > At least 20 million fewer people in or at risk of poverty and social exclusion

The objectives of the Europe 2020 strategy are also supported by seven 'flagship initiatives'. These provide a framework through which the EU and national authorities mutually reinforce their efforts in areas supporting the Europe 2020 priorities, namely innovation, the digital economy, employment, youth, industrial policy, poverty, and resource efficiency. The Europe 2020 strategy is implemented

<sup>3</sup> For more info, see <http://library.fes.de/pdf-files/id/ipa/07218.pdf>



and monitored in the context of the European Semester, the yearly cycle of coordination of economic and budgetary policies.

The Strategy was due to undergo a mid-term review in 2015. In preparation for this, the Commission issued a stock-taking report in March 2014 which was followed by a public consultation which concluded in the autumn of 2014. The Commission is not expected to come with any analysis of the outcome of the public consultation. Originally the Commission was expected to come with a new proposal in advance of the 2015 Spring Council (19 March 2015) but this was deferred into 2016.

Europe 2020, which is often claimed to have sustainable development integrated within it, is still considered as being the primary strategy guiding Europe's development path. A closer look reveals that the Europe 2020 strategy is very fragmented concerning sustainability. Given its clear focus on competition and growth, and lack of an external dimension and recognition of planetary boundaries, it cannot be considered a sustainable development strategy. This focus means that certain key issues which are an integral aspect of sustainability receive little attention in the Strategy, e.g. biodiversity, sustainable agriculture or air pollution.

Furthermore, such opportunities as exist under the European Semester to promote environmental objectives, notably the issuing of country-specific recommendations (CSRs) promoting environmentally-friendly fiscal

measures e.g. removal of environmentally harmful subsidies, favourable regimes for renewable energy and energy efficiency, or shift in taxation away from labour and onto pollution and resource consumption, have not been availed of. In fact, in flagrant disregard of the recommendations of the Environment Council under the Italian and Latvian Presidencies for a greening of the Semester<sup>4</sup>, there has been a dramatic move away from addressing environmental objectives through the CSRs under the Juncker Commission. Whereas the Barroso II Commission issued a significant number of CSRs promoting greening measures, the 2015 CSRs were virtually devoid of environment-related content<sup>5</sup>. This goes directly against the priorities and headline targets mentioned above, and it contradicts improved resource-efficiency as set-out in the flagship initiative.

<sup>4</sup> See <http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%2014731%202014%20INIT> and <http://www.consilium.europa.eu/en/meetings/env/2015/03/06/> (select 'Outcome of Council meeting').

<sup>5</sup> Whereas the Commission services advised that 23 CSRs in 2015 should promote a green tax shift, the Commission itself reduced this to just one CSR (addressed to Luxembourg), a dramatic de-greening of the CSRs by comparison with 2014. In 2014, 17 CSRs asked Member States to enhance renewable energy, boost energy efficiency or strengthen national grids; in 2015, this number was reduced to zero. In 2014, 8 CSRs asked Member States to shift tax to pollution and environment; in 2015, again the number was zero.



## Rio+20 and its impact on the European policy debate

The outcome of the 2012 UN Conference on Sustainable Development (Rio+20) provided external reasons to put sustainable development at the core of EU policies and to revive and renew the SDS. Its main outcome document, 'The Future We Want', states in paragraph 98 as follows: "We encourage regional, national, subnational and local authorities as appropriate to develop and utilize sustainable development strategies as key instruments for guiding decision-making and implementation of sustainable development at all levels (...)".

The European Council responded positively to the Rio+20 outcome in its conclusions of 25 October 2012 under the Cyprus Presidency, calling for the commitments in the Rio+20 outcome document to be implemented through the SDS and the Europe 2020 Strategy. The conclusions also stress "the need to consider and review, as deemed necessary and on a case by case basis, all other relevant EU and national policies, strategies and programmes, and to implement through them the Rio+20 outcomes".

Under the Irish Presidency in June 2013, the European Council reaffirmed the importance of promoting an inclusive and equitable green economy, which was the catchphrase in Rio+20, in the context of sustainable development and poverty eradication through Europe 2020 and other relevant policies, in particular the EU Sustainable Development Strategy.

Mentioned also in this context was the need to respect planetary boundaries and tackle inter alia unsustainable use and management of natural resources, biodiversity loss and climate change.

Although this clearly has been followed by some attempts to put sustainable development at the heart of European policies, not much has actually happened. The European Environmental Bureau has therefore maintained the pressure for renewal of the SDS together with a fundamental review and revision of the Europe 2020 Strategy, to take account of the recently adopted 2030 Agenda for Sustainable Development, which a revised SDS should serve to reflect and implement the full area of the 17 SDGs and 169 targets.

Given that the Europe 2020 Strategy is likely to remain the dominant strategy for the time being, updating the SDS alone would not be sufficient. Neither is the forthcoming mid-term review of Europe 2020 likely to lead to that Strategy becoming a sustainable development strategy, pointing to the need to review and revise both the Europe 2020 Strategy and the SDS. A systematic review of other policies, strategies and programmes is also necessary to guarantee policy coherence. An upcoming challenge is to fulfill the ambitions of the SDGs at the European level.





# Sustainable development goals: a universal challenge

## The Future We Want:

*§ 248. We resolve to establish an inclusive and transparent intergovernmental process on sustainable development goals that is open to all stakeholders, with a view to developing global sustainable development goals to be agreed by the General Assembly. [...]*

**A key outcome of Rio+20 was the agreement to develop a set of “action-oriented, concise and easy to communicate” sustainable development goals (SDGs) to help drive the implementation of sustainable development<sup>6</sup>.**

A 30-member Open Working Group (OWG) was established<sup>7</sup> which negotiated a proposal for the SDGs and submitted these for further negotiations at the UN General Assembly in 2014.

The SDGs were from an early stage intended to be merged with the Post-2015 Development Agenda (the successor of the Millennium Development Goals). This has given the world a unique possibility to push a real sustainability agenda forward, by integrating environmental concerns, human rights and justice approaches in the global development agenda. It has presented quite a challenge though, as the predominant focus of the traditional development cooperation is on ‘trade and aid’, rather than on equality, solidarity and environmental justice. These latter objectives would address much more of the root causes of unsustainable consumption and production patterns, and transform them into sustainable lifestyles and livelihoods that benefit all. It would mean a paradigm shift, replacing the prevailing growth-based approach to economic development with a new approach that aims to achieve sustainable and equitable economies and societies worldwide.

This is urgently needed considering not least

<sup>6</sup> See <https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals>

<sup>7</sup> On 22nd of January 2013 by decision 67/555 (see A/67/L.48/rev.1) of the General Assembly (GA)

that a detailed analysis of global financial and material flows reveals that there is a flow from developing countries rich in natural resources towards industrialised countries. The Dutch economist Lou Keune calculated the monetary value of this so called ‘ecological debt’, concluding that the ‘overshoot’ of industrialised countries amounts to \$5,655 billion dollars per year, roughly 100 times the amount of official development aid (ODA is \$56 billion dollars per year). While the methodology of putting a price on nature is debatable, it does illustrate the degree to which financial and material flows from South to North exceed the flows from North to South. What becomes evident is the situation of ‘reversed development aid’ that allows the Global North to maintain lifestyles with excessive consumption of natural resources from the Global South. The increasing gap between rich and poor is the result of an active process of enrichment and impoverishment. From a sustainability point of view, the root causes of this increasing inequality should be addressed, instead of the symptoms just being softened by development aid. To achieve this, Europe must address its own ‘footprint’, including by reducing its CO2 emissions and use of resources in absolute amounts.

What is very important and different from the MDGs is that the SDGs are universally applicable<sup>8</sup>, which means that Europe has to apply them all too. This is a huge opportunity for Europe to finally implement sustainable de-

<sup>8</sup> Outcome document OWG on SDGs: [http://sustainabledevelopment.un.org/content/documents/4518SDGs\\_FINAL\\_Proposal%20of%20OWG\\_19%20July%20at%201320hrs.pdf](http://sustainabledevelopment.un.org/content/documents/4518SDGs_FINAL_Proposal%20of%20OWG_19%20July%20at%201320hrs.pdf)



velopment as its overarching policy and objective, including through addressing the external dimension (i.e. not living on the account of the Global South) and applying policies that respect planetary boundaries. This goes beyond the fragmented approach in the existing Europe 2020. As regards the European Commission, the SDGs demand better coordination on governance level between all Commissioners and their respective Directorates-General (DGs), and not only between Development and Environment. Other Commissioners/DGs

(trade, agriculture, social affairs, etc.) will also have parts of implementation of the SDGs in their portfolios. This requires a very coherent and inclusive governance model, which the EU rapidly needs to implement. The same applies at the Member State level.

Looking at the comparison between the seventeen proposed SDG focus areas, the EU SDS and the Europe 2020 strategy, one can only conclude that both strategies are quite poorly equipped in relation to the ambitions of the SDG implementation.

### Simplified comparison of the main focuses of MDGs and SDGs

MDGs	SDGs
Development	Sustainable well-being
Focus on developing countries	Focus on all countries
Aid and Trade agenda	Human rights, justice, and meaningful livelihoods
No recognition of planetary boundaries	Living within the limits of the resources of one planet
Environment is seen as secondary priority, economic development first	Environment (natural resources, healthy ecosystems) is the basis for developing well-being





SDGs	EU SDS	Europe 2020	Relevant international bodies / instruments
1 End poverty in all its forms everywhere	Millennium Declaration	Partially mentioned	Millennium Declaration
2 End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	Partially mentioned, no target	Partially mentioned, no target	Food and Agriculture Organisation
3 Ensure healthy lives and promote well-being for all at all ages	Mentioned, no target	Not mentioned	World Health Organisation
4 Ensure inclusive and equitable quality education and promote life-long learning opportunities for all	Partially mentioned	Partially mentioned	UNICEF
5 Achieve gender equality and empower all women and girls	European Pact for Gender Equality	Not mentioned	Beijing Declaration
6 Ensure availability and sustainable management of water and sanitation for all	Johannesburg Declaration	Partially mentioned, no target	Johannesburg Declaration
7 Ensure access to affordable, reliable, sustainable, and modern energy for all	Johannesburg Declaration / Energy Policy for Europe	Mentioned	Johannesburg Declaration International Energy Agency
8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Mentioned, no target	Mentioned	International Labour Organization
9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Partially mentioned, no target	Partially mentioned	UNIDO/ UN-Habitat
10 Reduce inequality within and among countries	-	Partially mentioned, no target	-
11 Make cities and human settlements inclusive, safe, resilient and sustainable	Partially mentioned, no target	Not mentioned	UN-Habitat
12 Ensure sustainable consumption and production patterns	Mentioned	Partially mentioned	10YFP UNEP
13 Take urgent action to combat climate change and its impacts	Kyoto Protocol	Mentioned	UNFCCC and Kyoto Protocol
14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Johannesburg Declaration	Not mentioned	Johannesburg Declaration
15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Convention on Biological Diversity	Partially mentioned, no target	Convention on Biological Diversity
16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Aarhus Convention	Not mentioned	Aarhus Convention, Bali Guidelines
17 Strengthen the means of implementation and revitalize the global partnership for sustainable development	Mentioned, no target	Not mentioned	Monterrey Consensus/ UNDP/ Global Compact



# Why Europe needs a new SDS

## Political imperative: commitment to SDGs

The adoption in 2015 of the 2030 Agenda for Sustainable Development, including a set of universally applicable sustainable development goals has created both an opportunity and an obligation on the EU not only to take measures to ensure that its policies and practices become more sustainable and are fully in line with the SDGs but also to visibly demonstrate to the rest of the world that it is doing so.

A new SDS should be, among other things, an overarching vehicle for ensuring the full implementation of the SDGs by the EU. It should have a timeframe of 2030 (within a longer term perspective) and should comprehen-

sively cover, as a minimum, the scope of the 2030 Agenda for Sustainable Development. It should also include a concrete plan of implementation covering all 17 goals and 169 targets, with joint ownership of all DGs involved as far as the Commission is concerned, as well as review and accountability mechanisms. Moreover, together with the Global Framework, the EU has committed itself to achieve the Means of Implementation outlined in the Finance for Development outcome adopted in Addis Ababa in July 2015. This includes the search for new innovative funding, shift in tax policies, policy coherence, capacity building and sustainability-proof trade policies, which should be included in the renewed SDS.

## Environmental imperative for SDS

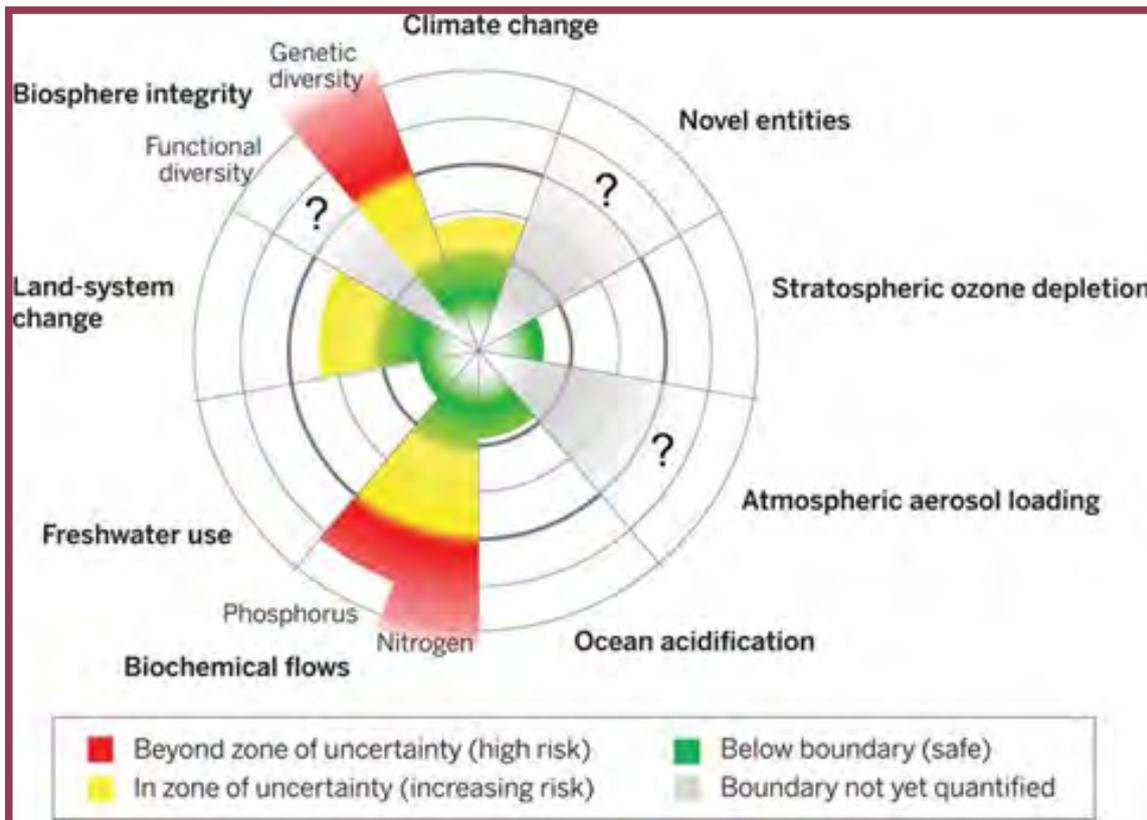
During the last decades, progress has been made in relation to environmental protection. A lot of work is still to be done, as Europe is still one of the main emitters of greenhouse gases, producers of waste and over-users of natural resources.

The nine planetary boundaries must be taken into account in order to remain within 'a safe operating space for humanity':





### Current status of the control variables for seven of the planetary boundaries<sup>9</sup>



9 Steffen W, et al. (2015) Planetary boundaries: Guiding human development on a changing planet. Science 347. DOI: 10.1126/science.1259855. See: <http://www.sciencemag.org/content/347/6223/1259855.abstract>

The EU has recognized the concept of the planetary boundaries<sup>10</sup> by including it in the 7th Environmental Action Programme (7EAP). The 7EAP states that “there is evidence that planetary boundaries for biodiversity, climate change and nitrogen cycles have already been transgressed” (§7). The 7EAP also refers to the concept in Priority Objective 5, “To improve the evidence base for environment policy”, where it mentions that while “available evidence fully warrants precautionary action”, further research into planetary boundaries will “support the development of the most appropriate responses” (§69).

In February 2013, in its Communication “A decent life for all: ending poverty and giving the world a sustainable future”, the European Commission called for a unified policy framework for Post-2015 “to mark out a path from poverty towards prosperity and well-being,

for all people and all countries, with progress remaining within planetary boundaries” (European Commission, 2013, p.2).

The Council of the European Union released its conclusions on the Post-2015 Agenda on 25 June 2013, again taking into consideration the concept of planetary boundaries and aiming to tackle the unsustainable use and management of natural resources, ecosystem degradation, biodiversity loss, pollution, climate change and natural disasters, as well as addressing inequalities, resilience to stress and external shocks and promoting social inclusion, social protection floors and decent work for all. Again, this advances a Post-2015 framework that needs to “work towards sustainable development to eradicate poverty in all its dimensions (...) and to ensure sustainable prosperity and well-being of all people within planetary boundaries.”

Although there evidently is a clear recognition of planetary boundaries, it is also clear

10 [http://www.sd-network.eu/quarterly%20reports/report%20files/pdf/2013-October-Planetary\\_Boundaries\\_for\\_SD.pdf](http://www.sd-network.eu/quarterly%20reports/report%20files/pdf/2013-October-Planetary_Boundaries_for_SD.pdf)



that current policies are not successful in reversing the trends of transgression but rather exacerbate them. This is clearly shown by the European Environment Agency's 2015 State and Outlook report, which confirms that despite the environmental improvements of recent decades, the challenges that Europe faces today are considerable: "European natural capital is being degraded by socio-economic

activities such as agriculture, fisheries, transport, industry, tourism and urban sprawl. And global pressures on the environment have grown at an unprecedented rate since the 1990s, driven not least by economic and population growth, and changing consumption patterns<sup>11</sup>."

11 <http://www.eea.europa.eu/soer>

## Social Imperative: social and environmental justice

According to the Social Platform<sup>12</sup>, the number of people living in poverty in the EU has increased by 10 million in the last five years to 124 million. At the same time, income inequalities have risen, with the top 20% having earned 5.1 times as much as the bottom 20% in 2012. The unemployment rate increased sharply during the economic crisis, from 7.1% in 2008 to 10.9% in 2013, and has since then decreased to 9.6% in May 2015 (as a reference the rate was 9.2% in 2000 and 2004). Massive unemployment and high poverty undermines the social foundation and credibility of the EU. One can ask to what extent these facts may contribute to the low voter turnout for the 2014 European Parliament elections and the rise of Eurosceptic political parties.

Health issues also show some negative trends. Chronic diseases such as diabetes, asthma and dementia are continuously increasing. More than half of the European population (52%) is overweight, while 17% is obese.

12 See:[http://www.socialplatform.org/wp-content/uploads/2014/03/20140320\\_SocialPlatform\\_letter\\_Spring-Council.pdf](http://www.socialplatform.org/wp-content/uploads/2014/03/20140320_SocialPlatform_letter_Spring-Council.pdf)

According to the WHO, depression is now one of the leading causes of disability<sup>13</sup>. Depression also has significant costs to the economy. In 2010 it was estimated that depression costs the European economy 92 billion Euros per year, of which 54 billion (59%) are indirect costs (such as absence from work). A recent report by the London School of Economics and Political Science and King's College London has since confirmed that the annual direct cost of depression (due to lost productivity) to European businesses is 77 billion GBP.

These facts clearly show that Europe is performing poorly in social terms, and that a policy-reorientation is necessary. The Social Platform stresses that these negative trends will not change if the focus stays on basic economic growth without the adverse social impact of current European policies being properly taken into account. To improve the situation, it will be necessary to ensure that any economic growth is sustainable and inclusive.

13 See:[http://www.depressionalliance.org/media/files/publications/2014/05/08/TARGET\\_Report\\_Final.pdf](http://www.depressionalliance.org/media/files/publications/2014/05/08/TARGET_Report_Final.pdf)



## Economic imperative: the need for a new paradigm

Economic growth has been slackening off since the 1970s in most developed countries. This decrease can be explained by three main factors: lesser benefits from innovation, the transition from industry to services, and the environmental constraint.

Optimists would tell us that recent innovations in information technologies have not yet come to fruition. Moreover, the services economy offers the potential for new growth. The fight against environmental degradation can also help to reduce our consumption of material resources, while at the same time increasing our income.

For the pessimists, recent innovations have weaker transformative power than past innovations. The service economy makes it more difficult to achieve productivity gains and thus continued growth. Furthermore, environmental protection and the increasing scarcity of natural resources also represent an additional cost and impediment to growth<sup>14</sup>.

As a society we can make different choices on how to organise ourselves, and which kind of values will be guiding. A reasonable position would be to first make these choices – with re-

spect to mobility, living conditions, the information society, nutrition and so on – and then examine what the consequences are, in terms of economic growth, rather than the other way around. This is what is referred to as a “post-growth” society. It involves elaborating a collective proposal for a future in which the economy and society would no longer be dependent on the need for an infinite increase of GDP.

For social and environmental justice reasons, it is also impossible to maintain the ambition for infinite economic growth. The EU is already more than 70% dependent on imported energy; it has few rare minerals and is the world’s main consumer of productive land outside the Union.

If we want sustainability to be at the core of European policies, it will be crucial to assure that the Europe 2020 strategy is fully consistent with it. Currently, it is very weak on that point, as the main focus of the strategy is economic growth. Thinking in terms of sustainability means that we must realize that infinite economic growth is simply not compatible with a finite planet. Political discourse often links growth and wellbeing and takes the correlation between growth and jobs for granted. However, neither of these assumptions is necessarily true:

<sup>14</sup> Damien Demailly, Lucas Chancel, Henri Waisman, Céline Guivarch; *A post-growth society for the 21st century - Does prosperity have to wait for the return of economic growth?* IDDRI-study, nov 2013.





**1. Growth delivers wellbeing:** on this front, authors such as Herman Daly and John Cobb reached the opposite conclusion. They developed the Index of Sustainable Economic Welfare (ISEW) that presents a monetary measure of social wellbeing. They discovered that at a certain threshold of economic growth, the costs are higher than the additional benefits derived from it. This phenomenon is what we call “unproductive growth”. In particular, social and environmental costs increased. The ISEW can be seen as an adapted GDP, where otherwise overlooked impacts, including environmental and social parameters, are monetarised and integrated.

The ISEW has been calculated for several countries, and in many cases we see the ISEW going down as GDP goes up beyond a certain point. This is another way of concluding that there are limits to growth, which implies that focusing on GDP growth, as Europe 2020 does, is not only very outdated, but also directly undesirable for economic, social and environmental reasons.

**2. All growth creates jobs:** One of the main political arguments for Europe 2020’s focus on more growth is that it will combat the increasing unemployment and secure enough funding for social security. But is economic growth really the best way to further these objectives? Economic growth is measured in GDP growth, and as already mentioned above, this includes also all kinds of costs that are contradictory to wellbeing: more car accidents, more stress, more criminals in prison means more GDP growth and more jobs. On the other hand, it is often claimed or assumed that more growth always leads to more jobs. Labour is a large cost for corporations, and will be saved on as much as possible, for example, by the increasing practice of off-shoring labour. Automation can be considered a type of off-shoring to the customer: letting consumers work as their own clerk, travel agent, gas station assistant, and so on, without receiving a salary for it, and often even without reduced prices. This trend reduces jobs, instead of creating them.





# PART II

## WAY FORWARD: MAIN CONDITIONS

### Wellbeing as overall objective

The way forward is perhaps not so difficult to envision. A sustainable future will emerge if we build institutions that, on a practical level, sustain the natural environment and the social and technological conditions that will empower future generations to define and pursue their own concept of the good life. As the Nobel Prize winning economist Amartya Sen wrote in his book *Development as Freedom*, the path to enhanced human flourishing will be built by expanding the scope of choices and opportunities. While policies that promote sustainability may well lead to (some, but not

unlimited) economic growth, the converse is certainly not assured.

The market can help to allocate resources and labour efficiently, but we must also focus on the overall scale of the economy and the just distribution of its proceeds. Such an economy will provide a fair development for all, with respect for nature, animals, and planetary boundaries. It will be about quality rather than quantity, sufficiency rather than greed, and stability rather than cycles of booms and crises.

### Achieving Sustainable Lifestyles as a tool

Many of the European environmental policies focus on technological improvements like eco-efficiency, eco-design, or financial instruments, such as taxing or subsidies. These are crucially important, and have achieved concrete and tangible environmental improvements throughout the EU and further afield, even if they need to be strengthened and applied more rigorously. Indeed, the development of environmental legislation setting binding standards is one of Europe's strengths which has given it a leadership role among developed countries. However, it is doubtful if on their own such instruments will bring the results needed in order to sufficiently

reduce our material footprint. In addition to those policy instruments, there is also a need to develop new institutions in a broad sense as well as to strengthen social innovation that will lead to sustainable lifestyles. Sustainable living goes beyond the consumption of sustainable goods and services, and has to lead into the re-design of living, leisure activities, educating, communicating and thinking. Modern European lifestyles are unsustainable in many ways, as they are based on overproduction and overconsumption. Those patterns are intricately interwoven with people's everyday choices and practices. Understanding the factors that influence individual behaviour



in favour of sustainability patterns requires a broader understanding of individual lifestyle context and the systems within which different individual lifestyles operate.

Current sustainable action strategies rarely acknowledge the diverse needs, desires and motivations of individual people. Strategies tend to be ‘single issue – single solution’ approaches, and often focus on technological innovation or policy solutions in isolation. Initiatives often target a separate industry, the public sector or household without taking into

consideration the trade-offs and compromises that are required for people to pursue sustainable ways of producing, working and living. There is a growing body of knowledge on processes for behaviour change and the factors that influence the success of those processes.

Further proposals on measures to promote sustainable lifestyles may be seen in the [EU Sustainable Lifestyles Roadmap and Action Plan 2050](#) that was published by the SPREAD<sup>15</sup> project in 2012 (Rijnhout, L; Lorek, S.).





# Governance for Sustainable Development

Good and responsible governance is needed, including the implementation of legal frameworks where they are more effective than voluntary approaches. A more holistic approach on sustainable development is also necessary to adapt the governance structures. Policy-making institutions are often silo-ed (environment, energy; social, spatial planning, etc) and are rarely systemic in their approach. More interdepartmental structures will be needed, where sustainable development is the overarching and guiding framework. Regrettably, some of the more recent efforts to ensure greater coherence, both at national and EU

levels, has been in order to promote a deregulatory agenda which for the most part runs directly counter to sustainability.

In order to ensure that efforts at greater policy coherence have a good orientation, we need a new Sustainable Development Strategy by the end of 2016 with a 2030 time horizon (while also having regard to longer time horizons), including a concrete plan of implementation for the 17 goals and 169 targets. That will also ensure that Europe takes its responsibility to achieve the SDGs, whose goals and targets need to be central in the SDS. It should contain among others the following elements:

- A delivery mechanism for the Sustainable Development Goals, including a reformed EU governance system, aligned to the needs of sustainable development.
- Creation of a new High Level Group on policy coherence for sustainable development, which will have as its mandate to promote the goal that all future EU policy initiatives contribute sufficiently to achieving sustainable development objectives.
- Creation of new structures for independent and transparent scientific advice and pro-active stakeholder consultation.
- A framework ensuring environmental fiscal reform (internalisation of environmental costs/green tax shift/removal of environmentally harmful subsidies etc).
- Upgrading of EU environmental legislation so that science-based insights into problems and solutions are fully transformed into stringent laws, e.g. in the areas of climate change, chemicals, air pollution and biodiversity.
- Clear mechanisms for implementing, monitoring and reviewing the goals and targets on the national levels (National Strategies for Sustainable Development).
- Creation of an EU ombudsman for future generations.
- The strengthening of corporate accountability through binding company reporting and accounting rules.



## Greening the Europe 2020 Strategy

As outlined in part 1, the EU's current high-level policy framework is unduly based on short-term economic considerations and has failed to put sustainable development at the heart of the EU's mission; nor is it suited for serious long-term governance for sustainable development, due to incoherent structures and interests.

### Juncker Commission off on a wrong start

Sadly, in its first months the new European Commission not only failed to take steps to put such a framework in place, but instead decided to push through, with unprecedented rigour, a highly regressive and out-dated 'jobs and growth' agenda that not only completely side-lines environment and sustainability, but actively seeks to dismantle it.

The anti-environmental ideology that had increasingly come to dominate the Barroso II Commission was formalised and cemented into the new Commission's structure, titles and political mandate. Outside of climate change, environmental considerations hardly feature in the political guidelines which are supposed to be the primary point of reference in determining whether any new legislative initiative will be brought forward by the Commission. It was only following the outcry from MEPs and civil society organisations that a horizontal responsibility for sustainability was added into the mandate of the First Vice President but the actions of the Commission in its first year did not suggest that this was being

The forthcoming revision of Europe 2020 should in theory provide an opportunity to take a significant step forward towards sustainable development. The international context, notably the adoption of the 2030 Agenda for Sustainable Development and the historic climate agreement reached in Paris in December 2015, should provide added impetus to such a step.

taken seriously at all.

The final report of the 'Stoiber Group', the Commission's High-Level Group on Administrative Burdens which ran from 2007 to 2014, consisted of recommendations most of which are openly deregulatory and effectively a copy of the UK government's own deregulation drive formulated in its 'COMPETE' principles, leading to the issuing of a dissenting opinion by some members. The report recommends for example a regulatory offsetting mechanism or 'one in, one out', a target to reduce regulatory costs and establishment of a permanent body modelled on the UK Regulatory Policy Committee.

When the Commission published its proposal for Better Regulation on 19 May 2015, it took over a lot of the recommendations from the Stoiber report and the UK government's COMPETE principles, in particular seeking exemptions and 'light regimes' for SMEs and negative framing of Member States' going beyond minimum EU standards as 'goldplating'.





## REFIT

Although the stated aim of the REFIT exercise is to ‘cut red tape, remove regulatory burdens, simplify and improve the design and quality of legislation so that the policy objectives are achieved’, a closer look at the actions presented in the Better Regulation Package shows that the onus is on withdrawing and repealing laws where possible or making them ineffective by introducing exemptions and ‘light regimes’ for micro enterprises and SMEs. This means that, although a ‘fitness check’ (one of the main instruments under REFIT) is not fundamentally different from a normal evaluation as foreseen under all policies, the exercise seems primarily expected to generate proposals to reduce the burden on business and will therefore make it unlikely to come to the conclusion that the ambition of an environmental policy needs to be improved or that new legislation is required (which could be a conclusion of a non-biased exercise).

A particular striking example of this problematic approach is the focus under REFIT on creating exemptions for SMEs which, given that these cover about 97% of the EU economy, would make EU regulatory action pointless if followed through rigorously. Likewise, exemptions to legislation (e.g. legislation on waste electrical and electronic equipment (WEEE) or on food information to consumers) are presented as a way to reduce burden. However, the opposite is true; such exemptions actually increase regulatory complexity through more complicated monitoring, reporting and compliance checking requirements.

The most problematic element of REFIT however, is the measurement of regulatory costs and benefits in a context of reducing the burden of regulation, because it explicitly broadens the scope from unnecessary administrative burdens to overall regulatory costs. By doing so, the so-called smart regulation is clearly and unmistakably showing itself for what it really is: a deregulatory exercise that seeks to reduce regulatory costs for business at the expense of society. The focus on Cumulative Costs Assessments (CCA) as part of ‘sector fitness checks’, which assess the va-

riety of regulatory costs incurred by specific industrial sectors without taking account of overall benefits, is the most visible expression of this. Apart from presenting a very one-sided picture of the impacts of regulations by, for example, ignoring the fact that certain sectors are more polluting than others and therefore having higher regulatory costs, it is only one step away from then setting a target to reduce overall regulatory costs or introduce the ‘one-in, one-out’ principle as certain members of the HLG on Administrative Burden reduction were advocating as well as some Member States like the UK. It is in direct and open contradiction to the ‘polluter pays’ principle and would fundamentally limit the policy space of the EU at a time when this space is needed more than ever to address out of control climate change, ecosystem collapse, environmental health and resource overconsumption.

At the heart of this anti-regulatory bias in REFIT lies a deeply flawed yet widely shared political analysis that compounds the ideological belief that less regulation means more jobs and growth. This is linked to the misguided belief that the root cause of the rise of anti-EU sentiments and political groups is over-regulation and that a reduction in EU regulation and a focus only on ‘the big issues’ will therefore make the EU popular with such groups. This is naïve at best. Different groups have completely different reasons to criticize the EU, but the main reason that most Eurosceptic groups are against the EU is because it threatens national power structures. Withdrawing some laws will not change their opinion. If anything, it will create false expectations and even more resentment when the EU then continues to propose policies that ‘focus on the big issues’ and that inevitably will transfer further power to Brussels. At the same time, it will make those groups who actually like the EU increasingly frustrated with the EU’s failure to do something about the problems they care about, such as environmental protection.

Finally, but perhaps the most important point: since ‘better regulation’ seeks to improve evidence-based policy making, the evidence



base for the assertion that the EU is ‘regulating too much’ and that rolling back environmental regulations will help increase jobs and growth is non-existent. It is also mostly based on biased and subjective business perceptions, as for example expressed in the Top-10 consultation. The OECD, for example, does not consider this a reliable indicator<sup>16</sup>. The fact that, according to one of the reports commissioned by the Stoiber Group, environmental rules and regulations account for a mere 0.6% of administrative burden tends to confirm that the motivation behind the use of the so-called ‘better regulation’ agenda to target en-

16 OECD. (2012). *Measuring Regulatory Performance: A Practitioner’s Guide to Perception Surveys*. OECD Publishing.

## Impact assessment

The use of impact assessment (IA) as a tool to produce ‘better regulations’ has increasingly developed into a tool to slow down legislative processes to benefit precisely those interests whose activities the legislation is intended to regulate. The original purpose of this instrument, which originates from the EU Sustainable Development Strategy from 2001, is to help make more effective, evidence-based policies and support, inter alia, environmental policy integration. Over the years, however, a number of fundamental problems have arisen with the way the instrument has developed, which is reflected both in the way the existing impact assessment guidelines were formulated in 2009 and how they are being used in practice. The guidelines will therefore need to be improved in a number of key areas in order for the instrument to become, as originally intended, a true Sustainable Impact Assessment tool.

First of all, both the IA guidelines and practices are effectively skewed against taking EU level action. Instead of comparing different options to achieve the same objectives so that the most effective one can be found, the achievement of the objectives itself is assessed often based on crude general assumptions about costs.

Second, there is a problematic focus on the monetarisation and aggregation of costs and benefits, mostly based on an assessment of ‘willingness to pay’. There are of course a

number of examples when this is doable but quite often when a cost-benefit analysis has been conducted in the field of environmental policy, and when it speaks for more stringent policies, the institutions have still not taken action based on the outcomes. Continuing this practice in an effective and efficient manner would therefore necessitate a more consistent follow-up than at present. In many other cases, where monetarisation is difficult it is still useful that environmental impacts are quantified, but this should then be done in units relevant to the environmental problem being assessed, i.e. loss of biodiversity and even in terms of emissions of greenhouse gases or other pollutants. One reason for the problem with translating quantified impacts into monetary values is the commonly high complexity in problems and the risk for introducing a political bias into the system. This bias can occur when it is implied that regulatory action is only needed when sufficient people are voluntarily willing to pay for it, as opposed to when a democratically elected government finds it will achieve net societal benefits.

17 OECD. (2014). [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=ECO/WKP\(2014\)72&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=ECO/WKP(2014)72&docLanguage=En). OECD Publishing.

The trend towards an overly strong focus on costs to business does not only show in the IA guidelines and practices, but also in another element from the Commission’s REFIT programme: the development of sector-by-sector Cumulative Cost Assessments that assess the total regulatory costs incurred by a specific sector.



The problem with an overly strong focus on costs to business is that these are often estimated, without any thorough review, on the basis of exaggerated assumptions made by the companies that will be regulated, which tends to lead to significant overestimates. This was for example the case when an IA was done for options to amend the REACH Annexes to account for nanomaterials. When costs to business are calculated, the social cost of non-action should also always be calculated in parallel.

Apart from problems with the text of the IA guidelines, there is also a major concern over their application, leading to the IA being used inappropriately, as was the case for endocrine disrupting chemicals (EDC) criteria. In this case, criteria to define and classify EDCs

to be applied under pesticides and biocides legislation (which should be a purely scientific exercise) became highly politicized and were consequently subjected to an IA and which led to such a delay that the European Commission was convicted by the General Court for a failure to act.

Despite these problems the Commission proposed, as part of its new Better Regulation Package, to increase the powers of the Commission's Impact Assessment Board by turning it into a Regulatory Scrutiny Board with effective veto powers over draft proposals. Secondly, through its proposal for a new Inter Institutional Agreement on Better Law Making, it sought to impose this flawed system of impact assessment on the European Parliament and Council (see below).

## Stakeholder consultation

Stakeholder consultations are essential for reasons of legitimacy, transparency and ensuring that relevant information and arguments are on the table. It is particularly important that stakeholder consultation rules and practices do not institutionalize or perpetuate excessive levels of influence by vested interest groups, i.e. groups whose members stand to personally profit from a particular outcome. It is essential to ensure correct balance between private and public interest groups in each process. This balance needs to be reflected not only in the number of seats that are allocated to

different organisations within expert or advisory groups, but also in the way that the often highly technical knowledge under control of the private interest being regulated is brought into the process. The examples where this continues not to be the case are abundant: in the High Level Group on Administrative Burden, until very recently in the new agriculture civil society dialogue groups (formerly called advisory groups), and the technical working groups under the Industrial Emissions Directive to name but a few.





## Inter-Institutional Agreement on Better Law Making

At the heart of the Commission's new Better Regulation Package was a proposal for a new Inter institutional Agreement on Better Regulation (IIABR). A primary concern with the proposed IIABR was that it would effectively commit the European Parliament and Council to Juncker's political guidelines for 10 priority areas which are yet to be revised to include environmental priorities and reflect First Vice President Timmermans' responsibility for sustainable development. Second, the proposed IIABR had a clear deregulatory purpose by giving priority to proposals that would seek to reduce the overall regulatory burden as opposed to unnecessary administrative burden and failing to acknowledge the many benefits that EU regulations provide and which are the reason they are developed in the first place. Third, it sought to transfer political decision-making away from democratically elected politicians to technocratic bodies where fundamental political questions about who

will need to pay how much to solve a certain problem are resolved through a supposedly neutral technical exercise following 'better regulation' principles.

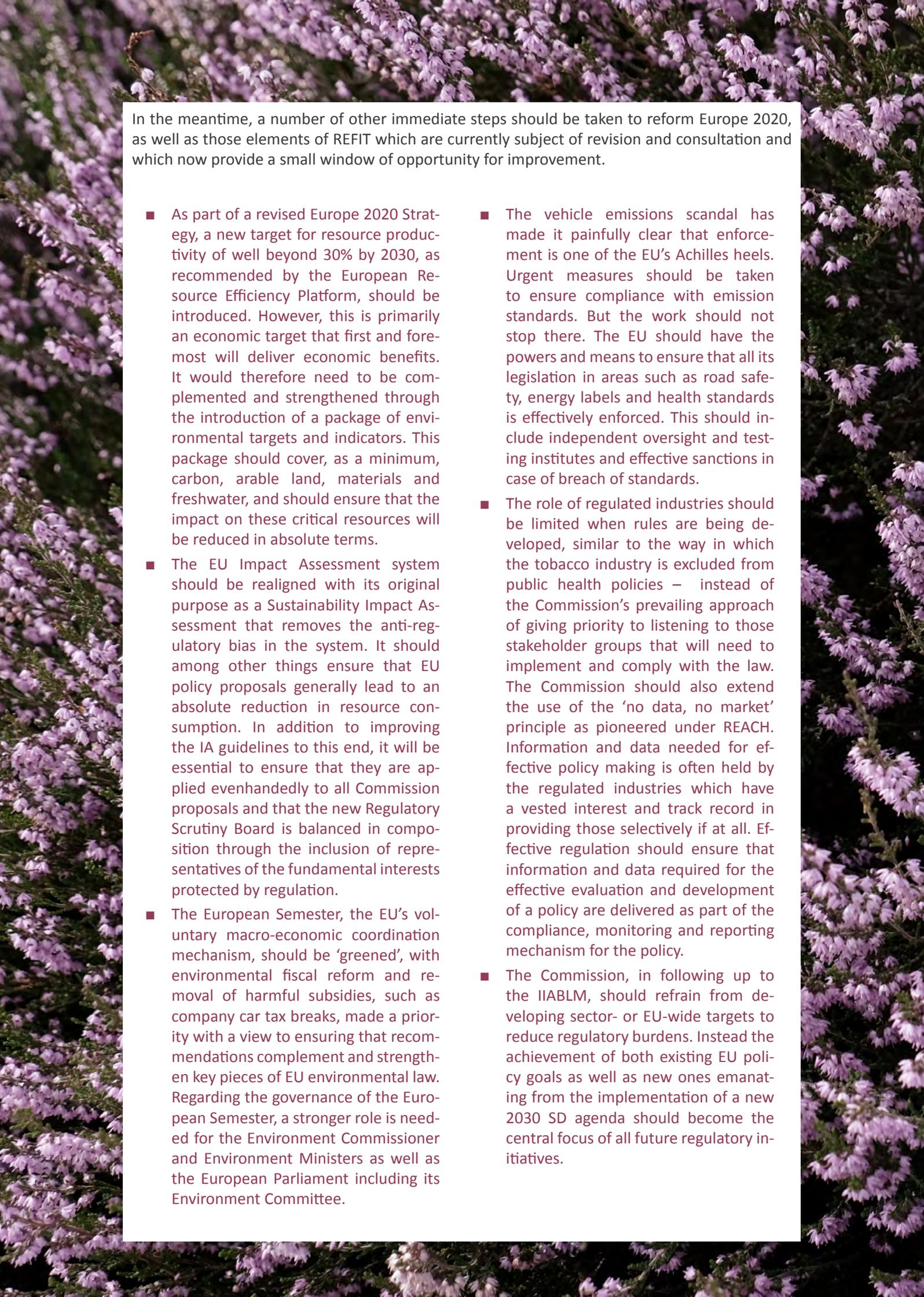
In the agreement reached on the Commission's proposal in December 2015, the proposal was however significantly amended, including by being renamed the Inter Institutional Agreement on Better Law Making (IIABLM). Juncker's political priorities were no longer explicitly referenced as a basis for joint programming (though the Commission would of course still make a first proposal), the role of impact assessments was clarified to only informing and not replacing political decision making, and no technocratic appeal body will be created to 'quality control' the amendments prepared by the EP and Council. Nevertheless it contains some worrying new elements such as proposals to quantify the regulatory burden reduction potential as much as possible and consider setting sector-wide targets to reduce those.

## Getting Europe 2020 right: Immediate actions

First and foremost, it is essential that the new European Commission will be challenged to move away from the deregulatory agenda of REFIT towards developing a sustainable development framework. The new Commission structure involved the abandonment (for the first time in 20 years) of the fulltime post of Environment Commissioner, merging it with fisheries. Further confirmation of the reduced priority given to environment was provided in the mission letter to the Commissioner-designate, asking him to effectively shut down environmental policy making, thereby ignoring the legally binding commitment under the 7EAP to deliver on a range of environmental policy objectives. All of this suggests that the Commission is for the moment still determined to continue prescribing the wrong medicine and even increasing the dose.

Getting it right on regulation and the rule of

law, based on solid evidence and analysis, is the first essential step for the Commission. The fact that the first Vice President is not only in charge of 'better regulation' but also of sustainable development, fundamental rights and the rule of law at least provides a window of opportunity. To seize it, the new VP should ensure that on his watch, 'better regulation' is not confused with 'less regulation'; that sustainability becomes the primary 'filter' for new legislative initiatives; that all Commission proposals support or do not obstruct delivery of the environmental objectives set in the 7EAP; and that the rule of law and fundamental rights are promoted through respect for bed-rock legal principles, such as the 'polluter pays' and the precautionary principle, and lead to the timely issuing of legislative proposals such as on access to justice in environmental matters and on environmental inspections and enforcement.



In the meantime, a number of other immediate steps should be taken to reform Europe 2020, as well as those elements of REFIT which are currently subject of revision and consultation and which now provide a small window of opportunity for improvement.

- As part of a revised Europe 2020 Strategy, a new target for resource productivity of well beyond 30% by 2030, as recommended by the European Resource Efficiency Platform, should be introduced. However, this is primarily an economic target that first and foremost will deliver economic benefits. It would therefore need to be complemented and strengthened through the introduction of a package of environmental targets and indicators. This package should cover, as a minimum, carbon, arable land, materials and freshwater, and should ensure that the impact on these critical resources will be reduced in absolute terms.
- The EU Impact Assessment system should be realigned with its original purpose as a Sustainability Impact Assessment that removes the anti-regulatory bias in the system. It should among other things ensure that EU policy proposals generally lead to an absolute reduction in resource consumption. In addition to improving the IA guidelines to this end, it will be essential to ensure that they are applied evenhandedly to all Commission proposals and that the new Regulatory Scrutiny Board is balanced in composition through the inclusion of representatives of the fundamental interests protected by regulation.
- The European Semester, the EU's voluntary macro-economic coordination mechanism, should be 'greened', with environmental fiscal reform and removal of harmful subsidies, such as company car tax breaks, made a priority with a view to ensuring that recommendations complement and strengthen key pieces of EU environmental law. Regarding the governance of the European Semester, a stronger role is needed for the Environment Commissioner and Environment Ministers as well as the European Parliament including its Environment Committee.
- The vehicle emissions scandal has made it painfully clear that enforcement is one of the EU's Achilles heels. Urgent measures should be taken to ensure compliance with emission standards. But the work should not stop there. The EU should have the powers and means to ensure that all its legislation in areas such as road safety, energy labels and health standards is effectively enforced. This should include independent oversight and testing institutes and effective sanctions in case of breach of standards.
- The role of regulated industries should be limited when rules are being developed, similar to the way in which the tobacco industry is excluded from public health policies – instead of the Commission's prevailing approach of giving priority to listening to those stakeholder groups that will need to implement and comply with the law. The Commission should also extend the use of the 'no data, no market' principle as pioneered under REACH. Information and data needed for effective policy making is often held by the regulated industries which have a vested interest and track record in providing those selectively if at all. Effective regulation should ensure that information and data required for the effective evaluation and development of a policy are delivered as part of the compliance, monitoring and reporting mechanism for the policy.
- The Commission, in following up to the IIABLM, should refrain from developing sector- or EU-wide targets to reduce regulatory burdens. Instead the achievement of both existing EU policy goals as well as new ones emanating from the implementation of a new 2030 SD agenda should become the central focus of all future regulatory initiatives.



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