



for a living planet

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1. The European Commission's EU 2020 consultation document is mainly about framing the most important economic development issues for the next decade. It is not intended to be policy specific – policy detail is no doubt to be added later in the subsequent Commission communications, including in Commission work programmes. WWF's comments below are therefore directed to these overall contextual issues.
2. We regret the very short-time frame for the consultation and its coinciding with the holiday period. It gives little confidence that stakeholder views are being actively sought. The whole of 2010 should be used for this crucially important policy debate, fully involving European citizens, before the Lisbon strategy expires at the end of the year. We believe the Commission should consider extending the consultation period after the draft Communication is published in February 2010.
3. There is a welcome recognition in the EU 2020 paper about the new realities facing the world. The paper correctly acknowledges that conserving energy, natural resources and raw materials, using them more efficiently and increasing productivity, will be key drivers. The introduction to the paper refers to a **'time for deep transformation for Europe'** and a **'next generation of public policies (being shaped) in a very different set of circumstances.'** There is too little reflection in the paper on what defined the previous generation of public policies (e.g. the Lisbon Strategy), why they failed, their contribution to the financial crises that engulfed global economies at the end of the last decade and what will make this new EU2020 approach any different.
4. The responses in the consultation paper to the new drivers are couched in rather vague euphemisms. In several places, the paper speaks about **'sustainable growth'** without specifying what this is. In many people's view, this is an oxymoron. **'Sustainable growth which is non-inflationary and respects the environment'** was the language originally inserted in the Maastricht Treaty of European

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Union in 1993. It was replaced shortly afterwards in the Amsterdam Treaty in 1997 by the words ‘**sustainable development,**’ partly because of the imprecision of the original formulation.

5. The paper also speaks of moving towards a ‘**green economy**’, defined, *inter alia*, as ‘lower and more efficient consumption of non-renewable energy and resources.’ This will give rise to what the paper calls ‘**green jobs.**’ These concepts of sustainable growth, green jobs and green economy are then bundled together in various combinations in the consultation paper, for instance in the idea of ‘**new, sustainable, social market economy**’, a ‘**smarter green economy**’, and a ‘**competitive, connected and greener economy.**’
6. These largely ill-defined and unclear concepts are not spelt out in the paper. But definitions are required. Otherwise the strategy is lacking an easily understood and comprehensible overarching framework. The agreed EU principle of sustainable development enshrined in the existing Treaty and in various international commitments is in danger of being superseded by something much vaguer.
7. Sustainable development, unlike sustainable growth, is fairly well understood. It is a vision of progress that integrates immediate and longer term objectives, local and global action, and regards social, economic and environmental issues as inseparable and interdependent components of human progress. Sustainable development requires safeguarding the earth’s capacity to support life on earth and respecting the limits of the planet’s natural resources. It implies profound changes in thinking, in economic and social structures and in consumption and production patterns, with climate change being one of the most pressing impacts resulting from unsustainable consumption and production.
8. The goal should not simply be to ‘reduce pressure on resources’ but rather to move towards economies that reduce resource use to sustainable levels. This means addressing Europe’s resource hungry consumption patterns, promoting innovation, and shifting to the reuse, recycling and recovery of raw materials and other components. The transformation of the EU into a more sustainable economy will also require the prioritisation of strategies to address the education needs and skills training required for transitions to the sustainable development of Member States. Innovation in business and industry must be harnessed urgently for decoupling production from resource consumption.

9. Furthermore, sustainable development has been a fundamental objective of the EU since the Amsterdam Treaty in 1997 and remains a core objective under the Lisbon Treaty. The Gothenburg and Vienna European Councils in 2001 and 2006 respectively have spelled out in some detail what this means in policy terms for Europe. The European Council conclusions of December 2009 underline that the Sustainable Development strategy will continue to provide a long-term vision and constitute the overarching policy framework for all Union policies and strategies. The Council also emphasised that sustainable development governance should be reinforced, for example through clearer links to the future EU 2020 strategy and other cross cutting issues.
10. As far as a ‘**smarter green economy**’ is concerned, its use in the consultation paper is similarly imprecise. The ‘*Framework for a Green Growth Strategy*’ defined by OECD in 2009 - C(2009)168, 20 November 2009 – adds some clarity:

“Green growth means promoting economic growth and development while reducing pollution and greenhouse gas emissions, minimising waste and inefficient use of natural resources, maintaining biodiversity, and strengthening energy security, including through reducing dependence on fossil fuel imports. This means the need to aim for “decoupling” between environmental impacts and economic growth. It means making investment in the environment a driver for economic growth and development. Green growth also means promoting social well-being through changing patterns of consumption and production, reducing poverty and ensuring improved health and jobs prospects for populations.” para 17.

11. Various organizations, including WWF, have criticized this OECD definition as being too narrow. The concept of economic growth as the overriding objective is not being seriously questioned in this OECD definition, only constrained by certain factors of production like resource scarcities. The continuing failure of the existing economic paradigm to account for environmental externalities or distributional and equity issues is not challenged.
12. There is growing mainstream political discussion around the shortcomings of this approach. The ‘**Beyond GDP**’ debate is enriching the political discourse about whether different indicators of welfare should be considered as being more important than the pursuit of economic growth, for instance quality of life and overall prosperity measurements. The EU 2020 strategy document would be seriously remiss if it failed to reference these debates now growing in importance and signalled,

for example, in the European Commission's own '**GDP and Beyond**' strategy document (COM (2009) 433 final 20.8.2009). Part of the reason this debate is entering the political mainstream is a recognition that promises to return to previous levels of relatively high employment are beginning to ring rather hollow.

13. '**Prosperity without growth?**' published in 2009 by the UK Sustainable Development Commission calls for a 'new macroeconomics for sustainability'. Professor Jackson challenges the 'growth economy' and highlights the need for respecting ecological limits, noting that 'the material profligacy of consumer society is depleting key natural resources and placing unsustainable burdens on the planet's ecosystems'. WWF shares Professor Jackson's conclusion that establishing clear resource and environmental limits – and integrating these limits into how we think about and manage economic activity – is key to the sustainable creation of jobs and a sustainable economy.
14. The EU 2020 consultation draft is seriously deficient in its present form in all but ignoring the European cohesion dimension as between urban and rural regions, central and peripheral regions and economically disadvantaged regions. Passing reference is made to the need for a '**... thriving agriculture, rural economy and maritime sector.**' (page 4). A feeling emerges from the paper that it is Europe's industrial and manufacturing performance and competitiveness that is the dominant concern, underpinned by an overwhelming '**urban preoccupation.**'
15. The emphasis in the paper is on the creation of new industries, the acceleration of the modernization of Europe's existing industrial sectors, and the need to strengthen Europe's industrial base. But it is nowhere specifically spelt out that different urban and rural regions have different needs and that important factors of production in the rural economy (e.g. soils; freshwater, biodiversity and other ecological services) may require different policy approaches and instruments. It is significant that references to biodiversity are completely absent in the paper, this despite the fact that nature and natural resources are key underpinnings of economic development. Having failed to meet the target of halting biodiversity loss over the last 10 year period (a commitment made at the 2001 Gothenburg European Council), there is a danger that Europe will miss it once again over the next decade simply by ignoring it in its list of priorities.

16. In the global context, the opportunities for ‘**a smart and sustainable economy**’ should be pursued with a view to a decent quality of life for all and within the limits of natural resources and the ecosystem services of the planet. These opportunities can best be realised through strategic collaboration with emerging economies rather than an emphasis on **competition** for energy and raw materials with others. The competitive element that runs throughout the paper is in contradiction with the ‘**inclusive societies**’ concepts and ‘**interdependence at the global level**’ described on page 9. Is Europe concerned with the protection and enhancement of global public goods and global resources for the benefit of current and future generations - or is it in competition to acquire them before others do?
17. Also in the global context, the EU should continue to take forward its responsibilities and commitments to the human rights, social development and environmental objectives agreed at the UN level, including the Millennium Declaration, Millennium Review Summit, the Millennium Development Goals and their follow-up after 2015, the World Summit on Sustainable Development, and Financing for Development.
18. Importantly, the EU 2020 strategy must also ensure that there is consistency and coherence between its policies and the external activities and the objectives of development cooperation. Policy coherence for development is enshrined in Article 178 of the Treaty establishing the European Community as well as other agreements such as the Cotonou Partnership Agreement and the European Consensus on Development. Any policies and measures foreseen in the EU 2020 strategy must be assessed and evaluated to take full account of their impact on developing countries, especially the poorest and most vulnerable which have been particularly hard hit by the economic crisis. Promoting coherence will provide measurable steps towards strengthening the international dimension of sustainable development and intensifying efforts to combat global poverty.
19. The EU Neighbouring regions need to be expressly mentioned in the paper. By 2020 there will presumably be additional member states. Existing neighbourhood countries will move closer towards the implementation of current policies and initiatives aiming to increase convergence with EU laws and to establish free trade zones. The EU 2020 document should recognize the opportunity to encourage neighbouring countries to relate their own development priorities in many of the areas

mentioned in the document (e.g. natural resources, maritime issues, infrastructure interconnections, transport and energy).

20. The consultation document speaks mainly about energy efficiency. There is a difference between energy efficiency and energy savings. Improving energy efficiency means using energy in the most effective way. But this does not necessarily entail a reduction of the overall EU energy consumption which should be the ultimate goal. In this regard, WWF calls for a legally binding 20% energy saving target by 2020 to be introduced as soon as possible in EU legislation. There is also need to promote '**resource efficient**' and not just 'energy efficient' products, and adopting ecological footprinting as a key measure and means by which to increase resource efficiency.

21. WWF welcomes a rethink in transport policy and the development of alternatives to road transport. A paradigm shift is needed in the way we think about the role of transport; shifting to more energy and CO2 efficient transport systems and effective demand management must both play vital roles. Perverse incentives that induce transport demand need to be eliminated. Incentives for more local economic development and shifting agricultural support towards local food systems can reduce the pressure of the rapidly increasing demand for freight transport.

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