Discussion during a two day consultation meeting on 9 and 10 February 1999 centred around two sets of questions exploring key issues arising from the 5EAP, and possible future orientations of successor, or perhaps a 6EAP. The underlying message from participants was that the success of the 5EAP has been mixed, often depending on the sectors and themes in question, the range of actors involved and the level of EU competence in the given area.

Nevertheless, there is widespread agreement that the programme was ambitious and far-reaching for its time. Those themes and targets sectors which were selected are generally considered to have been the right ones, even if other sectors or issues have since come to the fore. Similarly, the basic approaches adopted in the 5EAP, such as integration, shared responsibility and the use of a broader mix of instruments remain central to the debate.

In order to learn from and move beyond the 5EAP, a new approach is required which, on the one hand can provide a clear vision and strategy for policy-makers and citizens, while at the same time setting out clear and realistic targets for the sectors to act upon.

The following provides an outline of the main conclusions of the two day consultation meeting. More detailed summaries of discussion within Groups A, B, C and D are provided in an Annex.

**Awareness and impact of the 5EAP**

The impact of the 5EAP is difficult to evaluate. In some areas, particularly those involving spatial planning, it appears to have had little impact on sectoral or policy developments in the Member States. At EU level, the extent of action is also varied, according to the sector or theme. However, some successes were noted.

Although very detailed, quantified targets were set out in a few limited areas of the 5EAP, overall the approach to setting objectives, targets and timetables was not consistent and there was a mixture of inadequate and over ambitious targets. In some cases objectives were very generally phrased, making progress difficult to evaluate.

The overall visibility of the 5EAP and awareness of the actions proposed has been poor, particularly among the general public. Within different DGs, and national ministries, visibility was variable. In some cases however, the 5EAP has clearly been useful in strengthening arguments for environmental progress and supporting the case for specific policy initiatives.

**Shared responsibility**

The programme was right to include and recognise the important role of different actors, and the need to engage them in the process. However, there was widespread consensus that the approach was not applied successfully under the 5EAP. One route for sharing responsibility was to apply ‘softer’ measures such as funding initiatives, information campaigns and demonstration.
programmes, but the range and complexity of actors required far more concerted effort in this area.

**Driving forces and new issues**

A wide range of subjects was discussed under this heading, including existing issues and problems. It was agreed that EU enlargement would be one of the key driving forces over the next decade, with significant implications for the existing Member States. Perhaps most notably, enlargement offered a unique opportunity for maintaining biodiversity and improving environmental standards over a large part of Europe.

Other key driving forces include:

- Globalisation
- Changing consumer preferences
- WTO/trade agreement
- Market liberalisation
- international environmental agreements and processes (UNCLOS/UNFCCC)
- engagement with and expectations of developing countries
- mass tourism

A number of new or arising issues were identified, within a view to these being included in a future programme. In particular, these included:

- fisheries
- resource efficiency
- health
- integrated spatial planning
- consumption
- soil

**Future priorities and targets**

A variety of future priorities were discussed, including biodiversity, landscape, air, climate, water, transport and tourism. In order to address these effectively, however, much better political coordination would be required between the EU institutions and Member States, as well as within the EC itself.

Several types of objectives or targets were suggested for a future programme/s:

- broad, visionary, directional and accessible objectives, such as 'clean air' or 'no exceedence of critical loads'.
- quantified but ambitious thematic, setting out longer term goals, beyond 2010
- realistic intermediate targets covering the 2000-2010 period, in some cases including those already agreed
• disaggregated sectoral and regional targets, accompanied by clear and relevant indicators of progress.

The last level could be specified in a future programme or elaborated and framed within other, sectoral plans, including the individual post Cardiff integration strategies.

Targets need to be clearly expressed and where possible quantified. In some cases targets should aim to maintain environmental quality eg biodiversity in CEECs, others will need to aim at improvement and restoration.

**Approach and instruments**

Maintaining and updating the environmental *acquis* will continue to be an important occupation of the EC. Greater effort will be needed to ensure that the *acquis* is properly implemented, by strengthening systems for monitoring and review, and Member State transposition and enforcement.

However, EC legislation on its own will not be enough to secure environmental objectives and, as stated in the SEAP, should be supplemented by a range of other instruments. These include ‘softer’ measures to steer developments at the non-EU level. Political measures include:

• guidelines and benchmarks, information and awareness of good practice, eg extension of SAVE, ecolabelling, EMAS
• Use of Structural Funds for pilot projects, demonstration programmes etc,
• Encouraging use of economic instruments eg eco-taxes (including hypothecation) and incentives
• Encouraging partnership and participation
• Voluntary agreements

However, more work needs to be done on the effectiveness of such measures in addressing specific problems, in particular by improved reporting and evaluation of national and EC policy measures, including voluntary agreements.

Increased emphasis should also be given to the establishment of ‘horizontal’ measures such as auditing systems, green accounting and environmental liability. At the sectoral level, there is often a need for measures and policies to be brought together within integrated, spatial frameworks.

**An EU Sustainable Development Plan?**

Among all the groups, and within the plenary, there was widespread support for an EU sustainable development plan, with reference made to the Rio + 5 commitment which called on States to develop strategies by 2002. Such a document would need to address social, economic, and environmental issues in a balanced way, covering the range of issues and the role of different actors.

A sustainable development plan would require high level commitment and leadership, possibly tasked to the President in the Commission, and could provide a direct means of taking forward
the process initiated at the Cardiff Summit. Importantly, the programme should be visionary, drawing on new development models such as those set out in the Delors White Paper.

More divergent views were expressed on how such a strategy might relate to a 6th EAP, however. Most support was given to a 6EAP which focused only on the environmental aspects of sustainable development, and which remained the responsibility of DG XI. A sustainable development programme could be built around a 6EAP.

It was agreed that development of a sustainable development plan would have implications for institutional arrangements, and particularly co-ordinating mechanisms within the Commission.
ANNEX

WORKING GROUP A   Agriculture and Fisheries

RETROSPECTIVE 1992-1999

1. General

1.1. The workshop tackled agriculture as the main theme but also considered forestry to a more limited extent and fisheries, noting that fisheries was not a sector targeted in the Fifth Programme. There was a general consensus that agriculture and forestry were appropriate themes for the Fifth Programme.

1.2. It was noted that there had been progress over the last seven years but there had also been disappointments. The impending decisions on the Agenda 2000 package were an important element in any evaluation. There was some diversity of views about the extent to which the proposals did represent a major advance towards sustainability but it was acknowledged that Agenda 2000 was a significant step forward.

2. Awareness and impact of the 5EAP

2.1. The Fifth Programme had not been very visible. Nor had it been a force driving forward policy at a national or EU level. Many actors were unfamiliar with the Programme and its contents. Some of the proposed measures stem directly from the 1992 MacSharry reforms and did not arise from the Programme itself.

2.2. Nonetheless, the Programme had made a contribution, not least in providing a platform for discussion between environmental and agricultural organisations, even DGs within the Commission. It could be seen as part of a ‘critical mass’ of factors which had created pressure for progress. Some participants thought that enlargement, technical developments and the market were more significant forces.

3. Objectives

3.1. The underlying objectives were primarily aspirational and long term but not inappropriate. Not all the instruments were necessarily the most appropriate or clearly differentiated between actors.

3.2. Member States adopted the Nitrates Directive, and thus by definition accepted its objective as reasonable, but implementation has been appalling.

3.3. Many in the group felt that the relationship between agriculture and sustainability should be considered with respect to primary objectives, notably:

- food supply;
- support for a viable agricultural sector;
- the maintenance of natural capital;
3.4. The overall environmental objectives for the sector, which were ambitious, had not been achieved. There were still severe environmental pressures, for example on water supply and water quality in some regions, soil in others. The continuing loss of biodiversity on farmland was stressed. In some cases, there were synergies between agricultural efficiency and environmental improvement, but in other cases (for example nitrates in drinking water) the pollution effects are external to agriculture.

4. Driving forces

4.1. Liberalisation, driven partly by the WTO, exerts a fundamental influence on the CAP which is widely expected to continue. Amongst the effects are further specialisation in more competitive sectors and regional concentration on the one hand, and the marginalisation of less competitive regions and producers on the other. Both have important environmental impacts.

4.2. This liberalisation means that the market is becoming an increasingly significant driving force. The intensification in sectors such as pig and poultry, and the resultant environmental damage, is largely market-driven rather than CAP-driven, and there are implications for how the issues are dealt with.

5. Implementation

5.1. The record of implementation was mixed. The nitrates Directive was a clear example of unsatisfactory progress. There had been no new phosphate policy initiatives at a European level but other measures, such as the nitrates Directive and the agri-environment Regulation, had contributed to reducing phosphate levels.

5.2. Nonetheless, there were successes. For example, the area under management agreements was now around 20 per cent, above the target in the Programme. The role of the Programme in contributing to this outcome was thought rather limited. The proposed cross-compliance procedures and other green elements in the Agenda 2000 proposals were noted. This was encouraging given the rather limited progress in greening the main CAP commodity regimes since 1992. The environmental impact of the Agenda 2000 proposals would depend considerably on the way Member States chose to implement them.

5.3. There were various proposals for new instruments, including strategic environmental assessment for the CAP market regimes, improved auditing systems, for example to assess the impact of the cross-compliance and agri-environment measures, a stronger emphasis on awareness raising and specific targets for the reduction of pesticide use.

5.4. Obstacles to implementation included the political sensitivity of the CAP. This had meant that explicitly formulated targets were unlikely to be accepted unless they were both clearly on existing commitments or legislation. Ambitious proposals could be seen as counterproductive. Some participants emphasised that the agricultural policy making cycle in DG VI itself appeared a ‘forbidding monolith’. NGOs and outsiders had limited accessibility to decision making although
there had been improvements recently (environmental NGO representation on CAP Advisory Committees).

5.5. While agricultural objectives were advanced by a series of binding Regulations, the broader obligation of maintaining natural capital was not supported by any similar legal instruments. Specific environmental policies, such as the nitrates Directive, might have been implemented more effectively if more resources had been available in DG XI.

6. Shared responsibility

6.1. There was little understanding of the implications of a shared responsibility concept at Member State level. Furthermore, the specification of roles for different actors in the Fifth Programme was not particularly clear, thus undermining accountability. Greater transparency and access to policy making would be an improvement in the agricultural sector. More reporting of environmental impacts was part of this process (NGOs emphasised that their ability to participate effectively depended on adequate resources which were not always available). Even where the responsibility of Member States was entirely clear, their response was variable - for example many had not taken up the option of cross compliance.

7. Fisheries

7.1. In the absence of objectives in the Fifth Programme, there was a discussion about the current state of the environment and the trends in policy making. For both commercial and non-target fish species, population trends were negative. Over exploitation of the fish resource and over capacity in the fishing fleet were both facts. Nonetheless, there was progress towards environmental integration, exemplified by the recent ban on driftnets, certain emergency measures (for example, the recent drastic cut in North Sea herring quotas) and the broad stability of quotas for most species. The importance of independent scientific advice, explicitly based on the Precautionary Principle, was underlined.

7.2. In moving forward, one needs both a ‘strategic’ approach to developing policy and an opportunistic capacity to take initiatives when the timing was appropriate. Several participants stressed the need for transparency to improve the policy process, as in agriculture.
THE FUTURE

1. Driving Forces

The group addressed the three sectors, with more limited attention to forestry than the others. There was insufficient time to debate instruments adequately.

1.1 Agriculture

- Continuing reform of the CAP, liberalisation, new concepts of multi-functional agriculture
- EU budget, itself driving CAP change, and with national budgets becoming more relevant too.
- Next WTO round (relatively new issue)
- Enlargement (new issue)
- Global changes in population, food supply and demand
- EU market forces including changing consumer preference, growing competitive pressures on farmers, leading to further intensification etc
- Technical change. Includes important new issues such as biotechnology and specifically GMOs
- Continued environmental change – some new pressures eg climate change, others familiar but unresolved, eg biodiversity
- New environmental policies will be required to meet such challenges and could have impacts on agriculture eg more stringent pesticide legislation

It was noted that the policy trend was towards decoupling, with support shifting from production to rural development. This is likely to persist. But not all the key sectors are within the CAP eg pig and poultry. Industrialisation in these sectors can have major environmental impacts. For both agriculture and forestry, regional and spatial differentiation are important. They are not homogenous sectors; trends and environmental impacts vary greatly across Europe.

Forestry

- Policy changes at EU and importantly national level including subsidies
- Market forces, including demand for forest products, paper etc. EU still importing. But also new certification schemes producing a more discriminating, environmentally sensitive market
- Growing demand for recreation / amenity forests in some countries - driving market and policies
- Biodiversity and protected area requirements
- Impacts of agricultural change including withdrawal of land from agriculture in certain regions (marginal farms)
- Continued forest damage from acidification - but remedial policies too
- Increased demand for wood as biofuel, influence of renewable energy policies, new targets for biofuels
- New issue of CO2 sequestration, likely to grow in importance
- Underlying policies for maintaining land use or directing change (eg forest fires)

Fisheries


• Market forces, growing demand for fish, EU around 50% self-sufficient need to use resources carefully
• commercial stock depletion
• changing consumer preferences, emergence of labels/certification eg Marine Stewardship Council (new issue)
• changing international context including:
  - access agreements and north south issues
  - work by FAO/ICES etc
  - North Sea Conferences
  - Heightened global competition
  - WTO
• Technical change - both within fisheries and in conservation and enforcement technologies may lead to new options
• Policy changes including tighter quotas, decommissioning etc. CFP review approaching
• Growing public concern changing the political agenda. Now public awareness important
• Impact of environmental policy - full implications for fisheries sector yet to emerge eg habitats Directive

In all three sectors international forces, globalisation, new environmental legislation, changing consumer awareness and market demands, technological changes and enlargement were common themes.

2. Priorities and targets

2.1 Agriculture

It was noted that it could be hard to establish direct links between agriculture policy measures and specific environmental targets – with some exceptions. Certain group members questioned the need for specific targets for the agriculture sector.

Priorities would be set for the environmental media eg:
• Air
• Soil
• Water
• Biodiversity
• Landscape (not adequately covered in 5EAP)

For each of these, objectives should be established which both
• sustain existing environmental quality
• where possible, restore and enhance environmental quality

Where these priorities and objectives can be clearly related to agricultural practice (eg agricultural pollution impact on water), sector-specific targets (eg for pollution reduction) can be established. But whereas polluting activities are simply related to environmental issues, it is far harder to relate the effect of strategic issues (eg liberalisation, and in particular changes in support structure) to environmental changes.
Targets could be set for certain activities including eg organic farming

2.2 Forestry

Priorities /targets required for the main media, as in agriculture, notably

- Soil
- Biodiversity
- Landscape
- Air quality and climate (prevent forest fires)
- Water (protect resources and avoid acidification)

Relation to forest activities including afforestation, deforestation, woodland management, etc not always straightforward. Location, specific regional considerations and sensitivity of practices all important eg:

- Afforestation can be positive for biomass production, carbon sequestration etc
- But damaging for biodiversity

Single measures/actions have multiple environmental effects – a holistic approach is needed.

Nature of targets. Parallel to agriculture eg protecting existing assets (biodiversity in the EU and CEE), restoration etc. But also protection of forests from pollution.

An ecosystem approach to management is required (regarding eg species choice in afforestation). In the short term this will conflict with commercial considerations, but in the long term, as the market becomes more environmentally-aware, this may change.

2.3 Fisheries (DG XIV not adverse to its inclusion in a new action programme)

Priority for fisheries and for the environment is to reduce exploitation of all fish species inshore and offshore, both in the EU and globally. Additional priorities are:

- Maintain and restore valued marine habitats
- Reduce adverse effects of aquaculture
- Apply precautionary approach to fisheries management eg limits to take thresholds for minimum levels of biomass
- Ecosystem approach is perhaps the way forward eg setting broad targets (DG XIV questions what this means)

New policy to emerge from forthcoming review of CFP more strongly reflecting the resource limits, but taking account of socio-economic factors too.

3 Policy Instruments

Little discussion other than regarding:
• Cross compliance in agriculture (clear reservation by some group members)
• No take zones in fisheries

4 Sustainable Development

4.1 There is a strong preference for European Community arriving at a sustainable development programme, with more socio-economic integration. Sustainable development should be driven by a clear overarching concept such as quality of life; It would involve setting clear environmental targets, and establishing interim objectives on the basis of the effect of achieving the environmental objectives on the socio-economic objectives for the sector (an iterative approach). However, there was no consensus about how this might relate to a possible environmental programme or to DG XI or the Commission as a whole. Possibly the sectors should develop their own sustainable development programmes, with DG XI providing environmental targets. Perhaps DG XI should draw up general environmental policy framework. There is some confusion which needs to be worked through, but support for more transparency, monitoring and evaluation. Integration at a piecemeal level will continue to be crucial; action programme can be helpful for stimulating process as well as content. Chapter 10 of the Delors White Paper a possible inspiration.
WORKING GROUP B  Tourism, Coastal Zones, Urban, Spatial Planning

RETROSPECTIVE 1992-1999

1. General

1.1 It was pointed out (Joint Research Centre, Environment Institute) that the four areas fall into different categories: coastal zones and cities are geographical areas; tourism is a pressure (and not a sector); spatial planning is a policy instrument. [However, their common denominator is that the use of integrated spatial planning at regional/local levels is one important means to tackle the environmental deterioration of urban and coastal areas, and problems arising from tourism].

1.2 It was agreed that it was right to have included tourism, urban areas and coastal zones in the 5EAP, despite the lack of tangible progress in these areas at EU level. The reasons were:

Urban areas: 80 per cent of the EU’s population lives in urban areas, (and yet over 50 per cent of the EU budget is spent on rural areas);
Coastal Zones: a large proportion of the EU’s population also lives on the coast; coastal zones are ecologically sensitive; and are affected by many EU policies and by the state of shared seas. Tourism is a cross-border industry (the biggest growth industry in the EU) with considerable global and local environmental impacts.

Urban areas and coastal zones are laboratories for the application of sustainable development at local and regional levels.

1.3 However, there has been little progress in developing coherent EU policies in these areas. ‘Progress’ has been restricted to the production of several Commission Communications, demonstration and pilot actions; and some support through the Structural Funds.

[The reasons for the lack of tangible progress are:

• lack of explicit Community competence in urban areas, coastal zones, and tourism (There has been no budget for measures in support of tourism since 1998)

• sensitivity of Member States on the grounds of subsidiarity

• little government intervention even at national level in respect of tourism and coastal zone management

• the inherent complexities associated with the need to integrate policies both horizontally (sectors) and vertically (levels of government) in urban and coastal zones]

1.4 So the issue is not whether the EU should act in these areas, but how (ECOTRANS).

2. Awareness and impact of the 5EAP

The 5EAP’s treatment of urban and coastal areas has had little impact on sectoral and policy developments in the Member States. The Irish Tourism plan (part of Ireland’s Sustainable
Development Plan) was not influenced by it. The Portuguese National Coastal Zone Strategy was
developed because of pressures of tourism, not because of the 5EAP. Austria was aware of the
5EAP in relation to these areas, but only because its recent accession required rapid familiarity
with the acquis.

However, small scale EU financial support has been important in sustaining demonstration
projects (ECOTRANS).

3. Objectives, targets and timetables

These were not adequate. Proposed measures in relation to urban areas were restricted to ‘noise’.
For both tourism and coastal zones, objectives were qualitative only and very generally worded.
The EU was identified only as a very minor actor in relation to tourism.

4. Implementation of 5EAP measures

No concrete progress beyond Commission Communications and ICZM Demonstration
Programme (see 1.3 above).

5. Shared responsibility

The principle of shared responsibility has not been applied successfully.

[Given that decisions in relation to tourism, urban areas and coastal zones are made principally at
local and regional levels, and that Member State sensitivities concerning subsidiarity are high, the
Commission adopted the wrong strategy in attempting to develop a draft Directive on Integrated
Coastal Zone Management, and a fully-fledged EU tourism policy (Philoxenia). These were
bound to fail. Instead, DGXI and DGXXIII should have recognised that in these ‘spatial’ areas a
different approach is necessary, focusing EU resources
a. on a more sensitive, tailored financial support for essentially local initiatives where there was
the prospect of EU ‘value-added’;
b. influencing the policies of other DGs (eg Structural Fund priorities; coverage of EMAS). In the
case of coastal zones, this has begun to happen with the ICZM Demonstration Programme.]

6. Policy Instruments

In view of concerns over subsidiarity, the Commission should have deployed the full range of
‘softer’ policy instruments at its disposal, rather than seek to develop legislation. Examples of
soft instruments include pilot and demonstration projects; encouragement and financial support
for voluntary and regional agreements; experience exchanges; information and dissemination; the
exercise of leverage through the Structural Funds.

[Greater emphasis should also have been placed on seeking to influence the policies of other DGs.
This requires
a. better co-ordination mechanisms within the Commission
b. appropriate deployment of resources on the part of DG XI and DG XXIII
c. suitable training in influencing skills for responsible staff].
THE FUTURE

1. Driving Forces

*Negative:*
Pressures on coastal zones, tourist areas will accelerate through

* • transport - continuing increases in car and air transport*  
* • mass tourism - continued growth in global tourism, with increasing pressure on sensitive ‘underexploited’ areas.*

* • trade and globalisation - will exert economic pressures on some urban areas and coastal zones.*  
* • enlargement will result in a continuing shift from public to private transport in central and eastern Europe (CEECs); rapid urban and industrial development along new transport corridors between CEECs and existing Member States.*

*Positive:*

* • public’s concern for health will increase constituency for environmental protection*  
* • enlargement: opportunity to increase environmental standards for millions in CEECs; in some areas (eg regional planning, strategic environmental assessment) some CEECs are in advance of existing Member States.*

2. New Issues (in relation to the four areas covered by Group B)

* • The need to advance the development and application of integrated spatial planning in urban, coastal and other sensitive areas as an instrument for delivering sustainable development locally. This is a major challenge requiring the integration at local/ regional levels,*  
  - horizontally, of sectoral policies  
  - vertically, of policies between different tiers of government.

  * This has significant implications for the regional sensitivity of EU policies.*

* • The importance of protecting and exploiting local and regional culture as a driver of sustainable development.*

3. Future priorities and targets

The priorities of a new programme should be derived from the problems and trends highlighted in the European Environment Agency’s *State of the Environment EU 98* report. Examples include:

* • Transport - reduce overall demand for transport; shift passengers towards more environmentally friendly modes ie public transport.*  
* • Tourism, coastal zones and sustainable cities should remain priorities in a new programme*
Targets for all priorities should be **quantified** where possible; and **disaggregated** into separate sectoral, and regional, targets.

### 4. Approach and Instruments

- There will be a continuing role for EU environmental legislation to update the existing acquis, and to address new issues;
- Greater attention, however, needs to be paid by the Commission and the Member States to ensuring the full implementation of existing EU legislation. In the four areas addressed by Group B, the EU should seek to *steer* developments at local and regional level, rather than attempt to legislate, through

  - the use of the Structural Funds, with accompanying environmental conditions
  - pilot/demonstration projects/programmes
  - greater encouragement for the use by Member States of market instruments
  - better information and awareness through extension of ecolabelling and EMAS
  - promotion and financial support for regional voluntary agreements
  - greater emphasis on encouraging partnership and participation
  - greater emphasis on monitoring and evaluation by Member states themselves of EU and national policy measures, on the basis of a standardised reporting guidelines.

### 5. An EU Sustainable Development Plan?

- A **combined** approach should be pursued.

- There should be a Sixth Environmental Action Programme to take forward policies and measures which are the responsibility of DGXI, and to advance the application of Article 6 of the Amsterdam treaty.

- At the same time, foundations should be laid for the development of an EU Sustainable Development Programme integrating environmental, economic and social concerns. It should be built around the 6EAP. An EU SD programme should be the responsibility of a new Sustainable Development Task Force attached to the Commission President. The successful development of an EU SD programme will require stronger inter DG co-ordinating mechanisms, and extensive staff training.
1 Visibility and awareness of 5EAP

Although the 5EAP has suffered from a lack of visibility, it has still influenced policy-making in some areas (not always, not everywhere). In general, the 5EAP was known to industry, but it was considered somewhat irrelevant because it was not an action programme. It would be more influential if it had clear objectives, timetables, responsibilities, and review procedures. Some manufacturers regret the limited input of industry in the global assessment. This “absence” of industry input can be explained by the fact that in many countries the 5EAP was not well known or was not adopted (e.g. in SF), and they considered themselves to be outside of the environmental sector. The result is that progress on integration with industry is slow. When the 5EAP was written, the debate on industrial policy was principally concerned with competitiveness. However, environment has increasingly featured on the industrial policy agenda and progress has been achieved during the lifetime of the 5EAP.

2 Objectives and targets

No specific objectives were included in the chapter 4.1 of the 5EAP, indeed there was no industry table. Nevertheless, instruments have been adopted and some progress has been made towards more ambitious objectives. Need an action programme worth its name, concentrating on goals, priorities, targets, and actions that DG XI could control and execute. Environmental reporting (eg EMAS) should be stressed.

3 Influences

As mentioned above, the debate on competitiveness was a key influence at the time the 5EAP was adopted and will continue to represent an important element in the future. Product- and consumption-related issues have acquired increasing prominence over the lifetime of the 5EAP and this trend will continue in the future. Furthermore, some participants pointed out that consumer behaviour is the fundamental issue which needs to be addressed and that changes in production patterns on the part of industry can not provide all the solutions.

Trade and environment (barriers to trade, internal and external) should be considered.

4 Progress

There is lack of baseline data to evaluate progress. In practice, there have also been delays in adopting legislation and additional time-lags before any effects can be measured.

5 Dialogue
There are divergent opinions on this issue. While industry representatives noted the availability and constructive attitude on the part of Commission officials, they pointed to the need to further develop dialogue on concrete issues.”

NGOs are not mentioned explicitly, and dialogue risks being restricted to industry. The problem with NGOs is that they do not have the resources to contribute to the legislative process (for example, with respect to the Chemicals-IPC Directive). Dialogue cannot succeed at a technical level without an equality of resources, but dialogue and partnership should definitely be the road.

6 Range of instruments

There is a need for more emphasis to be placed on voluntary agreements and similar soft instruments. It is necessary to focus on instruments like EMAS, IPC, and labelling, but before creating new ones, existing instruments have to be improved.

The co-decision process should be take into account.

Progress is also being awaited in the field of environmental liability. In particular, contaminated sites (civil liability) need to be considered.
FUTURE

1 Driving forces

Old issues are clearly still relevant, though a shift in emphasis has taken place.

New driving forces and issues include:
- Consumption and production
- Resource efficiency
- Global issues (trade, climate)
- Health

2 Priorities and targets

It is not clear why 2010 has been chosen as the target year. A more long-term vision may be required, accompanied by intermediate and sectoral targets.

Co-ordination between the Member States and the EU needs to be further developed while retaining sufficient flexibility to take into account local conditions.

Existing targets need to be reflected upon and additional targets need to be realistic.

Suggestions:
1) pay attention to framework for competition + industry
2) cost effectiveness of policy
3) coherence in legislation
4) trade + environment (consistency)
5) New priority on consumer behaviour; stimulation of innovation
6) we need approaches to insurance and finance
7) select and prioritise sectors
8) consider subsidies
9) develop recycling and water re-use, but keeping in mind the limits of recycling.
10) informal liaison across sectors

3 Approach and instruments

It is important not to generalise here. A more concrete position than simply saying ‘there is a need for a mix…’ can and must be developed. Nevertheless, there is still relatively little data to evaluate the impacts of alternative instruments. Instruments need to be followed-up and monitored through the use of indicators. Evaluation systems need to be developed at the outset for each new instrument.

In addition, there is support for developing new ‘horizontal’ instruments.

There was some debate on the relative merits of soft versus hard legislation. One NGO representative argued that the move towards framework legislation and soft law meant that Community legislation introduced during the 1990s would not yield significant environmental
benefits. We need better legislation with respect to environmental effectiveness, cost-benefit analysis and environmental principles. Liability should be take a bigger place in legislative provisions.

In the future, there is a need for continued efforts to tackle some of the issues identified in the 5EAP in which progress has been limited, e.g. concerning the control of industrial chemicals and in the area of waste management. Furthermore, an integrated approach to address the increasing importance of product- and consumption-related issues should be developed in the future.

4 Sustainable Development

Sustainable development should be taken forward at the Commission level, but with DG XI continuing to focus on an environmental strategy. Progress depends on competitiveness at the global level and sustainable development strategy for all sectors have to be developed. In order to be efficient, this strategy should take the integration into account. And the question is: do we have a comprehensive approach to sustainable development? (social, environment, economy).

For the CEFIC, sustainable development should have been at the top of the list, and industry is part of the solution because of its:
- products focus,
- consumers focus (managing risks)
- health focus.

Rio+10 requires a SD strategy by 2002. How will the EU respond to this challenge?
WORKING GROUP D  Transport and Energy

RETROSPECTIVE 1992-1999

1. General

1.1 It was right to have included transport and energy in the 5EAP. Both sectors represent major areas of economic activity within the EU; in both cases, some EU level policies aim to reduce their environmental impacts. However, the fact that the EU has been unable to significantly influence actions at the Member State and local level is problematic.

2. Awareness and impact of the 5EAP

There was no specific discussion of the visibility of the programme as a whole, although specific measures (SAVE) have not had a high profile.

The impact of the programme is difficult to estimate. It certainly cannot be expected to deliver all the necessary changes. Institutional arrangements for agreeing legislation, particularly where budgetary resources are involved, have limited the environmental impact of specific measures, and therefore of the programme. To make the programme more effective would require greater financial and political commitment from the Member States and the EC institutions.

3. Objectives, targets and timetables

The energy table did not in fact contain specific objectives, instead listing ‘programmes’ which were to be developed and areas to be covered. A similar approach was taken in relation to transport. Neither sectors were given clear or quantitative targets suitable for monitoring or evaluation.

The targets for the nuclear sector in particular will need revising, as they reflect a largely outdated agenda.

The approach adopted in some Member States was to establish long term approach to changing behaviour. In the UK, for example, the range of issues was addressed, including information, technological transition, etc, with adequate financial backing to maintain some profile and to have an impact in certain areas at least. In the Netherlands, 10 year programmes were established for raising co-generation rates from 10 to 40%. Such a time frame may be excessive, and may be overtaken by events, but it gives a clear message to the industry. In contrast, it was not clear what would happen to SAVE in the long term, nor was it given adequate resources in the short term.

It is important that suitable indicators are produced, showing desirable and undesirable development patterns and which can reflect the diversity within the EC. Statistics on energy intensity mask any developments from co-generation, renewable energy sources, or sources which have low emissions of CO2 for example. Similarly need per capita rather than per household measure for energy.
Demand management has not been adequately addressed. There is a need for clear overall targets and strategies for managing and reducing demand. In the energy sector, an energy efficiency target has been agreed, but the timetable needs to be brought forward. Importantly, such a target should be accompanied by CO2 reduction target, possibly going beyond the 8% target set out in the Kyoto Protocol. In the case of air traffic, a 300% increase is predicted.

4. Implementation of 5EAP measures.

4.1 The 5EAP called for EC led action in a limited number of areas relating to the energy sector, concerning energy efficiency standards, SAVE, ALTENER, JOULE and THERMIE. In relation to the transport sector, action has tended to focus on technical improvements, and a move to unleaded petrol.

Transport

– There has been some important progress in relation to the 5EAP targets, notably environmental legislation addressing various ‘technical’ issues, eg vehicle emission standards, ACEA CO2 agreement, noise, and unleaded petrol. There was some disagreement as to whether these standards were sufficient, however. Ambient noise, for example, is increasing, despite measures introduced.

– much less progress had been made on limiting transport demand, effecting modal shift, internalizing external costs, and using spatial planning.

– Demand has been exacerbated by the static price in fuel

Energy

– Energy labelling and energy efficiency standards have been adopted and or revised. Energy efficiency programmes (SAVE) and promotional programmes have also been established.

– No real progress has been made on economic and fiscal incentives or least cost planning. There is little evidence of behavioural changes having been induced by the programme.

– Furthermore, the impact of SAVE and ALTENER have been severely limited by low budgetary commitments. Consequently, while these measures may be beneficial, improvements in overall energy efficiency should be attributed to them. For example, improvements in energy intensity could not be attributed to the SAVE programme to which only limited resources were allocated and which was largely invisible on the ground..

Areas not adequately implemented since 1992 include user behaviour, least cost planning, internalisation of external costs of transport and ambient noise (although recent developments may help address noise). The 5EAP called for measures to be developed in many of these areas.

Progress at the Member State level is variable, with some Member States more willing to introduce higher standards etc. Proposed policies will need to bear this in mind.
5. Shared responsibility

There is a clear need to change the behaviour of numerous and complex actors. The principle of shared responsibility is critical, but it must be applied more effectively than in the past. Engaging the range of actors may require a mixture of ‘soft’ instruments, including fiscal measures, information and the provision of alternatives.

6. Policy Instruments

Technological approach remains relevant and in some areas further progress can be secured through tightened standards, eg in energy efficiency. Voluntary agreements adopted at the EU level may offer additional gains.

However, influencing demand presents the main challenge to integration in the transport and energy sectors. In the energy sector, demand for non-renewable energy and resources needs to be managed or reduced.

In relation to transport, some gains can be made by encouraging modal shift. Efficiency and emission programmes are not sufficient to address these issues and meet targets, however. A broader package of measures will be required to influence the amount and type of demand in future.

A variety of measures will be needed to manage/reduce demand, though price signals will be key:

- Fiscal measures, ie taxes or ‘hypothecated’ charges, possibly as part of a wider eco-tax reform. The requirement for unanimity in agreeing such measures is recognised as a major barrier. Public support for fiscal measures is more likely to be secured where revenues are ‘hypothecated’, although this may not necessarily lead to reduced demand. Measures need to address different parts of each sector separately, eg stronger measures for air transport taxation. Developing fiscal measures which do not impact on industry presents a challenge.

- Internalising costs provides one rationale for fiscal measures, but with inherent difficulties of agreeing what externalities are. It was suggested that gasoline prices would be 2-3 times higher than at present if costs were internalised.

- Measures which address the role of consumers and change values, eg information, labelling. Consumer choice is vital, allowing alternative approaches to be seen and adopted. In the long term change in values will follow. Existing EU programmes did not send appropriate signals. Local authorities or partnerships can play an important role here, and provide local delivery for EU/national actions.

- Planning policies and land-use patterns

- Some members of the group also supported transport and energy market liberalisation was also put forward as an important measure.
Beyond overall demand management, there is a need for more holistic approach to be taken for example using instruments such as integrated resource planning, spatial planning and life cycle analysis. It important to remember that in both transport and energy, consumers want a final service which may be deliverable at a much lower environmental cost than at present. Spatial planning at least should be influenced using EC development policies, notably the structural and cohesion funds.
THE FUTURE

1. Driving Forces

*Environmental:*

- Kyoto process, setting the main target for CO₂ emissions reductions over the next decade. Climate is clearly the single most important environmental theme for both sectors.
- Local issues, such as noise
- Resources use

*Economic:*

- trade and globalisation exerting economic pressures
- market liberalisation in energy and transport sectors, with positive and negative results
- world oil prices
- employment
- budgetary constraints
- technology

*Political:*

- post Cardiff process
- Amsterdam Treaty
- Enlargement – positive and negative driver, with particular concern over the impact of EC transport policies on accession states and the rapid transfer from public to private transport.
- Single market

Accurate data should also act as a driving force in future.

2. New Issues

- Public health concerns and risks
- Technological developments
- Nuclear policy needs to be updated in light of a changing political agenda. A new framework is needed to address associated environmental issues, including the implications for climate change policies.

3. Future priorities and targets

A range of issues were put forward:

- A new programme should be a short visionary forward looking document, focusing on state of the environment in eg 2020, and placed within the context of sustainable development.
• Targets should be ambitious, show urgency of problem and act as a mobilising factor. Sweden proposed pristine targets, such as ‘clean air’ or ‘clean water’. Alternatively, targets could be more realistic, and reflect existing commitments eg Kyoto and Auto-oil.

• Targets should be set for all environmental themes and issues, and quantified where possible. In some cases, ‘reduction’ or ‘maintenance’ may be called for even though specific targets may not be agreed yet.

• The targets should be developed within the context of sustainable development, with guidance provided for how these are best achieved.

• Environmental targets to be complemented by sectoral strategies or actions plans, containing disaggregated targets, and based on a range of factors eg CO2 targets for non-renewables Priority should be given to areas and measures where the EU has competence

• Policy targets are also needed.

• New, refined indicators are needed, eg per capita use of non-renewable energy and resource use

Adequate resources need to be committed to monitor and evaluate implementation of the programme. This will depend on the existence of clear targets and objectives, clear division of responsibility between the EU and other actors, and the establishment of reporting systems at EU and Member States to record progress. In light of evaluations, there needs to be a facility for setting additional targets and/or reviewing existing ones. An integrated monitoring mechanism could be introduced to monitor and evaluate progress as a whole.

4. Approach and Instruments

There is clearly demand for a broader range of instruments to be applied, alongside the more technical measures adopted under EC legislation. In some areas, such as chemicals and landfill, mainstream environmental legislation continue to be best suited. Other instruments will need to be mobilising, seeking to engage the actors and change behaviour using a combination of information and incentives. The complexity of the issue should not be underestimated, and will require sophisticated policy approaches, tailored to specific segments of both sectors. In particular, the effectiveness of such instruments is still little known and will need to be researched.

Specific instruments include:

• Economic and fiscal instruments
• Voluntary agreements
• Green procurement
• strategic environmental assessment
• EMAS – particularly for central and eastern European countries
• Information and awareness, eg to exchange good practice and deliver a message

It is noted, however, that certain measures are unlikely to proceed in the absence of far greater political commitment, and institutional reform.

Underpinning these instruments are a range of basic approaches:

• ‘Factor 4’, or eco-efficiency
• producer responsibility
• environmental liability
• internalisation of external costs
• access to justice and information

5. An EU Sustainable Development Plan?

• A sustainable development plan and a 6 Environmental Action Programme should be pursued.

• Sustainable Development Strategy would consider environmental, economic and social concerns simultaneously, and reflect the priorities of a 6EAP. It could be the responsibility of the Commission President and be adopted as part of the post Cardiff process. It could also meet the demands of Rio+5 which asked for a strategy by 2002.

• A 6 Environmental Action Programme would fall under such a SD Strategy, taking forward policies and measures which are the responsibility of DGXI, but with sustainable development as a core function. Compared to the 5EAP, it would be more easily accessible and somewhat symbolic, to engage the relevant actors.

• The programme would act as a framework with detailed sub strategies developed on a sectoral basis, with targets and timetables agreed by the Council and Parliament.