

**IMPLEMENTING AGENDA 21: THE EU'S  
RECORD**

**report**

**REF ENV.E2/ETU/2001/0017R**

**July 2002**

# **1 The Challenge of Agenda 21**

## **Introduction**

1 At the Earth Summit in Rio de Janeiro in 1992, the international community agreed an ambitious and comprehensive strategy to address environment and development challenges through a global partnership for sustainable development. The key framework around which future action was to be built was 'Agenda 21' covering each of the principal dimensions of sustainability - economic development, environmental protection, social justice, and democratic and effective governance.

2 A decade later the World Summit on Sustainable Development in Johannesburg, South Africa, will once more bring together the world's leaders, this time to review how far the high expectations raised in Rio have been fulfilled over the past ten years. Some important progress has been achieved and the principle of sustainable development is widely accepted. However, it is clear that many expectations have not been realised. Global poverty has continued to increase, as has the global population; the gap between rich and poor has widened; and pressures on natural resources and the environment have grown.

3 The Johannesburg Summit provides an opportunity to revitalise the spirit of Rio and shape a renewed political commitment by all countries to achieving sustainable development.

## **The EU's contribution to sustainable development**

4 The EU with its 15 Member States is a leading global player in political, economic and environmental terms, and has been at the forefront of efforts on climate change in particular. It is responsible for a significant proportion of global consumption, production, investment and trade, with important implications for environment and development in other parts of the world. It is the major source of development assistance.

5 As the process of globalisation advances, so the social and environmental interdependence between the EU and the rest of the world will accelerate. EU aid programmes continue to be significant as a means of supporting more sustainable development patterns, particularly for Least Developed Countries. The process of adjusting a number of EU internal policies, including transport, energy, enterprise, agriculture and fisheries has begun. It is important that decisions in Europe do not undermine environmental protection and development efforts elsewhere.

## **The EU Sustainable Development Strategy**

6 Since 1999, sustainable development has been an overarching objective of all EU policies. The EU now has a legal responsibility to ensure that environmental considerations become central to all its endeavours, at home and abroad, with a view to achieving sustainable development.

7 The framework for pursuing sustainable development in and by the EU is provided by the Sustainable Development Strategy, the first elements of which were adopted at Göteborg in 2001.

<b>The EU's Sustainable Development Strategy</b>
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At Göteborg in June 2001, Heads of State agreed to a first set of priorities for the EU's Sustainable Development Strategy. Central to the Strategy is the need to adopt a new approach to policy making, based on the principle that the economic, social and environmental effects of all policies should be examined in a coordinated way and taken into account in decision-making. "Getting prices right" so that they better reflect the true costs to society of different activities would provide a better incentive for consumers and producers in everyday decisions about which goods and services to make or buy.

The initial focus of the Strategy is on combating climate change, ensuring sustainable transport, improving public health and managing natural resources. Priorities for addressing global aspects of the EU's Sustainable Development Strategy were agreed at Barcelona and will be further developed at Seville in June 2002.

8 The Sustainable Development Strategy links to similar approaches in several Member States and to other EU 'building blocks' for sustainability. These include the 'Lisbon Process' designed to make the EU the most competitive and dynamic knowledge-based economy in the world, and the 'Cardiff Process' on integrating environmental issues into other areas of policy. The Sixth Environmental Action Programme will also play an important role, setting binding environmental objectives for the EU over the decade to 2010.

9 This new architecture provides a framework for adopting and implementing sustainable development policies in Europe. The challenge ahead is to deliver the new approach in practice, and to monitor change, using a growing suite of indicators being developed within the EU.

### **Enlargement – a major contribution to sustainable development**

10 The EU is currently preparing for the biggest enlargement in its history. By early 2004, up to ten new Member States may have joined the EU, creating enormous opportunities and challenges for sustainable development on the continent.

11 Enlargement could represent the EU's greatest single contribution to global sustainable development. But an enlarged EU will need to address economic and social disparities much greater than any faced by the EU in its history. It will be important to ensure that accelerated economic growth is resource efficient, maintains the rich biodiversity found in many of the new Member States, and provides strong social protection.

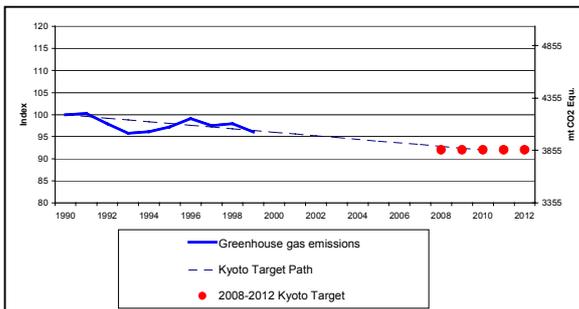
## 2 Managing the natural environment

### Climate change and energy

1 EU greenhouse gas emissions have decreased by 4 per cent compared to 1990 and are expected to stabilise at 1990 levels by 2010. Most of the reduction in emissions is a result of increases in energy efficiency, fuel switching and economic restructuring in the Member States. However, final energy consumption continues to increase and urgent efforts must be made to achieve the Kyoto target of an 8 per cent reduction below the 1990 level over the period 2008 and 2012.

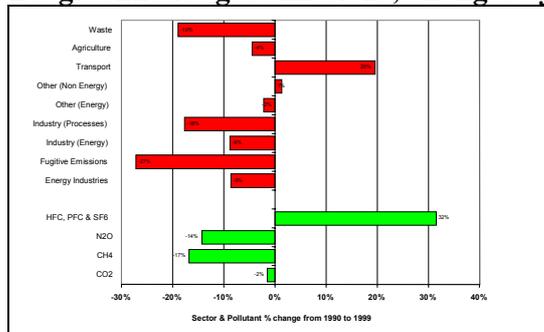
#### EU greenhouse gas emissions, 1990-1999

Source: EEA, Member States, UNFCCC, EU



2 Energy use by the transport sector has increased by 47 per cent since 1985, compared with 4.4 per cent for the remaining economic sectors [Signals, 2001]. The sector is responsible for the biggest increase of greenhouse gas emissions, in particular of carbon dioxide, and also of nitrous oxide. Without further action emissions from the transport sector are projected to rise by more than 30 per cent by 2010.

#### EU greenhouse gas emissions; changes by sector 1990-1999



Source: EEA, Member States, UNFCCC, EU

3 The energy efficiency of passenger transport has increased only slightly; freight transport shows no improvement. Improvements in technology have not been translated into overall energy efficiency gains as a result of changes in transport conditions and the split between different modes. Passenger transport continues to be dominated by cars (81 per cent of the total), but air transport is now the fastest growing mode. The share of road freight transport has grown at the expense of rail, contrary to the EU's objective of shifting towards more environmentally friendly modes. A crucial driver for this 'modal shift' has been the increasing price of rail and other public transport relative to the price of car travel.

4 The EU is fully committed to the Kyoto Protocol that has already been ratified by the EC and its Member States. The Kyoto Protocol is only a first step and more stringent reduction targets will be needed for the second Kyoto commitment period.

5 Meeting such commitments will require substantial improvements in energy efficiency, and a significant increase in the share of renewable energy. External costs associated with energy use and production need to be fully reflected in prices, for example, by phasing out subsidies to fossil fuel production and consumption, and agreeing a framework for the taxation of energy products by 2003. Industrialised countries will need to show the way in addressing climate change, while supporting the transfer of environmentally sound technologies to developing countries, for example, through the Clean Development Mechanism.

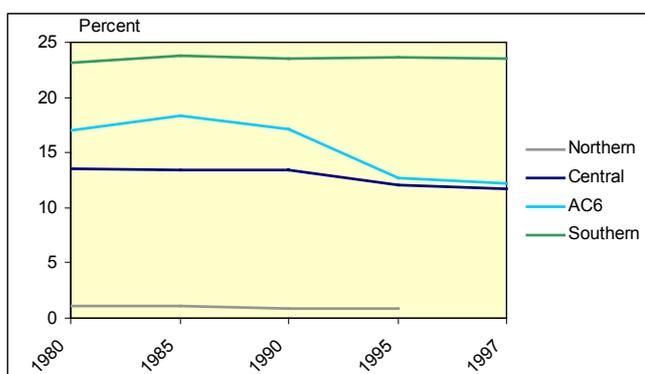
## Freshwater

6 EU water policy has led to important improvements in water quality over the last decade. The percentage of heavily polluted rivers in western Europe has fallen from 24 per cent in the late 1970s to 6 per cent in the 1990s. While there have been reductions in point sources of pollution, problems persist in relation to diffuse sources over much of the continent, with the agriculture sector the most important. Concentrations of nitrates and pesticides in groundwater still exceed EU drinking water standards.

7 The overall extraction of water resources in the EU is currently sustainable in the long-term. However, some areas may be facing unsustainable trends, especially in southern Europe where much improved efficiency of water use, especially in agriculture, is needed to prevent seasonal water shortages.

### Water use versus resources<sup>1</sup>

Sources: Eurostat, OECD, EEA



8 A new water framework Directive, adopted in December 2000, creates a comprehensive and co-ordinated framework for European water policy and for the protection of surface water and groundwater in the EU. It recognises that the issues of quality, quantity and availability of water resources need to be dealt in an integrated way, using a mix of measures, including public participation and an emphasis on saving water.

<sup>1</sup> Notes: the water exploitation index in a country is defined as the mean annual total abstraction of water divided by the long-term average freshwater resources. Country groupings: AC6 (Czech Rep. Lithuania, Poland, Romania, Slovak Rep., Slovenia), Central Europe (includes Switzerland but not Liechtenstein), Northern (includes Nordic countries apart from Denmark)

9 At a global level, clean water supply is likely to become one of the most pressing issues in the 21<sup>st</sup> century. In 1997, one third of the world's population lived in countries experiencing a shortage of water compared with consumption needs; this could rise to two thirds by 2025.<sup>2</sup> The EU will continue to support and promote the adoption of integrated water management in neighbouring and third countries, not least within the context of the 2002 World Summit.

## **Chemicals**

10 There has been increasing concern in the EU that chemicals policy needs improvement. The number of existing substances marketed in volumes above 1 tonne annually is estimated at 30,000. Approximately 2,500 of these are high production volume chemicals and for most the risks associated with their uses are not well understood. Some 140 have been identified as priority substances that need urgent attention and comprehensive risk assessment.

11 These and other concerns led to a White Paper on Chemicals Policy being presented in 2001. Among the central recommendations is a shift towards a unified EU regulatory system comprising Registration, Evaluation and Authorisation of Chemicals (REACH) for all chemicals. This would require registration of new as well as existing chemicals. The burden of proof regarding safety will be moved from public authorities to industry.

12 EU Heads of State and Heads of Government have endorsed the Commission's aim of having the legislation to implement the new chemicals policy in place by 2004. Within one generation it is hoped that chemicals will be produced and used in a way that does not pose a significant risk to human health and the environment. In the meantime, the emphasis needs to be placed on dealing with chemicals that pose the greatest risk, as well as ensuring that EU trade in chemicals does not have damaging impacts elsewhere in the world.

## **Biodiversity**

13 Assessments show that global biodiversity is decreasing faster than at any time in the past, with species decline and extinction occurring at an alarming rate. This is also true in Europe where, in some countries, up to 24 per cent of certain groups of species are now nationally extinct<sup>3</sup>. Overall, the decline of biodiversity in Europe is mainly due to intensive forms of agricultural and silvicultural land use, increased fragmentation of natural habitats by infrastructure and urbanisation, fisheries, tourism and water and air pollution.

14 Improved implementation of EU nature conservation legislation has been a priority in recent years but renewed efforts are needed to secure the conservation and sustainable use of biodiversity across the whole territory. This means ensuring that all relevant EU policies take full account of and support biodiversity objectives including those applying in Candidate Countries. EU consumption and production patterns have impacts further afield which need to be taken into account by ensuring coherence between biodiversity objectives and trade, agriculture and fisheries policies.

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<sup>2</sup> World Resources, 1998-1999

<sup>3</sup> UNEP Global Biodiversity Assessment.

15 EU Heads of State meeting in Göteborg in June 2001 committed to halting biodiversity decline, with the aim to reach this objective by 2010. Full implementation of the 2001 biodiversity action plans should make a major contribution to achieving this objective.

## Oceans

16 Although much of the responsibility for the marine environment rests with the Member States, the EU has progressively developed legislation on maritime transport, land-based pollution issues, and a range of broader measures that have maritime implications, such as agriculture, regional development and nature conservation policies. There is a body of law to manage EU fisheries and EU fishing vessels.

17 Emissions of PCBs, lindane, cadmium, mercury, lead, zinc and other substances in the marine environment have fallen since 1990 largely as a result of policy changes. Eutrophication of marine waters caused by excess nitrogen and phosphorus nutrient loads from human activities is still a major problem in many coastal areas. Significant quantities of oil are still entering the environment through accidental spills, although the annual total spilt from tankers in the seas around the EU appears to be decreasing. Oil discharges from offshore installations and coastal refineries have decreased during the 1990s, despite increased oil production, due to the application of cleaning technologies and waste water treatment.

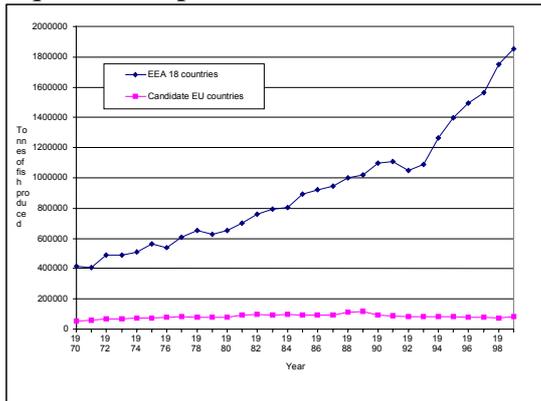
18 Continuous overfishing is putting European fisheries at high risk of collapse. It is also having impacts on other species and habitats. Many fish stocks of commercial importance in European waters appear to be outside safe biological limits: 44-47 per cent of commercial fish stocks in the North East Atlantic, 71 per cent in the North Sea, 20 per cent in the Baltic Sea, and 65-70 per cent in the Mediterranean Sea. Highly migratory species of tuna and swordfish are overexploited as well. Globally, 70 per cent of fish stocks offer no possibility for increased catches, including those in the Atlantic, the Centre East and Northeast Pacific, the Black Sea and the Mediterranean, areas where EU fishing occurs, and from which the EU market in fish and fish products is supplied.<sup>4</sup> Proper management of species is hampered by lack of data.

19 Between 1970 and 1999 there was a four-fold increase in annual aquaculture production within the EEA18, from 417,979 to 1,852,875 tonnes. This represents a potential increase in pressure on water and ecological quality in those waters affected. It is difficult to quantify this impact at a European or regional level due to lack of data.

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<sup>4</sup> FAO, 1998

## Aquaculture production in coastal and inland waters: EEA 18



20 The situation in Europe's seas and coasts is mirrored elsewhere in the world, despite the existence of numerous and long standing regional fisheries and environmental agreements and non-binding instruments. Improvements are likely to depend on better coordination between the various actors, institutions, and policies affecting the marine environment, using an integrated spatial or territorial approach, backed up by determined enforcement.

21 There is also scope for strengthening links between the global and regional UN bodies, and enhancing technical and financial capacity at the regional level to support the take up of integrative management approaches. Extended stakeholder involvement in regional bodies is a key issue, the regional advisory councils being developed under the Common Fisheries Policy (CFP) are an example.

22 In May 2002, the Commission submitted a proposal to reform the Common Fisheries Policy. The main features of this proposal include the establishment of fishing quotas within a multi-annual plan on the basis of the most recent scientific advice, ending public aid for introducing new fishing vessels and increased assistance for the restructuring of the sector, tougher sanctions and reinforced controls, stronger international co-operation to achieve sustainable fisheries beyond EU waters through an action plan against illegal fishing, and a strategy for EU fisheries development partnerships with third countries.

## Agriculture

23 Agriculture and forestry cover over three-quarters of the territory of the EU, and there is a considerable degree of interdependence between agriculture and the conservation of the environment and natural resources across the great diversity of land uses and environmental values in regions from the Mediterranean to the sub-Arctic.

24 'Eco-efficiency' in farming is improving, but less quickly than in other sectors partly because of the increasing specialisation. The proportion of mixed farms fell from 27 per cent to 18 per cent in the decade to 1997. Many of the environmental pressures stem from intensification in the use of land, fertilisers, pesticides, energy and water. Use of some inputs, such as inorganic nitrogen fertiliser has stabilised in most regions but the overall nitrogen surplus on agricultural land remains a serious problem causing nitrate pollution of ground waters and eutrophication of aquatic ecosystems. Measures to improve water quality are in place but it has proved more difficult to address the pressures on wildlife and cultural landscapes, well illustrated by the decline in farmland bird populations. Soil erosion and declining fertility are a concern in several regions, particularly in southern Europe.

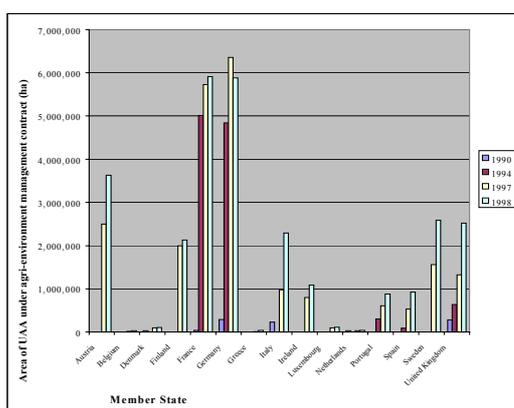
25 Many European cultural landscapes and a range of species depend on appropriate, often quite traditional, management of farmland and semi-natural habitats. Such management is becoming uneconomic over large areas and threats arise from the marginalisation or abandonment of farming activities, particularly in regions where extensive systems predominate.

26 A range of measures to support sustainable agriculture and rural development has been put in place, notably via agri-environment schemes which covered 20 per cent of EU farmland by 1998. The area under organic production is increasing rapidly. Recent reforms of the CAP have had a further positive impact on the rural environment and support for rural development measures is growing. However, it still only represents about one tenth of the CAP budget and there is scope for substantially greater funding of agri-environment measures. Shifting further resources away from market and production support to rural development and agri-environment measures is widely seen as essential to the future development of the CAP.

27 The European Commission tabled a mid-term review of the EU's Common Agricultural Policy (CAP) in mid-July 2002. The Commission is of the opinion that public expenditure for the farm sector must be better justified. Besides supporting farming incomes, it must yield more in return regarding food quality, the preservation of the environment and animal welfare, landscapes, cultural heritage, or enhancing social balance and equity. The review will free farmers from red tape, encouraging them to produce at high standards for the highest market return, rather than for the sake of the maximum possible subsidy. For European consumers and taxpayers, the review will ensure better value for money. To achieve those goals, the Commission proposes 1) to cut the link between production and direct payments, 2) to make those payments conditional to environmental, food safety, animal welfare and occupational safety standards, 3) to substantially increase EU support for rural development via a modulation of direct payments with the exemption of small farmers, 4) to introduce a new farm audit system, 5) new rural development measures to boost quality production, food safety, animal welfare and to cover the costs of the farm audit.

### Area of farmland under agri-environment contracts in EU Member States

Source: European Commission<sup>5</sup>



### Towards further integration

<sup>5</sup> European Commission (2001) *The agricultural situation in the EU - 1999 report*. Luxembourg: European Commission; European Commission (1993) *The agricultural situation in the EU - 1992 report*. Luxembourg: European Commission.

28 Environmental legislation has raised standards in most spheres over the last decade but the weight of pressures, from urban sprawl to over-exploited fisheries underlines the importance of the challenges. Integrating environmental concerns within economic activities and policies remains a priority, at national, EU and international levels.

29 Significant progress has been achieved including in the areas of transport, energy and agriculture. Nevertheless, there is a need to go further. The introduction of economic instruments to ensure that prices and decisions adequately reflect social and environmental costs is one priority. The Cardiff Integration Process and other mechanisms have created a structure which needs to be taken forward with vigour if real benefits are to accrue in relation to the natural environment.

30 The territorial dimension needs to be strengthened at the same time. Recent initiatives, notably the water framework Directive and the strategic impact assessment Directive, provide a good basis for improving integrated spatial planning within the EU. Other initiatives such as Integrated Coastal Zone Management and the European Spatial Development Perspective require voluntary implementation in the Member States. The EU is now able to re-evaluate its position on spatial planning more widely, bringing together the lessons learned.

### **3 Creating the conditions for sustainable development**

#### **Improving governance**

1 Establishing better systems of governance is an essential condition for advancing sustainable development both within the EU and internationally. Ways of improving openness, participation, accountability, effectiveness and coherence of policy making have been the subject of an EU-wide consultation based on the Commission's White Paper on European Governance. At the same time, steps to enhance public participation in the implementation of a range of environmental directives will soon come into effect to implement a major element of the Århus Convention concerning access to information, public participation and access to justice.

2 Good governance requires awareness of the broader international and the internal implications in determining domestic policies. Failure to do so in the past has played a part in widening the gap between poor and rich, and in inflicting environmental damage both within countries and internationally. Accordingly, a system of sustainability impact assessment (SIA) for all major Commission policy proposals will be introduced in the EU before the end of 2002. In its own co-operation assistance, the EU has pledged to extend environmental integration into individual Country Strategy Papers. It is also committed to improving coherence between, on the one hand, development policies, and on the other, trade, agriculture and fisheries policies.

3 At international level, the EU has made a major contribution to better global governance through the launch of the Doha Development Agenda. This seeks to integrate issues of environment, health, social development and capacity building into trade liberalisation initiatives.

4 The EU has stressed the importance of governance being addressed at the World Summit. More coherent and integrated international environmental institutions are needed where all countries can participate on an equal basis, and with the capacity, authority and

credibility, and financial resources to effectively address wide-ranging sustainability threats.

5 Better co-operation is also needed between the World Trade Organisation, international environmental organisations and the International Labour Organisation. Within the context of UN reform, co-ordination among its various bodies, and between the UN Organisation and other international institutions, will need strengthening.

### **Financing sustainable development**

6 Although good governance and the right mix of policies are essential for achieving sustainable development, even the best planned national policies may have a limited impact due to lack of funds. Unsustainable debt burdens, for example, drain resources needed for public services vital to poverty reduction. In Africa, external debt tripled between 1980 and 2000. Official Development Assistance (ODA) and international initiatives such as the Highly Indebted Poor Countries Initiative (HIPC) remains critical to support the efforts of developing countries, particularly the poorest ones.

7 The Community and its 15 Member States provide around 55 per cent of global public aid to developing countries. A range of EU programmes is targeted at different geographical regions, but the largest share of Community assistance for the past 25 years has been focused on what are now seventy-one African, Caribbean and Pacific (ACP) States, through a succession of programmes agreed under the Lomé Convention. This has now been succeeded by a new 20-year agreement - the Cotonou Agreement - signed in June 2000. This provides increased financial resources and more effective delivery mechanisms.

8 There has been progress in the way assistance is devolved but the EU has failed to meet the global 0.7 per cent of GNP target for ODA. ODA from the EU Member States averaged 0.34 per cent of GNP in 1998. EU Heads of Government at Göteborg in June 2002 reaffirmed the EU's commitment to reaching the 0.7 per cent target as soon as possible. As an intermediate target, all individual EU countries are to reach a minimum level of 0.33 per cent by 2006 (which will bring the average EU level to 0.39%). While the EU's performance is significantly below the target, it should be noted that average ODA from non-EU donors is 0.18 per cent.

9 As well as calling for concrete efforts to meet the 0.7 per cent target, the March 2002 UN International Conference on Financing for Development in Monterrey (Mexico) called for the development of new and additional financing mechanisms. The EU is actively contributing to the debate on such mechanisms. It is also considering the further untying of Community and Member State development aid.

### **Capacity building and technology transfer**

10 The use of innovative environmental technologies helps to decouple environmental pollution and resource use from economic growth, allowing economies more scope to grow in the long-run while still respecting environmental limits. This is central to sustainable development. Integrated ' technologies that reduce pollution during the production process; new materials; energy and resource efficient production processes; environmental know-how and new ways of working are all examples. The development within the EU of eco-industries and the dissemination of expertise can help

third countries 'leap-frog' technology levels through learning from the EU's experience - and mistakes.

11 Within the EU, different policy strands such as the Structural Funds and the 4<sup>th</sup> and 5<sup>th</sup> Research Programmes have played a major role in developing and transferring technology between Member States. In relation to developing countries the provision of equipment and training is the main feature of EU aid programmes on the transfer of technology. Joint research initiatives with developing countries on new technological tools are also funded. In parallel, many technology transfer initiatives have also been undertaken in the Accession and NIS Countries through the principal financing programmes, including PHARE and TACIS.

12 To realise the full potential of environmental technologies, both within the EU and third countries, the Commission has proposed to develop an Action Plan during 2002 in conjunction with a wide range of stakeholders.<sup>6</sup> This will survey promising technologies that could address the main environmental problems; identify market and institutional barriers preventing their development and use; and develop a targeted package of measures to address them, building on existing instruments.

### **Information, education and science**

13 Effective environmental protection and sustainable development policy requires a very wide range of data and information. The availability of such data in Europe has dramatically improved since 1992, due to major investments in the infrastructure of data collection and to improved information dissemination and packaging to make it more easily accessible.

14 Work by Eurostat (the Statistical Service of the European Commission) has laid the basis for a better use of the existing statistical system for sustainable development policy needs, focusing on environmental indicators, sectoral and economic aspects, satellite accounts and monetary valuation of environmental externalities. The creation of the European Environment Agency (EEA) is also a major advance, providing objective, reliable and comparable environmental information at a European level, as a basis for the development of sound and effective environmental policies. It is also charged with ensuring that the public is properly informed about the state of the environment. The membership of the EEA has been expanded and now includes 31 countries.

15 Scientific research and technological development (RTD) is essential for the development of effective policies to address the challenges of public health, environmental protection and efficient resource management. However, high level research is increasingly complex, interdisciplinary and costly, requiring a constantly increasing 'critical mass'. The EU has played an active role in helping to set research priorities, and encourage collaboration between networks of scientists across the EU, the Accession Countries and beyond. The principal vehicle for this has been a series of five-year EU Research Framework Programmes. The current, 5<sup>th</sup> Framework programme, with a budget of EUR 14.9 billion, runs until the end of 2002.

16 Education and training activities are supported through several measures covering different aspects of sustainable development. Through programmes such as the Socrates,

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<sup>6</sup> Commission of the European Communities: Environmental Technology for Sustainable Development COM (2002) 122 - 13.3.2002.

Leonardo da Vinci and Tempus, students have been encouraged to study in other Member States, and universities and education institutions to establish networks with equivalents in third countries. Significant educational work has also been supported in developing countries, contributing to encouraging developments in primary education where enrolment is now growing in most regions. The gap between girls' and boys' enrolment is also narrowing and adult literacy has improved during the 1990s.

### **Next steps – a new approach to policy-making**

17 Sustainable development within the EU and at global level depends upon developing more effective, coherent policies which mobilise the commitment of citizens and business. Policy makers in all sectors need to identify likely spill-overs - good and bad - affecting other policy areas and take them into account, identifying 'win-win-win' solutions where possible. The EU must also ensure that it takes full account of any negative impacts of policy decisions, whether these impacts occur outside or within the EU.

18 By the end of 2002, the Commission will have developed a system of sustainability impact assessment (SIA) which should make a major contribution to improving policy coherence. This will need to incorporate a more open approach to policy-making based on wide ranging consultation of stakeholders. In this way, necessary trade-offs between competing interests can be better identified, and popular 'ownership' of the goal of sustainable development strengthened.

19 Much more needs to be done to give the right price signals to consumers and businesses, especially by removing public subsidies that encourage the wasteful use of natural resources, but also by securing environmental taxes and charges, and enforcing appropriate social and environmental standards. At the same time, a greater investment in science and technology is required to advance the development of green technologies that simultaneously support economic growth while reducing its environmental impact.

#### **4 Strengthening people's roles**

1 The EU has seen a progressive strengthening in the involvement of social groups in EU affairs, based on changes to the EU Treaties, the introduction of new approaches to the way policies are developed, and by giving greater emphasis to partnerships in the delivery of EU regional and external development programmes. A new EU Charter of Fundamental Rights also sets out citizens' rights to information and participation although it has not been formally incorporated into the EU Treaties.

##### **Public Participation under the Århus Convention**

The EC and its Member States played leading role in developing the 1998 UN Economic Commission for Europe Århus Convention which introduces rights for citizens to access information, to participate in decision-making and to seek access to justice should these rights not be respected. Significant progress has been made towards implementing the Århus Convention at the EU level although additional work is needed, particularly on access to justice, before the EC is in a position to ratify the Convention.

The Århus Convention has the potential to support much improved 'good governance' in Europe and north America; the suitability of developing similar agreement covering other regions of the world should be explored.

##### **Action for women, children and youth**

2 Considerable progress has been made in the area of gender equality since the Fourth World Conference on Women held in Beijing in 1995. At EU level, gender equality has subsequently been transformed into a central feature of EU policy-making in all sectors. In practice, however, women and men in the EU do not enjoy equal rights. For example, the gender pay gap is still considerable, with an average 14 per cent difference in pay between men and women across the Member States.

3 Gender issues are being introduced across all areas of cooperation with the African, Caribbean and Pacific countries (under the Cotonou Agreement) and the Euro-Mediterranean Partnership. More concerted efforts are needed to raise gender issues within the EU's international relations, ensuring that gender equality is actively promoted throughout the EU's activities. Strengthened autonomy and power for women must also be made a priority in improving governance at the national level.

4 Work on education, vocational training and youth has continued throughout the 1990s, including adoption of a Youth Programme in April 2000. The need for a more strategic and comprehensive cooperation at European level in the area of youth has been recognised and the Commission is consequently preparing a White Paper on Youth.

##### **Engaging young people in green issues**

The Commission's 'Green Week' in 2002 had a strong focus on children, with groups of schoolchildren and young people actively participating in the event. Throughout the week, there was a broad range of activities, ranging from environmental treasure hunts and musical shows, to creative workshops. At a special Youth Environmental Council of Ministers, student delegations from educational institutions across the EU were able to express their views on environmental topics that are currently being debated by EU environmental ministers.

5 The Commission supports children's rights directly and indirectly, particularly through its poverty eradication efforts and humanitarian activities. Nevertheless, it is recognised that much still needs to be done to secure universal implementation of the 1990 Action Plan adopted at the World Summit for Children. With the almost universal ratification of the UN Convention on the Rights of the Child, poverty and environmental constraints arguably pose the greatest challenges to enhancing the development, welfare and protection of children throughout the world.

### **Civil Society Organisations**

6 The partnership between the European Commission and non-governmental organisations (NGOs) has considerably deepened over the last twenty years, leading to stronger dialogue on EU policy making and implementation, and project and programme management. This applies equally to NGOs active within the EU and those active in EU partner countries. As the importance of EU policy has grown, so has the number of national NGOs creating or joining European associations and networks.

#### **NGOs as actors implementing EU programmes and projects**

Approximately 15 per cent of the overall funding envelope for development cooperation - as much as EUR 1 billion per year - is channelled through NGOs. A proportion of this funding is used to co-finance NGO activities, an area receiving increased support since the Rio Conference. The annual budget, which was ECU 110 million in 1992, reached ECU 174 million in 1998. In 1998, ECU 152 million went to 575 projects in developing countries co-financed by European NGOs and their partners. An additional ECU 18 million went towards 142 projects in order to increase public understanding of development issues in Europe.

While the co-financing budget is the flagship of the EU's relationship with NGOs, the organisations are also essential partners in the implementation of humanitarian aid (ECU 308 million), food aid (ECU 132 million), rehabilitation, human rights and other programmes.

7 Employers and employees play an important role in the development of EU Policy, in both formal and informal consultations with the European Commission. Consultations are facilitated by the presence of strong representative groups operating at the European level. Since 1999, the social partners also have a stronger role in initiating and concluding agreements. Dialogue is perhaps most limited in relation to employers and employees of small and medium sized enterprises (SMEs).

### **Next steps - strengthening and broadening partnerships**

8 Significant progress has been made in terms of public access to information and participation, typically involving the Commission although often on an informal or ad hoc basis. Participation in Council affairs is virtually non-existent. There is consequently scope for improvement, not least to comply with the Århus Convention.

9 The Commission White Paper on European Governance (July 2001) seeks to get more people and organisations involved in shaping and delivering policy. It includes proposals for wide-ranging consultation of stakeholders from within and outside the Union. The challenge is to design practical methods to secure widest participation, while at the same time ensuring participation is meaningful.

10 Overall, the emphasis must be on creating new partnerships, strengthening relationships between the EU institutions and different stakeholder groups, but also between the groups themselves. The prospect of an additional 10 countries joining the EU

over the next few years throws up new challenges, not least due to the relatively limited existence of civil society organisation in many Accession Countries.

## **5 Building Global Sustainable Development**

### **Trade and Investment**

1 Although economic globalisation through trade has accelerated, many of the conflicts that existed in 1992 are often still present. Benefits to developing countries of trade liberalisation have been uneven and virtually all of the policy challenges regarding trade and sustainable development remain unresolved.

2 Since 1992, the importance of aid compared to trade and private capital flows has declined. Trade is now by far the most important link between developed and developing countries, showing considerable growth in the nineties. Environment and development interdependencies between developed and developing countries have also increased, reflecting changes in financial flows, as well as ‘spill-over’ effects from policies on agriculture, fisheries, environment, public health, consumer protection, etc. As globalisation proceeds, ensuring appropriate EU trade relations, as well as internal policies, is more critical than ever in the drive for sustainable development.

3 The EU has entered into regional arrangements with preferable terms of trade for developing countries, the most comprehensive being the 2000 Cotonou Agreement with Africa, Caribbean and Pacific (ACP) countries. The EU also introduced its ‘Everything But Arms’ initiative allowing most goods and services from least developed countries to be exported to the EU without import duties. The EU’s Generalised System of Tariff Preferences has also gradually been strengthened in order to stimulate least developed country exports to the EU.

4 In Doha, members of the WTO agreed an agenda which would seek to integrate developing countries more effectively into the global trading system. The inclusion of talks on a range of issues, such as improved market access, and special and differential treatment for developing countries, should ensure that trade supports, rather than undermines, sustainable development. The EU is committed to constructive negotiations in these and other aspects of the Doha Agenda.

5 By virtue of its strong links with developing countries, as well as its credibility in developing international environmental policy, the EU should continue to press for international trade and environment agreements to be mutually supportive, while strengthening the role of environmental bodies such as UNEP. Developing country concerns and interests also need to be taken into account when developing or revising EU policies.

6 New areas of liberalisation, such as services and investment, should not undermine national efforts to achieve sustainable development. Export Credit Agencies and the European Investment Bank should play an explicit role in securing the strong environmental and social performance of EU investments. Corporate social responsibility (CSR) can also play an important role in advancing sustainable development. A new strategy on CSR proposed by the European Commission in July 2002 calls for a new social and environmental role for business in a global economy and sets up a “European Multi-Stakeholder Forum” to exchange best practice, to establish principles for codes of conduct and to seek consensus on objective evaluation methods and validation tools such as “social labels”.

## Poverty

7 Combating poverty is a major priority for the EU, both internally and within international discussions, and the EU is fully committed to the UN Millennium Target of halving poverty by 2015. This is an opportunity to improve living conditions and to fight environmental problems. Many environmental problems are caused by lack of social equity and, vice versa, many environmental problems hinder poverty reduction and economic development.

8 In practice, the number of people living in absolute poverty has continued to rise globally: one person in five lives on less than one dollar a day. For example, in sub-Saharan Africa, 46 per cent of people live on less than a dollar a day. Heavily indebted poor countries are of particular concern: per capita GNP has declined since 1992, mostly as a result of decreasing export earnings, slow growth and expanding populations.<sup>7</sup>

9 The unequal distribution of income has also worsened. In 1960, the world's richest 20 per cent had an income 30 times higher than the 20 per cent poorest, rising to 82 times higher in 1995.<sup>8</sup> Within the EU, some 61 million people (17 per cent of all EU citizens) were living under the poverty line in 1996.<sup>9</sup>

10 Poverty and poverty eradication is now central to the EC's 1999 Development Policy, where it is being pursued with renewed rigour. Great effort will be needed to reach the UN Millennium target of halving, by 2015, the proportion of the world's people (currently 22 per cent) whose income is less than one dollar a day. A report by the World Bank and the International Monetary Fund suggests that reaching the target will require a doubling of Official Development Aid. Others have estimated that ODA will need to be multiplied by four.

## Health

11 At the global level, millions of people lives are destroyed each year by malaria, HIV/AIDS and other infectious diseases. Public health is also an important issue on the European agenda, as highlighted by the BSE and dioxin crises, as well as the re-emergence of diseases such as tuberculosis.

12 In the EU, life expectancy and infant mortality have improved since 1960, and maternal mortality has also fallen. In Accession Countries, infant mortality rates have also fallen considerably between 1960 and 1998.

13 As a result of AIDS, life expectancy in developing countries did not improve in the 1990s, averaging 65 years both in 1993 and 1997. For example, Africa has the lowest life expectancies in the world and in 1998 African female and male life expectancies were 52.8 and 50.0 years, respectively.<sup>10</sup>

14 In order to address all aspects of public health, the EU has taken a general approach focusing mostly on the dissemination of information and exchange of experience, enlargement and the integration of health protection into other policies. More

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<sup>7</sup> Commission Communication on Ten years after Rio: Preparing for the World Summit on Sustainable Development in 2002, COM(2001)53

<sup>8</sup> UNDP Human Development Report, 2000

<sup>9</sup> See Eurostat, *European Community Household Panel. S - 1997 Living Conditions Survey*.

<sup>10</sup> UN Population Fund, 2000

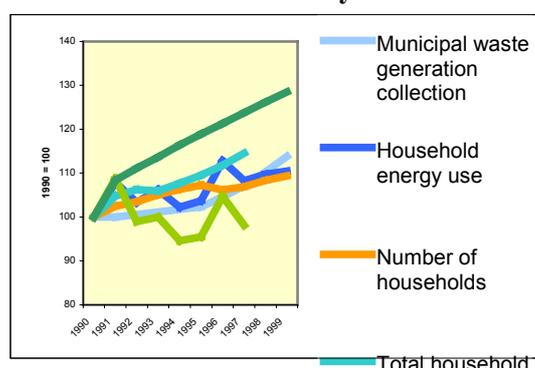
targeted measures are used to address cancer, AIDS, drug addiction, mental health and communicable diseases.

15 The EU's health policy towards developing countries is now part of the 'HAP' policy addressing Health, AIDS, Population and Communicable Diseases. EU health funding is partly provided by the European Development Fund (EDF), under co-operation with Asia and in the Euro-Mediterranean Partnership. Health is also covered by Thematic budget lines which have been used to support key policy and strategy development work in AIDS, the support of which increased up to EUR 15 million in 1997. In the period up to 2002 the Commission has also committed EUR 120 million (EUR 60 million committed by the end of 2001) to the Global Health Fund (covering aids, TBC and malaria).

### Consumption and production

16 The issue of sustainable consumption and production in and by the EU is gaining in political importance, and is perhaps the single greatest challenge facing the EU's transition towards sustainable development. There have been some positive trends in consumption patterns in the EU. The use of energy per dwelling, for example, has fallen slightly in northern European countries. However, in general the level and intensity of consumption has risen. Material consumption by the EU has increased by 7 per cent between 1980 and 1997.<sup>11</sup> The use by the EU of non-EU 15 resources increased by 11 per cent between 1995 and 1997.<sup>12</sup>

### Indicators of eco-efficiency of the household sector



Sources: EEA and Eurostat

17 At the Göteborg Summit in June 2001, all 15 EU Heads of State and Government agreed that the relationship between economic growth, the consumption of natural resources and the generation of waste must change. Strong economic performance must go hand in hand with sustainable use of natural resources and levels of waste. The importance of 'getting prices right' was also underlined, so that prices better reflect the true costs to society of different activities, providing a better incentive for consumers and producers in everyday decisions about making or buying goods and services. In order to bring consumption into line with the carrying capacity of the environment, progress is needed on decoupling resource use from economic growth through significantly improved resource efficiency, dematerialising the economy, and waste prevention.

<sup>11</sup> Eurostat, Measuring Progress Towards a Sustainable Europe – Proposed Indicators for Sustainable Development, Luxembourg 2001

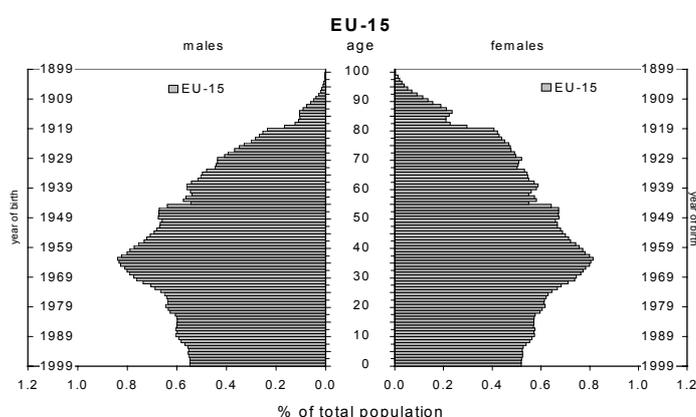
<sup>12</sup> Bringzu, Stefan and Schuetz, Helmut 2001: Total material requirement of the European Union, EEA: Copenhagen, p. 6.

18 An important element of the Community's work on resource use must be to strengthen policies to reduce the global impacts of consumption by EU Member States and candidate countries, and to ensure a more equitable sharing of consumption between the world's richest and poorest countries. In the first instance, this calls for better understanding of the EU's global resource use, including 'hidden flows' involved in the production of exports for the European market.

### Demography and Migration

19 In the EU there has been a significant fall in birth rates, and the proportion of the population over 60 years old is increasing. Similar age structures in population are also found in many Accession Countries.

### The EU Population's Age Structure



20 The ageing population and relatively constant population size of the EU contrasts sharply with major population increases and 'youthful' populations of developing countries. World population has reached 6 billion and is expected to reach 7.5 billion by 2015, peaking at around 9 billion in 2050. Nearly all of this growth will take place in developing countries and, even at present consumption levels, immense efforts will be required to satisfy people's needs.<sup>13</sup> Multiplying current environmental impact by 1.5 will exceed all measures of carrying capacity.

21 The EU supported the approach taken at the 1994 Cairo Conference on Population and Development. It has committed more than EUR 780 million in line with the Cairo objectives and current annual funding is over EUR 200 million. EU priorities in the field are to enable women, men and adolescents to make a free and informed choice about the number and spacing of their children, and to help develop or reform health systems in order to improve accessibility and quality of reproductive health care.

22 Population issues in developing countries continue to present major challenges and while significant budgets have been allocated to this, lessons should be learnt from current project implementation to ensure that these funds are used efficiently, and that more funds are made available. It is also important to ensure continued co-ordination and collaboration with other international donors addressing this issue (eg the US and World Bank), with a view to reaching the \$5.7 billion goal for international aid set out in the 1994 Cairo Programme of Action on Population and Development.

<sup>13</sup> GEO 2000, UNEP 1999

## Human Settlement

23 Current population trends mean that it is essential to improve the sustainability of cities, both for the health and well being of their own inhabitants and in the impacts that they have on neighbouring (and indeed global) environments. Major pressures such as pollution, crime, poverty, etc are characteristic of many urban areas and initiatives must be addressed across many policy fronts.

24 While urbanisation continues within Europe, much of the trend that is being seen in other parts of the world occurred within Europe over the previous two centuries. Some 70 per cent of the population of Europe is urban and urban areas account for about 25 per cent of the EU's territory. World-wide, the number of mega-cities with more than 8 million inhabitants rose from 2 in 1950 to 23 in 1995, of which 17 were in developing countries. In 2015, that number is expected to increase to 36.

25 The EU itself has limited competence in developing integrated urban policies, although individual policies on air pollution, transport, etc are highly important. It has also helped to stimulate a range of innovative projects and initiatives to support implementation of Local Agenda 21, including high profile events such as the European Car Free Day. The European Sustainable Cities & Towns Project, initiated in Ålborg, Denmark in 1994, and its constituent elements represent a good example for use in other geographical regions. These EU initiatives have contributed to a situation whereby over 4,000 European municipalities, local and regional authorities are engaged in a Local Agenda 21 process of some description.

### **The European Car Free Day**

This is perhaps the highest profile local authority initiative, aimed at organising an annual day without cars. 1,000 cities across Europe participated in the second annual 'European Car Free Day' on 22 September 2001, closing part of their territory to car traffic for the day. The Car Free Day provides an opportunity to raise awareness and understand the objectives of environmental action on such issues.

26 The challenge of creating sustainable urban settlement will exist for years to come and requires rigorous attention at international level. Changing demography and life style expectations will place greater strains on resource use and waste management. An immediate priority is to increase the capacity of city and municipal governments and to channel more support to local projects and organisations. Strategies to enhance urban sustainability need to take account of the debate on the future of the rural economy.