

# “Sustainable Development goes Mozart”

## Conference Proceedings

of the

European Sustainable Development Network  
ESDN Conference 2006

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prepared by

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## ***Executive Summary***

The European Sustainable Development Network (ESDN) Conference 2006 was held in Salzburg on 1-2 June 2006 during the Austrian Presidency of the EU Council. The fifth conference in a series of similar events was jointly hosted by the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management and the Environment Department of the Province of Salzburg.

The aim of the annual ESDN Conferences is to facilitate the exchange of experiences and knowledge between public administrators responsible for SD strategies, NGOs and selected research institutes. In total, about 120 participants from the above mentioned institutions participated at the ESDN Conference 2006 in Salzburg.

The two major topics of the Conference were (a) the European Union Sustainable Development Strategy (EU SDS) and (b) the experiences made in the Member States (MS) with evaluating and peer reviewing SD strategies. The topics were subject to keynote presentations, in-depth working group discussions, and a poster session displaying good practice examples. The main conclusions of the working group discussions can be summarized as follows:

### **a) The EU SDS process:**

- The participants acknowledged that the Austrian Presidency made important progress regarding the EU SDS process.
- Vertical integration of the various levels of government was identified to be one of the major issues and challenges for the future. A common vision and a clear definition of responsibilities between the levels of government were seen as important issues for further progress.
- The link between the EU SDS and the Lisbon Strategy was discussed extensively. Because the Lisbon Strategy was identified as the main driver for EU policy-making, a stronger integration of the renewed EU SDS and the Lisbon process was called for.

### **b) Evaluating and peer reviewing SD strategies:**

- There is increasing experience with evaluating and peer reviewing SD strategies in the EU MS. Although different methods have been used in the evaluations conducted so far, the necessity to monitor progress of SD strategies was acknowledged by all actors.
- There was a common agreement among the participants that scientific evaluations and peer reviews should not be used exclusively, but in combination because both have their advantages.
- Some important requirements for a successful evaluation process were identified: clear priorities, objectives and time frames have to guide an evaluation/review (in particular because an evaluation cannot assess an entire SD strategy process but only aspects thereof); the evaluation/reviewing methods should be discussed in advance; multiple feedback loops should facilitate the political impact of an evaluation/review and guide the renewal of a strategy process.

For a comprehensive documentation of the ESDN Conference 2006 (Programme, Discussion Paper, slides of keynote presentations, posters of the working groups on the EU SDS, photos etc.), please visit the ESDN homepage at [www.sd-network.eu](http://www.sd-network.eu) and go to the 'ESDN Conferences' section.

## 1. Introduction

The European Sustainable Development Network (ESDN) Conference 2006 was held on 1-2 June 2006 in Salzburg as event of the Austrian Presidency of the EU Council. The Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management, and the Environment Department of the Province of Salzburg jointly hosted it.

The conference was the fifth in a series of similar events. Previous ESDN Conferences were held in The Hague (2002), Vienna (2003), Kinsale (2004) and Windsor (2005) (for a documentation of all conferences go to the ESDN Conferences section at [www.sd-network.eu](http://www.sd-network.eu)). The aim of the annual ESDN conferences is to facilitate an exchange of experiences and knowledge among coordinators of SD strategies and policies from the regional, national and EU level, experts from National Councils for Sustainable Development, members of the SD working group of the European Environment and Sustainable Development Advisory Councils (EEAC), NGOs and selected research institutes. So far, the conferences made use of numerous formats. Good practices were exchanged in presentations and poster exhibitions, major challenges were discussed in-depth in working groups, and the results of the events were documented in conference proceedings. The ESDN Conference 2006 in Salzburg built on this tradition and the experiences gained at previous networking events.

Because the European Council was scheduled to adopt a renewed **EU Sustainable Development Strategy (EU SDS)** in mid June 2006, the EU SDS and the challenge of vertical integration between the EU SDS and national as well as sub-national SD strategy processes was a major topic of the conference. The discussion was based on the draft EU SDS that was still under negotiation. A chronology of the key events and documents leading the way to the renewed EU SDS is provided in the first ESDN Quarterly Report at the ESDN website ([www.sd-network.eu/?k=quarterly%20reports](http://www.sd-network.eu/?k=quarterly%20reports)).

Monitoring, evaluation and peer review mechanisms are the basis for coherent and self-reflective strategy and policy-making processes in a knowledge-based society. All three mechanisms provide feedback loops that are vital for improving SD strategy processes in terms of both governance arrangements and policies. Therefore, current developments regarding **evaluating and peer reviewing SD strategies** were the second major topic of the conference.

Like the previous events, the ESDN Conference 2006 made use of different methods and formats of interaction: The EU SDS and current developments in evaluation and peer review processes were subject to keynote presentations and small working group discussions, which built on a Discussion Paper prepared by the ESDN Office (see the documentation of the ESDN Conference 2006 at [www.sd-network.eu](http://www.sd-network.eu)). Good practice examples from different MS were displayed in a poster session. Finally, the issue of how to develop the ESDN further was addressed in a note circulated during the conference and discussed by all participants in the concluding session.

Supporting documentation of the ESDN Conference 2006, including:

- The Conference Programme
- A Discussion Paper that provided guidance for the working group discussions;
- Slides of the keynote presentations and
- The posters documenting the results of the working group discussions

is available on the ESDN homepage at [www.sd-network.eu](http://www.sd-network.eu).

## **2. Welcome addresses**

**Elisabeth Freytag** and **Wolfram Tertschnig** (both from the Austrian Ministry of Agriculture, Forestry, Environment and Water Management), the chairs of the ESDN Conference 2006, welcomed the participants of the conference by highlighting the key aspects of the event. Wolfram Tertschnig also highlighted that the potential for learning is an opportunity for networks, and that the ESDN is understood as a network that facilitates learning from exchanging experiences and knowledge between a broad variety of experts.

**Gabi Burgstaller**, Governor of the Province of Salzburg, pointed out the importance of vertical integration in the concept of SD and that the principle implies that the regional and local levels of government need to be involved in SD governance and policy making. Currently, globalization is one of the major challenges. She argued that SD can be an important answer to the challenges of globalization, but that SD must take place at the local level or it does not take place at all. She mentioned that Local Agenda 21 (LA21) processes play an important role in this respect, and that approximately 350 Austrian municipalities have LA21 initiatives in place. She also mentioned that the Province of Salzburg embraces SD in its policy-making process, for example by supporting the “Global Marshall Plan” initiative.

## **3. The EU Sustainable Development Strategy**

The session about the renewed EU SDS consisted of (a) a keynote presentations by Elisabeth Freytag (Austrian Ministry of Agriculture, Forestry, Environment and Water Management) and Ernst Ulrich von Weizsäcker (University of California, Santa Barbara) and (b) a break-out session including nine working groups which were clustered around geographically defined groups and thematic questions. This section summarizes the keynotes and documents the working group discussions based on the notes of the rapporteurs.

### **a) Keynote presentations**

**Elisabeth Freytag** from the Austrian Ministry of Agriculture, Forestry, Environment and Water Management outlined the process leading to the renewed EU SDS. Since the Commission issued a draft communication for a renewed EU SDS in December 2005 that served as a basis for discussion and negotiation, it was up to the Austrian Presidency to tackle this issue. In order to create ownership in different policy fields, the Austrian Presidency invited several Council formations to be involved in renewing the EU SDS.

She pointed out that the aims of the Austrian presidency were to stimulate broad political discussion, show that SD creates more chances than obstacles, involve the highest political level and to develop an EU SDS as a single, coherent and readable document that is adopted by the European Council in its Presidency Conclusions.

She described the institutional set-up at the Council level as follows:

- The “Friends of the Presidency” group was established as Council Working Group (comprising all MS and the Commission) and discussed the renewed EU SDS in two phases between February and May 2006;
- Political debates took place in 10 Council formations between March and June 2006;
- Other EU institutions (e.g. European Parliament) and stakeholders (e.g. EEB, Economic and Social Committee, etc) were involved in the discussion.

Some crucial points in the negotiation process were the following:

- (1) Creating more ownership of SD and developing an effective implementation process;
- (2) Considering all contributions received during the negotiation period;
- (3) Re-considering the relationship between the Lisbon Strategy and the EU SDS so that both documents are mutually supportive;
- (4) Taking up new targets and/or implementing existing ones;
- (5) Including a list of indicators;
- (6) Defining appropriate key actions.

The core elements of an effective EU SDS should involve a vision about the future, orientation and clear direction (including objectives and targets), measurement of progress (indicators) and new governance perspectives. After giving an overview of the proposed new EU SDS document, she mentioned that the two-year “governance cycle” as one innovative aspect of the EU SDS.

The slides of the presentation are accessible at the ESDN homepage’s conference documentation.

**Ernst Ulrich von Weizsäcker** (University of California, Santa Barbara) reminded that the EU SDS commitment was formulated in Gothenburg in 2001 as a preparation to the UN World Summit in Johannesburg. The World Summit marked, however, a tragic moment in the history of SD. The USA clearly said in the preparation of the meeting that they would walk out if any binding rules were decided. Therefore, no binding decisions were made.

When looking at the practical government actions in the EU, economic issues are first, social issues come second and environmental issues only third. Weizsäcker emphasised that this is also the basic approach of the current EU Commission and that this is the actual background against which the EU SDS has been renewed. Generally, though, he argued that the SD triangle has been problematic from the outset because it does not regard the earth/nature as the whole, society a subset of the earth and the economy as a subset of society. SD often means that the subset of the subset (the economy) is dictating the subset (society) what to do with the whole (earth/nature). He explained this situation with three historical reasons: First, politicians get their mandate from the people, not from animals or nature. Politicians act on behalf of society and not nature. This leads systematically to wrong priorities. Second, there is a strong link between prosperity and pollution that creates an argument for excuse (“first we have to become rich and then we can deal with the environment”). This is the philosophical background of the current EU Commission. Third, until 1990, nation states were reasonably powerful to adopt strong rules and regulations for the environment that had to be met by industry. However, with the end of the Cold War, a new political paradigm emerged. The rules of the market became unchallenged. International investors, not nation states, became the rule makers, telling companies where to go and what to do.

What can be done to reverse these developments?

- *Importance of governance*: If markets are global, it is important that the rules protecting the environment are also global (international environmental governance). Nature/environment must become the number one priority.
- *Indicators for measuring progress*: It is important to communicate success and failures in achieving the goals of SD.
- *“Taxation diplomacy”*: All countries should subscribe to an agreement on international minimum tax levels (e.g. kerosene tax).
- *“Technological progress” for resource efficiency and resource productivity*: A ‘Factor 4’ for resource efficiency in one generation and a ‘Factor 10’ in two generations is technically feasible.

Finally, Weizsäcker explored what needs to be done in practice, and he mentioned the importance of an environmental tax reform in Europe.

## **b) Working groups on the EU SDS<sup>1</sup>**

<b>WG 1</b>	What do the possible changes of the EU SDS imply for the SD strategy of your country/your region? <b>Group: Northern Europe</b>
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**Moderator:** *Sauli Rouhinen*, Ministry of the Environment, Finish National Commission on Sustainable Development, Finland

**Rapporteur:** *Sven Vaneycken*, Federal Public Planning Service Sustainable Development, Belgium

**Number of Participants:** 10

### **Overview:**

- Impact on the contents of SD strategies in MS
- Governance cycle
- Peer reviews
- Indicators

### **Discussion minutes:**

The moderator opened the discussion by referring to some main paragraphs in the renewed EU SDS that could have an impact on SD strategy processes in MS. In the draft EU SDS (document 9780/06), the paragraphs 26, 32, 34, 36, 37 and 40 may have a direct impact on the MS.

Most participants agreed that the revision of the EU SDS will boost SD processes in MS. Nevertheless, they agreed that the European Council should give a strong message in favour of SD.

The new themes of the EU SDS could have an impact on the contents of SD strategies in the MS. The question arose to what degree the EU SDS themes should be taken up in national SD

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<sup>1</sup> We thank all rapporteurs for documenting and summarising the working group discussions. Because the summaries are based on their notes, the ESDN Office Team cannot guarantee the accuracy of the information provided here.

strategies. Nonetheless, some participants mentioned that certain passages of the EU SDS or the absence of certain topics could have a negative impact on MS. One participant highlighted for example that all EU MS already agreed at the World Summit in Johannesburg to adopt an SD strategy by 2005, whereas the revised EU SDS sets 2007 as a new target date.

As far as the biennial reports of the Commission are concerned, most participants agreed that these reports are likely to unfold a positive effect. It was estimated that the proposed two-year governance cycle would give SD policy processes a valuable impetus. However, some countries have already established their own policy cycle that deviates from the one outlined in the EU SDS. In Belgium, for instance, a legal framework of plans and reports already exists.

As far as communicating the renewed EU SDS is concerned, it was pointed out that a single document would make it easier to communicate European SD policies.

Most participants agreed that peer reviewing SD strategies would be a useful exercise. However, the procedure/scheme currently proposed was regarded as perhaps too ambitious.

Regarding EU SDS indicators, some participants argued that the targets were not always linked with indicators and vice versa. Without such a linkage, the exercise was considered as rather meaningless. Moreover, most participants agreed that indicators should play an increasing role in the political debate.

### Conclusions:

- The EU SDS boosts SD processes in the MS. Nevertheless, a strong message of the European Council is needed to confirm this.
- The governance cycle (biennial reports of the European Commission) will keep the SD process moving in the MS.
- The system of peer reviews is an important tool and MS should be encouraged to use it.
- Indicators have to be linked with targets and should be used as a tool in the political debate and not as an annex.

WG 2&4	What do the possible changes of the EU SDS imply for the SD strategy of your country/your region? <b>Group: Western Europe &amp; CEE</b>
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**Moderator:** *Kamil Vilinovic*, Ministry of Environment, Slovak Republic

**Rapporteur:** *Reinhard Steurer*, ESDN Office Team, Research Institute for Managing Sustainability, Vienna University of Economic and Business Administration

**Number of Participants:** 10

### Overview:

The discussion touched upon a broad variety themes. Key points of discussion were the following three issues:

- a) The inclusion of sustainable production and consumption as 7th priority in EU SDS;
- b) Economic versus environmental interests and implications for ecological tax reforms;
- c) The EU SDS and its linkage to national SD strategy priorities



**Discussion Minutes:**

(a)

Based on the impression that the Austrian Presidency did a good work in developing the EU SDS further, most participants welcomed that sustainable production and consumption was included in the renewed EU SDS as 7<sup>th</sup> thematic focus. Some discussants argued that because the priority is so important it should be included in all national SD strategies. A good starting point for facilitating sustainable production was seen in greening procurement at the EU and MS levels. Participants also agreed that besides targeting producers it is important to influence the behaviour of consumers, for example by informing them with product labels or by raising awareness for SD. Against this background, one participant concluded that education for SD should be an issue dealt with in every SD strategy.

Another participant pointed out that labels and education are certainly important steps, but that sustainable production and consumption are hard to realize without an ecological tax reform. Increasing taxes on environmental resources would make production and consumption more sustainable by boosting resource efficiency. This argument triggered the second major point of discussion.

(b)

Most discussants agreed that policies on SD are dominated by a conflict between economic and environmental interests. They agreed that the SD agenda is mostly driven by the environmental lobby, but that it has a hard time in reaching into other policy fields because many powerful actors perceive a conflict between economic and environmental issues in which economic considerations often prevail. So far, most attempts to introduce an ecological tax reform, for example, were jeopardized because of economic pressure.

One participant pointed out that increasing the minimum level of energy taxation in the EU in line with the annual increase in energy productivity would be a way of adjusting the level of taxation without putting additional burden on industries. Since the improvement of energy productivity is easy to measure, adjusting the level of energy taxation could be turned from a political into a quasi-objective procedure of annual adjustment.

Overall, the discussants agreed that SD indicators could help to make a difference also regarding the conflict between economic and environmental interests because they highlight the failure of governments to address SD adequately and have the potential to push them accordingly.

(c)

At the end of the discussion, the participants explored how national SD strategies should deal with the priorities of the EU SDS. While some were not sure about how binding the priorities of the EU SDS are for MS, others pointed out that the EU SDS can provide some impetus and direction for national SD policies in MS.

**Conclusions:**

- The participants generally welcomed sustainable production and consumption as seventh priority in the EU SDS. Most of them agreed that this priority should be included in the SD strategies of MS.
- Promising ways of dealing with the conflict between economic and environmental interests are to involve the economic community in SD strategies and to communicate government failures with sets of SD indicators that are widely accepted.

- Although the renewed EU SDS was welcomed as a major step forward in European SD policy making it seems that MS are not fully clear about how to deal with its priorities and objectives at the national level.

**WG 3**What do the possible changes of the EU SDS imply for the SD strategy of your country/your region? **Group: Central-Western Europe****Moderator:** *Elisabeth Vitzthum*, Federal Ministry of Finance, Austria**Rapporteur:** *André Martinuzzi*, ESDN Office Team, Research Institute for Managing Sustainability, Vienna University of Economics and Business Administration**Number of Participants:** 13**Overview:**

- a) Link between the EU SDS and national SD strategies
- b) EU SDS as blueprint for national SD strategies
- c) Multi-level governance: national and sub-national levels

**Discussion Minutes:**

(a)

Regarding the linkage between the EU SDS and SD strategies in MS, the argument was made that linking the two processes may be particularly difficult regarding general aspects of SD and the broad vision of SD strategies. As experience shows, the link between the EU and the MS level of governance is relatively easy to establish when specific regulations, environmental directives or particular targets are concerned (e.g. pollution prevention, water quality, air quality, etc). As one participant remarked, it is difficult to motivate actors on the national level by just making references to the EU SDS. Therefore, the SD strategies in the MS need to include specific topics that are of concern in the respective country.

Regarding implementation, it was pointed out that environmental or SD departments generally accept the processes and policies suggested in SD strategies. However, other departments are not so easily to convince of the advantages of the SD approach. Therefore, if MS are not able to establish a broad consensus about SD it is difficult to link the SD strategies in the MS with the EU SDS.

One participant pointed out that, in particular during the accession period, the public in Poland was interested in how to increase the quality of life and to improve social issues. Therefore, the focus was on the Lisbon Strategy and its goals rather than on the EU SDS. The relationship between the Lisbon Strategy and the EU SDS is an important topic, in particular for the new MS.

This remark opened a discussion about the integration of different policy fields in SD strategy processes. One participant suggested that the most important questions for the future are related to the changing nature of society and the learning processes that take place within societies. Newly emerging topics like work-life balance, quality of life, changes in the labour market, etc, should be included in the SD strategies.

(b)

Most participants agreed that it is currently difficult to get strong interest from MS' governments for SD issues. Therefore, a main objective of the EU SDS is to keep SD on the political agenda. Another key function of the EU SDS is to provide a framework for SD for the MS and to outline perspectives of SD processes and policies. This is the strong element of an EU strategy. However, for providing concrete examples or measures of how to implement SD, the capacity of the EU SDS was regarded as limited. It can only offer an orientation of how to approach SD and give a new push for implementation.

One participant suggested that the EU SDS should also be the starting point for a review process on the MS level. It would be important to evaluate the commitments of the national ministries and respective progress in the SD implementation process. Some participants doubted whether this is realistic. On the one hand, strategies are signed easily but difficult to implement. On the other hand, national ministries are often reluctant regarding indicators, reporting, etc.

(c)

Another point of discussion addressed the challenge multi-level governance between the national and sub-national levels. There was agreement among the participants that the linkages between the two levels of governance are generally weak. As the experiences in Austria show, there are a lot of informal and direct contacts between the national and the regional level. Nevertheless, a stronger mechanism for multi-level governance is planned. In Germany, the regions ("Laender") are relatively powerful. Thus, the German SD strategy is also a strategy for the regions so that they share some common objectives. However, coordination mechanisms between the national and the regional level in Germany is also rather weak.

### Conclusions:

- The renewal of the EU SDS keeps SD on the political agenda.
- The EU SDS offers a formal blueprint for other SD strategies, in particular regarding length, strategic orientation, time horizons, communication tools, etc.
- Sectoral EU targets should be integrated in national SD strategies because they make them more concrete.
- Overall, experiences with multi-level coordination at the MS level are rather insufficient.

WG 5

What do the possible changes of the EU SDS imply for the SD strategy of your country/your region? **Group: Southern Europe**

**Moderator:** *Kevin Gatt*, Office of the Prime Minister, Malta

**Rapporteur:** *Wilhelm Autischer*, Federal Ministry of Agriculture, Forestry, Environment and Water Management, Austria

**Number of Participants:** 7

### Overview:

- Timeframes, goals and indicators in the EU SDS and their relevance for MS in Southern Europe;

- Coherence between the EU SDS and SD strategies for geographic regions (like the Mediterranean Strategy)
- Social issues in the SD context;

### **Discussion minutes:**

In the first part of the discussion, each participant briefly introduced the SD strategy of its country. The Italian representative, for example, mentioned that the Italian SD strategy focuses on integrating environmental issues (such as climate change, biodiversity and waste) into other sectors. The Italian SD process is based on a broad stakeholder dialogue. Malta is currently finalizing its first SD strategy. Because of the EU SDS renewal process, politicians showed interest in developing the national SD strategy. Although it covers all three pillars of SD, the linkages between them are rather weak. The current challenge for Malta is to adapt its SD strategy process not only to the renewed EU SDS, but also to the “Mediterranean Strategy for SD”.

In the second round, the moderator asked the participants to share their thoughts about the relevance of the renewed EU SDS for Southern Europe.

Because of the fact that cultures, SD key issues and challenges differ widely across Europe, some participants highlighted the value of cross-national SD strategies such as the “Mediterranean Strategy for SD”. While the Mediterranean SD clearly reflects the cultural diversity in the region, the EU SDS seems to be more general, describing issues and targets without considering the problems of the Mediterranean countries (such as fishery). The participants also discussed the problem that most of the indicators/benchmarks chosen in the EU SDS are hard to apply to the Mediterranean context. Thus, most Mediterranean countries will have a hard time in delivering the appropriate benchmarking data to the European Commission. It was strongly advised that in the future, MS should be involved much closer in the selection of indicators for the EU SDS and the Lisbon Strategy.

Another concern for the participants from Southern Europe was that, according to their perception, social issues (such as immigration policy) and the external dimension of SD (development assistance) seem to play a minor role in the EU SDS.

Concerning the EU DS and the Lisbon Strategy, the group agreed that the current discussion, whether one strategy should be the overarching EU strategy, will not be answered in the near future. But on the national level, there is a big chance to foster an approach which allows a close connection between the EU SDS and the targets of the Lisbon Strategy. There was also agreement that “greening” Lisbon would be not good enough. To approach a sustainable strategy, there needs to be a stronger international and global focus. Right now, the Lisbon strategy seems to be a “pure” European strategy with no links to the global challenges.

### **Conclusions:**

- Cross-national SD strategies (such as the Mediterranean SD strategy) reflect the cultural and environmental diversity in a region better than the EU SDS.
- EU SDS indicators and benchmarks may sometimes be hard to apply in Mediterranean countries.
- Overall, it seems to be difficult for the Mediterranean MS to link their regional and national SD strategies with the EU SDS.

<b>WG 6</b>	How could the relationship between the EU SDS and national SD strategies be developed further?
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**Moderator:** *Monika Frieling*, Federal Foreign Office, Germany

**Rapporteur:** *Christian Baumgartner*, Forum Sustainable Austria

**Number of Participants:** 13

**Overview:**

- Meaning of consistency and coherence and good practice examples of vertical integration
- Main obstacles of vertical integration
- Institutional instruments and procedures of vertical integration (as there is no reporting foreseen in the draft EU SDS)

**Discussion minutes:**

A short introduction about the topics of the draft renewed EU SDS was followed by a discussion of good practice examples of vertical integration. Austria, for example, developed its SD strategy by involving institutions from both the national and regional level. A prerequisite for this was a coordination and cooperation structure of regional and national SD coordinators. The UK, for example, also tried to improve the common understanding of SD by stepping up coordination between regional and national institutions.

In a second step, the participants discussed the main obstacles for vertical integration. They identified the different agendas and priorities on the different political levels as a crucial challenge. In addition, they identified a lack of awareness of national SD strategies at the regional level, and, if there is a regional SD strategy in place, vice versa. This may also apply for the relation between the EU SDS and SD strategies in MS. Some discussants argued that vertical integration could be improved when SD were in the responsibility of the prime minister/chancellor instead of the environmental minister. The participants also discussed the option of a special SD minister but did not come up with a common standpoint. They agreed that the effectiveness and political weight of such a new position would depend very much on to the minister's portfolio and standing within the cabinet.

Further points of discussion were the following:

- The development of national plans for the better use of Structural Funds programmes and projects for the implementation of SD;
- The need of impact assessments (e.g. EIA, SIA, Sustainability Impact Assessment) on all political levels;
- Developing two-year plans with a set of priorities in order to streamline the policy agenda at different levels of governance.
- Developing institutionalised exchange platforms between levels of governance.

Overall, the discussants agreed that horizontal and vertical integration have to go hand in hand so that different levels of governance follow similar priorities in a broad variety of policy fields. In order to achieve this, road maps and procedures of reporting on SD strategies to the EU were mentioned as possible tools. One participant mentioned that in case no governmental SD report is published, SD councils could step in and issue their own review reports. However, it

was noted that reporting on different topics and for different institutions (e.g. Biodiversity Report, OECD reviews) should be compatible and complimentary.

There was also the suggestion that SD strategy reports should to be discussed in parliaments. A parliamentary mechanism that deals with SD strategies should be developed.

### Conclusions:

- Vertical integration is about the same SD priorities at the same time at different levels.
- Good practice examples in vertical integration show that some countries have a good cooperation between national and regional SD strategies from which others can learn from.
- There is a need for national reporting to the EU based on a coherent set of common indicators. If governments do not fulfil this task, SD councils could do it.
- SD strategy processes should focus on horizontal and vertical integration of SD at the same time.

WG 7	How could the relationship between the EU SDS and national SD strategies be developed further?
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**Moderator:** *Helen Marquard*, Department for Environment, Food and Rural Affairs, UK

**Rapporteur:** *Gerald Berger*, EDSN Office Team, Research Institute for Managing Sustainability, Vienna University of Economic and Business Administration.

**Number of Participants:** 13

### Overview:

- a) SD strategies in the countries represented in the working group;
- b) Vertical interaction between the national and sub-national levels of government (knowledge management & stakeholder involvement);
- c) EU SDS and national SD strategies: relationship and possibilities for MS to develop measures tailored to their particular needs;
- d) Capacity building at the lower levels of government.

### Discussion Minutes:

(a)

In an introductory round, the participants of this working group talked briefly about the SD strategy of their country. All countries have an SD strategy in place, in some countries the strategy is in its 2<sup>nd</sup> or even 3<sup>rd</sup> version. Some countries are undertaking or planning a revision process. Most SD strategies in the MS are influenced by the priorities and processes outlined in the previous EU SDS.

(b)

The participants identified the vertical integration of different levels of government as an important success factor of any SD strategy. Currently, the division of policy responsibilities is based

on historical developments and practical reasons that emerged over time. To achieve a more vertically integrated policy approach, capacity-building, knowledge management and strong cooperation between the different levels were identified as crucial. As a way forward, an institutional set-up for knowledge management was suggested by one participant. This should foster the cooperation between different stakeholders who face similar problems. There was agreement among the participants that informal contacts between stakeholders are becoming ever more important. Therefore, it was argued, network-like structures and facilitating common learning patterns are necessary. Another way forward could be to foster learning between lower levels of government, e.g. between EU city-regions rather than using national SD strategies as a blueprint for cascading policy approaches down to the lower levels.

Some participants argued that difficulties in applying learning initiatives between different countries and political levels are increasingly emerging. The argument, which is often used, is that learning from others is difficult because others have different framework conditions, etc, that do not apply to one's own situation. Nevertheless, the participants agreed that the complex concept of SD calls for making increasing use of cooperation and networking approaches. Lack of knowledge is often the barrier for a more successful application of SD policy-making.

There was agreement among the participants that the active involvement of the different stakeholders should happen early in the process of designing SD strategies and policies. Generally, stakeholders are involved too late when the most important strategic decisions are already made.

(c)

The discussants agreed that the relationship between the renewed EU SDS and the SD strategies in MS must be clarified. They argued that the EU SDS is an important touchstone for the MS on the way towards SD, but that national SD strategies have to reflect the country-specific situation. If an SD strategy is not country-specific it may not be implemented and the policies outlined in the strategy will not be delivered.

However, the participants also agreed that the EU SDS has a particular role to play as a long-term strategy, offering visions for the MS when developing their own SD strategy. Therefore, the EU SDS can be seen as a framework document for long-term SD policy making. Moreover, it was mentioned that some MS have more ambitious strategies than the EU SDS, like the UK, Germany or Austria. The EU SDS should, therefore, be seen as a minimum standard that encourages MS to set more ambitious goals.

Regarding the challenge of horizontal integration it was suggested that an impact assessment process could be useful as a tool that helps individual MS to evaluate if they are on the right track.

(d)

All participants agreed that capacities for implementing SD need to be improved and that implementation progress needs to be assessed. Sometimes it may also be necessary to “translate” the meaning of SD for the lower levels of government. As a good practice example, some participants mentioned a manual for regional SD developed in the Czech Republic. The manual tries to articulate the principles of SD for implementing SD at the regional and local levels. Because the participants showed great interest in this manual, it was agreed that its English version will be made available at the ESDN homepage.

**Conclusions:**

- Stakeholder involvement should happen as early and pro-active as possible.
- National SD strategies should be tailored to national, regional and local needs.
- Impact Assessment can help raising implementation capacities at the various political levels.

<b>WG 8</b>	The link between the previous EU SDS and the Lisbon Process was often criticized as weak. How should we tackle this issue in the implementation of the EU SDS?
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**Moderator:** *Elisabeth Freytag*, Ministry of Agriculture, Forestry, Environment and Water Management, Austria

**Rapporteur:** *Kerstin Deller*, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, Germany

**Number of Participants:** 12

**Overview:**

The EU SDS and the Lisbon Process have overlapping themes and competencies. The working group developed several ideas how it could be ensured that the Lisbon Process better integrates the EU SDS principles.

**Discussion minutes:**

The discussion focussed on how a better link between the EU SDS and the Lisbon Process could be ensured for the implementation of the EU SDS.

Several contributions pointed out that the EU SDS and the Lisbon Strategy have overlapping competencies but trigger different results and that a change in the terms of debate regarding Lisbon would be desirable. Participants stated a lack of sustainability assessments to identify conflicts between the two strategies. Several possible solutions were discussed:

- The EU SDS guidelines should be applied to the Lisbon context, both in the integrated guidelines and in the National Reform Programmes.
- Integrated Impact Assessments should take into account sustainability objectives, especially the quality of the environment.
- The EU SDS should challenge the Lisbon Strategy on its own grounds, for example by producing better results in the field of innovation.
- The results of the Lisbon Process could be assessed under sustainability aspects by using the EU SDS indicators. In areas where different indicators exist to measure progress (e.g. in transport policy), both should be used. To measure policy impacts, “faster” indicators should be developed.
- The renewed EU SDS should pay increased attention to economic issues that are also covered by the Lisbon Process, such as environmental tax reform (open method of coordination), performance targets, etc.
- To make sure that there is an operative transfer from the December (EU SDS) to the March (Lisbon Strategy) European Council, it must be ensured that the processes are interlinked over the year, including the reviews and reports by the Commission.



- To create ownership, a “Mr./Mrs. EU SDS” (political focal point) should be appointed and be in regular direct contact with “Mr./Mrs. Lisbon”.
- The implementation of the integrated Guideline 11 must be ensured. Two instruments for achieving this were proposed: external evaluations and regular workshops between the Commission and the leading ministries for Lisbon within the MS.

### Conclusions:

EU SDS and Lisbon: overlapping competencies but different results. How to ensure the integration of EU SDS principles in the Lisbon Process?

- Apply EU SDS guidelines in the Lisbon Process; ensure implementation of the integrated Guideline 11;
- Develop and apply integrated impact assessments;
- Use EU SDS indicators for assessing achievements of Lisbon Process;
- Ensure integrated processes, already in the reviews and reports by the Commission;
- Cover economic issues like environmental tax reform (OMC) and performance targets in EU SDS reports;
- Appoint “Mr./Mrs. EU SDS”.

WG 9

The link between the previous EU SDS and the Lisbon Process was often criticized as weak. How should we tackle this issue in the implementation of the EU SDS?

**Moderator:** *Siv Naslund*, Swedish Environmental Advisory Council

**Rapporteur:** *Thomas Bernheim*, European Commission, DG Environment, Sustainable Development & Economic Analysis

**Number of Participants:** 12

### Overview:

The moderator structured the debate along four topics:

- a) Relationship between Lisbon Strategy and EU SDS as explained in the draft revised EU SDS (paragraphs 7-9)
- b) Relationship and coordination between national SD strategies and National Reform Programmes (NRP)
- c) Organisation of the governance of both strategies (EU SDS every two years discussed in December Council vs. Lisbon Strategy every Spring Council)
- d) Possible merger between the EU SDS and the Lisbon Strategy

### Discussion minutes:

(a)

The group appreciated that the EU SDS should become the overall framework within which Lisbon should fit. However, the formulation that "the Lisbon strategy [...] offers the motor of a more dynamic economy to support social and environmental objectives" does not recognise the

two way interactions between economic growth and the environment. Instead, the text should mention the importance of the three pillars advancing together at the same time.

Some participants felt that the description of the synergetic and complementary relationship between the two strategies was too optimistic and avoids mentioning that in some areas trade-offs are unavoidable. In particular, an unsustainable trend for which no technical fix is possible requires a choice to be made between either ignoring the problem or changing behaviour, e.g. unsustainable land-use patterns and loss of biodiversity. The other participants argued that expressing the relationship in a positive way allowed progress to be made in areas where win-win situations are possible, thus selling SD as an opportunity instead of a threat to competitiveness.

(b)

The starting point of discussion was the proposal from the Economic Policy Committee to include SD reporting into the National Reform Programmes (NRP). The participants agreed that to various extents, SD elements had been reported in the MS' NRP. In the Swedish NRP, for example, many issues related to SD had been covered such as energy, sustainable transport, environmental technologies, green public procurement, resource management, biodiversity, tourism, water etc. But this was not the case in all MS and also Guideline 11 did not cover all aspects of SD. Therefore it was argued that at this stage it would not be advisable to include SD reporting in the NRP.

The designation of national "focal points" for SD was welcomed but questions remained to what kind of information they should provide to the Commission. The suggestion was made to ask MS to set up roadmaps for the implementation of the EU SDS at the national level, and report to the Commission on the state of their implementation. The Commission could then use this information in its bi-annual progress reports.

(c)

On the issue of timing of the Council discussions on both the Lisbon and the EU SDS, perceptions between the participants differed. Some welcomed the discussion of the EU SDS at the December Councils, as this would raise its profile and allow SD guidance to feed into preparations for the Spring Council where Lisbon would be discussed. But the majority felt that, ultimately, both strategies needed to be merged (like any company needed to have just one strategy for the future). Therefore, a discussion at the same Council meeting should be envisaged, using a coherent set of indicators. Though most see the idea of a two-year reporting cycle as positive advancement, some would have preferred a one-year cycle in line with the Lisbon governance process.

(d)

There was consensus among the participants that, over time, both strategies should be merged, but only if the right set of indicators could be agreed upon, which would guarantee that sufficient attention is given to all SD priorities. One interesting final remark deplored the importance given to clarifying the relationship between the SD strategies and Lisbon, as the latter was just one of many issues sketching the overall context in which the SD agenda should unfold. Other, at least as important, issues include the social agenda, the stability & growth pact and the international trade and development agenda.

**Conclusions:**

- The expression of the relationship between the EU SDS and the Lisbon Strategy needs to recognise that complementarities will not always occur and that trade-offs are inevitable.
- Guideline 11 (environmental guidance) of the Lisbon Strategy's integrated guidelines is necessary but not sufficient for reporting on SD in the National Reform Programmes. There remains a need for a separate reporting framework for progress on implementing national SD strategies. Ideally, reporting for both strategies should be coordinated nationally by the same body.
- There was a preference for having discussions on Lisbon and the EU SDS at the same Council meeting, but only if an adequate list of indicators could be agreed upon.
- Ultimately, there is need to strive for a single coherent and integrated strategy for the future of Europe that proposes a response to all the different internal and external challenges faced.

WG 10	The link between the previous EU SDS and the Lisbon Process was often criticized as weak. How should we tackle this issue in the implementation of the EU SDS?
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**Moderator:** *Tibor Faragó*, Ministry of Environment and Water, EU and International Directorate General, Hungary

**Rapporteur:** *Matthew Quinn*, Welsh Assembly Government, UK

**Number of Participants:** 10

**Overview:**

The discussion was structured around three main issues:

- a) The overall intellectual relationship between Lisbon Strategy and SD strategies;
- b) The specific topic linkages that should be made between the work of SD strategies and Lisbon Strategy; and
- c) The governance linkages.

**Discussion Minutes:**

(a)

The opening discussion concentrated on the progress of the Lisbon process. It was felt that the focus had become increasingly narrow and was in danger of failing to meet its own aims, especially by risking concentration on economic competitiveness at the expense of social cohesion and jobs. A much broader sense or definition of competitiveness was needed that embraced all aspects of society such as well-being, health, living conditions/circumstances, culture etc.

There was a general consensus that the Lisbon Strategy should be developed within the longer term framework set by the SDS but that combining the two processes into one would not currently be productive. It is essential to have a high level of coherence between these strategies in course of implementation and to take into account the SD strategy elements (aspects/criteria

of SD) in the Lisbon Strategy. One key task was to communicate more effectively across sectors and within MS so that the two processes did not simply continue along separate tracks engaging different actors.

(b)

There are three main levels where closer practical linkages needed to be made between the SD strategies and the Lisbon Strategy:

The first and simplest of these was the area of opportunities provided by activities such as those related to environmental goods and services, eco-innovation and environmental technology, and energy and resource productivity.

The second area was in the setting of market frameworks. This included shifting taxation to natural resource consumption from human resources and setting appropriate regulatory frameworks. Budget spending and subsidies should also be reconsidered in this context. It was important that these were set with a view to shaping a more sustainable future. A free market still required a regulatory basis to operate fairly and to capture externalities.

The third area of linkage was to pursue more clearly the conception of long-term competitiveness being founded on issues such as culture, distinctiveness, knowledge, natural assets, quality of life and transferable expertise. This linked competitiveness more directly to identity and well-being and provided a way in to the discussions about the future of the European Union and public concerns about what it offered to its members.

(c)

The closing discussion was on practical governance mechanism to assist linkages. The proposal for a cycle of reporting to inform the Lisbon Strategy process was endorsed and the group suggested a range of measures to support this reporting cycle, such as indicators, budget impact monitoring, and public information. The external dimension of the SD strategies was also welcomed with the important link to trade policy for our global responsibilities.

### **Conclusions:**

- The Lisbon Strategy is too narrowly drawn at present (based on narrow sense of society and competitiveness) and needs to be informed by SD strategies.
- There are three concrete levels for cross-fertilising SD strategies and the Lisbon Strategy for their better coherence:
  - Win-win areas such as eco-technology; resource productivity etc;
  - Market and regulatory framework setting such as fiscal instruments, subsidy and regulation; and
  - Looking to longer-term and holistic competitiveness, embracing culture, quality, well-being, nature etc
- Governance linkages can be developed through the reporting cycle, such as using indicators, budget impact testing, policy screening etc.

## **4. Evaluating and peer reviewing SD strategies**

The session about evaluating and peer reviewing SD strategies consisted of (a) a keynote presentation by Johanne G  linas (Canada's Commissioner for the Environment and Sustainable Development) and Christian Averious (Environment Directorate of the OECD), (b) a "Word Rap" intervention on experiences with evaluations/reviews, and a working group session with four parallel groups.

### **a) Keynote presentations**

**Johanne G  linas**, Canada's Commissioner for the Environment and Sustainable Development, referred to the high reputation Canada receives abroad for its SD approach. However, when digging a little deeper, this reputation is challenged, she asserted.

After the Rio process initiated in 1992, Canada established the position of a Commissioner for SD with the objective to report to the Parliament about what has been achieved with regards to SD by the various departments and government ministries.

Instead of applying a top-down approach, Canada has decided to develop a bottom-up approach. Each of the 30 departments in the Canadian administrative system has to include SD in its strategies and policies. The strategies need to be revisited every three years. This approach has forced the departments to think about SD, including departments such as finance and justice. Currently, there are about 2,600 SD commitments formulated in the departmental strategies that need to be implemented. However, it becomes evident that if there is no overarching SD strategy, it is difficult for individual departments to see the broader vision of SD and to set priorities accordingly. Thus, the departments are now asking for a general SD strategy in order to focus their priorities and to put their own agenda in the context of such a strategy.

Europe has gone the opposite way. Most EU MS have developed an SD strategy that serves as vision for all departments/ministries. Consequently, they need to figure out what the strategy objectives imply for their work.

What were the *experiences in Canada* over the last years?

- SD strategies are mostly a compendium of business-as-usual activities: When one looks closer, the strategies include issues that would have been undertaken anyway by the various departments.
- The SD strategies are not result-oriented: It is difficult to identify what the actual outcomes of the strategies are or should be.
- The strategies are integrated neither horizontally nor vertically: There is no integration of SD into the other policy fields. Each department has key strategies and treats SD strategies rather as an add-on ("silo effect").
- There is no political leadership and commitment to SD.
- Consequently, there is no budget provided for SD strategies. As long as there is not meaningful commitment, there will be no funds available for SD.

Nevertheless G  linas emphasised that evaluations and peer reviews are important. As experience shows, peer reviews are the best way to learn and improve. However, with peer reviews, there should be an attempt to push things a little bit further, e.g. through the development of appropriate indicators. Peer reviews should also provide a forward-looking perspective in how SD could be approached in the future. Because it is not possible to assess everything, the most

meaningful commitments in the strategy should be assessed. She noted that the newly developed guidebook for peer reviews in Europe is a very good document. Regarding auditing, Gélina mentioned that the INTOSAI (International Organization of Supreme Audit Institutions) has developed a guidance document to help auditors in evaluating SD. Information material is available at the INTOSAI homepage ([www.intosai.org](http://www.intosai.org)).

**Christian Averious** (OECD, Environment Directorate) gave an overview of the OECD peer review experiences. He started with a definition of peer review as the systematic examination and assessment of the performance of a government by other governments, with the goal of helping the reviewed government to improve its policy-making, adopt best practices, and comply with established standards and principles. On this methodological basis, the OECD undertakes several policy reviews, including environmental reviews.

The OECD peer review process is organised in the following stages: (i) preparation stage; (ii) mission (by review team); (iii) peer review; (iv) publication of the results; (v) follow-up and monitoring by reviewed country. The OECD environmental indicators are selected according to policy relevance, analytical soundness and measurability.

The outcomes of the OECD review process are numerous. They include published reports, conclusions and recommendations for each country. The recommendations are of particular importance as they reflect country-specific contexts. There is also a follow-up on the implementation of recommendations, like self-monitoring or peer monitoring. Currently, several new country reviews are being conducted (China, Brazil, Chile). Eastern European countries like Russia, Bulgaria and Belarus have been reviewed recently.

The progress in the future depends on the question of accountability and the inclusion of economic issues (e.g. greening the tax system). Finally, Averious noted that all ministries in a country need to be involved in and sign up to the chosen SD approach and strategy to ensure successful implementation.

The slides of the presentation are accessible at the ESDN homepage's conference documentation.

## b) “Word Rap” on experiences with evaluations/reviews

The purpose of the Word Rap session was to give an overview of evaluation and reviewing practices in four European countries by briefly answering three questions. The “Word Rap” was moderated by **Gunter Sperka** (Environment Department, Province of Salzburg), and the “rappers” were **Ingebord Fiala** (Austria), **Nadine Gouzée** (Belgium), **Daniel Wachter** (Switzerland) and **Andréan Guérin** (France). As described in the Discussion Paper, Austria, Belgium, Switzerland and France are among the first European countries that have gone beyond regular monitoring and reporting mechanisms. However, the four countries did not follow one but three different approaches:

- Austria and Switzerland have commissioned external evaluations of their SD strategy process in 2005. These evaluations have been carried out by independent teams of researchers and/or consultants.
- In Belgium, monitoring and evaluating the Federal SD strategy is done by the Federal Planning Bureau, an independent public interest research body.

- In 2005, France has reviewed its SD strategy process together with peers from Belgium, Ghana, Mauritius and the United Kingdom, and with support from IIED.

**Question 1: Can you explain why your country has chosen this particular approach and not a different one?**

**France:** The initiative to conduct a peer review came from the EU at the Johannesburg Summit in 2002. Then, the French President said that France should experiment with this evaluation approach.

**Switzerland:** The evaluation focused on impacts and outcomes as well as on the learning process. Due to budgetary limits, a scientific evaluation was chosen as it was the most appropriate and cost-effective approach. Contrary to peer review processes, which are very ambitious, a scientific evaluation seemed to be easier to undertake. Regarding implementation, this is very much influenced by institutional arrangements.

**Austria:** A key element of an evaluation must be a description of how the strategy has been implemented so far. The Austrian SD Strategy includes commitments to be a learning strategy with provisions for participation, information distribution and communication. Indicators for the key actions are also included in order to monitor progress.

**Belgium:** The Act of May 1997 established the need for an internal and external evaluation by the Court of Auditors. The main goal is learning from a comprehensive cyclical approach.

**Question 2: Did the evaluation/review produce some interesting/surprising findings and what were their consequences?**

**Belgium:** The difficulty of undertaking an evaluation was surprising to us. We found that integration is a crucial challenge. It is generally difficult to find a common language that does not end in defining the concepts. Furthermore, we found that it is difficult to allocate SD responsibilities without overlapping tasks (the speaker then presented the “TransGovern Model” as an example of how Belgium approached the integration task).

**Austria:** A finding from the evaluation in Austria was that the coordination between national and regional actors should be improved. This was a surprise for the ministry as they assumed that a good vertical coordination was already in place. Another outcome of the evaluation was that the reporting on the implementation process focuses too much on good news, neglecting to address difficult situations and challenges.

**Switzerland:** The evaluation confirmed what was thought to be the main strengths and weaknesses: Coordination is good, impacts are not good enough, political support is weak and resources are lacking. In policy fields like transport, energy, agriculture or procurement, there are signs that the SD strategy has an impact. Important exceptions are the economic and the financial sectors where the interest in SD is decreasing.

**France:** The peer review process was organised with four peer countries (UK, Belgium, Ghana and Mauritius). Some important findings were that (i) the responsibilities for SD on the different administrative levels could be made more clear and (ii) that organizing the dialogue between the National Council for SD and the administrative level is a challenge.

**Question 3: If somebody wants to take the same approach as your country, what must be taken into account?**

**France:** Three points are important: First, to include an external point of view about how SD has been implemented; second, the reason and objective of the peer review process should be clear; third, to have a positive relationship between the developing countries and the industrialised countries.

**Switzerland:** The first difficulty is to make clear what the SD strategy really is, to define what we are going to evaluate. Should we cover all issues or just the added value of SD? Switzerland tried to evaluate the value-added only.

**Austria:** There are a variety of methods to undertake an external evaluation. The external point of view is important. However, there is the risk that an external view will not be accepted at the administrative level. To avoid this we recommend to apply a participatory evaluation design that involves the administration in the evaluation.

**Belgium:** The need for learning and for building implementation capacities is important on all political levels. A lot of learning occurred through the evaluation process, the development of the methods and planning, etc. Enough time for learning should be allowed for all actors involved in the evaluation process.

### c) Working groups on evaluating and reviewing SD strategies

<b>WG 1</b>	How to make effective use of evaluations/reviews in improving SD policies?
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**Moderator:** *Daniel Wachter*, Swiss Federal Office for Spatial Development, Switzerland

**Rapporteur:** *Reinhard Steurer*, ESDN Office Team, Research Institute for Managing Sustainability, Vienna University of Economics and Business Administration

**Number of Participants:** approx. 23

#### Overview:

The discussion focused on the three questions outlined in the Discussion Paper:

- a) How can we deal with potential obstacles of learning in a political environment?
- b) Under what circumstances can evaluations/reviews make a political difference?
- c) How can we influence these circumstances in a favourable way?

#### Discussion Minutes:

(a)

By discussing the political relevance and some success factors of evaluations/reviews the discussants identified the following obstacle of learning:

- One participant pointed out that public administration cultures are often rather reluctant to accept or listen to external critique, and that critical perspectives also exist inside ministries and departments. Others agreed that there is a cultural divide between public



administrators and researchers that can hinder learning, but that evaluations are a good tool to overcome this problem (in particular when they follow a participatory approach).

- A lack of trust between public administrators and the evaluators/auditors may affect learning negatively. In the UK, it took five years to build a trustworthy relationship between the SD commission and the public administration.
- Several discussants agreed that critique has to be articulated in a reasonable and realistic way and that it should avoid personal viewpoints.
- In order to make peer reviews successful learning processes, the participants agreed that peers need to be educated as peers, and that they should come from like-minded countries.
- If and how senior heads of offices and politicians should be involved in evaluations was a controversial issue. While some participants suggested that involving them increases the relevance of the evaluation, others recommended to leave them out in the evaluation process, but to involve them (and members of parliament) in the discussion of the results. It was also noted that evaluations can be an important tool for communicating SD strategies to politicians and the public.

(b)

The discussion on how to increase the impact of evaluations/reviews touched on a broad variety of issues. While one discussant emphasised that the impact of evaluations is often weak because they tend to neglect causalities between policy action and outcomes, others pointed out that ex-post evaluations avoid constructing causalities because they are hard to prove. For one discussant, a good way of learning about causalities is to conduct case studies and to focus on process issues. Another participant responded that good evaluations should be comprehensive, covering policies, the process of developing them and their outcomes.

Regarding the role of politicians, it may be wise not to involve them in the evaluation process, but to have their commitment for the evaluation. Furthermore, an evaluation should not be scheduled close to an election because that makes learning difficult.

One discussant mentioned that in order to make a political difference, evaluations have to take policy objectives for granted and focus on how governments try to achieve them. The objectives themselves are a democratic product and as such beyond the scope of an evaluator.

Another point of discussion was whether the involvement of parliaments in auditing SD strategy processes can make a difference. One discussant argued that parliamentary mechanisms are good for increasing political attention but rather limited regarding learning effects because they are mainly about political competition and point scoring.

(c)

The discussion on this question started out with the question whether benchmarking across countries can create circumstances that facilitate policy learning. While some discussants pointed out that the learning processes triggered by benchmark indexes is very limited (either because they do not provide analytical conclusions or because methodological criticism mounts when a country's rating is not good), others emphasised that benchmarks and ratings always find the attention of the media and of the public. One discussant added that a direct comparison between neighbouring regions can go beyond descriptive benchmarking and is likely to create a fruitful competition between them that gets even the attention of politicians.

**Conclusions:**

- How should we deal with obstacles of learning?
  - Get commitment of politicians for evaluation process, involve them in discussing the results, but keep them out of the evaluation process.
  - In order to learn from peer reviews, peers must know a country very well. Since their knowledge about other countries is often limited they often must be educated to become qualified peers.
  - External evaluations must obey some rules (build trust, articulate reasonable critique etc.) and should be part of continuous learning process that also consists of internal controlling/monitoring mechanisms.
- Under what circumstances can evaluations/reviews make a political difference?
  - Involve other actors than public administrators, such as members of parliament and journalists. A parliamentary environmental audit committee can help to engage politicians in reviewing/auditing procedures.
- How can we influence these circumstances in a favourable way?
  - While benchmarking and ranking tools may be too descriptive to facilitate learning, they may be good in raising public awareness for an issue.
  - Direct comparisons of neighbouring regions can create a fruitful competition between them.

WG 2a	How can we make effective use of headline indicators and aggregated measures (such of the “Ecological Footprint”) in communicating SD policies?
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**Moderator:** *Inge Lardinois*, Secretary of State for Sustainable Development Els Van Weert, Belgium

**Rapporteur:** *Ursula Kopp*, ESDN Office Team, Research Institute for Managing Sustainability, Vienna University of Economic and Business Administration

**Number of Participants:** 16

**Overview:**

The discussion was structured around three main issues:

- a) How indicators are calculated and compared across EU MS
- b) Ideas for promising new indicators
- c) Communicating SD with indicators or other means of communication

**Discussion Minutes:**

(a)

The total number of indicators used in SD strategies varies between 60 and 100 amongst the countries that were represented in the working group. Those using headline indicators use between 5 and 12. Some countries distinguish between indicators for politicians, civil servants and the public.

Although some indicators are very useful, there are difficulties with data collection and calculation methods in some countries. The Ecological Footprint, for example, shows an overuse of

bio-capacity in a very obvious way, but the indicator itself is “data heavy”. Some countries have difficulties in gathering the necessary data from the different sources. Others find it difficult to convert, for example, energy into hectares. In addition to that, the Ecological Footprint does not consider country-specific circumstances. This leads to slightly different calculations of the indicator across countries. Therefore, it cannot be used for precise comparisons between MS. Nevertheless, the Ecological Footprint is a good tool to raise awareness for SD among both politicians and the public.

The participants agreed that the comparison of indicators across Europe is very important. Moreover, the importance of global comparability was mentioned.

(b)

Some participants explained that indicators in their countries are/were developed based on internationally accepted indicators from the OECD or UNDP. A common point of reference can increase global comparability. Other examples of useful indicators mentioned by the discussants are GDP, the biodiversity index, and the indicator that describes the gap between the richest and the poorest in a country. EUROSTAT indicators were suggested to be used by the EU in the future.

Some participants suggested to developing decoupling indicators in order to be able to measure the integration of the environmental dimension into the economic and the social dimensions.

(c)

There was agreement that it is rather difficult to communicate SD via indicators and to communicate the indicators themselves. Good experiences have been made if

- The number of used indicators is very low (around 5) and the indicators are simple (some experiences suggest that even 12 headline indicators can be too many for communicating SD to politicians and the public);
- When graphs or pictures are used which are “eye catchers” and touch the people’s feelings and emotions;
- The communication of indicators is combined with other media activities and
- SD campaigns distinguish between different target groups (politicians, public, etc.).

### **Conclusions:**

- In order to keep momentum in the public awareness through the communication of SD, different media activities need to be combined, the number of indicators needs to be kept low, and indicators may even have to be changed over time in order to keep publicity high.
- Politicians have to be addressed differently (more detailed, by using figures) than the public.
- EU-wide and global comparability of indicators is important. In order to achieve that, simple indicators should be developed and agreed upon. The political discussion about these indicators has to continue and needs to be intensified in the future. However, it does not make sense to wait until all parties have agreed on all indicators. Because of their complexity and the diverse interests of the actors involved it might take too long. The EU should better start with one set of indicators and keep discussing, adapting and enlarging it.

- Research results can be a very appropriate means of communicating SD strategy processes if they are translated appropriately into “public language”.

WG 2b	How can we make effective use of headline indicators and aggregated measures (such of the “Ecological Footprint”) in communicating SD policies?
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**Moderator:** *Pascal Wolff*, European Commission, Eurostat

**Rapporteur:** *Markus Hametner*, ESDN Office Team, Research Institute for Managing Sustainability, Vienna University of Economic and Business Administration

**Number of Participants:** 16

#### **Overview:**

The discussion was structured around three main issues:

- a) The number of (headline) indicators to be used for monitoring and communicating progress towards SD;
- b) The usability of the Ecological Footprint as overall indicator for SD; and
- c) The need of one composite SD indicator as counterpart to GDP.

#### **Discussion Minutes:**

(a)

The discussion was opened with an insight into the new EU SDS. As the strategy comprises a great number of topics, the European Commission (EC) is facing the problem of communicating an equivalent number of indicators. However, providing a high number of indicators will result in providing a complex and sometimes contradictory information, thus making it very difficult to draw conclusions. Hence, the EC is heading for headline indicators and currently agreed on 12 to be included in the renewed EU SDS. Nonetheless, as 12 headline indicators may be still too much, the EC is considering the possibility of even fewer composite indicators (like the Ecological Footprint).

The following discussion focussed on the number of indicators to be used for monitoring progress towards SD. As the EU SDS comprises seven key challenges, the idea was raised to use seven headline indicators connected to the priorities. However, there are some issues that are important for SD but not included in the EU SDS (such as economic development), and horizontal issues that cut across several priorities. It was also argued that two or three headline indicators might also not be able to cover all aspects of the EU SDS. Furthermore, a reduction of the number of indicators may lead to focussing on themes where indicators can easily be defined, thus omitting other themes where indicators are more difficult to build. Indicators should not be restricted to issues which are immediately measurable, but the so-called “best-needed indicators” should be defined (e.g. by the research community).

It was pointed out that aggregation decreases transparency. Because aggregated headline indicators have a different meaning than the basis indicators, it is important to give an explanation/interpretation to the indicators. Furthermore, it was agreed that it is important to link indica-

tors to objectives. However, as it is difficult to find common objectives among 25 EU MS, the EU SDS is lacking concrete objectives and targets.

(b)

The Ecological Footprint is recognised as a successful communication tool, both at the national and EU level. Studies on the Ecological Footprint are available from many countries. Two frequent criticisms on the Ecological Footprint are that it doesn't cover important issues (such as social issues) and that the measures are converted into global constructs. Furthermore, an example from Austria shows that because organic farming takes up more room than conventional farming, it has a negative impact on the Ecological Footprint of Austria.

Another example from Switzerland, where both the Ecological Footprint and the Human Development Index (HDI) are used in combination, illustrates that these two indicators are not coherent. Countries that have a good performance in terms of HDI are doing bad regarding the Ecological Footprint (and vice versa).

(c)

The third part of the discussion focussed on the need of other indicators besides GDP. This could be a composite indicator such as economic welfare. The renewed EU SDS already tries to build such a global welfare indicator, but faces methodological problems not only because of the number of topics but also because of the number of stakeholders involved.

While some participants of the working group stressed the need of SD indicators becoming the rivals of economic indicators, others raised the idea of merging these two types of indicators. This could lead to the correction of some leading indicators like GDP into a "green GDP". However, the practical development of such indicators is still facing difficulties in treating some aspects and in combining monetary and ecological units. Furthermore, governments may not want their country to be ranked against such a "green GDP" index.

### **Conclusions:**

- There is still no common agreement on which and how many indicators should be used for communicating and monitoring progress towards SD. Preferably,
  - A short list of headline indicators should be used instead of one single SD indicator;
  - An explanation/interpretation to the indicators should be given;
  - The role of indicators as tool for communicating progress towards SD should not be overestimated as this bears the risk of indicators becoming a topic of themselves.
- The Ecological Footprint is recognised as a successful communication tool (e.g. to be used by policy makers), but it cannot be an overall indicator for SD.
- There is a need of SD indicator(s) besides GDP. Possible approaches that still need to be developed further are global welfare indicators or GDP corrected indicators (such as "green GDP").

**WG 3**

What are the advantages and limitations of scientific evaluations in the context of SD strategy processes?

**Moderator:** *Wolfram Tertschnig*, Ministry of Agriculture, Forestry, Environment and Water Management, Austria

**Rapporteur:** *Gerald Berger*, ESDN Office Team, Research Institute for Managing Sustainability, Vienna University of Economic and Business Administration

**Number of Participants:** 13

**Overview:**

- a) Definition of “scientific evaluation”
- b) Relation between “scientific evaluation” approaches and peer review processes
- c) Advantages of and challenges for scientific evaluations
- d) Advantages of and challenges for peer review processes

**Discussion Minutes:**

(a)

At the beginning, the participants reflected upon the exact definition of a “scientific evaluation”. It was argued that not only a rigorous approach involving ‘hard sciences’ is appropriate, but a social science approach is also necessary. The latter would be especially important for the analysis of decision-making processes. The most important aspect of a scientific evaluation is the concentration on the analysis of processes and the assurance that the results are based on evidence.

(b)

There was agreement among the participants that scientific evaluations and peer review processes must not be understood as exclusive but rather as complementary and mutually supportive approaches. Both approaches have limitations as well as advantages that, if combined, work best for the assessment of SD strategies. In the end, it is not a decision about either/or, but about what should be achieved with the evaluation. One can be interested, for instance, in how far targets have been achieved and indicators met, or in increasing learning capacities.

(c)

It was argued that scientific evaluations are needed at the political level in order to “rationalize” the various steps for implementing SD. For policy-makers, the justification of implementing SD policies can sometimes be difficult. Therefore, science-based evidence can help justify actions taken.

There was agreement among the participants that because it is not possible to evaluate an entire SD strategy, a focus on specific aspects of an SD strategy is important. For scientific evaluations, the focus should be put on processes and outputs of different actors/ministries in a certain period.

Several issues were mentioned for which scientific evaluations could have added-value or face challenges. First, scientific evaluations could help in dealing with various kinds of uncertainties. Decision-making processes involve uncertainties about future developments, e.g. the probability of risks that may occur when policies are implemented. As SD is full of uncertainties, a scientific approach could add some weight to evaluations. Second, the public perception of scientific evidence is high and usually supportive. Third, the linear linkage of causes and effects that is often constructed in scientific evaluations needs to be questioned.

There was consensus among the participants that an important aspect in any evaluation is that those who are evaluated or those responsible for the implementation of the SD strategy need to be involved in designing and implementing the evaluation process because this creates a sense of ownership. The views of the responsible persons need to be included early on in the evaluation process. A major goal of evaluations should be to trigger a self-reflexivity process in the institutions concerned with SD.

On the other hand it was also mentioned that the work of the evaluators may be hindered if those being evaluated are involved strongly in the evaluation process.

(d)

A peer review process can add to the evaluation process the understanding of people working in the same environment. Thus, the context of the design and implementation of strategies and policies can be taken into account in the evaluation process. However, an external scientific evaluation can add an exchange of knowledge and mutual learning not only between people working in the same environment, but also between people coming from different backgrounds.

#### Conclusions:

- Scientific approaches should not only comprise rigorous, hard-facts sciences, but also inter- or even trans-disciplinary social sciences approaches (in particular when decision-making processes are analysed).
- Scientific evaluation and peer review processes must not be seen as exclusive processes, but should rather be understood and applied as complementary approaches.
- Scientific evaluations have some important advantages, such as increasing public awareness for SD strategies.
- All major actors and political levels that are responsible for the implementation of SD strategies should be involved in the evaluation process because it increases their ownership and interest in the evaluation results.
- Evaluation processes are only worthwhile when the responsible institutions have an intrinsic interest to learn and to improve.

WG 4

What are the advantages and limitations of peer reviewing national SD strategy processes?

**Moderator:** *Robin Miege*, European Commission, DG Environment

**Rapporteur:** *André Martinuzzi*, ESDN Office Team, Research Institute for Managing Sustainability, Vienna University of Economics and Business Administration

**Objectives:**

- a) Peer review process as outlined in the EU SDS
- b) Experiences with the French peer review process
- c) Preconditions for a successful peer review and limitations
- d) Exchange of experiences via the ESDN Office

**Discussion Minutes:**

(a)

At the beginning the moderator presented the peer review process as outlined in the renewed EU SDS, paragraph 38:

- Voluntary peer reviews should start in 2006, a second round is foreseen for 2007;
- Involvement of policy-makers, stakeholders, National Councils for SD, international observers is foreseen;
- Peer reviews can focus on the entire SD strategy or on specific topics thereof;
- Peer review process can be supported by an external scientific evaluation.

The European Commission suggests using an approach similar to the French peer review process. External consultants should collect information for the peer review, a group of European and Non-European peers (at least two countries) should be selected and involved. Generally, the peer review process should be a mutual learning exercise. Like in France, it should not take too long (6-7 months). Based on interviews previously undertaken, the importance of external reviews and internal governmental reviews will be acknowledged. Therefore, the peer reviews will not be the only assessment procedure, but the 'cherry on the cake'.

(b)

The French peer review process was divided into four phases:

- Preparation of information by consultants;
- Meeting of the peers: decision of the scope of the review;
- Review undertaken through questionnaires which were sent out to stakeholders (with the help of the National Council for SD); and
- One-week workshop with the peers.

As the French strategy was rather new when the review started, the process focused on the implementation mechanisms rather than on the impacts.

The observation from one participant who was involved in the French peer review process: The peers came in rather late in the process. Most of the information and topics had been pre-structured by the consultants. An earlier involvement of the peers would have improved the process. Furthermore, the political commitment in France was relatively strong. The fact that the President was aware of the process ensured the attention of all policy-makers. This provides a clear indication that the success of peer reviews also depends on the political commitment.

(c)

One participant outlined some important preconditions for a successful peer review process: (i) Peer reviews need an initial input so that peers understand the institutional situation and



framework conditions of the country under review. This input should be given by consultants or researchers. (ii) The advantage of peers compared to scientists is that they have an inside knowledge as civil servants. (iii) The peer reviewing process should be a dialogue. (iv) Involving peers from developing countries provides valuable insights.

Another participant highlighted that peer reviews support mutual understanding. Peer reviews, when undertaken as a partnering action, can also support neighbourhood relations. Examples of collaborations among neighbours exist, for example, among Mediterranean and Baltic countries. Overall, it was noted that peer reviews have a high potential of facilitating networking between EU MS.

Some of the participants also mentioned some difficulties and limitations of a peer review process. One participant who was involved in the French case pointed out difficulties with communicating the peer review process to the lower levels of government and with involving some stakeholder groups. Another participant mentioned the challenge of making sure that peers are critical and objective enough. Again, another participant argued that the many review cycles that exist at the European and national level might lead to a 'review fatigue'.

(d)

It was noted that learning process should focus on both good practices and failures. The suggestion was made that the ESDN Office Team should identify and disseminate experiences made with peer review processes.

#### **Conclusions:**

- According to the renewed EU SDS, first voluntary peer reviews of SD strategies should be undertaken in 2006, a second round is foreseen for 2007.
- The experiences made in France could serve as an example of how to undertake a peer review of SD strategies.
- Certain preconditions and limitations have to be taken into account when a peer review is conducted.
- Generally, the participants agreed that peer reviews are an important mechanism for exchanging experiences and creating a closer cooperation between MS.

#### **4. The ESDN: Recent developments and outlook**

Apart from the EU SDS and the issue of evaluating/reviewing SD strategies, the ESDN Conference 2006 also explored networking theory and practice as well as recent and possible future developments of the ESDN.

**Helen Marquard** (Department for Environment, Food and Rural Affairs, UK) gave an overview of recent developments in the ESDN. She mentioned that the ESDN Steering Group (which includes representatives from Austria, Belgium, Finland, Germany, the Netherlands, Switzerland and the UK) met for the first time in February 2006. Recently, the ESDN Office was established as a common platform for the network to help fulfil its objectives of exchanging best practice, sharing ideas and improving integration between the different political levels. The Research Institute for Managing Sustainability at the Vienna University of Economics and Business Administration was given the mandate to operate the ESDN Office for the next two years. An ESDN homepage was launched ([www.sd-network.eu](http://www.sd-network.eu)) in order to serve as a communication platform of the network.

**Andre Martinuzzi** and **Reinhard Steurer** from the ESDN Office gave a keynote presentation that combined ESDN practice and networking theory. They explained that the recently established ESDN Office financed and overseen by the ESDN Steering Group and that it is operated by the Research Institute for Managing Sustainability at the Vienna University of Economics and Business Administration. The key purpose of the ESDN Office is to help facilitate the exchange of experience and knowledge in order to make SD strategies more effective. This includes supporting the ESDN members on an individual basis, contributing to ESDN conferences and assisting the Steering Group in developing the network further.

The participants of the conference were asked to cooperate with the ESDN Office by

- Completing and updating the Country Profiles on the ESDN website;
- Providing information on activities and events relevant for the ESDN;
- Providing information about studies, interesting links, etc, and
- Placing a link to the ESDN homepage on their website.

After the practical part, they provided a reflection about networks as one of three modes of governance and about different types of networks. The ESDN was defined as a policy network that is inter-organizational, cross-sectoral (it brings together actors from the public sector and civil society), informal, and loose. Furthermore, the different stages of network development were outlined, including a description about where the ESDN can be currently located and what could be future steps in the network (e.g. an agreement on common rules, task forces on specific topics, etc.). At the end, some advice was given on how to run a network.

The slides of the presentation are accessible at the ESDN homepage's conference documentation.

The **concluding session** of the conference was dedicated to the **further development of the ESDN**. The participants were invited to comment on a "Proposal for an ESDN Joint Understanding" that was distributed at the first day of the conference. The issues raised during the plenary discussion on the "Joint Understanding" as well as the ideas gathered about future perspectives of the ESDN will be considered in a revised version of the ESDN Joint Understanding that will be circulated in autumn 2006.