

**Discussion Paper**

**European Sustainable Development Network**

***ESDN Conference 2009***

**“Options and Opportunities for the  
Future EU Sustainable Development Strategy”**

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written by

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### Reading guidance:

Participants who have no time to read the entire discussion paper are advised to have a look at Table 1 on the similarities and differences between the Lisbon Strategy and the EU SDS structures & processes (pages 10-11) and go through the chapter on the working group topics and formats (chapter 5).

## 1. Introduction

This discussion paper provides background information for the ESDN Conference 2009, including the working group discussions. The focus of the conference will be on options and opportunities for the future EU Sustainable Development Strategy (EU SDS).

This year's ESDN Conference is the eighth in a series of similar events. For a comprehensive documentation of all previous ESDN Conferences, please go to the [ESDN homepage](#). The ESDN Conference 2009 is hosted by the current Czech EU Presidency and co-hosted by the incoming Swedish EU Presidency.

The ESDN Conference 2009 will comprise **three sessions**:

- Session 1 – Coherence of strategies & the challenge of policy integration
- Session 2 – Key objectives and topics for the future EU SDS
- Session 3 – Governance mechanisms & institutional structure for the future EU SDS

This year's conference is special because

- (a) it is supported by a pre-conference survey on key objectives and governance mechanisms of the future EU SDS among sustainable development (SD) coordinators of the EU Member States, and
- (b) the results of the pre-conference survey and of the conference discussions will be summarised in an ESDN advisory paper on 'Cornerstones for the future EU SDS' which will be submitted to the European Commission and the incoming Swedish EU Presidency.

This discussion paper has the following structure: chapter 2 outlines several procedural issues of the conference, chapter 3 provides a short overview of the Lisbon Strategy and the current EU SDS, chapter 4 presents the results of the survey among SD coordinators and chapter 5 introduces the topics and format of the working groups in some detail.

A full documentation of the conference will be published as ESDN Conference Proceedings.

## 2. Procedural issues

Similar to previous ESDN conferences, the 2009 event will deal with the options and opportunities for the future EU SDS in **different formats** (for details, please see the conference programme):

- Keynote presentations will highlight general issues and key aspects of the conference topics;
- Panel discussions will provide an overview of experiences and standpoints of different actors and institutions;
- Working groups will discuss specific aspects of the conference topics in-depth;

- Summaries of the results of panels and working group discussions during the conference can be used for immediate reactions and further discussions.

The **panel discussion in Session 1** ('coherence of strategies & the challenges of policy integration') will be undertaken in the form of a 'moderated dialogue' between the panellists, followed by a discussion with the conference participants. The results of the moderated dialogue and the discussions will be summarised by a rapporteur and presented to the plenum.

Regarding the **working groups**, please note the following points:

- In Session 2, there will be parallel working groups on 'key objectives and topics for the future EU SDS'.
- In Session 3, there will be parallel working groups on 'governance mechanisms & institutional structures for the future EU SDS' and on 'impact assessment for sustainable development'.
- As the results of the working groups on 'key objectives' and 'governance mechanisms' will be summarised as part of the ESDN advisory paper on 'Cornerstones for the Future EU SDS', the format will follow a 3-step structure with interactive parts, common discussions, rankings, etc. (please see chapter 5 for details).
- The working groups will be moderated by members of the ESDN Steering Group and the ESDN Office.
- Summaries of the working group discussions will be presented to the plenum and discussed in panel discussions.

In a session on **ESDN perspectives** at the end of the conference, the participants are invited to bring in their ideas for further strengthening the network and its role in fostering sustainable development in Europe. Participants will also be invited to explore options for future thematic workshops, revisiting the thematic recommendations from last year's ESDN Conference in Paris.

### **3. Overview of the Lisbon Strategy and the EU SDS**

In this chapter, we present an overview of the Lisbon Strategy and the current EU SDS which aims to show their main objectives and structures, to illustrate similarities and difference and to stimulate discussions during the conference. Therefore, this is not meant to be a complete picture of both strategies and their related processes, but a structured view on their most important features and links.

One of the major objectives of the EU is "to promote economic and social progress and a high level of employment and to achieve balanced and sustainable development" (Consolidated Treaty of the EU, 2006, Art. 2). The Lisbon Strategy and the EU SDS are the two main EU strategies that aim to contribute to this objective, to include sustainable development (SD) provisions and to define governance structures which have implications not only on the European, but also on the Member States' and sub-national levels. However, the two strategies have a different focus: While the EU SDS is primarily concerned with quality of life, intra- and inter-generational equity and coherence between the different policy areas (European Council, 2006a, para 7), the Lisbon Strategy mainly deals with measures to enhance economic growth

and employment (European Council, 2005, para 5). The upcoming review processes and updates of both strategies as well as the current financial and economic crisis make a reflection about them both necessary and timely.

### **3.1 Lisbon Strategy**

Faced with “a quantum shift resulting from globalisation and the challenges of a new knowledge-driven economy [which] require a radical transformation of the European economy” (European Council, 2000, para 1), the European Council at its meeting in **Lisbon in March 2000** adopted the strategic goal of the EU “to become the most competitive and dynamic knowledge-based economy in the world” (ibid, para 5) by 2010. What has become widely known as ‘Lisbon Strategy’ initially aimed at

- preparing the transition to a knowledge-based economy and society (better policies for the information society and R&D),
- modernising the European social model, and
- sustaining a healthy economic outlook and favourable growth perspectives.

As regards the governance of the Lisbon process, the European Council in its spring meetings would take on a guiding and coordinating role to ensure coherence and monitoring of progress of the strategic goals. Due to the fact that economic and social policy largely fall under the responsibility of the Member States, the implementation of the Lisbon goals were to be facilitated by applying the **open method of coordination (OMC)** in order to spread best practices and achieve greater convergence. The OMC was aimed to help Member States to develop their own policies and comprises the following aspects:

- fixing guidelines for the EU combined with specific timetables for achieving the goals;
- establishing quantitative and qualitative indicators and benchmarks against the best of the world and tailored to the needs of different Member States as a means of comparing best practice;
- translating European guidelines into national and regional policies by setting targets and adopting measures; and
- periodic monitoring, evaluation and peer review organised as mutual learning process.

After the independent mid-term review of the Lisbon process (‘Kok Report’), the European Council in its meeting in Brussels in March 2005 **re-launched the Lisbon Strategy** (‘Partnership for Growth and Employment’) and re-focused the priorities on growth and employment. The three vital strands of the re-launch were:

- knowledge and innovation for growth;
- making Europe a more attractive place to invest and work; and
- creating more and better jobs.

Although the Council conclusions pointed to the strategy’s three dimensions (i.e. economic, social and environmental), they did not outline an integrated policy approach based on the SD concept.

The Council conclusions very broadly mentioned five SD issues in the context of growth and employment, namely (1) eco-innovation and eco-technology, (2) sustainable management of natural resources, (3) energy efficiency, (4) biodiversity, and (5) sustainable production and consumption (European Council, 2005, para 19-20).

With the aim to make “a bigger and more practical contribution to growth and employment” (European Council, 2005, para 38), a more streamlined and simplified **governance process** was introduced in 2005. Based on a three-year cycle, which started in 2005 and which was renewed in 2008, the governance of the Lisbon Strategy includes the following steps:

- a set of ‘integrated guidelines for growth and jobs’ adopted by the Council which include broad economic policy guidelines (BEPGs) and employment guidelines (EGs);
- on the basis of the ‘integrated guidelines’:
  - A ‘Community Lisbon Programme’ which sets out actions to be undertaken at the EU level, and
  - National Reform Programmes (NRPs) which set out actions in the Member States in order to reach the Lisbon objectives;
- each Member States appoints a Lisbon national coordinator – sometimes referred to as ‘Mr or Ms Lisbon’ – who are often high-level politicians (e.g. ministers);
- Member States have to submit annually a national report on the implementation of their NRPs;
- the European Commission compiles a ‘strategic report’ (annual progress report on meeting the strategy’s objectives, including an assessment of achievements in the Member States) which is discussed at the annual spring Council meetings.

The **Integrated Guidelines for Growth and Jobs** (European Communities, 2005) outline measures that the EU and the Member States should carry out in order to reach the Lisbon objectives in the period 2005-2008. The European Council in March 2008 confirmed these guidelines are also valid for the period 2008-2010 (European Council, 2008). In the integrated guidelines, only guideline 11 is concerned with SD and environmental integration issues (energy efficiency, eco-efficient technologies, internalising environmental costs, biodiversity, and climate change).

Based on the Integrated Guidelines, each Member State has developed a **National Reform Programme (NRP)**. The first NRPs were developed in October 2005, covering the period 2005-08. In October 2008, updated NRPs and action plans (for the period 2008-2010) were developed by the individual Member States (the NRPs can be found by following this [link](#)). So far, national implementation reports of the NRPs by each Member States have been published in 2006 and 2007. Detailed information about the NRPs as part of the Lisbon governance process can be found in the [ESDN Quarterly Report, March 2008](#). Moreover, the European Commission assesses annually the achievements of each Member States. In 2006 and 2007, the Commission also issued country specific recommendations for each Member State.

The Commission summarises general progress towards the Lisbon objectives in **annual progress reports**. The latest progress report was issued by the Commission in late November 2008 (European Commission, 2008). This [‘European Economic Recovery Plan’](#) was the Commission’s first response to the current financial and economic crisis and includes several new strategic

aims in the four priority areas of the Lisbon process. These **four priority areas** were agreed by the European Council in March 2006 (European Council, 2006b):

- knowledge and innovation;
- unlocking business potential and economic growth;
- increasing employment opportunities; and
- infrastructure and energy policy (this priority includes the 'Energy Policy for Europe' (EPE) with the often quoted '20-20-20' objectives).

Finally, the European Commission published the new **Community Action Programme for 2008-2010** that presented 10 key objectives which are based on the Integrated Guidelines and rest on the four priority areas (European Commission, 2007a). In the context of SD, two key objectives are of particular relevance: (1) energy and climate change measures (reducing greenhouse gas emissions, increasing share of renewable energy), (2) sustainable production and consumption.

The **European Council in its March 2009 meeting** pointed out that "in the current crisis, the renewed Lisbon Strategy (...) remains the effective framework for fostering sustainable growth and jobs" (European Council, 2009). Maximum benefits are to be achieved if short-term measures in the EU and the Member States are in line with the medium- and long-term objectives of the Lisbon Strategy. In this context, the Council looks forward to the Commission proposals for the post-2010 Lisbon Strategy.

### **3.2 EU Sustainable Development Strategy**

At its meeting in Gothenburg in June 2001, the European Council agreed on the **first EU SDS**. The Council Conclusions stated that the EU SDS "completes the Union's political commitment to economic and social renewal [and] adds a third, environmental dimension to the Lisbon strategy" (European Council, 2001, para. 20). The first EU SDS defined four priority areas: (1) combating climate change, (2) ensuring sustainable transport, (3) addressing threats to public health, and (4) managing natural resources more responsibly. It aimed to improve policy coordination at the level of the Member States and thus the Council invited Member States to draw up their own national SD strategies (NSDSs). Overall, the first EU SDS comprised 14 paragraphs on 4 ½ pages in the Gothenburg Council conclusions and was regarded by many as temporary EU SDS.

In 2005, the European Commission presented a review of the EU SDS. The Commission argued in this document that although several strategic initiatives had been started, "not enough progress has been achieved; unsustainable trends have yet to start to reverse" (European Commission, 2005, 4). In order to meet the challenges and to reverse negative trends, the European Council adopted the **renewed EU SDS** in June 2006 which "sets out a single, coherent strategy on how the EU will more effectively live up to its long-standing commitment to meet the challenges of SD" (European Council, 2006a, para 4). Compared to the first EU SDS, the renewed strategy is more comprehensive and includes clearer governance and implementation provisions.

The renewed EU SDS addresses **7 key challenges** and thus adds three priority areas to the ones already identified in the first EU SDS. Moreover, each key challenge includes detailed 'operational objectives and targets' as well as 'actions' needed in order to achieve the set objectives. The key challenges are:

- 1) climate change and clean energy;
- 2) sustainable transport;
- 3) sustainable consumption and production;
- 4) conservation and management of natural resources;
- 5) public health;
- 6) social inclusion, demography and migration; and
- 7) global poverty and SD challenges

Additionally, the renewed EU SDS includes **two cross-cutting policies** that aim to contribute to the knowledge society, namely (i) education and training and (ii) research and development. Although still putting a focus on environmental issues, the renewed EU SDS tries to balance economic, social and environmental objectives more evenly than has been the case previously. However, the strategy does not clarify the relationship between economic growth (one of the main objectives of the Lisbon strategy) and SD.

The renewed EU SDS also defines **policy guiding principles and ways for better policy-making**. Two issues are of great significance in this respect: On the one hand, the integration of sectoral policies and, on the other hand, a coherent approach for SD on all political levels. This means that, both horizontal and vertical integration, are addressed in the EU SDS but it is not clearly outlined how policy integration should be achieved in practice at the various political levels.

What is also new in the EU SDS of 2006 is the **introduction of a governance cycle**:

At the EU level, the renewed EU SDS outlines that the European Commission every two years will publish a progress report on the implementation of the strategy in the EU and the Member States (European Council, 2006a, para 33). The **first progress report** was issued on 22 October 2007 (European Commission, 2007b) and was based on national reports on implementing the EU SDS and on the Monitoring Report by Eurostat on the SD indicator set. In this progress report, the Commission (2007b, 3) argues that "relatively modest progress on the ground" has been achieved, although it is acknowledged that "policy initiatives at both EU and Member States level" were more encouraging, particularly on climate change and sustainable energy use. Nevertheless, cross-sectoral policy integration is identified as one of the major challenges that still needs to be addressed at all political levels. At the EU level, the challenge to integrate the long-term objectives of SD with the medium- to short-term goals of the Lisbon Strategy (i.e. growth, competitiveness and employment) needs to be solved. Since no OMC was foreseen, no country-specific recommendations for the Member States were provided in the progress report or related documents. The **second progress report** is currently prepared by the Secretariat-General of the European Commission and will probably be adopted in June 2009. In contrast to the first progress report, it will not be based on national progress reports from the Member States. Building on the preparatory work of the ESDN Office, a survey among SD coordinators of the Member States (many of them are members of the SDS Coordinators Group)



and the deliberations throughout the Prague Conference, the ESDN will bring forward the perspectives of Member States into the discussion at Commission and Councils levels about the options and opportunities for the future EU SDS.

The European Council in its December meetings is reviewing progress and priorities of the EU SDS every two years, also “taking account of priorities under the Lisbon Strategy for growths and jobs” (European Council, 2006a, para 38). **In December 2007, the Council for the first time reviewed the EU SDS and presented the following conclusions** (European Council, 2007, para 56):

- the objectives and priorities of the EU SDS’ seven key challenges remain fully valid and thus “the main focus should be on effective implementation at all levels”;
- the EU SDS and the NSDSs “need to be linked up more closely”;
- the governance structure and tools of the strategy (particularly monitoring progress and sharing best practices) must be fully used and strengthened;
- the EU’s integrated climate and energy policy, the approach to sustainable management of natural resources, the protection of biodiversity and ecosystems as well as sustainable production and consumption are among “the drivers for achieving objectives under both the EU SDS and the Lisbon Strategy”;
- a continued move towards more sustainable transport and environmentally-friendly transport modes is crucial.

In December 2009, the European Council will review the EU SDS and its priorities. As outlined in the renewed EU SDS document, the Council at the latest in 2011 will decide whether a comprehensive review of the strategy is necessary.

At the Member State level, the EU SDS claims that all Member States should have developed **NSDSs** by June 2007 and that further revisions should be undertaken in light of the renewed EU SDS. According to ESDN member sources, 25 EU Member States currently have adopted an NSDS<sup>1</sup>. Generally, it is important to note that most Member States have developed and adopted their NSDSs well before the renewed EU SDS (most around 2002, some have adopted revised NSDSs later). Several Member States have revised their NSDSs after the renewed EU SDS was adopted and have included its objectives (e.g. Finland and France). Currently, about 13 Member States are in the process of revising their NSDSs and thus aim to bring them in line with the objectives of the EU SDS.

The EU SDS also asked the Member States to appoint a national representative acting as ‘SDS Focal Point’. In order to foster the exchange between the European Commission (particularly with the Secretariat-General that is responsible for the EU SDS) and the Member States, the **SDS Coordinators Group** was established in late 2006. However, only two meetings have been held so far: One in November 2006 on the mandate of the Group and the main tasks of the coordinators and one in February 2007 about the organisation of the national progress reporting.

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<sup>1</sup> Bulgaria is currently preparing its first NSDS and the Netherlands have decided not to prepare a separate NSDS document, but rather develop a ‘strategic approach for SD’.

The SDS Coordinators Groups also agreed upon the template which was voluntarily used by a majority of Member States in compiling their **national progress reports** which were submitted to the European Commission in June or July 2007(they can be downloaded by following this [link](#)).

**Voluntary peer reviews** of NSDSs are also envisaged by the renewed EU SDS in order to review the strategy and identify examples of good policies and practices, with match-funding opportunities for national peer reviews provided by the Commission. However, so far only two Member States have organised a peer review process of their NSDSs, namely France in 2004-05 (peer countries: Belgium, Ghana, Mauritius and UK) and the Netherlands in 2006-07 (peer countries: Finland, Germany and South Africa). Therefore, only a small number of Member States has been involved in NSDS peer reviews so far.

However, several Member States have undertaken **evaluations or reviews of their NSDSs** with different approaches (an overview can be found in the [ESDN Quarterly Report, September 2006](#)). For instance, an external evaluation by scientific experts has been undertaken for the Austrian NSDS in 2005. An internal review process has been organised in the UK as part of the development process for the current NSDS. Recently, the 2008 progress report of the German NSDS has been compiled with the inclusion of various stakeholder groups.

### **3.3 Similarities and differences between the Lisbon Strategy and the EU SDS structures & processes**

The EU SDS and its interfaces with the Lisbon Strategy was the focus of the last ESDN workshop in Brussels in November 2008. A full documentation of the workshop can be found by following this [link](#). An overview of important similarities and differences between the re-launched Lisbon Strategy and the renewed EU SDS is provided in Table 1 below:

	<b>Re-launched Lisbon Process</b>	<b>Renewed EU SDS Process</b>
<b>Main EU strategy</b>	Re-launched Lisbon Strategy (2005)	Renewed EU SDS (2006)
<b>European Council discussion</b>	March Council (every year)	December Council (every other year)
<b>Responsible unit at European Commission</b>	Secretariat-General	Secretariat-General
<b>National strategy documents</b>	National Reform Programmes (NRPs), mid-term strategies – strong link to Lisbon Strategy (top-down development)	National SD Strategies (NSDSs), long-term strategies – weak link to renewed EU SDS (most NSDSs were developed before the EU SDS)
<b>Orientation</b>	Aims to improve competitiveness and achieve economic growth and increased employment in Europe in the short- to medium-term.	Aims to achieve SD, quality of life and well-being in Europe in the long-term.
<b>Major objec-</b>	3 main strands (2005) <ul style="list-style-type: none"> <li>• Knowledge and innovation for</li> </ul>	7 key challenges (2006): <ul style="list-style-type: none"> <li>• Climate change and clean energy</li> </ul>

<b>tives/priority areas (incl. SD issues)</b>	<p>growth</p> <ul style="list-style-type: none"> <li>• Making Europe a more attractive place to invest/work</li> <li>• Creating more and better jobs</li> </ul> <p>4 priority areas (2006)</p> <ul style="list-style-type: none"> <li>• Knowledge and innovation</li> <li>• Unlocking business potential &amp; economic growth</li> <li>• Increasing employment opportunities</li> <li>• Infrastructure and energy policy</li> </ul> <p>Several SD issues broadly referred to in re-launched Lisbon Strategy:</p> <ul style="list-style-type: none"> <li>• Eco-innovation and eco-technology</li> <li>• Natural resources</li> <li>• Energy efficiency</li> <li>• Biodiversity</li> <li>• Sustainable production and consumption</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable transport</li> <li>• Sustainable production and consumption</li> <li>• Conservation and management of natural resources</li> <li>• Public health</li> <li>• Social inclusion, demography and migration</li> <li>• Global poverty and SD challenges</li> </ul>
<b>Horizontal policy integration</b>	Focus on economic and employment trajectories and policies; no ambitious environmental objectives. No integrated strategy approach in accordance with SD.	Aims to balance economic, social and environmental objectives, with an emphasis on the latter two. No clarification of relationship between economic growth and SD.
<b>Vertical policy integration – genesis of process</b>	Top-down genesis: Lisbon Strategy was adopted first, NRPs in Member States followed (based on ‘integrated guidelines’ to guarantee common goals).	Bottom-up genesis: Most NSDSs preceded the renewed EU SDS of 2006; revised NSDSs from 2006 onwards should be brought in line with EU SDS objectives.
<b>Coordination between EU &amp; member States</b>	Group of Member States coordinators (Lisbon coordinators) chaired by Secretariat-General; regular meetings.	Group of Member States coordinators (SDS Coordinators Group) chaired by Secretariat-General; very infrequent meetings.
<b>Governance type</b>	Ideal-type OMC from the beginning; country-specific recommendations and ‘points to watch’ for each Member State, paired with annual visits of Commission representatives to each Member State; high-level committees on EU level (e.g. Economic Policy Committee, Social Protection Committee).	Increasingly develops into ‘light form’ of OMC (progress reports, indicators, peer reviews, etc); however, no high-level committees on EU level (e.g. no SD or environmental policy committee); no country-specific recommendations and no visits to Member States.
<b>Governance cycle</b>	3 years	2 years
<b>Progress reporting period on EU and Member States level</b>	Annual	Bi-annual
<b>Responsible ministry at the national level (most often)</b>	Ministry of Economic Affairs or Prime Minister’s Office	Ministry of Environment or Prime Minister’s office
<b>Update/review of strategy</b>	2010	2009 (review) & 2011 (possibly comprehensive review)

**Table 1: Similarities and differences between Lisbon Strategy and EU SDS structures & processes**

## **4. Results of the survey among SD coordinators**

As part of the pre-conference preparation, the ESDN Office undertook a **survey among SD coordinators from the EU Member States** (many of them are members of the SDS Coordinators Group) on expectations regarding key objectives and topics as well as governance mechanisms & institutional structures for the future EU SDS. During April and May 2009, ESDN Office members undertook telephone interviews with representatives from 21 Member States. Below, we summarise the results of the survey which will also be presented and discussed during the conference:

### ***4.1 General aim and purpose of the future EU SDS***

At the beginning, we asked the SD coordinators about the general aim and purpose for the future EU SDS. Below, we summarise their responses:

- There was agreement among the SD coordinators that the future EU SDS should be a general development strategy with a long-term view that defines the development trajectory for the whole EU. It should thus be a meta-strategy for all sectoral policy strategies on the EU level.
- The future EU SDS should include a set of limited key challenges that are well-defined and precisely formulated. These key challenges should be based on common principles of SD and strategic SD objectives.
- Many SD coordinators believe that the future EU SDS should reflect upon the challenges posed by the global financial and economic crisis. This should also comprise a clear definition of the link between economic growth and sustainable development.
- The SD coordinators mentioned that the future EU SDS should define horizontal and vertical policy integration as well as outline clear governance mechanisms and institutional structures.
- Several SD coordinators mentioned that concrete measures for the implementation of the EU SDS should be formulated in an Action Plan; however, there was no common opinion if there should be a European-wide Action Plan or Action Plans for every Member State (including specific measures for the national and sub-national levels).
- Again other SD coordinators argued that the EU SDS should clearly define the role of the EU in pursuing international SD objectives.

### ***4.2 Key challenges (objectives, topics) of the future EU SDS***

The current EU SDS includes 4 key objectives that are addressed by seven key challenges (climate change and clean energy; sustainable transport; sustainable consumption & production; conservation & management of natural resources; public health; social inclusion, demography

and migration; global poverty and sustainable development challenges) and two cross-cutting issues (education and training; research and development).

We asked the SD coordinators if other key challenges should be included in the future EU SDS or if current key challenges should be removed or addressed differently.

As regards the key challenges for the future EU SDS, the SD coordinators seem generally content with the ones that are already included in the current strategy. However, many SD coordinators mentioned that macro-economic issues (i.e. economic/financial policy and sustainable development) should be included as further key challenge. They view this as a necessary step towards addressing the link between economic growth and sustainable development in the future EU SDS.

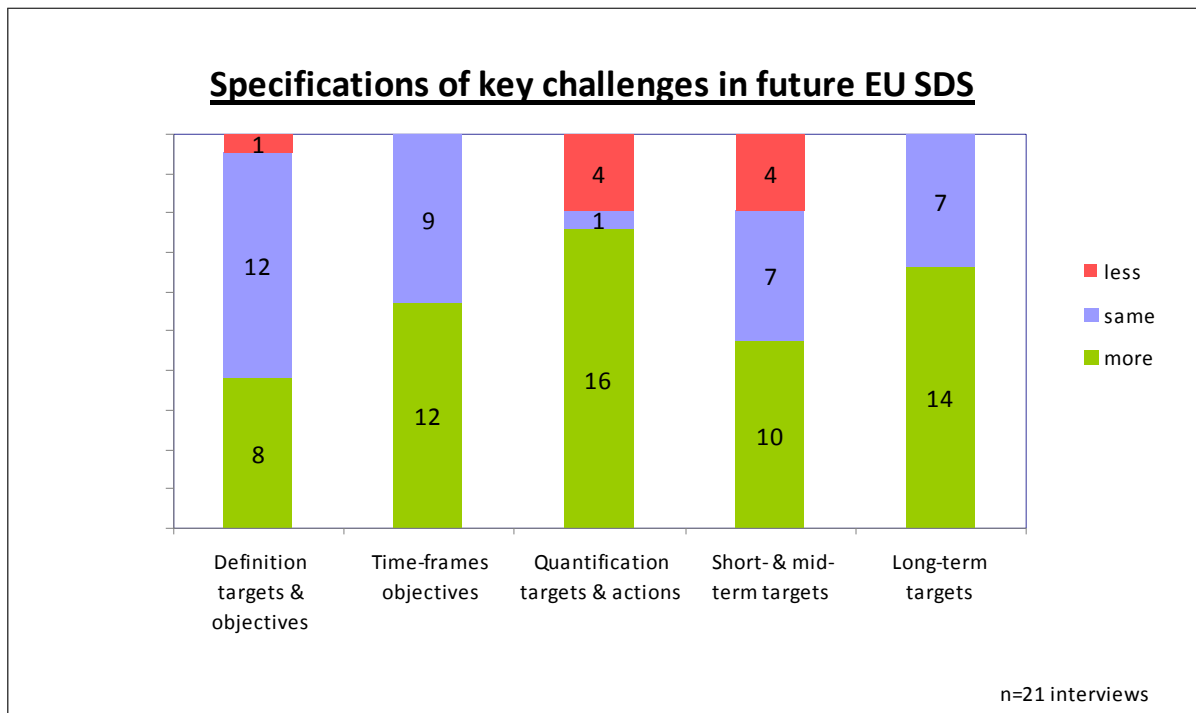
The SD coordinators made several suggestions how the current key challenges should be addressed differently:

- They believe that some of the current key challenges should either be expanded (e.g. social inclusion), split (e.g. climate change and energy, social inclusion and demography/migration – each could be an individual key challenge) or addressed differently (water issues should be included in climate change, more emphasis on biodiversity, ecosystems and SCP should be addressed in various key challenges, etc).
- Several SD coordinators argued that the cross-sectoral character of each key challenge should be better specified; this would also imply to outline how the balancing of economic, environmental and social issues could be achieved in practice.
- Others pointed out that the various objectives and targets in the individual key challenges are generally decided in the sectoral policy circles – therefore, a strong link to the policy sectors is necessary; current objectives would reflect the situation in 2006 (the time when the renewed EU SDS was published) and should thus be updated continuously.
- Another important aspect is that the future EU SDS should include links to the Lisbon Strategy objectives for each key challenge; this could potentially increase the coordination of objectives of both strategies.
- Several SD coordinators mentioned the need to revise the current key challenges with regards to the challenges posed by the financial and economic crisis.
- Again others argued that detailed objectives and targets of the key challenges should be defined in a separate Action Plan that could also specify which actions are to be implemented at the Member States or sub-national levels.

### ***4.3 Specifications of key challenges***

We then asked the SD coordinators about how detailed the specifications of key challenges should be in the future EU SDS. We selected five important specifications (definition of objectives and targets; time frames of objectives and targets; quantification of targets and actions; short- and medium-term objectives and targets; long-term objectives and targets) and asked if

each specification should be 'more detailed', 'the same' or 'less detailed' compared to the current EU SDS. Please find the results to this question in Graph 1 below:



**Graph 1: Specifications of key challenges in the future EU SDS**

As Graph 1 shows, the SD coordinators believe that the targets and actions should be more quantified in the future EU SDS, that there should be more long-term targets rather than short- to medium-term targets and that the time frames of objectives and targets should be more concrete. As the results show, the definition of targets and objectives is largely considered as detailed enough in the current EU SDS. Let us now take a closer look at some concrete examples the SD coordinator mentioned in order to make some specifications more detailed:

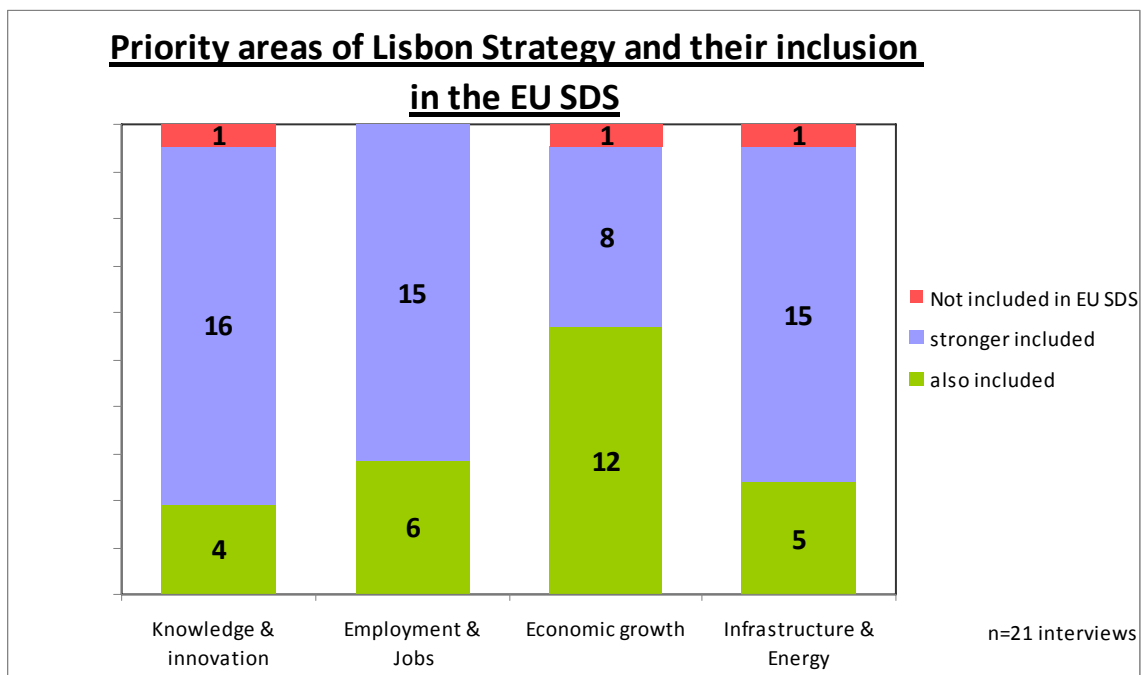
As regards quantification, the SD coordinators argued that for several of the current key challenges, more quantified targets and actions would be useful, e.g. for sustainable transport, SCP, waste management or social inclusion. But also in the cross-cutting issues like education, more quantified targets should be developed. Several SD coordinators referred to the current quantification of targets and actions in the climate change key challenge as a good example for how quantification could look like in the future EU SDS. Others pointed out that quantified targets should be realistic and based on scientific evidence, while fully taking into account the precautionary principle. More quantified targets and actions would allow (i) measuring implementation efforts, (ii) improving the communication of targets and actions to the general public and (iii) helping to meet international agreements. However, some SD coordinators argued that including detailed quantifications in the future EU SDS would be difficult as details in the individual key challenges are generally decided in the sectoral policy circles.

The SD coordinators argued that the future EU SDS should include more long-term targets and actions in the key challenges. This underlines their view about the future EU SDS as a strategic development strategy with a long-term perspective. In this context, the future EU SDS should

define what is to be achieved in time horizons like 2015-2025-2050. Short- and medium-term targets and actions should rather be included in sectoral policy strategies or action plans.

#### 4.4 Inclusion of Lisbon Strategy priorities in the future EU SDS

After outlining the four priority areas of the Lisbon Strategy (knowledge & innovation; employment & job creation; economic growth; infrastructure & energy), we asked the SD coordinators if the respective priorities should be ‘also included’ in the future EU SDS, ‘stronger included’ (when they think they are already included) or ‘not included’ in the EU SDS. Graph 2 below shows the results of the interviews:



**Graph 2: Priority areas of the Lisbon Strategy and their inclusion in EU SDS**

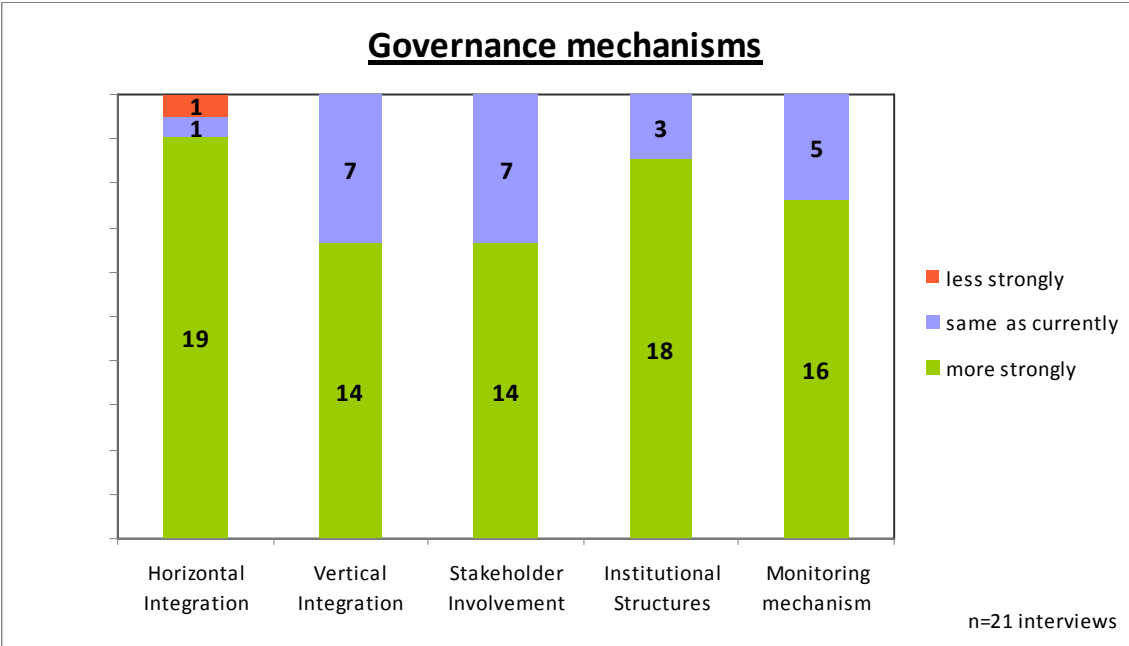
As Graph 2 shows, the SD coordinators believe that all priority areas of the Lisbon Strategy should be also or stronger included in the future EU SDS. It is important to note that most SD coordinators think that economic growth is currently not sufficiently addressed in the EU SDS (a majority said it should also be included in the future EU SDS), while the other Lisbon priority areas are included to some extent, but should be stronger included.

Although they argued that the general trajectory for economic growth in the EU should still be outlined in the Lisbon Strategy, the SD coordinators identified a missing definition on the link between economic growth and sustainable development in the current EU SDS. Therefore, they consider it necessary for the future EU SDS (i) to define economic growth in relation to SD, (ii) to reflect on the challenges for SD posed by the global financial and economic crisis, and (iii) to outline what SD could contribute to overcome this crisis and prevent similar future crises. As important areas for reflecting on the link between economic growth and SD, they mentioned eco-efficiency, sustainable resource use, green/environmental technologies, climate change and SCP.

The SD coordinators said that the other three Lisbon Strategy priorities should be also included in the future EU SDS (they are, to some extent, already included in the current EU SDS). Again, they believe that these priorities should be mainly dealt with in the Lisbon Strategy, however, the future EU SDS should reflect upon their link to SD and address issues that are of particular importance for SD: Regarding knowledge & innovation, the future EU SDS should deal with issues like eco-efficient or green technologies, clean energy, innovative technologies in water management, etc. It should foster linking R&D and innovative systems with the needs to move towards a more sustainable society. As regards employment & job creation, the SD coordinators mentioned that the future EU SDS should deal with specific issues that are important in the context of SD, e.g. linking sustainable growth and job creation, inter-generational solidarity, equal opportunities, social dimensions of employment and work-life-balance, new working models (e.g. domestic work, informal work), active aging and retirement, costs and social effects of unemployment, job training and education for SD, etc. Finally, concerning infrastructure & energy, the SD coordinators said that this priority is crucial for transport, construction of buildings and, of course, energy efficiency and climate change. Moreover, several SD coordinators argued that infrastructure and energy issues should also be addressed in relation to quality-of-life. Finally, the future EU SDS should continue and ultimately increase its efforts on the challenge of climate change.

**4.5 Governance mechanisms & institutional structures**

We selected five major governance mechanisms for SD strategy processes and asked the SD coordinators if these processes should be ‘more strongly’, ‘the same as currently’ or ‘less strongly’ addressed in the future EU SDS. The results can be seen in Graph 3 below:



**Graph 3: Governance mechanisms in the future EU SDS**



The results show that all five governance mechanisms should be more strongly addressed in the future EU SDS. This is particularly the case for horizontal integration, institutional structures as well as monitoring and review mechanisms.

Concerning horizontal integration, the SD coordinators pointed out that sectoral policies should be better connected and balanced with respect to the objectives of the EU SDS. In order to achieve more horizontal integration, they regard a stronger coordination between sectoral DGs on the European level and government ministries on the national level as crucial. This is currently hampered by the departmentalised structure of the European Commission and the national governments. One way to overcome strong departmentalisation in SD policy-making would be to establish institutional structures which foster cross-sectoral coordination, e.g. inter-ministerial committees which exist in several Member States (e.g. Austria, Belgium, Czech Republic, Finland, Germany, UK).

As regards institutional structures, many SD coordinators mentioned that an SD committee at the EU level should be established with a clear mandate (similar to the Economic Policy Committee and the Social Protection Committee) that could raise the profile of SD and act in close exchange with the Council and the Commission. Other SD coordinators, however, argued that already existing institutional structures should be used more efficiently rather than new ones created. Again others pointed out that the SDS Coordinators Group should be more active with more meetings and increased discussions about critical SD issues. Generally, a strong coordination between institutions on the EU and on the Member States' level (e.g. inter-ministerial committees, national SD councils) on EU SDS issues is regarded as crucial.

The SD coordinators regard monitoring and review mechanisms as important to measure progress in the implementation of the EU SDS. The EU SDS progress report should not only provide precise information on the implementation of objectives and targets for all key challenges, but should also include information (quantitative and qualitative) on the implementation efforts on the Member State and sub-national levels. For the latter, a closer coordination between the EU and Member States' institutions should be established and common guidelines and structures for individual Member State reports should be developed. Many SD coordinators suggested that the EU SD indicator set should in the future be used more prominently in the process of monitoring progress towards EU SDS objectives. In this context, it would be necessary to introduce the EU SD indicator set on the national level for monitoring NSDS implementation.

Regarding vertical integration, the SD coordinators pointed out that it would be crucial for the future EU SDS to include its key challenges and objectives in the NSDSs of the Member States – currently, the relation between the EU SDS and the NSDSs is very loose and objectives differ (mainly due to the fact the most NSDSs have been developed before the renewed EU SDS). Moreover, there should be a clear division of responsibilities for the different political levels (including the sub-national level) when implementing the various objectives of the future EU SDS. Several SD coordinators mentioned that stakeholder involvement should be increased in the future EU SDS, namely at all stages of the policy cycle (development, implementation, monitoring). For instance, the European Parliament and the national SD councils should be involved more actively.

#### ***4.6 Lessons from implementing National SD Strategies (NSDSs)***

We asked the SD coordinators to name some important lessons derived from the implementation of their NSDSs that could also be applied at the European level for the future EU SDS. Here are the results:

- Many SD coordinators mentioned that inter-ministerial committees and national SD councils are important institutional structures to foster horizontal integration which is one of the most decisive issues for SD implementation. They argued that each ministry should be aware of the SD strategy and should contribute to its effective implementation. Moreover, many inter-ministerial committees and national SD councils overlook the implementation process.
- The SD coordinators mentioned that the inclusion of the capacities of stakeholders (particularly in the strategy development) and the cooperation with societal actors in the strategy implementation are important factors in the SD strategy process.
- Another crucial issue mentioned was the cooperation among the different political levels for successful implementation of strategy objectives.
- Several SD coordinators mentioned that SD Action Plans were important in their Member States to define concrete actions and measures for the strategy's objectives across ministries and sub-national authorities.
- Again others argued that concrete mid-term targets of the NSDSs helped to better communicate SD and increase the understanding of SD in the society.

These responses largely confirm the results on the governance mechanisms and specifications for the future EU SDS (see chapters 4.5 and 4.3) in which horizontal integration, effective institutional structures, vertical integration and concrete targets and actions were considered as important issues for the future EU SDS.

#### ***4.7. Future EU SDS as added-value for NSDSs in the Member States***

The SD coordinators were also asked what the future EU SDS should foresee to provide an added-value for the NSDS processes in the Member States. Below we summarise their responses:

- Most SD coordinators argued that the future EU SDS should be a strategic and guiding document with long-term objectives for the Member States in their efforts to move towards more SD. One of the major aspects in this context is that the objectives of the future EU SDS and the NSDSs should be streamlined and coordinated.
- Several SD coordinators pointed out that the general objectives of the future EU SDS would need to be translated into concrete actions and clear targets. Some argued that in order to meet the objectives and follow up on actions and targets, a benchmarking system of implementation efforts in the Member States should be introduced. Others argued, however, that the exchange of good practices and best ideas between the Member States would be more favourable than strict comparisons.

- The SD coordinators also mentioned that the future EU SDS should outline clear responsibilities for the various political levels, particularly those of the EU and the Member States. The sharing of responsibilities should be developed on the basis of an intensive dialogue between the EU and the Member States (i.e. more meetings and more substance in the dialogue).
- The SD coordinators regard a more detailed outline of horizontal policy integration as necessary. More guidance on how to establish coherence between different policy sectors would be an important added-value for the Member States in the implementation of SD in general and the future EU SDS objectives in particular.
- Finally, several SD coordinators said that a better link and more coordination between the future EU SDS and the Lisbon Strategy post-2010 should be established; this could also help the Member States in their coordination of the two strategy processes.

#### ***4.8. Improving coherence of EU SDS and NSDSs***

Finally, we asked the SD coordinators how the coherence between the future EU SDS and the NSDSs could be improved:

- Generally, a strong political commitment for SD on all political levels would enhance the chance to implement the objectives of the future EU SDS and the NSDSs.
- Moreover, the SD coordinators believe that better coordination and coherence on key challenges and objectives (with related targets and actions) between the future EU SDS and the NSDSs of the Member States is necessary.
- Many SD coordinators argued that strong monitoring mechanisms on implementing the EU SDS would foster cooperation between EU SDS and NSDSs processes. One way of increasing coherence would be to establish an SD indicators set, based on the future EU SDS objectives, that should be used on the EU level and in all Member States.

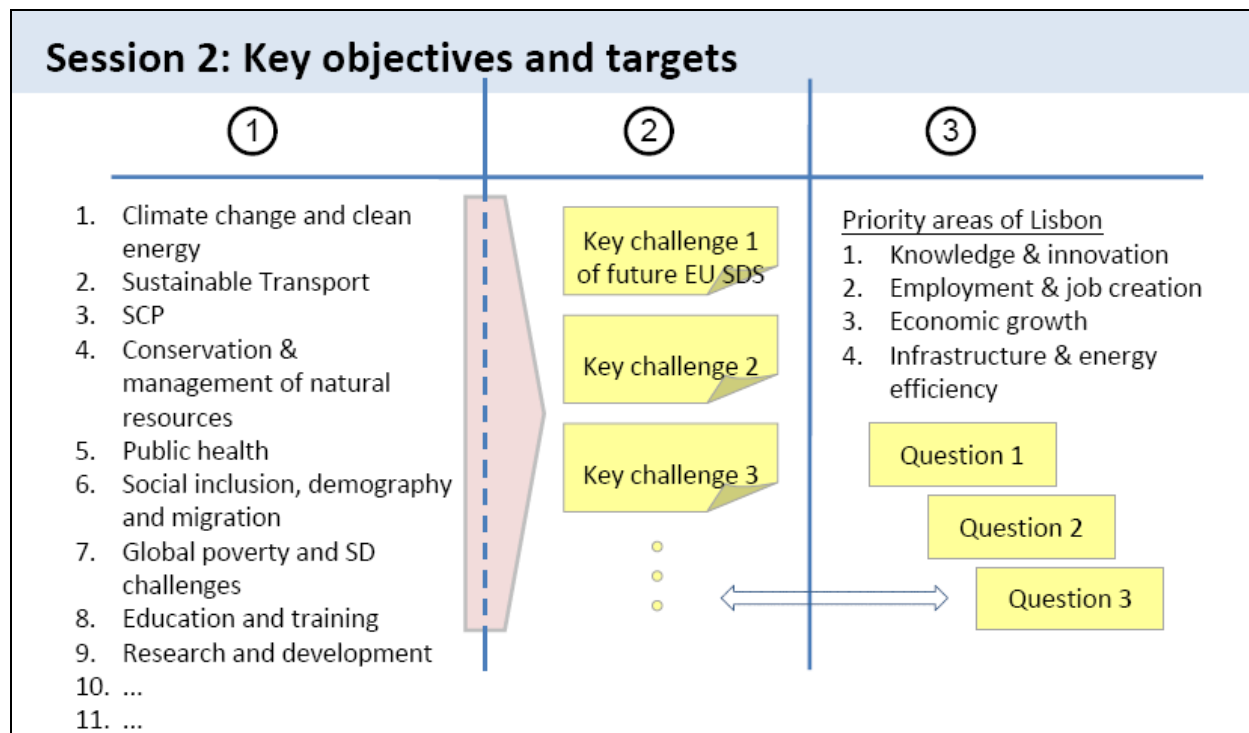
### **5. Working group topics and formats**

Like in previous ESDN conferences, the main topics will be discussed in-depth in parallel working groups, moderated by members of the ESDN Steering Group and Office. This year, working group discussions will be applied in session 2 (key objectives and topics) and session 3 (governance mechanisms & institutional structure). As the results of the working group discussions will be summarised and included in the ESDN advisory paper on 'Cornerstones for the Future EU SDS', the format has been designed not only for in-depth discussions, but also to achieve concrete outputs in the working groups. In the sections below, we briefly introduce the working group formats used in both sessions.

#### ***5.1 Working group format for session 2***

Session 2 will focus on key objectives and targets for the future EU SDS. After a keynote presentation that outlines general aspects on this topic and the presentation of results of the sur-

vey among SD coordinators (see chapter 4), the conference participants are invited to join one of the parallel working groups that all focus on key objectives for the future EU SDS. Graph 4 below shows the 3-step structure for the parallel working groups in session 2.



**Graph 4: Working group format – Session 2**

- (1) The current key challenges of the renewed EU SDS + the outcomes of the survey among SD coordinators on key challenges will be presented by the moderators. The working group participants will be asked if other topics should be added or if topics should be split or merged.
- (2) Each participant can allocate one priority point to max. 5 key challenges on the list developed in step 1. The participants are invited to allocate their points to those key challenges that they consider as most important for the future EU SDS. The key challenges will then be listed according to the number of priority points.
- (3) The priority areas of the current Lisbon Strategy + the results of the survey among SD coordinators will be presented by the moderators. The participants will be invited to discuss the following questions:
  - Q1: Which priority areas of the Lisbon Strategy should be included in the future EU SDS?
  - Q2: How should these priorities be addressed in the future EU SDS?
  - Q3: How are these priorities linked to the key challenges prioritised in step 2?

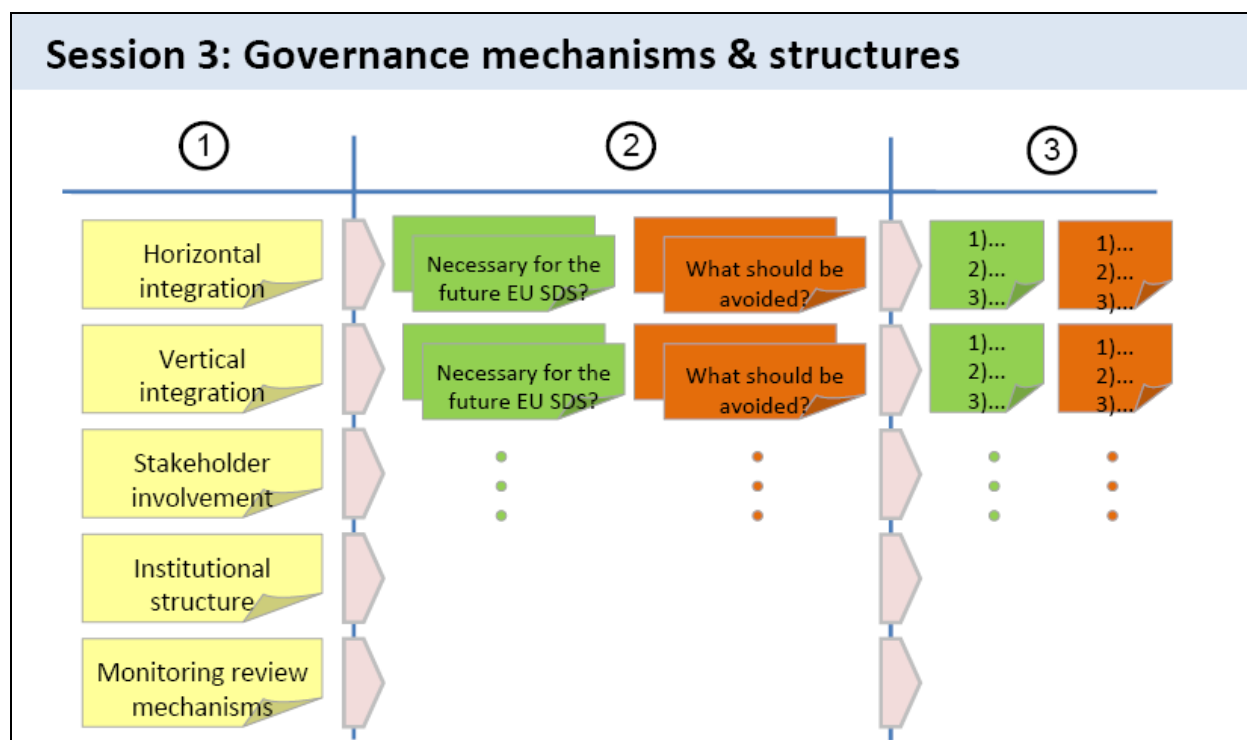
The results of the working group discussions will then be presented in the plenum by the moderators.

## 5.2 Working group formats for session 3

Session 3 will focus on governance mechanisms & institutional structures for the future EU SDS. There will be two keynote presentations in this session: one on governance mechanisms and one on impact assessment for sustainable development. After the keynote presentations and the presentation of results of the survey among SD coordinators (see chapter 4), the conference participants are invited to join either the parallel working groups on governance mechanisms or the parallel working groups on impact assessment for sustainable development.

### 5.2.1 Format for parallel working groups on 'governance mechanisms & structures'

Graph 4 below shows the 3-step format for the parallel working groups on governance mechanisms & institutional structures.



Graph 5: Working group format – Session 3

- (1) The results of the survey among SD coordinators on five governance mechanism for the future EU SDS will be presented by the moderators.
- (2) For each of the five governance mechanisms, each participant will get one green & one orange card: On the green card, the participants can write what they consider as 'necessary' for the implementation of the future EU SDS; on the orange card, they can write what 'should be avoided' in the future EU SDS.
- (3) Together with the participants, the moderators cluster the respective green and orange cards. The participants will then select the three most important ones ('necessary' and 'should be avoided') for each of the five governance mechanisms.

## 5.2.2 Format for parallel working groups on 'impact assessment for sustainable development'

These parallel working groups follow a different purpose and format. The working group discussions will be a follow-up of a workshop organised by the Finnish National Commission on Sustainable Development in February 2009. The parallel working groups will discuss three topics with related questions that are outlined below:

### 1) Sustainable development criteria for impact assessment:

In order to be able to assess the likely environmental, social and economic impacts of objectives in an integrated way, sustainable development criteria need to be developed:

- Is it enough to define "dimension-specific" criteria, i.e. criteria which are based on the three main dimensions, or should there be overarching horizontal criteria?
- How and by whom should the criteria be developed? Who decides which criteria are to be selected? How to commensurate qualitative and quantitative data?

### 2) Informed decision-making:

One can argue that better knowledge on the positive and negative impacts of political decisions can contribute to more informed, coherent and sustainable decisions.

- How should sustainability assessments be designed to affect political decision-making in this way?
- How can the recommendations and conclusions of comprehensive assessments be made widely received and adopted?
- Impact assessment for sustainable development doesn't have normative regulation as a backup, like for instance EIA and SEA do: How could the sustainability impact assessment procedures become a normative *principle* when framing strategic guidelines for the society?

### 3) Managing sustainable development strategies:

Sustainable development strategies are nowadays formulated by a quite large group of countries. However, the strategy becomes unattached and its implementation and impacts unknown, if there are no proper procedures for process-management, monitoring and evaluation.

- How to improve the overall sustainable development policy-cycle so that various process elements contribute to each other and create added-value to policy-planning and political decision-making?
  - Governance (strategies)
  - Monitoring (reporting)
  - Measurement (indicators)
  - Analysis (assessments)
- Is there a need for a general guidelines or manuals for conducting sustainability assessments? What should be the common elements and principles to be determined? Who should develop these guidelines?

Again, the results of the working group discussions will then be presented in the plenary by the moderators.

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