

“Options and Opportunities for the
future SDS”

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19, 2009

Comments by Anders Wijkman, MEP

Several parallel crises:

1. Financial crisis, spilling over into the economy
 2. Climate crisis
 3. Ecosystem/Natural resources crisis
 4. Peak oil
- All these crises have the same roots, unsustainable use of resources – in the economic system and in Nature.
 - Climate change and resource constraints will affect our economies negatively, will aggravate poverty in many developing countries and may lead to serious conflicts

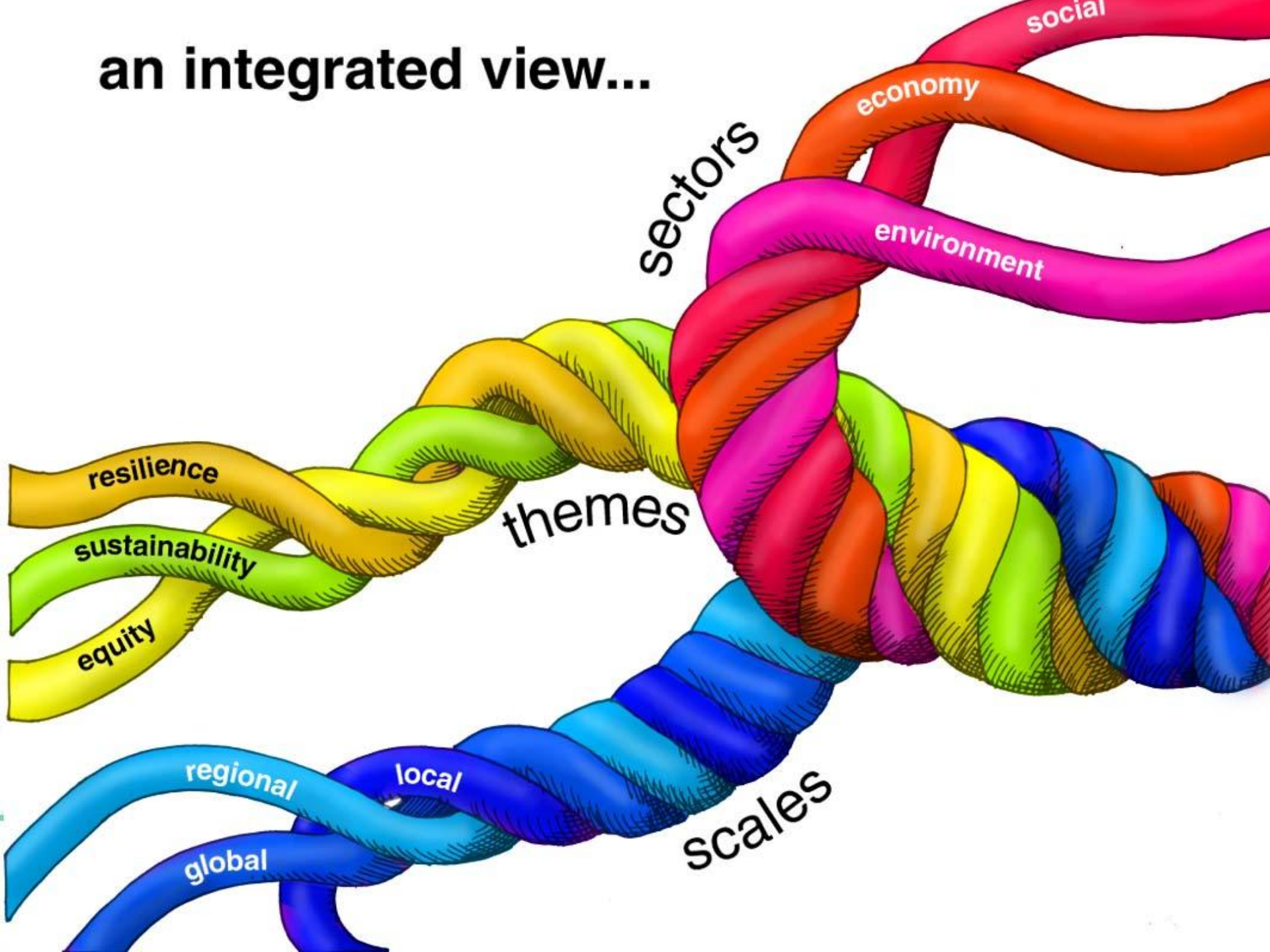
- Just as a few lonely economists warned us we were living beyond our financial means and overdrawing our financial assets, scientists are warning us that we're living beyond our ecological means and overdrawing our natural assets," argues Glenn Prickett, senior vice president at Conservation International. But, he cautioned, as environmentalists have pointed out: "Mother Nature doesn't do bailouts."

Thomas Friedman in New York Times, march 2009.

- We created a way of raising standards of living that we can't possibly pass on to our children," said Joe Romm, a physicist and climate expert who writes the indispensable blog climateprogress.org <<http://climateprogress.org/>> . We have been getting rich by depleting all our natural stocks — water, hydrocarbons, forests, rivers, fish and arable land — and not by generating renewable flows

Thomas Friedman in New York Times, march 2009

an integrated view...



My task is to comment on the governance structure and insitutional mechanisms

- Don't think that any governance or institutional reform can do justice to the objectives of the SDS unless we rethink the economic policy framework
- We do experience major flaws in the policy frameworks and these have to be addressed first.

SDS requires a lot of rethinking

- The organisation of science and education: From verticalitis and reductionism to working in the "interest of the whole"
- The economic policy framework: From short-termism to long-termism; Quality of growth; Take Nature into Account
- Role of finance
- Social inclusion
- Demography
- Long term health
- Governance reform – at global and national level
- Trade reform
- Role and direction of ODA
- Specifically: Copenhagen agreement

Rethink conventional growth

- Our ecological footprint increases all the time:
 - GHG increase in most MS, - Transport emissions on the increase, - Countdown 2010 a failure, - Fisheries Policies a failure, - Resource use increasing, - Waste volumes as well, - pressure on ecosystems in the South increases etc
- Today's economic model based on assumption that there are limitless resources in Nature and that Nature has infinite capacity to absorb waste products. - both these assumptions are wrong
- The inverted Kuznetz curve – i.e. the assumption that environmental pressure automatically goes down when economies grow - can not be taken for granted
- As presently organised the economic system will destroy the life-supporting systems and ultimately bring down the economy as well
- Respect the boundary conditions for human development

Climate Change

$325 \text{ ppm CO}_2 < 1 \text{ W m}^2$
($300 - 350 \text{ ppm CO}_2$;
 $1 - 1.5 \text{ W m}^2$)

Ozone depletion

$< 5 \% \text{ of Pre-Industrial } 290 \text{ DU}$
($0 - 10\%$)

Biogeochemical loading: Global N & P Cycles

Limit industrial fixation of N_2 to 35 Tg N yr^{-1}
 $P < 20 \% \text{ inflow to Oceans}$

Atmospheric Aerosol Loading

To be determined

Ocean acidification

Aragonite saturation ratio
 $< 20 \% \text{ below pre-industrial levels}$

Biodiversity Loss

$< 10 \text{ E/MSY}$

Land System Change

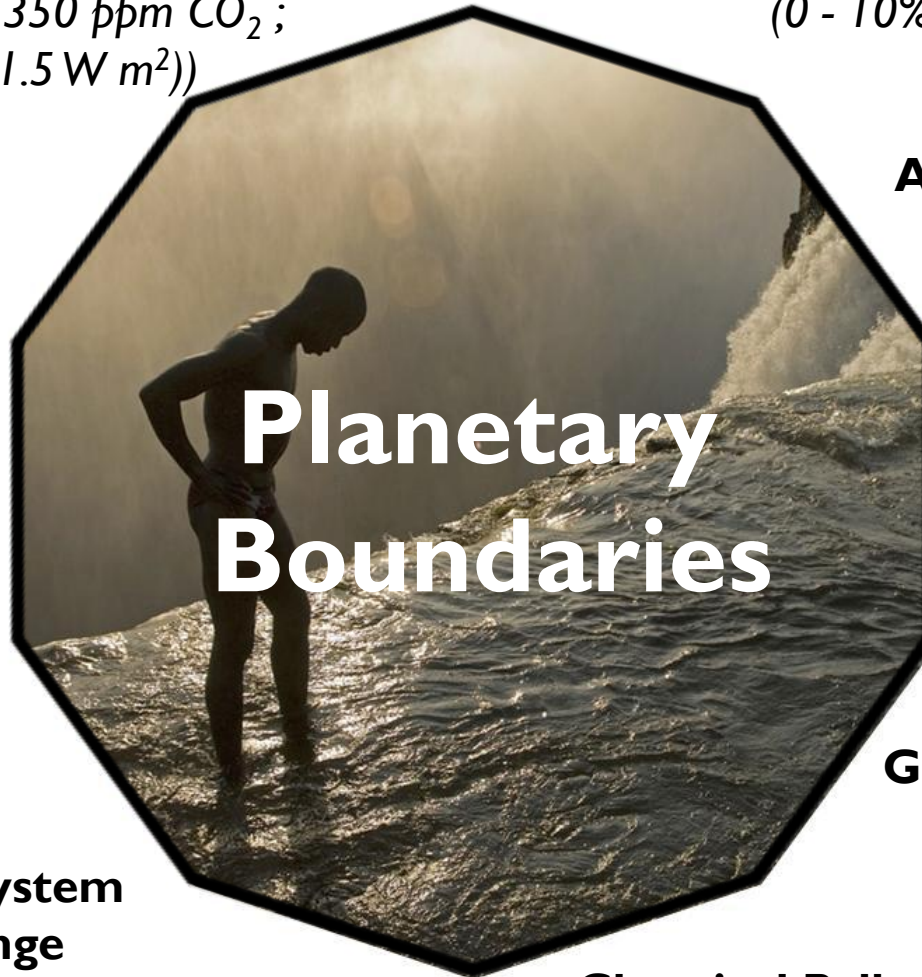
$\leq 15 \% \text{ of land under crops}$

Chemical Pollution

Plastics, Endocrine Disruptors, Nuclear Waste Emitted globally
To be determined

Global Freshwater Use

$< 4000 \text{ km}^3/\text{yr}$
($4000 - 6000 \text{ km}^3/\text{yr}$)



Planetary Boundaries

Addressing environmental concerns:

- **Short term:** Make use of stimulus packages to invest in climate-and environment friendly technology and infrastructure
- This is not really happening
- **Long term:** Rethink the economic policy framework – both at EU and at national level
- As well, this is not really happening

Some key proposals for economic reform

- "Beyond GDP" - measure welfare in a more intelligent way
- Define "boundary conditions" for human development and design economic policy framework consequently
- Take Nature into account; Financial Capital cannot substitute for Natural Capital
- PPP - let the polluter pay
- Remove all environmentally harmful subsidies
- Resource efficiency key objective: "From cradle to cradle"
- Biomimicry
- Use discounting of future values with caution
- Reform Business models; from products to services,

Major implications for EU policymaking

- Merge Lisbon and SDS – tension today between short term and long term - and around the concept of economic growth
- If that is not possible, focus on reforming Lisbon!
- Use EU Budget to support SDS
- Implement PPP and remove envi. harmful subsidies
- Structural/Cohesion Funds – major shortcomings today
- CAP must be reformed to support SDS
- Resource efficiency new target: +4-5% p a – part of Eco-design
- Transport Policy Reform
- More ambitious climate policy
- **Both CEPS and EPC are working on "greening the European economy and the EU budget**

How do we bridge conventional thinking with sustainable development thinking?

- Some of the resistance against sustainability is due to vested interests and/or cynicism
- But some has to do with lack of real understanding - here the vertical organisation of society and lack of systems thinking is a real challenge
- How can we help bridge this gap?
- Neo-classical economics is a special problem

Governance

- A merger of Lisbon and SDS ought to lead to a different decisionmaking structure
- The European Parliament, which has played a very marginal role vis-a-vis the SDS, ought to be fully involved
- There are precedents, like the European Consensus on Development
- If we cannot merge the two, the EC as well as MS must rethink Lisbon and invite the sustainability community to have a say

Governance/Institutions 1

- Horizontal integration needed at all levels – including the legislatures;
- The EC needs a total reorganisation to address sustainability. Not even DG ENVI is horizontal in its way of working. The Office of the EC President has to take the lead
- At MS level the same is true; the Prime ministers should play lead role
- Parliaments must be more horizontal; EP temp committee on climate change interesting experiment

Governance/Institutions 2

- Vertical integration – strengthen links between SDS and Nat SDS + sharing of best practice
- SDS Committee at EU level important as inspiration and clearing house – but should be joint effort for Lisbon and SDS
- Monitoring – develop good indicators a must; here the Stiglitz Report and TEEB are likely to provide new insights
- Peer-review mechanism good practice and

Conclusion:

- To make SDS really effective will require a fundamental rethinking of the policy frameworks, not least in the field of economy
- Economic growth has to be redefined, focussing on quality and content
- From that would, of course, follow a series of decisions pertaining to governance and institutions. Most important will be to manage the horizontal linkages