



**ESDN Workshop on  
Sustainable Development Indicators at the EU level**

**Workshop Outline**

Markus Hametner, Gerald Berger, Reinhard Steurer

Hosted by the [ESDN](#) in cooperation with the Portuguese Presidency

**Lisbon, 29-30 November 2007**

ESDN Workshop Series



**AGÊNCIA PORTUGUESA DO AMBIENTE**

Ministério do Ambiente, do Ordenamento do Território e do Desenvolvimento Regional

### Organisational issues

- **Time:**
  - 29 November, 14:00 - 18:30 (preceded by lunch and followed by dinner)
    - ESDN Steering Group meeting: 29 November, 20:00-22:00
  - 30 November, 9:30 – 13.00.
- **Venue:** Hotel Baía and Museu de Condes Castro Guimarães, Cascais

### Thematic outline and purpose

A key feature of SD strategies (SDSs) is that they monitor SD with a set of indicators (SDIs). The 1<sup>st</sup> ESDN Workshop will facilitate a discussion on the **political relevance and usage of SDIs in the context of the EU SDS**. It will explore the value-added of a European set of SDIs and whether or how it can be used for advancing the Open Method of Coordination (OMC) and EU SD benchmarking. Among the different purposes of SDIs (measuring the status quo and trends, benchmarking, communicating good performances and triggering/coordinating new policies), the Workshop will focus on SDIs as a tool that facilitates the communication and coordination of SD policies. Methodological challenges in developing and applying SDIs are explicitly excluded from the Workshop.

The key purpose of the SDI Workshop is to **facilitate an informal exchange** of standpoints and experiences on SDIs at the EU level **among different groups** of public administrators who approach and work with SDIs in different ways. The Workshop will complement the work of the EU Working Group on SDIs (chaired by Eurostat) in two respects: First, it will focus on political rather than technical SDI issues; second, it will bring SD coordinators together with selected SDI experts – two groups that rarely meet for a European exchange.

### Use of expected results

The working groups will be asked to produce five statements on the discussion topics that will go into a Workshop Summary. The results of the workshop could be further discussed:

- In the SDS Coordinators Group (through the ESDN and the Portuguese Presidency).
- Within the ESDN (in future events and e-mail or online discussions).

The Workshop results will be disseminated through upcoming ESDN Quarterly Reports and the ESDN Newsletter.

### Topics

The Workshop consists of three themes that are described briefly in this Workshop Outline after a brief introduction to the EU SD Strategy and the new EU set of SD Indicators. Each theme will be introduced by a speaker and discussed in depth in three parallel working groups facilitated by the ESDN Office (Gerald Berger and Markus Hametner) and a member of the ESDN Steering Group (Daniel Wachter).

## Background on the EU SD Strategy and the new EU set of SD Indicators

In June 2006, the European Council adopted the renewed EU Sustainable Development Strategy (EU SDS). This decision was taken after an extensive review process, including various kinds of public consultation and hearing processes. For a detailed overview of this process, see the ESDN Quarterly Report May/June 2006 at the [ESDN website](#). According to the strategy itself, the renewed EU SDS 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 sustainable development” (European Council, 2006, para. 4).

The implementation of the objectives and targets formulated in the EU SDS requires efforts from the European level as well as from the EU Member States. Therefore, one of the guiding principles of the EU SDS is to establish coherence between policy-making on the various political levels for the implementation of the strategy. The renewed EU SDS thus also calls upon the EU Member States to implement the strategy. They are requested to include the objectives of the EU SDS into their national efforts for SD in order to “ensure consistency, coherence and supportiveness” (European Council, 2006, para. 40). This concerns all Member States and their NSDSs, but is particularly important in countries that develop their first or renew their NSDSs.

The renewed EU SDS foresees a two-year reporting cycle (European Council, 2006, para. 33-41). The so-called “governance cycle” can be summarised as follows:

- Member States are requested to submit progress reports every two years about “the necessary input on progress at the national level in accordance with NSDS” (European Council, 2006, para. 37). Voluntary peer reviews of NSDSs in the Member States could be included in the progress reports.
- Based on SD indicators, the national progress reports and latest developments in key EU activities (i.e. strategies, action plans, legislation), the European Commission will issue bi-annual progress reports on how the strategy is implemented on the European level and in the Member States. The progress reports will also include future priorities, orientations and actions. The Deputy Secretary General of the Commission argued that, different to the progress report about the implementation of the Lisbon Strategy, no country specific recommendations about the NSDS and the EU SDS implementation process are foreseen, unless this is requested by the Member States.
- On the basis of the EU SDS progress report by the European Commission, the European Council will review the progress made and provide further orientation on policies, strategies and instruments in its December meetings every two years. Until 2011, the European Council will decide whether a comprehensive review of the current EU SDS is needed. This will finalise the five-year governance cycle of the EU SDS process.

The first progress reports by the Member States were submitted in Summer 2007, and have been made available on the Commission’s SD website. The first Commission progress report on the EU SDS implementation was published in October 2007. As requested by the Council, the progress report is based on different sources, namely: the 2007 Eurostat Monitoring Report based on the Sustainable Development Indicators (SDIs); the Member State Progress reports on the implementation of the EU SDS; internal Commission analyses and an independent consultancy report (European Commission, 2007a).

The [2007 Eurostat Monitoring Report](#) is based on the [new EU SDI set](#) that has been published in along with the EU SDS progress report. The new SDI set is closely aligned with the priorities and objectives of the renewed EU SDS and is used extensively by the Commission in its EU SDS progress report. It is structured around ten themes:

- socioeconomic development
- sustainable consumption and production
- social inclusion

- demographic changes
- public health
- climate change and energy
- sustainable transport
- natural resources
- global partnership
- good governance

Eight of the themes (points 2-9 in the list above) are related to the seven key challenges of the EU SDS. The two other themes ('socioeconomic development' and 'good governance') have been included in order to reflect key objectives and guiding principles of the EU SDS that are mentioned at the beginning of the strategy document (Eurostat, 2007).

In order to reflect the structure of the renewed EU SDS each theme provides a three-level hierarchy of indicators:

- Level 1 (headline) indicators are monitoring the overall objectives of the strategy;
- Level 2 indicators are related to the EU SDS' operational objectives; and
- Level 3 indicators refer to the actions outlined in the strategy.

Overall, the objectives of the European Commission (2007b) to develop and use a new set of European SDIs were threefold (European Commission, 2007b):

- Policy relevance: to adjust as much as possible the SDI set adopted in 2005 to the renewed EU SDS (the SDIs are now better aligned with the SDS objectives, i.e. each of the seven key challenges of the EU SDS is reflected by at least one theme of the revised EU SDI framework);
- Efficient communication: to streamline the set of indicators in order to improve communication whilst maintaining the maximum stability of the set over time; and
- Statistical quality: to improve the overall quality of the set, taking into account recent statistical developments.

The first two objectives feature prominently in the three topics of this Workshop.

<b>Topic I</b>	<b>The political value-added of a European set of SDIs</b>
----------------	--

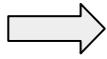
This topic opens the entire spectrum of functions and purposes SDIs can fulfil. The different functions and purposes SDIs can assume are, of course, highly relevant if we want to explore the political value-added of a European set of SDIs.

Among other things, SDIs can

- a) Measure economic, social and environmental status quo;
- b) Chart respective trends over a period of time;
- c) Communicate positive and negative developments to politicians, administrators and the public;
- d) Improve the integration of policies horizontally (i.e. between different sectors) through evidence-based policy learning;
- e) Compare and benchmark the status quo and trends regarding SD across Europe, and/or
- f) Improve the integration of policies vertically (i.e. between the EU and Member State levels) through evidence-based policy learning.

Fulfilling the functions a) and b) is foremost a question of methodological reliability and validity. These methodological issues are explicitly excluded at this Workshop. However, the degree to which SDIs can fulfil the other functions is not so much a methodological question than one of political willingness to learn and improve policies based on evidence. As we all know, learning is

a difficult process, in particular in political arenas in which opposition parties are eager to benefit from a government's negative performances and weaknesses. With the given circumstances of political competition in mind, we suggest that the discussion groups explore the following question:



**Under what conditions** can SDIs play their role as a supporting tool to implement SD policies? Do you know examples of how SDIs have influenced political decisions?

Benchmarking the status quo and trends regarding SD across Europe and improving the integration of policies vertically (i.e. the functions e and f mentioned above) resemble key features of what is known as the Open Method of Coordination (OMC). OMC is closely connected to the implementation of the Lisbon Strategy, and there it aims at spreading “best practice and achieving greater convergence towards the main EU goals” (European Council, 2000, para 37) among the Member States. In short, the OMC involves (i) developing guidelines and timetables for achieving general goals, (ii) translating the European guidelines into national policies (iii) establishing indicators as a means of comparing best practice, and (iv) periodic monitoring and evaluation as a form of mutual learning processes.

Since the launch of the renewed EU SDS in June 2006, the EU SDS process increasingly resembles the OMC. The most typical OMC features applied in the context of the EU SDS at the moment are the following:

- The renewed EU SDS provides guidelines and goals for SD policymaking in all 27 Member States;
- Members States are requested to consider the goals of the renewed EU SDS in their (new or revised) NSDSs;
- SD indicator sets are used in most EU Member States to monitor the implementation of NSDSs (benchmarking is not applied yet);
- With the renewed EU SDS, the European Commission launched an NSDS peer review initiative in order to foster mutual learning; and
- The SDS Coordinators Group facilitates mutual learning through periodic reporting.

However, a prerequisite for OMC are similar objectives and indicators at the EU and Member State levels. A recent study carried out by [RIMAS](#) that operates the ESDN Office and BOKU (a second Austrian University) on behalf of Eurostat had the aim to give an overview of the objectives and indicators used in National SD Strategies and the Lisbon National Reform Programmes (NRPs). The results show that while objectives and indicators used in the Lisbon Process across Europe are closely aligned, SD strategies are much more diverse (Pülzl *et al.*, 2007).

A key reason behind this finding is the different genesis of the two processes. On the one hand, the Lisbon Strategy had a common governance approach from the beginning, and most NRPs use a short list of at least 14 structural indicators.<sup>1</sup> NSDSs and their respective SDIs have been developed at different points in time, many of them several years before the renewed EU SDS, leading to a much greater variety in terms of both objectives and indicators. A stronger convergence of indicator sets at the EU and Member State levels is an issue, which may gain momentum in the light of the new EU SDS governance process.



What can we **learn from the use of indicators in the Lisbon Strategy** for increasing the political value-added of SDIs at both the EU level and in your country?

<sup>1</sup> The short list of 14 structural indicators allows for a more concise presentation and a better assessment of achievements over time vis à vis the Lisbon agenda; see Eurostat ([http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=1133,47800773,1133\\_47802588&dad=portal&schema=PORTAL](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1133,47800773,1133_47802588&dad=portal&schema=PORTAL))

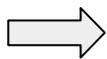
<b>Topic II</b>	<b>Visibility of the Eurostat SDI set and the EU SDS at the EU level and in Member States</b>
-----------------	---

This topic addresses a basic precondition for SDIs to add political value to SD policymaking. In order to facilitate evidence-based policy learning, they (together with the SD strategy objectives they are based on) must have a high visibility among both policymakers and the public. If indicators do not get the attention of policy-makers they can hardly make a difference.

Due to the history of the SD concept, SD objectives and SDIs are often highly visible in the environmental domain of governments. However, since most key challenges of SD cut across different sectors and therefore require a better horizontal integration of policies, the visibility of SD objectives and indicators should also cut across some key sectors (such as economic, energy, social, transportation, agricultural policies etc). Such a “cross-sectoral visibility” of SD objectives and SDIs is often difficult to achieve, and cross-sectoral bodies such as the Secretariat-General at the EU level and Chancelleries in Member States play an important role in this respect.

Currently, the EU SDS’s key challenge ‘climate change and clean energy’ and the corresponding SDIs (such as emission of greenhouse gases, consumption of renewable energy sources) are highly visible. They are high on the agenda of both everyday political discourses and policy documents (European Commission, 2007a). For instance, the Spring 2007 European Council decided upon an integrated climate and energy policy, and the European Commission furthermore adopted an ‘Green Paper on adapting to climate change’ in June 2007.<sup>2</sup>

Against this background, we suggest to explore the following discussion question:



How visible are the Eurostat SDI set and the EU SDS objectives in **EU policies**?  
How could their visibility be increased?

As mentioned above, the renewed EU SDS does not only seek to influence EU policy making, but also calls upon the EU Member States to include the objectives of the EU SDS into their national efforts for SD. As a result of this vertical integration effort, Finland and France have included the objectives of the EU SDS in their renewed NSDSs. However, we have also mentioned that there are still significant differences regarding SD objectives and SDIs across Europe. This diversity may hamper the visibility of both the EU SDS and the European set of SDIs in Member States. Thus, the following question emerges:



How visible are the Eurostat SDIs and the EU SDS in **your country**? How could their visibility be increased?

<sup>2</sup> For an overview about strategic approaches to climate change in Europe, see the current ESDN Quarterly Report September 2007; [http://www.sd-network.eu/?k=quarterly%20reports&report\\_id=6](http://www.sd-network.eu/?k=quarterly%20reports&report_id=6)

<b>Topic III</b>	<b>SDIs as a tool to communicate SD trends and policies</b>
------------------	---

This topic focuses on one specific key function of SDIs mentioned above, namely communicating positive and negative developments to politicians, administrators and the public. It is a key function because without effective communication, evidence-based policy learning is unlikely to happen.

A key issue when it comes to the communication function of SDIs is the number of indicators used. Current communication practices range from comprehensive sets of a large number of indicators (for example Italy, Latvia, Switzerland) to rather small sets (for example France, Germany, Norway). The OECD, for example, suggests to have a limited indicator set: “A set with a large number of indicators will tend to clutter the overview it is meant to provide”. However it is also important to bear in mind that “too few or even a single indicator [...] such as the ecological footprint method] may be insufficient to provide all the necessary relevant information” (OECD, 2003).

Obviously, there seems to be a trade-off between the significance and the completeness of SDI sets. One way of addressing this trade-off is to develop a smaller set of ‘headline indicators’ for communication purposes and a larger set of ‘supporting indicators’ for assessing individual strategic goals. This approach is taken, for example, by Austria, Denmark and the UK. The renewed EU SDS calls for a “limited set of indicators for monitoring the SDS at EU level and for communication purposes” (European Council, 2006, para. 36).

These and other issues are relevant for the following discussion question, and your discussion may be informative for those who actually develop SDIs and sets of SDIs.



How can SD trends and policies be **communicated best**?

Another key issue in terms of communicating SD trends across Europe is, again, the homogeneity of SDI sets used. Although tendencies for increasing convergence between the various indicator sets are obvious, the number and types of SDIs used across Europe still varies widely. This may make the communication of SD trends across Europe difficult.

Apart from the methodological limitations of comparisons across Europe, a more basic political question is, of course, whether EU SDI benchmarking is welcomed by Member States or not. This issue is at the focus of the last question we suggest for discussion.



Should SDIs be used for benchmarking SD trends in the EU-27 and what are the reasons for your view? If so, how could benchmarking work (done how, by whom)?

## References

- European Commission (2007a) *Progress Report on the Sustainable Development Strategy 2007*, COM(2007) 642 final.
- European Commission (2007b) *Accompanying document to the Progress report on the European Union Sustainable Development Strategy 2007*, Commission Staff Working Document, SEC(2007) 1416.
- European Council (2000) *Presidency Conclusions – Lisbon European Council, 23-24 March 2000*, European Council, 100/1/00.
- European Council (2006) *Review of the EU Sustainable Development Strategy (EU SDS) – Renewed Strategy*, European Council, 10917/06.
- Eurostat (2007) *Measuring progress towards a more sustainable Europe. 2007 monitoring report of the EU sustainable development strategy*, Luxembourg.
- Hass, J. (2006) *Challenges in establishing Sustainable Development Indicators*. Working Paper prepared for the 2<sup>nd</sup> meeting of the Joint UNECE/OECD/Eurostat Working Group on Statistics for Sustainable Development, Oslo.
- OECD (2003) *OECD Environmental Indicators. Development, Measurement and Use*, Reference Paper, Paris.
- Pülzl, H., Bauer, A., Rametsteiner, E., Nussbaumer, E., Weiss, G., Hametner, M., Tiroch, M., Martinuzzi, A. (2007) *Analysis of national sets of Structural and Sustainable Development Indicators*. Final Report prepared for Eurostat. Vienna.