



UNION OF INDUSTRIAL AND EMPLOYERS' CONFEDERATIONS OF EUROPE

UNICE AGENDA FOR PROMOTING SUSTAINABILITY

Memorandum to the European Institutions



UNICE is committed to sustainable development

- UNICE and its member federations are committed to the principle of sustainable development, as a balanced economic, social and ecological approach to meeting environmental challenges, that takes responsibility for the legacy left to future generations.
- We support integration of environmental protection priorities into the development and implementation of other Community policies consistent with this balanced approach.
- Our members believe they have a key contribution to make to such integrated and sustainable development of economic activities as partners with other stakeholders.

UNICE wants to take an increasing role helping to develop environmental proposals

- Over recent years, companies' own initiatives have made major contributions to improving performance over the range of environmental responsibilities and issues.
- The need for more interactive and integrated approaches means European industry must become proactive in contributing expertise, and engaging other stakeholders.
- So, UNICE took the initiative to invite other stakeholders to a workshop on 15 July 1999, at which it advocated systematic use of multi-stakeholder dialogue in this area.

UNICE's intent in proposing multi-stakeholder dialogue on environmental issues is to:

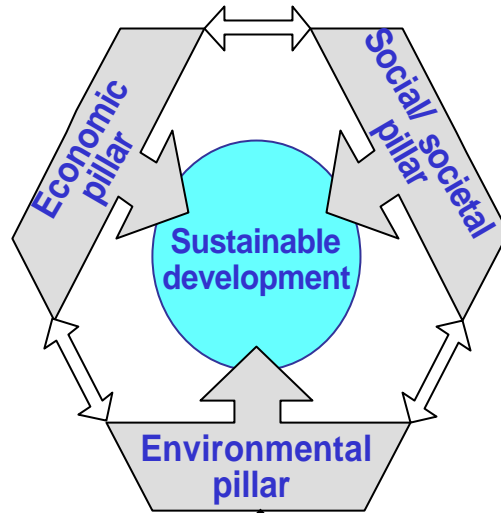
- ➔ listen to other stakeholder priorities, interests and concerns, seeking for consensus;
- ➔ explain, support and encourage companies' own environmental initiatives, aiming to share best practice, and show own initiatives as a viable alternative to regulation;
- ➔ explore scope for environmental agreements to offer effective and efficient options;
- ➔ agree priorities for developing policy and further action, based on a broad and shared analysis of risks, benefits and costs;
- ➔ explore options on a basis of data and analysis, to identify cost-effective solutions.

Need to introduce an overall EU environmental policy framework

- For UNICE, sustainable development requires, alongside appropriate economic policies and social/societal initiatives, an overall EU environmental policy framework capable of :
 - ➔ encouraging companies to intensify their own environmental initiatives
 - ➔ facilitating multi-stakeholder action through partnerships
 - ➔ ensuring cost-effective proposal where legislation remains the appropriate tool.

**Chart I :
Towards an overall EU
environmental policy framework**

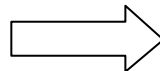
**Overall strategic objective :
sustainable development,
based on 3 pillars**



A key need :

A sound overall EU environmental policy framework

clarifying :
- principles
- definitions
- role of actors
- role of tools



to help define :
strategic EU environmental
objectives

**Intermediary
effects/results :**

Better conditions
for companies'
own environmental
initiatives

More multi-
stakeholder
partnerships/
agreements

More
cost - effective
legislation

End result :

More cost efficient action towards sustainability

At conceptual level, such an EU environmental policy framework should (see Chart I):

1. Clarify and update the ***fundamental principles*** on which EU environmental initiatives will be based. This should involve in particular:
 - applying the principles of subsidiarity and proportionality, so action is taken in the appropriate place, and to the extent necessary to achieve the environmental targets
 - setting measurable targets, based on sound science and transparent data, so that action will focus on cost-effective options to deliver coherent environmental targets
 - consistent application of the polluter pays principle, recognising a shared responsibility of all stakeholders for the life cycle of environmental impacts;
 - publication of guidelines for the appropriate use of the precautionary principle in proposing integrated policies and action towards sustainability.
2. Clarify and harmonise the ***definitions*** and terminology used in EU environmental legislation.
3. Define more effectively the ***role of players***, at individual and collective level, consistent with the principle of their shared responsibility for environmental impacts, which should be based on full life cycle analysis.
4. Clarify the role and the conditions in which the full range of ***environmental instruments*** can be applied, including voluntary initiatives and agreements by industry, and market mechanisms, as well as regulation. UNICE proposes as appropriate evaluation criteria :
 - targeted for environmental effectiveness
 - environmental efficiency, tested by cost-benefit analysis
 - easy to administer
 - flexible, so it can be adapted to changing circumstances
 - transparent, for testing compliance through monitoring and measurement
 - compatible with existing measures
 - appropriate to the time scale for the environmental objectives agreed
 - consistent with the internal market, so not raising barriers to trade
 - consistent with maintaining international competitiveness of EU industry.

At a more operational level, the framework should define *strategic environmental objectives* capable of orienting and optimising the efforts of all stakeholders.

Establishing a *multi-stakeholder Community dialogue process* is needed to define the content of a new overall EU environmental policy framework. UNICE is ready to join and actively contribute to this process.

Examples of how to use this policy framework to help develop priorities and proposals

We note that the Commission has identified **Integrated Product Policy** as an area where multi-stakeholder dialogue is appropriate. UNICE suggests the following other policy areas where this approach could be used to further sustainable development.

- **Air quality:** Air pollution related problems - acidification, low level ozone, eutrophication, and urban air quality - are recognised as amongst the most costly issues, but also with the highest priorities in the Community environmental agenda. These are also issues that interact with other priority issues and policies, such as climate change, transport, energy and agricultural policies, making air quality a key part of the EU integration agenda. In addition, it is recognised that some existing legislative responses to improve air quality, whilst having good effect in improving air quality, are running into the problem of diminishing returns in terms of their cost-effectiveness in making significant further quality improvement. It is clear there is public concern about air quality, which environmental groups reflect in their own priorities. The need to make choices of priorities between expensive options, and the problem of diminishing returns in some areas, make this a key area for stakeholder dialogue, but one which needs to be on the sound and structured basis that UNICE proposes.
- **Climate Change** is one of the greatest challenges for sustainable development and integration agenda. Here again, a balanced strategic approach is needed that will command the support of all stakeholders. Educating and motivating all consumers will be the key to success in changing attitudes and choices. For business and industry, voluntary initiatives and long term agreements will be key elements contributing to mitigating greenhouse gas emissions. Flexibility of response will be crucial in ensuring industry can make cost-effective choices. Agreeing rules for the Kyoto mechanisms is a priority because, if properly designed, they can offer such flexibility, and can have an important role in helping to identify cost-effective options. UNICE recommends that a multi-stakeholder dialogue be initiated, with an emphasis on identifying efficient options, and motivating all stakeholders towards positive and early action to meet the Community's commitments.
- **Waste management**
The extension of the waste definition to include not only wastes for disposal but also wastes for recovery, has resulted in a great deal of problems that need to be solved. UNICE holds that it is time to reconsider the fundamental basis of EU waste management policy and refocus on the central issue, which is the optimum utilisation of resources - in keeping with the concept of sustainable development - and offers a new approach entitled "**Integrated Resource and Waste Management**" (IRWM).

Current waste legislation in the EU Member States:

- ◆ either prescribes one waste management route for a particular waste;
- ◆ or - when more than one option is available - offers no incentive to waste generators to consider the optimal environmental option.

As a result, waste generators and waste processors at present are driven to choose the single available legal option or the legal option which is perceived to be cheapest. These two situations are not necessarily the best for the environment.

Under an “**Integrated Resource and Waste Management**” approach, on the other hand, waste generators and waste processors would have more flexibility of choice and receive incentives for investigating various options and choosing the one with the highest resource utilisation and the lowest overall environmental impact, while giving due consideration to technical, social and economic dimensions. This would be a dynamic process that has to adapt to the changes in waste generation and processing.

What is needed is an integrated approach to the conservation of material and energy resources which gives due consideration to all economic, ecological and social aspects, as far as they influence the optimum choice of waste /resource management option. "Integration" in this context means taking into account all relevant aspects of each waste/resource management issue, whether they are impacts on different environmental media, links in the chain of production and use or roles played by various partners in the commercial waste/resource cycle.

In the coming months, UNICE will actively explore the potential for this integrated approach. Once a number of technical and legal issues have been clarified, a multi-stakeholder dialogue would be very useful to see how to convert this concept into concrete actions for the environment.

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UNICE

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UNICE is

- the official voice of European Business and Industry vis-à-vis the EU institutions
- composed of 34 central industry and employers' federations from 26 European countries.