



TOWARDS A 6TH EU PROGRAMME OF POLICY AND ACTION IN RELATION TO THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

UNICE RECOMMENDATIONS AND RESPONSE TO THE PRELIMINARY IDEAS CONTAINED IN THE GLOBAL ASSESSMENT OF THE 5TH PROGRAMME (DOC. COM 99-543/6)

A. European companies react positively to the signals received from the Commission and Council regarding the quest for a more holistic and more integrated approach for promotion of sustainable development

The 5th EU programme for environment and sustainable development (in short: 5th EAP – 5th Environmental Action Programme), drawn up in 1992, was inspired to a very large extent by a conception of sustainable development whose major concern was that management of natural resources should be consistent with preservation of its reproductive capacity.

The 1990s saw a widening of this interpretation to incorporate economic, social and environmental concerns in a way that reflects more completely the definition of sustainable development given in the Brundtland report (1987).

As very rightly stated in the Commission staff paper (SEC 99-1729) on sustainable industrial development, “environmental promotion, economic development and social development are ... the three pillars of sustainable development”.

In its 1999 memorandum on sustainability¹, UNICE and its member federations expressed their commitment “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”.

UNICE therefore welcomes the fact that recent EU documents and resolutions increasingly refer to the need to strike a balance and realise synergy between environmental, economic and social/ societal objectives with a view to the overarching goal of sustainable development.

Examples of the signals given by the Commission and Council along these lines include the following:

- preface to the Global Assessment of the 5th EAP which underlines that sustainable development “should aim at the welfare of present and future generations both in European and worldwide in terms of economic prosperity, social justice and security, and high environmental standards and the sound management of our natural resource base”;
- closing chapter of the Global Assessment, entitled “From environment to sustainable development”, which underlines the need to address the economic, social and environmental aspects of sustainable development together;

¹ “UNICE agenda for promoting sustainability”, October 1999

- conclusions of the Helsinki summit which call on the Commission “to prepare a proposal for a long-term strategy dovetailing policies for economically, socially and ecologically sustainable development to be presented to the European Council in June 2001. This strategy will also serve as a Community input for the ten year review of the Rio Process scheduled for 2002”;
- creation by President Prodi of a group which brings together the Commissioners responsible for a wide range of policies which have a role to play for promotion of sustainable development;
- the above-mentioned Commission document on sustainable industrial development.

European companies now expect these signals to be followed in the next few months by presentation of a more detailed strategy confirming the option in favour of an integrated approach to sustainable development, understood as a wide concept.

B. UNICE recommendations for setting environmental objectives

The Global Assessment of the 5th EAP refers to the role of environmental objectives in point 1 (“Introduction”, 3rd paragraph), in point 9.1 (“Integration”, 4th bullet point) and in point 10 (“Conclusions”, 3rd paragraph).

Points 1 and 2 of this section give UNICE’s general views on setting objectives while point 3 sets out a number of practical recommendations for the 6th EAP and subsequent initiatives.

1. Environmental objectives relating to environment policy in the classical sense must be defined with reference to an overall EU environmental policy framework

This section comments more particularly on the approach proposed by UNICE to increase the effectiveness of actions which directly concern control of emissions and waste management.

Companies have done a great deal (on their own initiative and in the framework of classical regulation) in the last three decades to contribute to more ecologically balanced development.

However, bearing in mind the increasing number of environmental challenges, European companies want to be able to intensify their efforts. To that end, they feel that major progress should be made in the following three directions:

- support and encourage companies’ own environmental initiatives;
- foster innovative dialogue platforms and action partnerships between stakeholders in sustainable development;
- develop more cost-effective approaches where legislation remains necessary.

For UNICE, a basic condition for achieving progress in these three directions is introduction of *an overall EU environmental policy framework*, which does not really exist at the present time. This overall policy framework should clarify:

- the *fundamental principles* which should inspire EU initiatives (e.g. principles of proportionality, subsidiarity, polluter-pays, shared responsibility, precaution, measurability, etc.);
- the role to be played by the different *instruments* of environmental policy (legislation, environmental agreements, economic instruments, etc.) and the criteria for implementing these instruments;
- the role of the different *actors* in sustainable development.

Without such clarification of principles, instruments and roles, it will be very difficult to define environmental objectives with a genuinely strategic character, making it possible to optimise the efforts of all the players concerned.

UNICE therefore deems it essential for the 6th EAP to clarify these three elements (principles, instruments, roles). The guidelines set out in the 6th EAP in this context should be derived from a multi-stakeholder process. The attached chart clarifies the positive consequences which would be generated by introduction of an overall EU environmental policy framework.

Against this background, UNICE is pleased to note the fact that various recent Commission documents recognise the need:

- to clarify and/or implement more actively the above-mentioned fundamental principles (see, inter alia, comments on the principles of proportionality, subsidiarity and simplification in the Commission report to the European Council (3 November 1999) on better law-making);
- for stronger involvement of citizens and stakeholders in order to make it possible to achieve the objective of sustainable development (see preface to the Global Assessment).

2. Setting objectives designed to steer the environmental agenda of sectoral policies (transport, energy, industry, etc.)

The following recommendations relate more widely to the process of integrating environment in other EU policies, as provided for in the Treaty of Amsterdam, which UNICE supports.

If environmental objectives which steer EU sectoral policies effectively are to be set, it is very important to involve all stakeholders fully, in order to create a feeling of ownership (which was missing from the 5th EAP) and a real commitment to these objectives.

A model consisting of setting environmental objectives from the outside for implementation within the sectoral policies would not be effective. On the contrary, these environmental objectives must be drawn up by those responsible for the sectoral policies, in cooperation with all the stakeholders, taking account of the guiding priorities set out in the EAP.

Environmental objectives for the sectoral policies should be set on the basis of a thorough analysis of possible options and scenarios as well as of their environmental, economic and social consequences.

Hence, integration should not be reduced to a question of implementation of objectives and targets, but must also be seen as a process for preparation of new objectives and targets. This would be the most rational way of dovetailing the different dimensions of sustainable development.

UNICE believes that high priority should be given to definition of a sustainable industrial development strategy, integrating environmental concerns and sustainable development in industrial policy, thereby promoting environmental protection, competitiveness, innovation and employment. UNICE welcomes the first steps taken in this direction by the Commission staff working document on sustainable industrial development (25 October 1999) and by the conclusions of the "Industry" Council on 9 November 1999 on integration of sustainable development into EU industrial policy.

3. Environmental and managerial objectives in the 6th EAP

UNICE shares the view of the Commission, expressed in the Global Assessment, that the identified themes/areas of the 5th EAP are generally still of relevance.

On the basis of comments by a number of industry organisations in the Global Assessment debate, a consensus seems to be emerging that, within this list of themes/areas, the following are of particularly critical importance:

- high environmental standards to protect human health
- climate change
- land use
- water
- resource use
- biodiversity.

Setting environmental objectives on sound scientific and economic bases and using a multi-stakeholder approach takes time. Within the period of about seven months available to prepare the 6th EAP, focus should be on defining a number of guiding priorities and qualitative objectives in the 6th EAP.

The guiding principles and qualitative objectives proposed in the 6th EAP should be fully consistent with a number of new EU initiatives, which are presently being developed (e.g. European Climate Change Programme, Clean Air for Europe Programme, etc.).

Definition of quantified environmental objectives should be left for follow-up initiatives to the 6th EAP. These quantified objectives should be developed according to the methodology described in points 1 and 2 above.

The 6th EAP should also have as a priority objective major progress on the following generic action lines:

- integration
- broadening the range of instruments
- implementation and enforcement of legislation
- awareness-raising
- international cooperation
- enhancement of dialogue, cooperation and partnership
- strengthening the knowledge base for environmental decision-making
- dissemination of best industry practice.

C. Instruments

UNICE supports the Commission's approach consisting in widening the panoply of instruments.

Environment policy is increasingly faced with tasks that can no longer be solved simply by specifying limit and threshold values or by imposing technical conditions and directives where it is possible to ensure compliance as a result of control and supervision by authorities. The challenges of climate protection, for example, can no longer be dealt with satisfactorily in this way.

It is therefore necessary to review the dominant role played hitherto by regulation and to have recourse to new instruments such as self-regulation, voluntary initiatives and negotiated agreements, and market mechanisms.

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 timescale for the environmental objectives agreed;
- consistent with the internal market, so not raising barriers to trade;
- consistent with maintaining international competitiveness of EU industry.

