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COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

**Mainstreaming sustainable development into EU policies:
2009 Review of the European Union Strategy for Sustainable Development**

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1. INTRODUCTION

Sustainable development is set out in the Treaty as the overarching long-term goal of the EU. The Sustainable Development Strategy of the European Union (EU SDS), as revised in 2006, is a framework for a long-term vision of sustainability in which economic growth, social cohesion and environmental protection go hand in hand and are mutually supporting.

In recent years, the European Union has mainstreamed the objective of sustainable development (SD) into a broad range of policies. It has, in particular, taken the lead internationally in the fight against climate change and is committed to promoting a low-carbon, knowledge-based, resource-efficient economy. At the same time unsustainable trends persist in several areas, despite a whole host of positive policy developments. The demand on natural resources has been growing fast and exceeds what the Earth can sustain in the long term. Biodiversity is in decline globally and major ecosystems are placed under increasing pressure. Energy consumption in transport continues to rise. Global poverty persists; the Millennium Development Goals would need major efforts to be achieved.

The current economic and financial crisis has shown that sustainability is also a key factor for our financial systems and the economy as a whole. The crisis is affecting all sectors of the economy, households, businesses and jobs. The latest data show that EU labour markets continue to deteriorate in reaction to the economic crisis. Unemployment is rising, the number of job vacancies is still falling and companies continue to announce substantial job reductions across several sectors. The most vulnerable parts of the labour force are worst affected.

In response to the economic and financial crisis, the EU and its Member States have taken measures to reform the financial system, support the real economy, promote employment and contribute to global recovery. In November 2008, the Commission launched a major Recovery Plan for growth and jobs.¹ The Recovery Plan includes measures to boost demand, help restore confidence and promote employment and social inclusion. It also includes proposals for smart investment in tomorrow's skills and technologies to help yield higher economic growth and sustainable prosperity in the longer term.

It is crucial that measures to support the real economy and reduce the social impact of the current crisis are compatible with long-term sustainability goals. The EU should turn the crisis into an opportunity to address financial and ecological sustainability and develop a dynamic low-carbon and resource-efficient, knowledge-based, socially inclusive society, and promote

¹ Recovery Plan COM(2008) 800, 26.11.2008 and COM(2009) 114, 4.3.2009, Employment Communication COM (2009)257, 3.6.2009 and Communication "Cohesion policy: investing in the real economy", COM(2008) 876, 16.12.2008.

this approach globally. The Recovery Plan and the corresponding national plans already contain a number of initiatives in support of this objective. Work to overcome the crisis is ongoing, in particular in the context of the Lisbon Strategy for growth and jobs, with a focus on green growth. In the short term, green measures help to revive the economy and create jobs. In the medium and long term, they also stimulate new technologies and reduce our impact on climate change, the depletion of natural resources and the degradation of ecosystems.

The December 2007 European Council asked the Commission to provide a second progress report² on the EU SDS by June 2009. This review is in response to the request of the European Council.

As a complement to this review, Eurostat will publish a monitoring report, later in 2009, of the EU's sustainable development strategy, which will measure progress against quantitative indicators.

2. THE EVOLVING ROLE OF SUSTAINABLE DEVELOPMENT IN EU POLICY-MAKING

In recent years, the EU has demonstrated its clear commitment to sustainable development and has successfully mainstreamed this sustainability dimension into many policy fields. The EU's climate change and energy policies are evidence of the impact that sustainable development strategy has had on the political agenda. The EU has started to integrate the sustainability dimension in many other policy fields also.

The EU Better regulation agenda has contributed to integrating policy objectives and improving the cost-efficiency of policy decisions. This has been achieved through the simplification of EU legislation, and the reduction of administrative burden. The role of impact assessment needs also to be highlighted in particular. The Commission's impact assessment system contributes to sustainable development by assessing the potential impacts of new legislation or policy proposals in economic, social and environmental fields through an integrated approach.

The Commission's renewed Social Agenda presented an integrated and holistic approach and several policy initiatives, encompassing different policy fields³. The renewed Social Agenda highlighted the importance the Commission attaches to the sustainable development of our societies and announced the development of well-being objectives "beyond GDP".

The Employment guidelines are part of the European Employment Strategy and provide a framework for the development and implementation of measures that are in line with sustainable strategy goals. For instance, the EU deploys the Structural Funds to support the Member States in their efforts to foster a low-carbon and resource-efficient economy. Further development of the low-carbon economy will also be key to driving the EU back to recovery.

Corporate Social Responsibility (CSR) is an opportunity for enterprises to combine economic, social and environmental objectives. Greater commitment to CSR on the part of European enterprises will enhance Europe's capacity for sustainable development. The Commission and

² The first progress report was adopted in October 2007: COM(2007) 642 and SEC(2007) 1416.

³ COM(2008) 412, 2.7.2008.

many EU Member States have intensified their efforts to promote the uptake of CSR, with the emphasis on dialogue between stakeholders.

The EU has also made progress in mainstreaming the SDS agenda into its external policies, for example through Sustainability Impact Assessments carried out in the context of the preparation of Free Trade Agreements and work on climate change.

Member States are also developing innovative solutions that are relevant to the Sustainable Development agenda. The use of shadow carbon prices to reflect the social cost of greenhouse gas (GHG) emissions in the appraisal of public policy options is becoming more and more common. France has committed itself to carbon-neutral investment with Cohesion Policy funds for the period 2007-13. Assigning carbon "budgets" to departments (UK) is another example. Progress has been made on carbon accounting in firms. Also, results from trials in a number of Member States show that using smart meters can lower energy consumption by up to 10%. Some Member States have developed new systems of energy auditing, including through financial support, which has helped significantly to reduce energy consumption in the building sector. Also, in France "Grenelle de l'Environnement" brought together the government, business and civil society into a high-level debate on new measures for sustainable development.

3. POLICY PROGRESS ON THE EU'S SUSTAINABLE DEVELOPMENT STRATEGY

This section provides an overview of the progress made at EU level on the seven key challenges and cross-cutting themes since the last report in October 2007. It does not set out to be a comprehensive list of the action taken but merely to highlight the main initiatives in each field. The Eurostat indicator report, based on the EU set of Sustainable Development Indicators (SDIs) to be published later in autumn 2009, will shed more light on progress on the ground. Some preliminary results from this report⁴ are already included in this review.

Climate change and clean energy

Although EU greenhouse gas emissions grew over the period from 2000 to 2004, the trend over the last three years has been favourable and the EU is on track to meet its Kyoto Protocol target. However, if global climate change policies are not applied quickly, global greenhouse gas emissions will be in 2020 at least 60% higher than in 1990⁵. Even though the share of renewables in gross inland energy consumption has been growing faster since 2002, it is still far from the 2010 target of 12%.

In recent years, the EU has been at the forefront of the fight against climate change. In December 2008, the EU legislator agreed on a Climate and Energy Package⁶ that sets ambitious targets for the EU. The EU committed itself unilaterally to reducing its overall emissions by 20% below 1990 levels by 2020, and to upgrading this effort to a 30% emissions reduction in the event of a comprehensive international climate agreement in Copenhagen in December 2009. It also set itself the target of increasing the share of renewables in energy use to 20% by 2020. As part of the package, the directive on the EU Emission Trading System

⁴ Eurostat data on SDIs covers, for the most part, the years 2000-2007.

⁵ Commission staff working document accompanying Communication "Towards a comprehensive climate change agreement in Copenhagen", SEC(2009) 101.

⁶ http://ec.europa.eu/environment/climat/climate_action.htm

(ETS)⁷ was amended and directives on carbon capture and storage (CCS)⁸ and on renewable energy sources⁹ were adopted. The Energy Efficiency Package reinforces the key energy efficiency legislation on buildings¹⁰ and energy-using products.¹¹ Additional energy savings will be provided by the extension of the Ecodesign Directive¹² to energy-related products, in accordance with the sustainable consumption and production/sustainable industrial production (SCP/SIP) Action Plan¹³. The rules governing the European Regional Development Fund (ERDF) have been amended¹⁴ to support sustainable energy in the housing sector, providing a further boost to investment in this sector. The European Strategic Energy Technology Plan¹⁵ (SET-Plan) accelerates the development and deployment of cost-effective low-carbon technologies. Similarly, a Communication on mobilising information and communication technologies (ICT) to improve energy efficiency was adopted in 2009¹⁶.

Agreement on the climate and energy package was a major achievement in the light of the economic crisis and provides a significant contribution by the EU to the efforts for achieving a comprehensive climate change agreement in Copenhagen. However, EU greenhouse gas emissions make up only a limited share of global emissions. While the EU is on track to achieve its greenhouse gas emission reduction targets resulting from the Kyoto protocol, global CO₂ emissions are today some 40% higher than they were in 1990, the Kyoto base year¹⁷. It is estimated that in order to limit the average global temperature increase to less than 2°C compared to pre-industrial levels, global greenhouse gas emissions must be reduced to less than 50% of 1990 levels by 2050¹⁸. Successful conclusion of the international climate change negotiations in Copenhagen will be key to achieving a long-term sustainable future for our planet.

The White Paper on Adapting to Climate Change¹⁹ sets a framework to reduce the EU's vulnerability to the impact of climate change, focusing on integrating adaptation into EU key policy areas and relevant policy measures, building a knowledge base and stepping up international cooperation.

Sustainable transport

Although GDP growth has exceeded growth in energy consumption by the transport sector, energy consumption and greenhouse gas emissions from transport continue to rise. Whilst signs of decoupling transport volumes from economic growth are visible in passenger transport, freight transport has grown faster than GDP. Noise and air pollution caused by transport remain major issues across the EU, with severe health impacts.

⁷ Directive 2009/29/EC (OJ L 140, 5.6.2009, p. 63).

⁸ Directive 2009/31/EC (OJ L 140, 5.6.2009, p. 114).

⁹ Directive 2009/28/EC (OJ L 140, 5.6.2009, p. 16).

¹⁰ COM(2008) 780, 13.11.2008.

¹¹ COM(2008) 778, 13.11.2008.

¹² COM(2008) 399, 16.7.2008.

¹³ COM(2008) 397, 16.7.2008.

¹⁴ Regulation (EC) No 397/2009 (OJ L 126, 21.5.2009, p. 3).

¹⁵ COM(2007) 723, 22.11.2007.

¹⁶ COM(2009) 111, 12.3.2009.

¹⁷ Prosperity without Growth? The transition to a sustainable economy. UK Sustainable Commission, 2009.

¹⁸ Towards a comprehensive climate change agreement in Copenhagen, COM(2009) 39, 28.1.2009

¹⁹ White paper - Adapting to climate change: towards a European framework for action, COM(2009) 147, 1.4.2009.

As part of the Climate and Energy Package²⁰, the EU is committed to sourcing 10% of its transport fuel consumption from renewable energy sources by 2020 (incl. biofuels, renewable electricity and hydrogen). This target is accompanied by binding sustainability criteria for biofuels included in the Renewable Energy Directive²¹ and the Fuel Quality Directive²².

Key EU policy developments include the Green Transport Package, which addresses the greening of transport²³, the internalisation of external costs²⁴ and the abatement of noise from railways²⁵. It also included a proposal on internalisation charges for lorries²⁶. In April 2009, a regulation setting binding targets for CO₂ emissions from new passenger cars was adopted²⁷.

Further achievements include the adoption of a Directive on the promotion of clean and energy-efficient road transport vehicles,²⁸ an Action Plan for the deployment of Intelligent Transport Systems²⁹ and the launch of new actions as a follow-up to the Green Paper on Urban Mobility. Furthermore, agreement was reached on the inclusion of aviation in the EU Emissions Trading Scheme from 2012 onwards. In maritime transport, action includes adoption of the Maritime Safety Package and the Maritime Transport Strategy until 2018³⁰.

Proposals for a new Directive on tyre labelling³¹ and a regulation concerning tyre rolling noise limits, resistance standards and the use of tyre pressure warning systems³² have also been adopted.

In developing EU transport policy, it is essential to take account of all aspects of sustainability (such as emissions, noise, land occupancy and biodiversity) and to base any action on a long-term vision for the sustainable mobility of people and goods that covers the entire transport system³³, and on complementary efforts at EU, national and regional levels.

Sustainable consumption and production

Changes in sustainable consumption and production show a rather mixed picture, with some progress being achieved in terms of decoupling environmental degradation and the use of natural resources from economic growth. Consumption patterns, mainly regarding energy consumption, however, show clear unfavourable developments, whereas production patterns show positive signs.

The Sustainable Consumption and Production and Sustainable Industrial Policy (SCP/SIP) Action Plan³⁴ will help to improve the environmental performance of products, boost demand

²⁰ http://ec.europa.eu/environment/climat/climate_action.htm

²¹ Directive 2009/28/EC (OJ L 140, 5.6.2009, p. 16).

²² Directive 2009/30/EC (OJ L 140, 5.6.2009, p. 88).

²³ COM(2008) 433, 8.7.2008.

²⁴ COM(2008) 435, 8.7.2008.

²⁵ COM(2008) 432, 8.7.2008.

²⁶ COM(2008) 436, 8.7.2008.

²⁷ Regulation (EC) No 443/2009 (OJ L 140, 5.6.2009, p. 1).

²⁸ Directive 2009/33/EC (OJ L 120, 15.5.2009, p. 5).

²⁹ COM(2008) 886, 16.12.2008.

³⁰ COM(2009) 8, 21.1.2009.

³¹ COM(2008) 779, 13.11.2008.

³² COM(2008) 316, 23.5.2008.

³³ Communication "A sustainable future for transport: Towards an integrated, technology-led and user friendly system", COM(2009) 279, 17.6.2009.

³⁴ COM(2008) 397, 16.7.2008.

for more sustainable goods and production technologies and foster innovation. The Action Plan was accompanied by proposals for a recast of the Ecodesign and Energy Labelling Directives and the revision of the Ecolabel and EMAS Regulations.³⁵ Retailers play a key role in influencing consumer choices, and a Forum has been established with the aim of reducing the environmental footprint of the retail sector and better informing consumers.

On Green Public Procurement (GPP), important policy initiatives include the Energy Star Regulation³⁶ and a Communication on public procurement for a better environment³⁷, which proposes a voluntary 50% GPP target for Member States to be reached as from 2010. The Commission services have developed GPP criteria for ten priority product and service groups (such as transport, food, construction and office equipment), which Member States have been invited to endorse.

Implementation of the Environmental Technologies Action Plan (ETAP) has progressed, as has work on eco-innovation measurement. The revised environmental State Aid Guidelines provide a 10% bonus on maximum aid intensity on eco-innovation investments³⁸. The Integrated Pollution Prevention and Control (IPPC) Directive³⁹ is a key tool towards sustainable production and eco-innovation, which will be further strengthened with the proposal of a Directive on Industrial Emissions⁴⁰.

In 2008, the EU's flagship chemicals legislation REACH became operational with the new European Chemicals Agency (ECHA) taking up its work. New rules on classification, labelling and packaging of chemicals have also come into force.

Conservation and management of natural resources

Whilst there have been positive developments in the status and use of water and air, human activity continues to threaten biodiversity and areas of natural land.

Global demand for natural resources is growing fast, and will continue to increase due to the growth of the population, which is expected to reach 9 billion people by 2050. Measured by the ecological footprint, it is estimated that this would be 30% more than the planet can sustain in the long term⁴¹.

Biodiversity is in decline globally and there is no sign of a reversal or slowing down of this trend. The EU is unlikely to meet its 2010 target of halting biodiversity loss⁴². European fish stocks have been overfished for decades⁴³. The annual loss of ecosystem services is estimated equivalent to €50 billion, while by 2050 the cumulated welfare losses were estimated equivalent to 7% of GDP⁴⁴.

³⁵ The European Parliament and the Council have already reached agreement on the Ecodesign Directive and Ecolabel and EMAS Regulations.

³⁶ Regulation (EC) No 106/2008 (OJ L 39, 13.2.2008, p. 1).

³⁷ COM(2008) 400, 16.7.2008.

³⁸ OJ No C 82, 1.4.2008, p. 1.

³⁹ http://ec.europa.eu/environment/air/pollutants/stationary/ippc/key_impl.htm

⁴⁰ COM(2007) 844, 21.12.2007.

⁴¹ WWF, Living Planet Report 2008.

⁴² Mid-term assessment of implementing the EC Biodiversity Action Plan, COM(2008) 864, 16.12.2008.

⁴³ Green Paper: Reform of the Common Fisheries Policy, COM(2009) 163, 22.4.2009.

⁴⁴ TEEB (2008) "The Economics of Ecosystems and Biodiversity" – Interim report to COP9 of CBD and Mid term Review of the EU Biodiversity Strategy (COM(2008) 864) and EPRG (forthcoming 2009).

Compared to previous years, forest ecosystems in the EU are stable but increasingly exposed to challenges, such as storms, fires, pests and other harmful impacts related to climate change. Soil quality continues to deteriorate with climate change. In general, eco-system services are important in this context as they also help to moderate weather extremes and lessen the impacts of weather and to maintain biodiversity.

EU initiatives include the EU Raw Materials Initiative⁴⁵, which proposed an integrated strategy to deal with the various challenges related to access to raw materials, including secondary raw materials that can be obtained in the EU through more and better recycling. The International Panel for Sustainable Resource Management⁴⁶ was inaugurated in November 2007 by UNEP and the Commission. New legislation on marketing seed and propagating material has been prepared to contribute to halting the loss of biodiversity⁴⁷.

The revised Waste Framework Directive⁴⁸ is an important stepping stone to help the EU move towards better management of material resources and improved resource efficiency. It clarifies the basic concepts such as the waste hierarchy, the prevention of waste, and the incorporation of life-cycle thinking. The Directive lays down important targets for the recycling of waste for the year 2020: 50% for household waste recycling and 70% for construction and demolition waste.

Member States have taken specific actions to protect biodiversity through the implementation of the Birds and Habitats directives. However, the completing of the Natura 2000 network is pending, as well as appropriate management for species and habitats.

Key action on water management includes continued implementation of the Water Framework Directive and the Community policy on water scarcity and droughts⁴⁹. The objective of the Directive, achieving good environmental status of all waters by 2015, poses an important challenge as the majority of water bodies in the EU have been identified as at risk of failing to meet the objectives of the directive if no action is taken. The Water Framework Directive has been completed by way of a directive setting environmental quality standards for a number of priority chemicals⁵⁰.

The Integrated Maritime Policy, launched in October 2007, sets a common framework for all EU maritime policy issues and introduced cross-cutting tools to ensure that use of the marine environment (oceans, seas and coastlines) is genuinely sustainable. There has been significant progress on sectoral policy initiatives in the maritime sphere⁵¹. Sea basin strategies for the Arctic Ocean, the Baltic Sea and the Mediterranean will address the specific challenges of these bodies of water.

⁴⁵ COM(2008) 699, 4.11.2008.

⁴⁶ www.unep.fr/scp/rpanel/

⁴⁷ http://ec.europa.eu/food/plant/propagation/conservation_varieties/index_en.htm

⁴⁸ Directive 2008/98/EC (OJ L 312, 22.11.2008, p. 3).

⁴⁹ COM(2007) 414, 18.7.2007 http://ec.europa.eu/environment/water/quantity/scarcity_en.htm

⁵⁰ Directive 2008/105/EC (OJ L 384, 24.12.2008, p. 84).

⁵¹ Marine Strategy Framework Directive (Directive 2008/56/EC, OJ L 164, 25.6.2008, p. 19), the European Strategy for Marine and Maritime Research (COM(2008) 534, 3.9.2008), the Common Maritime Space without Barriers (COM(2009) 10, 21.1.2009), the Communication on Offshore Wind Energy (COM(2008) 768, 13.11.2008), the White Paper on Adaptation to Climate Change (COM(2009) 147, 1.4.2009), and the Strategy on Ship Dismantling (COM(2008) 767, 19.11.2008).

The Green Paper on the reform of the Common Fisheries Policy (CFP)⁵² outlines the state of Europe's fisheries and analyses the current CFP. It triggers and encourages public debate on how to ensure the long-term sustainability and viability of fisheries.

Public health

The overall development of health in the EU is rather mixed. The number of years that Europeans are expected to live in a healthy condition is slowly but steadily increasing. Improvements in health are visible in falling death rates due to chronic diseases and suicides. There are also fewer serious accidents at work. However, there is more exposure to air pollution and more production of toxic chemicals, and new challenges emerge.

The adoption of the EU Health Strategy⁵³ in October 2007 delivered a holistic approach to achieving progress and sustainability in the lives of EU citizens.

Action to promote good health, reduce health inequalities and improve protection against health threats has included work on major and chronic diseases, such as cancer and rare diseases. Several policy initiatives focused on mental health, alcohol, obesity and tobacco, and on combating HIV/AIDS. The European Community Health Indicators (ECHI)⁵⁴ provide information on health status, including the Healthy Life Years (HLY) indicator, and on lifestyle-related determinants of health and environmental pollution.

A new legislative framework on the sustainable use of pesticides has been agreed by the European Parliament and the Council⁵⁵. It will represent a significant improvement in terms of environmental protection and safety. The existing Community Plant Health Regime (CPHR) is currently evaluated and updated⁵⁶.

The new EU regime for the authorisation of feed additives⁵⁷ is one of the driving forces for innovation in the feed sector and improvement of the feed conversion ratio. The Action Plan implementing the new Animal Health Strategy⁵⁸ includes several initiatives to maintain a sustainable high level of animal and public health standards. The work on the protection and welfare of animals has progressed.

The Commission also contributes to better health through EU-funded research and advanced e-health services, e.g. by fostering the use of ICT in European health systems.

In 2009, the Commission launched a Youth Health Initiative, which sets out to improve the health and well-being of young people. The Commission also continued to work with the World Health Organisation (WHO) on issues such as climate change, indoor air quality, tobacco control and injury prevention.

⁵² COM(2009) 163, 22.4.2009 <http://ec.europa.eu/fisheries/reform/>

⁵³ COM(2007) 630, 23.10.2007.

⁵⁴ http://ec.europa.eu/health/ph_information/dissemination/echi/echi_en.htm

⁵⁵ <http://ec.europa.eu/environment/ppps/home.htm>

⁵⁶ http://ec.europa.eu/food/plant/strategy/index_en.htm

⁵⁷ http://ec.europa.eu/food/food/animalnutrition/feedadditives/comm_register_feed_additives_1831-03.pdf

⁵⁸ http://ec.europa.eu/food/animal/diseases/strategy/actionplan_en.htm

The number of jobless households, income inequality and long-term unemployment have all been reduced, but the number of working poor and the overall risk of poverty have not changed. The target of having at least half of older workers in employment by 2010 is likely to be achieved but the target of delaying the average age of retirement to 65 years by 2010 is unlikely to be achieved. Demographic trends indicate that the working-age population in the EU-27 will start to fall by 2013, and will decrease by around 39 million (12 %) by 2050 compared to 2008⁵⁹.

An important challenge remains to make the most of Europe's demographic potential: raising employment rates, productivity and successful integration of migrants. Further efforts are needed to combat discrimination against migrants.

Policy progress includes a Commission Recommendation on the active inclusion of people excluded from the labour market in October 2008. Member States' reforms in the fields of social inclusion and social protection have been promoted within the Open Method of Coordination. The EU Structural Funds support Member States in their efforts to tackle poverty and social exclusion. Over the 2007-2013 period, some €10 billion is being allocated for this purpose.

The second Demography Report⁶⁰ was published in conjunction with the European Demographic Forum in 2008. A European Alliance for Families and a new government advisory group on demographic issues were created.

The Commission's 2009 Ageing Report⁶¹ takes an in-depth look at the economic and budgetary impact of an ageing population over the long-term until 2060.

As part of the Action Plan on Ageing Well in the Information Society, an Action Programme for Research in Ambient Assisted Living (AAL) has been adopted⁶². Some €150 million has been allocated to the programme.

On migration, the EU is also working to improve the management of migration flows, to coordinate national integration policies and to combat illegal migration. As part of the implementation of the policy plan on legal migration, legislative proposals have been presented to harmonise the admission procedures, criteria and rights of certain categories of third-country nationals⁶³. The 'EU Blue Card' for highly qualified migrants has become a reality⁶⁴. The fight against illegal immigration has been stepped up through the adoption of the "Return Directive" and a Directive providing for sanctions against employers of illegally-staying third-country nationals⁶⁵.

Handbooks on integration for policy-makers and practitioners have been produced and a one-stop-shop European website on integration⁶⁶ and a European Integration Forum established.

⁵⁹ Source: Eurostat

⁶⁰ SEC(2008) 2911, 21.11.2008.

⁶¹ COM(2009)180, 29.4.2009-http://ec.europa.eu/economy_finance/thematic_articles/article14761_en.htm

⁶² Decision No 742/2008/EC (OJ L 201, 30.7.2008, p. 49).

⁶³ Directive 2009/50/EC (OJ L 155, 18.6.2009, p. 17), COM(2007) 638, 23.10.2007.

⁶⁴ Directive 2009/50/EC (OJ L 155, 18.6.2009, p. 17).

⁶⁵ Directive 2009/52/EC (OJ L 168, 30.6.2009, p. 24).

⁶⁶ <http://ec.europa.eu/ewsi/en/index.cfm>

Member States' efforts are being supported by the European Fund for Integration, with €825 million allocated for the period 2007-2013.

The Communication on a Common Immigration Policy for Europe⁶⁷ and the European Pact on Immigration and Asylum⁶⁸ laid the ground for a coherent approach in the future. The European Council has also decided, for its part, to hold an annual debate on immigration and asylum policies, starting in June 2010.

Global poverty and sustainable development challenges

In 2008, the EU reversed the downward trend in ODA flows registered in 2007. Despite this upward trend, the outlook for the coming years appears rather problematic as many Member States are far removed from the 2010 individual milestones⁶⁹. Most other indicators on globalisation of trade, financing for sustainable development and global resource management, display favourable trends.

Engaging third-country partners to address global sustainable development challenges is indispensable. The EU continues to cooperate with third countries and regions, both bilaterally and in the context of multilateral processes, such as the G8, the United Nations Commission on Sustainable Development (CSD), UNEP and other relevant UN bodies, and the OECD. The meeting of the CSD in May 2009 agreed that to achieve long-term food security, there is a need for future policies to take into account environmental concerns, such as water demand in agriculture, deforestation, soil degradation and climate change adaptation needs, employing science-based approaches and local indigenous knowledge.

High level dialogue on the environment has been established with numerous countries, notably Brazil, China, India, Russia, Mexico and South Africa. Similar dialogue already exists with Australia, Canada, Japan and the United States. More expanded cooperation frameworks have been developed with a number of countries, such as India and China. Furthermore, Joint Declarations on Climate Change have been agreed with the Caribbean Forum, the Pacific Islands Forum and the African Union, and a Joint ACP-EU Declaration was signed.

Dialogue and cooperation with European Neighbourhood Policy partners promotes sustainable development objectives. In this respect, regional cooperation has been reinforced through the Union for the Mediterranean, the Black Sea Synergy and the Eastern Partnership.

In the development cooperation area, initiatives contributing to the objectives of sustainable development include a Communication on an EU strategy for supporting disaster risk reduction in developing countries⁷⁰, a Strategic European Framework for International Science and Technology Cooperation⁷¹, a Staff Working Document on Improving environmental integration in development cooperation⁷², and agreements within the Forest Law Enforcement, Governance and Trade (FLEGT) initiative. These include a Voluntary Partnership Agreement concluded with Congo Brazzaville and negotiations with several other countries.

⁶⁷ COM(2008) 359, 17.6.2008.

⁶⁸ Council document 13440/08; Commission Communication COM(2009) 266, 10.6.2009.

⁶⁹ COM(2009) 160, 8.4.2009.

⁷⁰ COM(2009) 84, 23.2.2009.

⁷¹ COM(2008) 588, 24.9.2008.

⁷² SEC(2009) 555, 21.4.2009.

Education and training

The prevalence of low educational attainment has diminished in all age groups. However, the increase in people involved in life-long learning activities and the reduction in the number of early school-leavers are not happening fast enough to meet the specific targets.

Education and training build the critical foundation for sustainable development. The Commission encourages Member States in their efforts to develop more strategic approaches to sharing knowledge and good practice in a bid to stimulate Education for Sustainable Development (ESD). A Commission Inventory of innovative practices in Member States and EEA countries highlights the importance of ESD⁷³.

The Commission's "Updated strategic framework for European cooperation in education and training"⁷⁴ will guide European level cooperation in this field to 2020. The "Lifelong Learning Programme 2007-2013" is a prime tool for developing the role of education and training systems.

Research and development

According to Eurostat data, the share of gross domestic expenditure on R&D in GDP decreased between 2000 and 2007 from 1.85% to 1.83%. This indicator thus shows a move away from the EU target of 3% by 2010.

One of the key objectives of the Seventh Framework Programme for Research and Technological Development for the period of 2007-2013 (FP7) is to contribute to sustainable development. In 2007 and 2008, around 44% of the total budget devoted to cooperative research was allocated to sustainable development-related projects. Two of the Joint Technology Initiatives (JTI) established under FP7, "Clean Sky" and the "Hydrogen and Fuel Cells", are also linked to sustainability. The total EU contribution amounts to €1.3 billion. Moreover, in the European economic recovery plan, the Commission proposed three major public-private partnerships (PPPs) around three key issues for sustainability: "green cars", "energy-efficient buildings", and "factories of the future". The Commission is striving to ensure that the whole European Research Area is responsive to sustainable development objectives. The challenge ahead is to build on the promising first steps and to enhance the contribution of research to sustainable development.

Financing and economic instruments

In the area of cohesion policy, the EU invests in action to promote sustainable development by integrating sustainable development initiatives into national and regional development strategies. In the 2007-2013 programming period, this policy has continued to support key challenges and cross-cutting themes. For example, in the period 2007-13, €105 billion, or 30% of the total €347 billion allocation for Cohesion Policy Funds, will be spent on the environment. Cohesion policy also promotes the development of policy mechanisms, such as the programming approach and multi-level governance, that support sustainable development within programme management structures and encourage regions to pursue sustainable development.

⁷³ http://ec.europa.eu/education/more-information/doc/sustdev_en.pdf

⁷⁴ COM(2008) 865, 16.12.2008; endorsed by the Conclusions of the European Council of 12.5.2009.

There is scope for further integration of the goals and principles of the EU SDS into cohesion policy to enable it to address the new sustainable development challenges faced by the EU, e.g. challenges of demographic change and climate change. Cohesion policy can help both to mitigate, particularly through supporting the shift to a low-carbon economy, and to adapt.

The Commission has been mainstreaming the progressive removal of environmentally harmful subsidies into its sectoral policies, e.g. through the reform of fisheries policy and as part of the CAP health check.

The Commission has also adopted new State aid guidelines on environmental protection⁷⁵, which will strike a balance between delivering larger environmental benefits and minimising distortion of competition, thus helping Member States to introduce the right policy instruments and finance eco-innovation.

The public consultation launched via the 2007 Green Paper on the use of market-based instruments for environmental and related policy purposes showed that there was a considerable interest in further use of market-based instruments⁷⁶.

4. TAKING SUSTAINABLE DEVELOPMENT INTO THE FUTURE

Three years into the implementation of the EU SDS is a good time to reflect on how the strategy could be taken into the future.

At EU level, sustainable development is primarily promoted and monitored in the context of individual EU policies, and the EU SDS itself plays a central role in promoting the overall objective of sustainable development. The EU SDS has also been instrumental in developing sustainable development strategies at national and regional levels. Today, almost all EU Member States have their own national sustainable development strategies (NSDS) in place, in line with international recommendations of best practice⁷⁷. A recently published study, commissioned by the Committee of the Regions⁷⁸, provides a detailed analysis of these national strategies.

Various stakeholders have found it difficult to understand why there are several cross-cutting priority strategies at EU level, such as the Lisbon Strategy for growth and jobs and the EU SDS. Other examples of cross-cutting strategies are the Climate Change and Energy Package and the Integrated Maritime Policy. The Lisbon Strategy is a dynamic strategy in which sustainability has been taken on board (climate change, energy, financial and social sustainability). The EU SDS is a long-term strategy which provides a good framework for guiding and reporting on long-term broad developments and promoting forward-looking reflection on sustainability, but it also requires short-term policy action. However, merging cross-cutting strategies does not seem feasible given the different roles they fulfil. The

⁷⁵ OJ No C 82, 1.4.2008, p. 1.

⁷⁶ SEC (2009) 53, 16.1.2009.
http://ec.europa.eu/environment/enveco/pdf/analyse_doc.pdf

⁷⁷ National SDS coordinators provide a link between the EU SDS and NSDS. The European Sustainable Development Network (ESDN) facilitates the exchange of good practices and experiences with Member States. Information on NSDS is available on the ESDN website: <http://www.sd-network.eu/?k=country%20profiles>

⁷⁸ Contributions of the Regional and Local Authorities to Sustainable Development Strategies, Committee of the Regions, 2009 (Author: RIMAS).

complementary nature of the SDS and the Lisbon Strategy were set out in the renewed EU SDS⁷⁹. Nevertheless, there may still be room for further clarification of the specific role of the EU SDS in relation to other EU strategies and for it to be streamlined accordingly.

In this context, the following points could be considered with regard to the monitoring of the strategy:

- (1) Greater synergy with the Lisbon Strategy for growth and jobs, which will be reviewed in 2010, and other cross-cutting EU strategies. There could also be better coordination and linkage between the policy areas covered by the Strategies and their follow-up.
- (2) The strategy could be further streamlined or, alternatively, the SDS could be refocused on its overarching nature, and provide the general framework for policy-making, in line with the guiding principles set out in 2006.
- (3) The strategy could facilitate the exchange of best practice in relation to innovative approaches in the Member States.
- (4) In order to ensure more efficient monitoring and enforcement by Member States, mechanisms used in the Lisbon strategy could also be used to monitor the implementation of EU SDS. They would include jointly identified objectives, measuring instruments (indicators, guidelines), benchmarking (comparison of Member States' performance) and emulation to replicate and scale up best practices. Measures in support of both strategies, with visible positive results on growth, jobs and the environment, could be identified. Mainstreaming eco-innovation, resource efficiency and green growth could be a leading theme.
- (5) Monitoring the SDS is based on the Sustainable Development Indicators coordinated by Eurostat. SDIs are a comprehensive monitoring tool, although some important indicators still need to be developed. In a bid to add to the SDIs and to key information on SD challenges more effectively, the Commission is exploring the possibilities of developing an SD scoreboard.
- (6) New challenges to SD are emerging, which are currently not included or covered only marginally in the EU SDS. They include energy security, adaptation to climate change⁸⁰, food security, land use, sustainability of public finances and the external dimension of sustainable development. As regards the external dimension, priority areas should remain climate change and energy together with achieving the Millennium Development Goals.

In particular, the strategy could focus on the EU's long-term goals in crucial areas, notably by:

- Contributing to a rapid shift to a low-carbon and low-input economy, based on energy and resource-efficient technologies and sustainable transport and shifts towards sustainable consumption behaviour;

⁷⁹ Council of the European Union document No 19117/06, 9.6.2006.

⁸⁰ COM(2009) 147, 1.4.2009.

- intensifying environmental efforts for the protection of biodiversity, water and other natural resources. Evidence shows that the destruction of biodiversity is continuing at a worrying rate. Degradation of ecosystems not only reduces the quality of our lives and the lives of future generations, it also stands in the way of sustainable, long-term economic development;
- promoting social inclusion. The most vulnerable in society are at risk of being the most badly hit by the economic crisis and its effects may linger longest for them unless effective measures are provided.
- Strengthening the international dimension of sustainable development and intensifying efforts to combat global poverty.

5. CONCLUSIONS

This Communication takes stock of progress with EU policy in the areas covered by the EU SDS and provides input for reflection and debate on sustainable development. This overview highlights the fact that, despite considerable efforts to include action for sustainable development in major EU policy areas, unsustainable trends persist and the EU still needs to intensify its efforts. As the example of climate change shows, taking actions early brings more and earlier benefits at lower costs as acting later.

It should be noted that the European Economic and Social Committee is preparing an exploratory opinion on the future of EU SDS for autumn 2009, which could further contribute to the debate.

These and other elements, as well as the active contribution of stakeholders, will provide input for a future decision on whether to launch a comprehensive review of the EU SDS, as originally anticipated in 2006. A review of this kind could provide the basis for further streamlining of the EU SDS, defining its role more clearly in EU policy-making, focusing it on the areas where progress is most needed, and improving its governance.