



NEWSLETTER

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Sustainability Revamping Systems

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The *Sustainability Revamping Systems*, network and on-line platform, to advance participation in sustainable development processes through:

- the dissemination and mainstreaming of methods and tools for sustainability policy and strategies
- the promotion of networks, collaborations and partnerships between partners and decision makers
- the resolution of commitments and requirements of projects carried out at European and local levels

In this issues: Sustainable Development and Poverty Eradication in view of RIO + 20. Considerations on worldwide and European Union strategies.

RIO + 20: MAKING IT HAPPEN

A renewed commitment towards SUSTAINABLE DEVELOPMENT to connect GREEN ECONOMY and POVERTY ERADICATION

Sustainable Development (SD), a development that meets the needs of the present without compromising the ability of future generations to meet their own needs, has evolved as a concept, since its first definition in 1987. SD is not a fixed state of harmony between humanity and nature, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are consistent with future as well as present needs. According to this definition, SD requires that the basic needs of all are considered as well as the opportunity for all to fulfil their aspirations for a better life. This should also take into account that we are in a world in which poverty is endemic and which will always be prone to ecological and other catastrophes, and vice versa (1).

The concept of a green economy appeared during the same period of time. It was promoted by environmental economists (e.g. Herman Daly, John Cobb, David Pearce and Michael Jacobs).

(1) WCDED, *Our Common Future*, Oxford University Press, 1987

They (2) defined sustainability in terms of non-depletion of natural capital to such a degree that environmental capacities (e.g. the ability of the environment to perform its various functions) are maintained over time. This non-depletion was considered to avoid future catastrophes as well as to give future generations the opportunity to enjoy an equal measure of environmental consumption. This opportunity is not for all as long as significant disparities in income and wealth between individuals, social groups and regions continue to exist. Environmental degradation often characterises the poorest communities.

Poverty is another multi-dimensional concept that includes income and wealth distribution, material deprivation, environmental conditions, access to quality services (culture, education, housing, health care, training, employment and so on) and to labour markets, social and civic participation.

All the above-mentioned definitions should be kept in mind in the debate on key issues of **Rio + 20**.

(2) See inter alia: Daly H. and Cobb J., *For the Common Good*, Beacon Press, Boston, 1989; Jacobs M., *The Green Economy*, Pluto Press, London, 1991; Pearce D. et al., *Blueprint for a Green Economy*, Earthscan, 1989

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All persons who become member of the network of *Sustainability Revamping Systems* have free access to its tools, including a demo of customised on-line systems, while the general public is permitted to download the associated examples.

RIO + 20 = RIO 2012 WORLD SUMMIT

Twenty years after the 1992 UN Conference on Environment and Development (UNCED) held in Rio de Janeiro, a new United Nations Conference on Sustainable Development (UNCSD) will be held in May 2012 again in Rio.

The objectives of the 2012 Conference are:

- To secure renewed political commitment to SD
- To assess progress and gaps in implementation of agreed commitments
- To address new and emerging challenges.

The Conference has two themes:

- Green economy within the context of SD and poverty eradication
- Institutional framework for SD.

The preparatory documents for the Conference (3) take stock of the progress made to achieve a worldwide consensus on a common path towards SD while recognising the complex and difficult implementation of SD strategies in many countries.

(3) <http://www.uncsd2012.org/>

Synthesis Report on Best Practices and Lessons Learned on the Objective and Themes of the Conference 2011

Secretary-General's Report on Objective and Themes of the United Nations Conference on Sustainable Development, 2010

Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference, 2010
Resolution adopted by the General Assembly, 2010

From Rio 1992 to Rio 2012

Thanks to the 1992 UNCED, SD has become an international concept that fosters integrated approaches on development aimed at reconciling humanity and nature by balancing environmental, social and economic pillars in all policy fields.

SD approaches have been orientated towards long-term strategies (thinking of future to act now), inter-generational and intra-generational equity (meeting the needs of different individuals and communities), worldwide solidarity (merging global and local dimensions) and democracy (allowing individuals and communities to participate in multi-level and multi-stakeholder governance).

The Rio 1992 Declaration stated that human beings are entitled to a healthy and productive life in harmony with nature, and Agenda 21 was defined as a vast and dynamic Programme of Action for Sustainable Development (SD) for the 21st century.

Agenda 21 was put into operation by national governments through National Sustainable Development Strategies (NSDS) and by local authorities through Local Agenda 21 (LA21) processes.

Participatory governance and transparent decision-making mechanisms were required to prepare, implement and monitor both NSDS and LA21.

In 2000, the General Assembly of the United Nations held in New York adopted the Declaration on the Millennium Development Goals (MDGs) to strengthen human rights and worldwide solidarity, to reduce poverty, to protect the environment and the vulnerable, and to promote democracy and good governance.

Two years later, the World Summit on Sustainable Development (WSSD, also referred as Rio + 10) approved the 2002 Johannesburg Plan of Implementation (JPOI) while stressing, inter alia, the importance of the social pillar.

Integrated approach

According to the preparatory documents for the Rio+20 Conference, the linkage between the environmental dimension and social inclusion is central to poverty eradication and remains paramount for SD since climate change, environmental degradation, material deprivation, food scarcity and other similar shocks affect mostly the poor.

However, a focus on economic growth continues to prevail in international, national and sub-national plans, including current recovery plans to face the global financial and economic crisis. This tendency has often resulted in the exclusion of other policy issues. In fact:

- the environmental pillar has not been granted the same recognition as the economic pillar despite the vulnerability and precariousness of the ecosystems affirmed by scientists and civil society since the 1960s
- the social pillar has been considered ancillary to the economic pillar despite economic growth does not automatically improve human well-being, as an increase in employment *per se* does not reduce poverty and social exclusion.

Many countries have put in place NSDS and LA21 processes or similar initiatives, but:

- NSDS have seldom been considered as important reference documents to guide policy-making in the preparation, implementation and monitoring of national and sub-national policy plans

- the scope of NSDS has been often too narrow, focusing prevalently on environmental issues.

As a conclusion, efforts are still needed to put the vision of SD into action through an integrated approach concerning economic, employment, environmental, social inclusion and poverty reduction policies.

Green economy as an economy for SD and poverty eradication

Poverty eradication and enhancement of the livelihood of the most vulnerable deserve priority in measures promoting a green economy transition, while fair policies are necessary to distribute available income and ameliorate adverse effects of growth on the poor. The United Nations Environment Programme (UNEP) defined green economy as one that results in improved human well being and social equity, while significantly reducing environmental risks and ecological scarcities (4).

According to this definition, a substantial shift from conventional economy to green economy should strengthen the vital links between economy, society and the environment in order to: foster production and consumption patterns that reduce waste, pollution and the use of resources, materials and energy; use these development patterns to revitalize and diversify economies associated with the creation of decent employment opportunities; orient these economies towards poverty reduction, fair income distribution and social inclusion.

The preparatory documents for the Rio+20 Conference state that a green economy in the contexts of SD and poverty eradication is an approach that needs: to be built from the bottom up, responding to national and local priorities and challenges; to be assessed in terms of social impacts in different countries and local contexts. Adequate investments should be devoted to:

- enhance the natural assets on which poor communities depend for their livelihoods
- deliver social benefits that support incomes, improve access to quality services (e.g. in social, education, health, housing, transport and employment domains) and put in place social safety nets
- support SMEs (small and medium sized enterprises) that adopt clean technology while developing new employment opportunities and new skills

(4) <http://www.unep.org/publications/>: UNEP, *Towards a Green Economy*, 2011

- design institutional arrangements that fairly represent the interests of poor and disenfranchised communities.

The documents identify seven tracks through which green economy policies affect livelihood, income distribution and other social outcomes.

1) Green stimulus packages to face the global financial crisis with environmental benefits and job creation opportunities.

2) Eco-efficiency to improve the rational use of natural resources in production with indirect social benefits (e.g. a better accessibility to resources and a reduction in pollution).

3) Greening of markets and public procurement to promote sustainable consumption and production policies that have beneficial environmental impacts associated with direct social benefits if products and services produced by the poor and vulnerable groups gain access to markets in which they could otherwise not compete.

4) Green infrastructures to mitigate environmental impacts with direct social benefits through, for example: small-scale, decentralised systems based on renewable energy technologies accessible to poor populations; sustainable buildings, construction and spatial planning that create new jobs and reduce households bills (e.g. for heating, cooling, and cooking); sustainable and inclusive transport (first of all well-funded, efficient public transport networks, non-motorised transport, walking and cycling systems) given that the poor are less motorised than the rest of the population.

5) Restoration and enhancement of natural capital to improve the contribution of ecosystem services and functions to livelihoods and income benefits for the poor (e.g. labour-intensive sustainable land management, agriculture etc.).

6) Getting prices right to take into account the externalities caused by human activities (e.g. industries, agriculture, forestry, mining, private transport etc.), while facilitating an income transfer from richer groups to lower-income groups.

7) Eco-tax reform to stimulate beneficial impacts in terms of pollution reduction and to provide financial means for governments to reduce the tax burden on the poor.

Participatory governance

According to the preparatory documents for the Rio+20 UNCS, insufficient progress has been made in integrating SD into policy making and implementation at all levels.

There has been evidence of institutional fragmentation. Governance mechanisms to foster SD have been scarcely taken into consideration, while horizontal coordination (between policy fields, ministries and departments) and vertical coordination (between different levels of government) have been inadequate and have resulted in a low political priority for integrated decision-making.

Taking into account these main weaknesses, the documents draw attention to areas where further improvement can accelerate progress on the SD agenda.

1) Integrated decision making based on SD principles as a whole-of-government undertaking at all levels.

2) Coherence and policy integration in the economic, social and environmental fields; this can be done also (and preferably) within the mandate of existing institutions (e.g. goals, budgeting and regulatory mechanisms) and the process of day-to-day implementation (e.g. horizontal integration among sectoral institutions and vertical integration between different levels of government).

3) Analysis, assessment and scientific advice, also by improving SD indicators and disseminating social impact assessment (i.e. effects on poor and vulnerable populations).

4) Implementation, monitoring and accountability through institutional mechanisms strengthened at national level (including NSDS) and based on collaboration, coordination across social, economic and environmental policies while limiting overlap or duplication of activities.

5) Participation, in which a greater voice is given to the poor and vulnerable groups in decision making. Improved access to information should be institutionalised. Bottom up approaches (including LA21 processes and similar multi-stakeholder engagements) should be adopted everywhere to respond to regional and local priorities and challenges.

6) National and local capacities for SD by fully recognising that local authorities are key actors in delivery of vital economic, environmental and social services. National and local governments should strengthen institutional capacities while mobilising resources and allocating budget adequately to reflect SD priorities.

SD AND EUROPEAN UNION (EU)

SD has become a fundamental objective of the EU since the early 90s' and it was included in the Amsterdam Treaty (1997).

With the approval the new Treaty on EU (TEU) in December 2009, the SD concept was strengthened.

SD is set out in Articles 3 and 21 of the TEU along with social and territorial cohesion, social justice and protection, the eradication of poverty, the fight against social exclusion and discrimination.

These objectives are based on democracy, gender equality, solidarity, the rule of law and respect for fundamental rights (Art. 2 and 21 TEU).

According to the Charter of Fundamental Rights, which has the same legal value as the Treaties, human dignity includes a high level of environmental quality (Art. 37) and social inclusion (Art. 34).

The relationship between these two development dimensions is further stressed by the new Treaty on the Functioning of EU (2009 TFEU). The TFEU adds important "horizontal clauses" to ensure consistency between the definition, implementation and assessment of policies and activities: equality clause (Art. 8); social clause (Art.9); anti-discrimination clause (Art. 10); environmental clause to promote SD (Art. 11).

SD in the EU strategies

Different decision making processes have influenced SD and the other strategies within the EU and its Member States.

Some Member States elaborated their NSDS (as well as LA21 initiatives) at a very early stage after Rio 1992 and several others in view of the 2002 Johannesburg summit (Rio + 10). The EU SDS was adopted in 2001 by the Gothenburg EU Council and was revised in 2006 as a framework to mainstream the SD overarching and long-term goal into a broad range of policies, for which environmental protection, economic prosperity, social cohesion and global responsibility should be mutually supportive.

A parallel process concerned the EU economic and employment strategy. In 2000 the EU Council launched the Lisbon Strategy for growth and jobs (including also policies on poverty and social exclusion). In 2001 the Gothenburg EU Council added the environmental pillar to the Lisbon Strategy, which was revised and streamlined in 2005.

As a result, worldwide events determined or influenced the EU Sustainable Development Strategy (SDS), while the Lisbon Strategy was a purely EU driven process.

SDS in the EU governance

With the renewed Lisbon Strategy (2005) and the renewed EU SDS (2006), each Member State has had the opportunity to integrate its own policies and activities through the synchronisation of three main official documents:

- a National Reform Programme (NRP) on the Lisbon Strategy
- a National Strategic Report on social inclusion and social protection (NSR)
- a National Progress Report on SD (NSDS).

The cooperation between the Member States was driven by common objectives and indicators agreed for the EU as a whole and supported by mutual learning processes (e.g. peer reviews and exchange of good practices). These are the main ingredients of the Open Method of Coordination (OMC), an instrument of “soft law” that orients policies, governance mechanisms and planning development on a voluntary basis.

Member States have exclusive competence in many policy fields. According to the principle of subsidiarity, the OMC process facilitates a common strategic path insofar as the Member States recognise that their objectives can be better achieved through coordination as an added value of the EU dimension.

The OMC is complementary to the Community Method, which is the main instrument of “hard law” (e.g. the Treaties and all other legislative and budgetary acts). OMC and the Community Method are mutually reinforcing but the latter is a main basis for consistency and integration between policies.

The OMC process was fairly effective in the Lisbon Strategy where EU recommendations to each Member State made the NRP implementation more binding than EU general comments (in terms of country-challenges) concerning the NSR on social policies and EU suggestions for the NSDS, which remained substantially a voluntary document.

EU in view of Rio + 20

In December 2009 the EU Council (5), while reviewing the EU SDS, valued Rio + 20 as an opportunity to make further progress on policies that foster SD, including poverty eradication and a post-2015 agenda on the MDGs (approved by the UN General Assembly in September 2010).

(5) http://ec.europa.eu/sustainable/welcome/index_en.htm
European Union Council, 2009 Review of the EU Sustainable Development Strategy (Presidency Report 16818/09)

According to the EU Council, the SDS constitutes a long-term vision and an overarching policy framework providing guidance for all EU policies and strategies and including a global dimension, with a time frame of up to 2050.

As the EU Council recognised, although proposals have been made to merge the SDS and the Lisbon Strategy, a majority of Member States and the Commission took the view that SD should continue to be a separate strategy with the particular challenge of influencing the short and medium-term policies, such as the new EU 2020 strategy (the successor of the Lisbon Strategy, see below). The OMC was reaffirmed as a tool to support the fight against poverty and social exclusion, while recognising the need for synergies with the EU 2020 strategy and other crosscutting strategies.

In October 2010, the EU Council answered the UNCSO questionnaire in view of Rio + 20 by assessing the SDS progress made in the Member States and the Union as a whole. Main results confirm the weak position of the EU SDS in the EU policy-making (6).

In different phases between 1992 and 2010 and with different intensity and political commitment, almost all the EU Member States have prepared their own NSDS and have activated LA21 processes also through national support and coordination. Moreover, several local authorities signed the Aalborg Charter of European Cities & Towns Towards Sustainability and some of them adhered to the Aalborg Commitments (7).

NSDS and LA21 like processes have promoted a participative culture of policy planning, as a very broad and general platform which offers established-mechanisms for an exchange and coordination of strategies at the administrative level.

However, there has been confusion over the SD concept and approaches. Moreover, they have not been considered in a wider context, but confined in environmental ministries and departments. In some occasions, the interdependency between the three components of SD (i.e. the environmental, social and economic pillars) was not fully understood.

According to the EU Council, NSDS alone are not a policy tool able to orient Member States towards sustainability.

Although some NSDS have had a certain influence in policy making, other NSDS have not significantly affected national policy-making and planning.

(6) <http://www.uncsd2012.org/rio20/index.php?menu=55>
EU Global Submission 2010

(7) <http://www.aalborgplus10.dk/>

NSDS have been often considered as one strategy among several other policy strategies.

The focus on economic growth has led to the exclusion of all other issues and of their mutual interaction as interdependent components of SD.

Furthermore, the recent financial and economic crisis at a global level has exacerbated the mainstream economic thinking, which left little space for debates on SD issues.

NSDS have been very different from country to country in terms of objectives, topic areas, measures and mechanisms of implementation. Short-term interest and planning have often predominated over long term SDS. A narrow focus on environmental issues has been prevalent especially in the "first generation" of NSDS. The lack of clear targets, timetables and responsibilities has characterised many NSDS. Official coordinating mechanisms have been insufficient at national and local government level, as well as coordination between ministries and ownership of SD in sector ministries.

NSDS were generally limited to small circles of policy makers, practitioners and experts (e.g. those involved in the NSDS preparation or interested in environmental topics), while rarely referred to in political or public debates.

In order to improve progress in a SD, the EU Council underlined that more balanced strategies are needed at all levels by:

- introducing a stronger social dimension
- developing horizontal and crosscutting policies such as sustainable consumption and production, which require a crosscutting governmental approach and concern all stakeholders in civil society
- involving the general public in the formulation and implementation of SD policies
- increasing public awareness and engagement (need of joint actions and common solutions).

Regional and local authorities in NSDS

The EU Council also took into account the results of a 2009 survey, commissioned by the Committee of the Regions (8). This study made it explicit that NSDS have been weak policy strategies and have had a limited institutional capacity in relation to other national plans (e.g. the National Reform Programmes linked to the Lisbon Strategy).

(8) RIMAS, *Contributions of the Regional and Local Authorities to Sustainable Development Strategies*, 2009

The quality of NSDS has been affected by their rather general objectives, the lack of quantified and measurable targets, as well as by weak links with regional SD strategies.

According to the survey, some regions made advances in SDS development and implementation, but their relevance was rather limited in many NSDS while the importance of LA21 processes for SD policy making is decreasing. Main reasons were linked to a weak governance architecture, given that:

- comprehensive mechanisms and systematic involvement of sub-national levels in the preparation and implementation of NSDS were the exception rather than the rule in most Member States
- although involved to a varying degree in NSDS, the influence of regional and local authorities was very limited in the related decision making
- even if included in NSDS, processes like LA21 (e.g. sustainable community initiatives, sustainable cities, Healthy Cities, Brundtland towns etc.) lacked effective support tools provided by the national authorities to steer these bottom-up initiatives.

The study provided key policy recommendations to increase the contribution of sub-national levels in SDS through, inter alia, formal and informal mechanisms of involvement, cooperation and exchange between different levels of government, the integration of LA21 initiatives and NSDS processes.

Europe 2020 and SDS

As already mentioned, the new EU 2020 strategy is the successor of the Lisbon Strategy to achieve three mutually reinforcing priorities: smart growth (developing an economy based on knowledge and innovation); inclusive growth (fostering a high-employment economy while delivering social and territorial cohesion); sustainable growth (promoting a more resource efficient, greener and more competitive economy).

The new strategy was approved by the EU Council in June 2010 as "a new strategy for jobs and growth" closely in line with the previous Lisbon Strategy and associated with the Stability and Growth Pact aimed at strengthening fiscal consolidation and enduring public finances.

Europe 2020 set five headline targets for 2020 that steer the process at Union level: for employment; for research and innovation; for climate change and energy; for education; and for combating poverty.

They are backed up by seven flagship initiatives at Union level. Each of them constitutes a multi-stakeholder platform that addresses specific issues and contains objectives and measures dedicated to specific policy areas, but all them are closely intertwined and mutually supportive while presenting potential for developing green economy within the context of SD and poverty eradication.

SD, green economy and the Rio + 20 Conference are quoted in the EU flagship initiative concerning "Resource efficient Europe". The promotion of social inclusion and territorial cohesion is the core of the European Platform against Poverty and Social Exclusion (EPAP), which is linked to all the other six flagship initiatives. The initiative concerning "An Industrial Policy for the Globalisation Era" makes an explicit reference to resource efficiency and sustainable consumption and production patterns. Other two initiatives (Innovation Union; A Digital Agenda for Europe) complement the economic policy domain. They have links with the "Youth on the Move" initiative (concerning youth employment, social safety nets and education systems) and with the initiative aimed at modernising the labour markets (An Agenda for New Skills and Jobs).

Member States are asked to:

- translate the Europe 2020 headline targets into national targets
- define and implement their overall strategies through National Reform Programmes (NRP) and Stability and Convergence Programmes (SCP) at the same time, allowing for a greater coherence between structural reforms and macroeconomic issues.

To this end, ten Integrated Guidelines concerning the Europe 2020 targets and ten priority actions for the 2011 – 2012 budgetary policy are defined at EU level. They provide Member States with guidance on preparing NRP and SCP, as well as they form the basis for integrated country-specific recommendations from the EU Council and Commission to the Member States.

Within this governance architecture, the role played by SDS in the EU overall strategies remains still weak to a large extent.

Two Integrated Guidelines take into account issues concerning green economy and poverty. Guideline 5 addresses specifically environmental issues by improving resource efficiency and reducing greenhouse gases. Guideline 10 is devoted to promoting social inclusion and combating poverty.

Unfortunately, there is not connection between the two guidelines, each of them acting as a separate set of principles within the overarching priorities and targets of Europe 2020.

Clearer connection are between: Guidelines 5 (environmental issues) and 8 aimed at developing a skilled workforce insofar as labour market needs are associated with the low-carbon and resource-efficient economy; Guidelines 10 (social inclusion) and 7 aimed at reducing structural unemployment insofar as it affects in-work poverty and vulnerable categories furthest away from the labour market.

A linear and business-as-usual approach seems therefore to connect (green) economy with (new) job opportunities as a way to reduce poverty.

Furthermore, the SD concept, the green economy scope, the focus on poverty and social exclusion are missing in the ten priority actions for stability programmes in 2011 – 2012. They reveal exclusively the urgent task of combining fiscal and financial consolidation with economic growth, energy efficiency, stability of pension systems, incentives to employment and education.

Summing up, Europe 2020 presents weaknesses already mentioned in the preparatory documents for the Rio+20 Conference.

However, Europe 2020 can contribute to coherent SDS by:

- fostering a more holistic approach with an equal weight assigned to social, environmental, employment and economic pillars
- linking the fight against climate change and environmental degradation with the fight against poverty and social exclusion, inequality, insecurity and all types of discrimination
- developing indicators "beyond GDP" (gross domestic product) to assess progress
- developing Social Impact Assessment of any policy in close relation with Environmental Impact Assessment
- enhancing legitimacy of the NSDS and LA21 processes within the Europe 2020 Strategy
- increasing ownership of SD approaches through stakeholder participation, full and equal partnership between different levels of government (multi-level governance) and between different policies (multi-dimensional approach)
- improving visibility of the SD concept through communication and mutual learning.