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Network of
European Environment and Sustainable Development Advisory Councils (EEAC)

UNCSD ▶ Rio^{20plus}

The "Green Economy" Agenda in the context of SD

Institutional Framework for SD at national level

EEAC STATEMENT

and

BACKGROUND PAPERS

with national and regional good practice examples on a green(er) economy

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Spain	Advisory Council for the Sustainable Development of Catalonia (CADS)
United Kingdom	The Countryside Council for Wales (CCW)[1]

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This statement was elaborated by the EEAC Working Group on Sustainable Development (WG SD) in April 2011, and finalised in June 2011 with a few amendments expressed during the consultation process among councils. Comments on the Commission's communication on Rio+20 (COM (2011) 363 final) from June 2011 are not included in the statement but will be adopted in September.

The background papers were also finalised during this period, and the good practice examples on green economy collected until the time of publication in September 2011.

1 *Endorsing only the governance part of this statement. Comments on the GE part will be published prior to the EEAC annual conference (16 September 2011), together with all contributions in this debate.*

EEAC statement

Context

The international community decided to take advantage of the forthcoming twentieth anniversary of the Earth Summit in 2012. The UN General Assembly decided to hold again a UN Conference on sustainable development in Brazil in 2012. The aim of this conference is to arrive at a renewed political commitment to sustainable development, to assess the progress made since 1992, to check whether there are any implementation gaps in the Rio and Johannesburg agreements, and to examine the challenges of today. The UNCSD 2012 will discuss two topics: "a green economy in the context of poverty eradication and sustainable development" and an "institutional framework for sustainable development." Important players in this process, alongside the member states, are the UN intergovernmental organisations and the Major Groups.

The network of European Environment and Sustainable Development Advisory Councils, EEAC, attaches great importance to the Rio2012 conference, as a unique opportunity to give a new, necessary impetus to a more sustainable development for our planet. EEAC is participating in the process by providing an input based on the know-how and experience of its members across Europe.

EEAC is providing input on the two UNCSD topics with this statement, which is accompanied by two more detailed Background documents included herewith. The recommendations are based on a) a collection of national good practice examples and challenges for GE and b) the analysis of a survey on governance for sustainable development with the former included in this publication (see Annex).

The statement and background papers are presented at the EEAC Annual Conference 2011 in September, as further step in the process towards the 2012 UNCSD. The EEAC network intends using this statement as the basis for continuing dialogue with the European institutions and other actors about making the economy work for SD.[1] It is also aimed to endorse comments on the Communication from the European Commission on Rio+20. [2]

Challenging, encouraging, innovative: Addressing the "Green Economy" Agenda in the context of SD

With this recommendation, EEAC Member Councils collectively address the European Commission, the entrepreneurial community and other stakeholders, while, individually, the national Sustainable Development Councils use the EEAC network to share ideas and compare approaches in respect of the national work profile they are meant to execute. EEAC Member Councils deliver effective programmes and initiatives as referred to in this statement to advance specific low carbon strategies and to make green economy a tool that works for the environment and the social prosperity. We base these recommendations on selected examples from our respective national work profiles, projects and partnerships, published as a collection of national good practice examples. This overview is result of self-evaluating processes as element of EEAC network processes to advance EEAC Member Councils. The conclusions will therefore reflect on lessons learned, strength and weaknesses of EEAC Member Councils as well as on their main fields of activities.

1. What dominates our economy is an economic model that is based on a downward trend towards non sustainable development: depleting resources, changing the climate to dangerous levels, alienating economic growth from people's prosperity, running ever riskier businesses with huge damage potential, accompanied by policies that result in the separation and fragmentation of policies instead of strengthening the case for systemic answers and strategies. In short, this development must not be continued.
2. The EEAC wish to propose an economic model that is grounded in sustainable development principles. This is not to be interpreted as a replacement of the current economic model but rather a model of business organisation that can run parallel with and eventually replace those business models that are based on ever increasing natural resource consumption. It is our view, following investigations amongst our Member Councils, that the green economy can provide meaningful employment opportunities whist at the same time addressing

1 *Since 2001, the EEAC network has been a strong advocate of greening the EU Sustainable Development Strategy by defining natural environment, and the resources and eco-services it provides, as core element of any sustainable pathway (EEAC (2001): Greening Sustainable Development Strategies. Proposals by the European Environmental Advisory Councils for the EU Sustainable Development Strategy). See also: EEAC supporting a major Rio-plus-20 event in 2012 on a sustainable global society and economy Recommendations taken by the EEAC 2009 Annual Plenary Session, Dubrovnik, 24th October 2009; http://www.eeac-net.org/workgroups/pdf/EEAC_supporting_a_major_Rio-plus-20.pdf*

2 *COM (2011) 363 final: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Rio+20: towards the green economy and better governance. (Brussels, 20.6.2011)*

the big challenges of climate change and natural resource depletion. A process of greening the economy needs to be fail-proofed against attempts to green-washing and protectionism. With specific metrics for roadmaps and accountability of all responsible actors, this process has to allow for bottom up action. In our view, there is a case for a green economy, but it is only viable, tangible and credible when it forms part of the wider context of sustainable development.

3. Greening the economy, first of all, only works when it puts the society first. Good practice experiences show that greening strategies can create new and decent jobs to a large extent. Green jobs can be found, for example, in renewable energy, manufacturing green products, developing environmentally efficient working practices, reducing waste and pollution, recycling and recovery, managing environmental assets and delivering ecosystem goods and services e.g. food and timber, maintaining and enhancing biodiversity. Green jobs would be called decent if they offer a rewarding atmosphere, fair pay and a high quality in terms of skills and working environment. Putting jobs and growth against the environment is an old and out-dated concept. European examples show that green economies serve the people.
4. We recommend that sustainable development should become the central organising principle of government. This would involve framing and qualifying national fiscal policies, reform programs and the Europe 2020 in order to integrate long-term sustainable thinking and global cooperation. Policies in different fields need a sustainability umbrella (i.e. to be 'SD proof') to ensure that there is both horizontal and vertical integration across the whole range of governance.
5. For tooling up the European green economy we recommend, as a starting point, revising the EU SD strategy and ask the European Council to decide, as required in 2011, when a comprehensive review will take place. We recommend this to start immediately after the Rio conference in order to transpose the results into the European policy framework. In the global debate about green economy the EU needs to demonstrate its commitment to SD and walk the talk by increasing effectiveness and active delivery. The EEAC therefore advises that the strategy adopts an operational approach that would allow for the framing of roadmap actions.
6. Scientific concepts for taking nature's services into account and respecting them in the economic logic of business are well known. Pricing and licensing operations by issuing certificates, taxing concepts and other market based instrument are being used. But still, we do lack a comprehensive approach that would deliver a turn-around of mainstream economies. The notion of a green economy is not new in substance, but what is new and what we support is a change in perspective of those who are taking decisions on the market. Increasingly, market players invest in green business, and the business community is actively connecting the long term sustainability thinking with their vision 2050 business case.
   In order to have a strong green economy the deeper it has to connect to the policies towards a sustainable development. This is in some way incremental, but has also some angles that change the framework conditions. For this purpose, both soft and hard instruments and approaches might be used.
7. The EEAC recommends that we move towards a green economy by demonstrating that the green economy can deliver meaningful jobs that can contribute to both material well-being and meet the global challenges of climate change and resource depletion. The EU Member States can learn from each other about how such a new business model can be constructed and developed. It is about gaining confidence about a new economic trajectory and about gradually replacing the old model, which was based on largely unconstrained natural resource use – there is an element of complementarity in what we suggest. Taking responsibility in global transformation processes urges us to reframe the notion of 'Green Race', as coined by the WBCSD, that is often called upon. The impact of green economy strategies must not generate new forces for international inequality but rather foster and encourage cooperation, particularly in the use of natural resources. The EEAC recommends actions to design and enhance active learning processes in developing countries, disseminate technologies, allow for the access to knowledge and freely available technologies as well as the development of public/private/academic research, and international cooperation and collaboration in that respect. It further advises to redesign trade arrangements and to reflect on the current global regime of intellectual property rights.

We have elaborated these recommendations further in a background paper (see below), with the key elements:

- Facing the dominant mode of degreening
- Green means greening means enabling
- Society first
- Policies against green-washing

- Make use of diversity
- Creating new decent jobs
- Respecting nature's capital
- Adding to the governance portfolio
- Funds needed to progress instrumentation of green economy
- Revising the EU SDS
- EU SDS to frame the roadmap option
- Taking responsibility in global transformation processes
- Advancing EEAC Member Councils

Learning from long-standing and diverse experience: Institutional Framework for SD at national level

The EEAC has worked over the last 10 years on governance for SD, with a focus on national institutions and processes, stakeholder involvement, policy and delivery coordination issues, and the links between different governmental levels, e.g. sub-national, national and EU. This included a recent survey in around half of the EU member states and some regions, on which these recommendations are based.
EEAC underlines that further progress in sustainable development requires transition processes, i.e. rather fundamental shifts in direction of sectors and the economies as a whole, as reflected under the section "green economy". The notion of transition at the same time includes striving for social justice and decreasing inequalities by ensuring effective multilevel "just transition" processes. For such transition processes, the aim of achieving further convergence and integration of the dimensions of sustainable development, requires improvement and reinforcement of governance at all levels, and that SD governance is placed at the core of all levels, incl. the UN system: Here EEAC also wishes to express its support for certain proposals on the institutional framework for SD at global level, as addressed in the background paper on this issue.
A number of core elements of governance for SD at national and sub-national levels have emerged as good practice, - relatively independent from the politico-cultural background of a nation, region or municipality. It is the EEAC's view that the following should be pursued:

1. Sustainable development should become the central organising principle of government. More effective coordination is required amongst the various economic, social, and ecological policy domains in order to achieve a more 'joined up' approach to the big challenges we are confronted with today (inter-related crises concerning the climate, energy, biodiversity, poverty, the scarcity of raw materials, the financial and economic issue, unemployment ...).
2. EEAC considers political leadership at a high level as crucial, i.e. the prime minister should be responsible for sustainable development, which matches with his/her encompassing and leading role in government. At the same time, political and administrative coordination mechanisms need to be firmly put in function, i.e. in government, in the ministries and in parliaments.
3. Civil society should be continuously encouraged, where needed, to get organised in order to be an actor in policy processes, and be triggered to initiate and organise bottom-up actions. This includes wider awareness raising and stimulating informed debate on sustainable development. Governments should be open to and foster involvement and participation. Sustainable Development Councils are a model for multi-stakeholder bodies, which are typically composed of stakeholders from the major groups and beyond, active in all these respects and pushing the SD agenda. Deliverables of SD and environmental councils are integrative and transdisciplinary thinking as well as dialogue style politics, for both of which they are also laboratories. In order to live up to their potential they need to be sufficiently resourced and mandated.
4. On political strategies EEAC recommends a two-track approach: There should be an SD strategy with a medium and long-term vision, and at the same time all actors should work on mainstreaming SD in core policies, in particular socio-economic strategies and budgetary processes. SD strategies need to be 'SMART', which also implies that they are monitored and revised, as well as turned into actions, along the targets, possibly in the form of an action plan (see item 5 in the GE section above).
5. On complementing SD tools EEAC considers Sustainability Impact Assessment (SIA) a useful instrument that is designed to provide ex-ante assessment of impacts of policy proposals. It is crucial, also for credibility, that serious alternatives are considered and impacts on the key dimensions of SD, and weighing up to take place in the political sphere with transparency in the entire procedure. Indicators for SD have evolved as key tool for measuring progress: agreeing such indicators is a critical component of developing an SD strategy. EEAC considers it important that dashboards with headline indicators are agreed and also that work on (an) aggregated indicator(s) continues, both in a coordinated fashion with member states.
6. EEAC members share the concern that communication on SD needs to be stepped up

significantly: Communicate SD to a wider audience in more practical terms, demonstrate how it is connected to daily life, such as working, housing and consumption. Show it as project of inherent interest, as it is about improving the quality of life of citizens, and with "best practice" how it offers new opportunities. The local or community level shall have a special and important role in connecting SD to daily life. For example, community based groups through their work on practical outcomes play an important role in communicating and demonstrating the SD message. SD also needs to be treated as priority theme by the government, integrated in the communication systems of the individual authorities, and it needs to be better integrated in the educational system of each country. Using an SD strategy as red thread in communication has proven useful in many member states. There should be an active media policy for getting SD at the core of both traditional and new media, and again by stimulating that an SD angle is taken when 'classic' domains and topics are covered. More efforts are needed to translate the SD philosophy in the business language and a clear message should be sent that following SD principles is a "sound business case" and not bad for profit.

7. Overall, it still remains an on-going task to building capacity for SD at all levels and in all respects: awareness raising, knowledge, thinking "in the very long lines" and out of the box, in all societal groups, and concrete approaches and action, including in and by the government. EEAC therefore calls for a more systematic approach and current efforts to be re-examined and invigorated.

The background paper for this section on the institutional framework for SD further elaborates on:

- Challenge: transition needed
- SD strategies
- SD tools
- Communication

Conclusions

This Statement wants to encourage advanced thinking on the issues of *green economy* and the reform of institutional processes towards sustainable development. It connects to the preparation for the UNCSD Conference in Rio de Janeiro 2012.

In our view the strategic high-level policies on all levels should adopt sustainable development as a broad orientation combining a number of different policy areas. It is normative to the extent that it offers a 'vision' of a future based upon principles regarding the long term, planetary boundaries, the circular flow economy (recycling economy) and intergenerational justice. We recognise that governments may find it difficult to pursue sustainable development policies, particularly when faced with major challenges such as deficit reduction, or energy and food security, and the need to respond to the demands from society for jobs and prosperity. However, the principles of sustainable development and its long-term objectives towards e.g. climate mitigation and resource use offer an opportunity to set shorter term policies and programmes that translate transformation into prosperity and job opportunities.

Acknowledging the complexities and difficulties that governments, policy actors, academics and individuals have encountered over the years since 1992 (Rio Earth Summit) the concept of sustainable development is still relevant and alive. It may not be confined to the 'too difficult to handle basket'. Much has been achieved at both governmental and societal levels and a whole range of government policies and programmes and initiatives by businesses and individuals can be cited to support this conclusion.

The EEAC suggest that there is a need to make the institutional framework more sensitive to policies, such as sustainable development, that are cross-cutting in nature. These are often mistaken as over-complex and referred to as the 'wicked issues'. Such issues are also characterised by a high degree of involvement of governmental structures and by civil society. This should be addressed as part of the solution, not the problem.

Key policy tools in this process are the EU SDS and national SD strategies. These strategies need to be better linked and provide the strategic direction for long-term EU and national policies. The policy architectures (institutions, legislative and administrative routines, political culture) must allow for the European as well as national SD strategies to underpin other strategies and 'road maps', such as Europe 2020, that set out in more detail how the direction of travel can be monitored in terms of timelines, deliverables, rules for measurement and reporting. As mentioned above, the institutional framework is another vital component in the delivery of a society based on sustainable development principles.

This Statement has drawn on the information and experience of Member Environment and Sustainability Councils. In taking a long-term perspective we suggest that it is possible to shift the curve of economic development to a more sustainable trajectory by developing and strengthening the green economic

sector alongside more traditional business models..
At a time when there is great international economic uncertainty we are seeking to encourage governments to begin exploring alternative sectors that have the prospect to deliver worthwhile and satisfying employment opportunities but, at the same time, recognizing that the earth's sources have to be used more efficiently and sparingly, and sustainable modes for production and consumption have to be developed that can be shared globally.
With this recommendation, EEAC Member Councils collectively urge the European Commission to revise the EU SDS. The SDS needs to become the 'central organising principle' across the whole range of EU policies and programmes. It should give pointers to other EU policies and programmes to the extent that they should conform to SD principles in determining their outcomes, e.g. CAP, CFP, cohesion, transport and infrastructure, and deliver what is needed for Member states green economy agendas.
Reflecting on the work profile of EEAC Member Councils only some national councils actively engage with private sector or trade unions in their projects or programmes. Rio+20 opens the window of opportunity to fill this gap as it merges the dialogue on development and environment with the dialogue on economy and industrial policies.

Background papers

The "Green Economy" Agenda in the context of SD

Editors: *Guenther Bachmann / Dorothee Braun*
Council for Sustainable Development (RNE), Germany

EEAC aims to contribute to the debate on green economy. Its addressee is the European Commission and the private sector community. National Councils for the Environment and Sustainable Development are established either as scientific bodies or as multi-stakeholder bodies linking different societal sectors towards the three dimensions of sustainable development – environment, social and economic. Good practice examples collected by national councils from respective work profiles, projects and partnerships show that the activity profile of EEAC informs the debate about key issues of sustainability in respective societies and business communities. Thus, it encourages more in-depth thinking, new ideas and approaches for a refreshed and reloaded concept of greening the economy.
Green Economy is important in terms of the 'big' political agenda. Embracing this concept will contribute to meeting wider societal goals. Major problems, such as environmental depletion, fiscal debt burdens, youth unemployment, energy and infrastructure transition needs urge us to take decisions today that implicitly entails far reaching consequences. Sustainability concepts are an alternative that can address both these more immediate problems and the wider issues. A more localised approach to economic, social and environmental policy provides an alternative to the business model that is more globally based. It does not replace it but works alongside. Similarly, global as well as regionally operating small and medium size businesses are to be encouraged to adopt corporate responsibility and sustainable production and consumption approaches to business behaviour. It is not a choice between re-localisation and globalisation but rather one of complementarity.

1. Context

The notion of a "green economy" gained political recognition as a reaction to the financial (near) meltdown and the economic crisis in 2008 and 2009. Major economic recovery plans featured what they called green parts. But this was only a beginning, and in no country green recovery was anywhere near to what is needed in terms of transforming economies onto

a pathway that will lead to sustainable development. And still, we have to overcome the legacy of the crisis that translates into enormous bail out burden for next the generation, decomposed national economies, and overall fiscal instability in Europe.

Basically, the notion of a green economy had been around for a while before the crisis struck. To name only a few, with concepts such as the ecological modernisation, the eco taxation, factor 4 concepts for an increase in resource efficiency, this notion was subject to in depth scientific research and advanced policy making efforts.

The notion of a green economy is a major topic of the upcoming conference UNCSD 2012. There are high hopes and big expectations associated with this notion of green economy, but there is also a reservation and some doubts as to whether the green economy agenda is only repackaging what we had before, and, thus, will not deliver what is needed. It is feared that the agenda might even turn out as side-lining the notion of sustainable development.

The United Nations Environment Programme (UNEP) framed the concept of green economy by interlinking sustainable economic growth, based on green investment with human well-being and social equity[3]. The European Union considered UNEP's definitional framework as a worthwhile starting point but recommends coming up with a broader definition that allow us to understand green economy "... as a set of tools and a roadmap to accelerate and facilitate a transition towards an economy that is consistent with sustainable development, integrating social, economic and environmental concerns."[4]

The World Business Council for Sustainable Development (WBCSD) talks of a 'green race'[5] emerging between businesses. Indeed, there is no isolated economy in the world that is about to change as a whole without connecting to other market places. Competitiveness still is a major driver here. Not modified by rules and ethics competitiveness might exaggerate into a race that does not know about the others but only sees the individual benefit. For a carbon constraint planet with scarce resources and a multipolar leadership this would not do the trick. A green race means that nobody will win, at the end. There are a variety of concepts, and controversies that are still building up significant confusion. Would it really refer to an inclusive transformation of the whole economy or is nothing more than paraphrasing the competitiveness of some subsidised economic sectors in industrialised countries that are dealing with exclusive high-end solutions? Would it translate into a concerted action of all participating countries in a way that allows for the necessary adjustments to the historical, cultural and economic context of the respective countries? We need to acknowledge that fears have been voiced that the rhetoric and development of the green economy may have implications for progressing global justice as it has the potential to distort world trade in favour of developed countries, which is viewed by some – as another attempt at neocolonialism.

2. Challenges and new approaches: encouraging and innovative

Facing the dominant mode of degreening

The world is on a downward path leading towards non sustainable development. Globally, the economies – albeit the global increase of prosperity and developmental efforts made in meeting some of the Millenium Development Goals – are dominated by

- pollution and destruction of ecological services instead of carefully taking nature's capital into account;
- devaluation of the long term values of social prosperity and ecological integration through the short-termism of the market;
- exclusion of people from decent education and jobs instead of enabling all actors in the public and private sector to make sustainability part of a meaningful life.

But still, there has been some progress in the past. The 1992 Earth Summit is an iconic feature for quite a few, very important international processes, be it in the field of climate, biodiversity, or the local agenda 21. The Rio Agenda engaged more people than ever before. Rio 1992 bridged the gap between environment and development and now, twenty years later, in 2012 the UNCSD in Rio is expected to add the economy.

This ought to have happened long before, but it obviously needed the recent fiscal and economic crisis to make it happen. Rio 1992 agreed that sustainability is also about the economy. But then, nothing meaningful happened on the global scale. Instead, the world experienced severe setbacks due to an economic

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3 *"Green economy is one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. In its simplest expression, a green economy can be thought of as one whose growth in income and employment is driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services (UNEP / FRDO-CFDD, BE).*

4 *The EU and its Member States Common Response to Questionnaire D of UNDESA as Contribution to UNCSD 2012 / www.ymparistokeskus.fi/download.asp?contentid=123166&lan=fi*

5 *WBCSD Annual Review 2009: The green race is on. The new business agenda. http://www.wbcsd.org/Plugins/DocSearch/details.asp?DocTypeId=25&ObjectId=MzgwNTc*

globalisation that tried to put away the limits of the planet.
The concept of green economy has been evolving as a centre of policy debate in response to the multiple crises and challenges societies are facing toady. Appreciating that the greening of the economy has been made subject to the UNCSD 2012, we feel the urgent need to strengthen the public and scientific discourse around this topic.

Green means greening means enabling

More often than not, the reply to the economic and fiscal crisis of 2008/9 and its aftermath has been dominated by - what could be called a "degreening" mode referring to the "green economy" pledge. Quite a few countries in Europe face unsustainable trends and a devaluation of social prosperity while others successfully increase growth, but are no less on an unsustainable track. In that light, the Belgian federal council FCSD published an opinion paper pleading to upgrade the federal government's recovery policy to a Sustainable New Deal. To cite another example, in Wales The Countryside Council for Wales (CCW) has promoted the 'Green Economy' as a means of demonstrating the large and growing portion of economic activity related to the environment. The German Sustainable Development Council works on corporate sustainability strategies.
We have to acknowledge that no economy is just green, today. If used in a solitary way the term "green economy" is misleading because it suggests that there could already be a green economy, and some parts of the economy can be seen isolated from others. Worldwide, no economy is just green by design or by goals, or any other status, as of today. Adding to this overall picture the Japanese nuclear accident reminds us of the possibility of major catastrophes. Responding to the threats of the nuclear disaster there clearly is a need to critically reflect on embracing nuclear technology as a means of meeting energy demands based on the current business models. With the limits of technical mastery as well as the contingency of risk management so clearly demonstrated the notion of "green economy" becomes a tenable solution. If framed in the context of sustainable development, it may yield some impact.

Society first

In meeting the global challenges of climate change and natural resource depletion, all economies have to become green. Greening the economy is an unfinished business with "green" indicating a direction and a process. The "green" path is where all sectors of the economy should be heading, in one way or the other; it is a path that is grounded in the principles of sustainable development. The overarching goal is to ensure that sustainability principles are embraced in society's values and thus the 'green economy' is the means of satisfying those values and meeting the diverse needs of society. This view is gaining ground and is being expressed by quite a number of the EEAC member Councils. In both developing and developed economies the state sector plays an important role in supply chains, value creation and the job market. Thus, there is no private sector in the world that could make significant steps towards a greener production without the public sector following and / or leading. This idea can best be served through visionary, meaningful and enabling sustainable development policies.

Improving the game, adapting the rules

Greening the economy needs policies beyond of what we are used to. There is no single silver bullet that could be expected to deliver a one-size-fits-all solution to the green economy challenge. There will not be a simple (not that any of the UN Convention in the past had been a simple endeavour) treaty or G-something decision. Command-and-control instruments will keep their value, as will blame-and-shame practices. The dominance of short-term economic and political thinking presents difficulties in public policy in relation to sustainable development and the transition towards the green economy, where a more long-term perspective is required. We need to understand and to implement better how and when future markets and transition trajectories need intervention, incentives, and guarding. We also have to know and to reason which risk we are willing to take when long-term investments are decided upon. Those decisions may not be taken by stock exchange alone; at their core they are public decisions based on a legitimate and informed debate. Regulatory command-and-control instruments and rather soft instruments that enhance advancing best sustainable management practices are not opposing each other –They can rather be compiled to deliver the outmost effect. Soft policies are needed to embrace and support those who are actively promoting green economy concepts, and trying to establish a green business case. A good example is the German public ranking of corporate sustainability reports. Incrementally, options and possibilities of national reform programmes and recovery plans can be used to foster green economy models as shown in Belgian, Ireland and in other Member States. However, the recently launched debate on the German Sustainability Code addressing the capital market and ensuring reliable information on both sides, the capital market demand and the corporate performance on ESG criteria (environment, social, governance) offers an idea of changing the rules.

Policies against greenwashing

There are reservations against the notion of green economy. People are concerned that the concept of the green economy could be bypassed by the corporate community as just mere greenwashing (in the sense of tokenism, or a superficial branding) the performance of their companies. Other critiques suspect that the green economy could turn out as another mechanism to protect developed countries from global competitors. These allegations should be taken serious. UNEPs green economy report delivers a clear analysis of current hazardous developments in different sectors, such as renewable energy, waste, cities, transport or buildings but shows opportunities arising when sustainable management practices are applied in transforming the economy. Thus, it draws on positive effects on e.g. natural resource and energy saving, investment, creation of new business and jobs, reduces GHG savings, health or contributions to equity and poverty eradication. The Fraunhofer Institute, Europe's largest application-oriented research organisation has calculated that remanufacturing operations worldwide save about 10,7 million barrels of oil each year, or an amount of electricity equal to that generated by five nuclear power plants. They further save significant volumes of raw materials. In the US, it has been estimated that re-manufacturing is a US$47 billion business that employs over 480.000 people[6]. The best option to prevent the notion of green economy from being misused is to make it concrete, measurable and verifiable. That is where the civil society could play an important role, as stressed by the specific experiences of Councils for Sustainable Development in Germany and Belgium where their ranking and awarding projects and initiatives play a leading role in framing corporate responsibility.

Content-wise, the notion of a green economy needs some tangible proxies. The best proxy for a green economy is a low-carbon strategy for production and consumption. If accompanied with a clear and ambitious goal for the reduction of GHG, such as the 30% goal for the EU carbon strategy, the green economy could deliver orientation and a benchmark for decision makers. India, Brazil, and in particular China have already accept the challenge of greening the economy by setting up enormous efforts towards efficiency and even leapfrogging innovation. It is this respect the World Business Council for Sustainable Development coined the formula "the green race is on" because, increasingly, greening effort become a feature of competitiveness. For specific sectors such as the electricity supply or resource management the work of EEAC Member Councils delivers long term views that add value to the dominant but short termed policies.

Make use of diversity

Strategies to achieve a sustainable and green society have to pursue a variety of ways and means, one of them being the green economy. We have to respect the diversity of what we call "the" economy, be it the diversity in cultures, cultural behaviour of market actors, the political and decision taking system.

Creating new decent jobs

Creating new jobs is what creates acceptance of a green economy with the people. In order to greening the economy market participants have to come up with green job concepts that qualify the green job by making it more decent, more responsible, an educated affiliation with the purpose of the business case. Nature's capital must be accepted and implemented as allowing for ecosystem services. If this is done properly new jobs will be created, and job alternatives for phased out technologies will surface. That is proved by the number of new jobs being created by greening strategies in renewable energies, in recycling facilities, green building, and organic farming. In some EU Member states the greening of the economy is a success story in terms of jobs and some first moves into the trajectory of a transformed education system. Numbers will increase once innovative sustainable technologies are triggered, be it in the communication and logistics, organic farming, food control and lifestyles. There are numerous good examples of job opportunities all over Europe as mentioned in the practical examples from Belgium, Germany, and Ireland, mostly connected to the concept of green new deals.

Respecting nature's capital

The economy can be called green if it operates within the carrying capacity of nature and if it safeguards the functions of the ecosystem services. This is particularly important for many developing countries whose welfare is often entirely dependent on their own natural resources. In the green economy, therefore, the system of nature must be seen as an integral part of the economic system. It is the natural resource base of the economy, which produces benefits and welfare for the societies and people. Investments into green infrastructure or clean technology are of great importance and, here, a longer view and a different way of important but not enough; one should value its sources of wealth by investing also in nature and ecosystem services.

In the past, there have been lots of different approaches and suggestions to e.g. internalising environmental

6 *Towards a green economy: pathways to a sustainable development and poverty eradication. http://www.unep.org/greeneconomy/GreenEconomyReport/tabid/29846/Default.aspx*

costs, pricing carbon, integrating recovery costs, calculating joint and strict liability towards full life cycle responsibility, measuring prosperity beyond growth. From the realm of the economics of nature and welfare concrete policies took only little approaches and could and should use clearly more of what is in stock when it comes to concepts both on the scale of national economies and of business models. There is a clear role for governments here in both advocating new approaches based on sustainability principles and through the government's own actions in terms of its procurement of goods and services across the whole spectrum of state activity. The quantum of natural capital needs to be recognised and its resilience, in terms of its ability to deliver ecosystem services, needs to be factored in to the demands placed upon it.

Adding to the governance portfolio

Transition does not come by just deciding upon the need to transform the economy. The need to change needs to be recognised at both a government and societal level. This process is both top-down and bottom up. The most difficult task is to energise a whole range of societal actors. Moreover, it has to be recognised that this is a difficult and long-term task and it is a problem that has not been resolved.

Any serious attempt to a green economy must not reduce itself as sectored task, or as a task run by administration or the private sector alone. Quite the contrary we have to develop a new culture of collectively shared responsibility and accountability. It has to start with those who are in charge for running the economy today. There is the need to come up with a set of new instruments and tools. In this context, Ireland's Sustainable Development Council has developed a set of national and local sustainable development indicators, an approach also adopted in Germany and that contributes to the ongoing debate on how to qualify growth metrics to ensure a reliable orientation towards a sustainable economy. It seems almost self-evident that we need to advance the decision maker's perspective on green economies. That means adding a new angle to the governance issue. Private sector actors and state representatives running procurement budgets need to be involved. The "future is local" project in UK of the SD Commission, as well as green government action plans for public procurement as known from Germany and the UK, and others underline this case. Communicating the link of consumption and sustainability to a wider audience is another important effort. The German "sustainable shopping basket" is an example here, as well as the UK SD Commission's publication "I will if you will", and the Belgian attempts to green public procurement.

Funds needed to progress instrumentation of green economy

We recommend that the EC address soft instruments more significantly as was the rule in the past. In the field of green economy soft regulation is more important than anywhere else. Soft instrumentation pools an impressive number of options such as walk-your-talk incentives, award schemes, benchmarking of best-practice, key performance indicators for transparency and accountability, ranking of non-financials, reporting on sustainability, and enabling strategies for human resources. There are lots of good examples on stock. EEAC Member States work profiles are emphasizing this point, underpinning also the need for regional and issue specific adaptation.

We expect the EC to provide funds for regional and national measures. Social coherence, European identity, excellence in sustainability and innovation could not be served more.

Revising the EU SDS

We are concerned the current EU SDS does not live up to the expectation implied in the strategy. It does neither give pointers to other EU policies and programmes to the extent that they should conform to SD principles in determining their outcomes e.g. CAP, CFP, convergence, transport and infrastructure nor does the strategy deliver what is needed for Member states green economy agendas. The EU SDS needs to become the 'central organizing principle' across the whole range of EU policies and programmes. For this kind of centralised principle there are good examples around, e.g. for Wales *'One Wales: One Planet. The Sustainable Development Scheme of the Welsh Assembly Government'* gives an impression on how this works. It is very important that the European Council decides, as required in 2011, when a comprehensive review of the EU SDS will take place. In the global debate about green economy the EU needs to demonstrate its commitment to SD and 'walk the talk' by increasing effectiveness and active delivery of its EU SDS.

The EU SDS needs to be accompanied by green economy roadmaps to ensure effective delivery. There might be some other aspects concerning governance and integration that have to be discussed in depth, but for the purpose of greening the economies it seems obvious that the EU needs a strategy policy with a vision for 2050, as recently put forward by the World Business Council for Sustainable Development, WBCSD, for the business community. The recently published communication of the EU Commission "Roadmap low carbon society 2050" is a first step in this direction. Designing and implementing roadmaps is required to make a multitude of different actors inside and outside of administration and the private sector collectively

bringing resource strategies on track of a low carbon, full-cycle economy that is offering decent jobs. We need the EU SDS to be better linked to the national SD strategies, and policies. We also need it to deliver enabling information for the design and implementation of basic roadmaps towards strategic (and conflict) resources, energy supply and end consumers energy sovereignty as well as food policies and saving food losses that frequently occur post harvest (bad and insufficient agricultural practice and storage maintenance) and pre-consumption (food being wasted in the supermarket before consumption, through overconsumption and consumer behaviour). All of that faces a world in transition with changing multipolar power structures, carbon constraints, demographic patterns, and additional needs for international cooperation.

EU SDS to frame the roadmap option

We need roadmaps to compile the long-term perspective for the year 2050 in a carbon-constraint, multipolar and demographically changed world with the options for action that are available today. Responsibilities, timelines, deliverables, rules for measurement and reporting, clearinghouse mechanism, funding and benefit sharing schemes, capacity building schemes – there is a need to arrange for all this. The EU SDS must develop mechanisms that reach out to the national SD strategies in order to shape objectives and norms, track progress, and enable people to take their own decisions.

Measurement, reporting, and verification (MRV) are keys. Transparency, accountability, and trust can only be achieved and secured by a reliable and public MRV concept. In the private sector there is, at least, already a juvenile routine of sustainability reporting. It fosters self-reflection, the public discourse, and the empowerment of actors. We recommend for the EU SDS acknowledging the importance of sustainability reporting and making it a benchmark for both all private and public institutions. This has been stressed, for example, by the international Peer Review on the German sustainability policies.

Both the Europe 2020 program and the national reform programmes need a sustainability umbrella to ensure that there is both horizontal and vertical integration across the whole range of governance. It is important, for example, that EU funded infrastructure proposals have to demonstrate that they are contributing to 'green' sustainability principles. Similarly, EU agricultural policy, as of 2013, needs to ensure that the natural capital is used in a sustainable way and it will be able to continue to deliver ecosystem services that don't result in the depletion of the natural environment asset.

Taking responsibility in global transformation processes

From an international perspective the concept of green development must be routed in the framework of the United Nations Conference on Environment and Development (UNCED), the Rio Principles and Agenda 21.The concept of green economy should be grounded in the underlying principles of sustainable development, as following:

- Integration of economic development and environmental protection;
- Obligations to future generations;
- Reducing pollution and environmental degradation; conservation of natural resources and living within environmental carrying capacity of biological resources;
- Commitment to social justice; inter and intra-generational equity
- Quality of life; recognition that this may not always be measured by economic welfare;
- Participation; an acknowledgement that sustainable development involves active citizen and stakeholder involvement and an institutional response that can support such participation.

The panel of experts to the second preparatory meeting or United Nations Conference on Sustainable Development provided analyses on the transition to a green economy. They suggest that the green economy transition differs from previous processes in at least three major ways: First, government policy is going to play a more central role. Secondly, transition processes are going to be global in character. Thirdly, any transition process affects trade regulations and the prevalence of intellectual property rights must be protected.

This analysis seems to be focused on the state of the art, and in that it might be right. However, the high impact of research and development efforts and the changing reference system of a world in transition (see Vision 2050 by WBCSD) question whether this is adequate. The impact of green economy strategies must not generate new forces for international inequality. Reflecting on the global scale of transformation processes, the design of processes to enhance active learning processes in developing countries, disseminate technologies, allow for the access to knowledge and freely available technologies are seen as essential as well as the development of public/private/academic research, and international cooperation and collaboration in that respect. Among the work profiles of EEAC Member Councils the German example of a study and dialogue projects on sustainability and growth that bring together the views of the emerging economies are worth mentioning here.

Concluding from the compiled work profiles on the subject of green economy we refer to the notion of Green Race that is often called upon: Are we doomed to considering the green economy as a green race? Do we have to accept competitiveness as overriding principle even for the green economy, and must we regard competitiveness as part of the solution, or rather as part of the problem?
Reframing trade policies, the management of subsidies and investment policies in favour of transition processes towards a green economy, as well as reforming the global regime of intellectual property regime must be tackled as well.[7]

EEAC member councils' approaches

EEAC member councils are continuously self-evaluating their respective options for giving advice and how the work profile could be optimised, addressing questions such as:

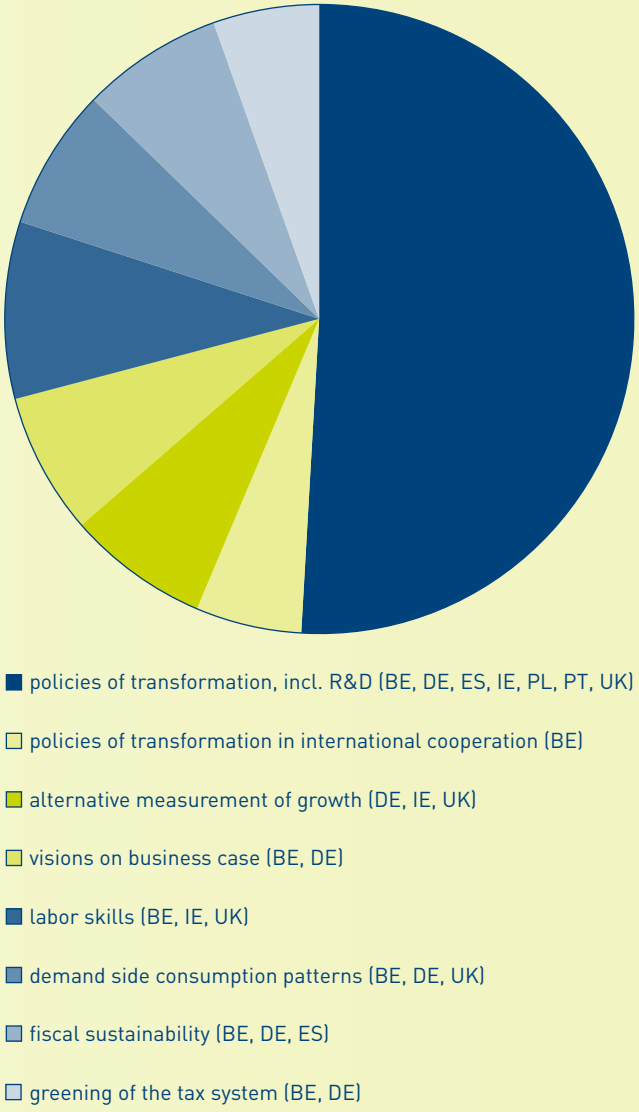
- Are there specific principles or rules for the economic dimension of sustainability, such as debt break, risk and liability?
- Is the sustainability agenda rightly addressed in considerations to restructure the financial service system?
- Is the term systemic relevance that the current economic rescue policies recently introduced already fully understood by the sustainability thinking?

On the governance dimension, EEAC already in 2008 elaborated a statement and background papers on: *Sustaining Europe for a Long Way Ahead: Making long-term sustainable development policies work*[8], and this work on the governance forms required for long-termism continues.
In their own work, as well as looking at other actors' activities on green economy, EEAC councils routinely ask themselves:

- How can we achieve moves towards a sustainable development as a matter of records?
- How can we assure public scrutiny?
- What makes attempts at a green economy serious, as opposed to just greenwashing, window dressing and other forms of cheating the public?

Graph 1 shows the areas of good practice examples collected by national councils from respective work profiles, projects and partnerships (see *Annex).

Issues covered by EEAC Member Councils approaches to green economy



Graph 1 - Survey of EEAC Member councils' approaches related to green economy issues

7 *The Transition to a Green Economy: Benefits, Challenges and Risks from a Sustainable Development Perspective; www.uncsd2012.org/rio20/content/.../Green%20Economy_full%20report.pdf*

8 *http://www.eeac-net.org/download/EEAC_WG_SD_statement_2008_final.pdf http://www.eeac-net.org/download/EEAC%20WG%20SD_8%20th eme%20papers_final_3-10-08.pdf*

Institutional Framework for SD at national level

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One of the main topics of UNCSD 2012 is the institutional framework for sustainable development. As mentioned in the report of the Secretary General on the objectives and themes of UNCSD 2012, "The institutional framework for sustainable development covers a spectrum of formal and less formal bodies, organisations, networks and arrangements that are involved in policymaking or implementation activities. The institutional framework must be considered at local, national, regional and international levels." (§ 91) EEAC is participating in this process of redefining governance for SD by providing an input based on the know-how and experience of its members across Europe. The EEAC has indeed worked over the last 10 years on governance and institutional issues, with a focus on national institutions and processes, stakeholder involvement, policy and delivery coordination issues, and the links between different governmental levels, e.g. sub-national, national and EU. As a contribution to the preparatory process of the UNCSD, EEAC conducted a survey on governance for SD in European countries. With its survey EEAC aims to enrich the stocktaking of progress towards the Agenda21 agreements as it compiles good governance practices for Sustainable Development on national and EU-level and identifies bottlenecks where the streamlining of processes are needed. The results of this survey are summarised in this paper on the institutional framework for SD. They are complementary to the recommendations of the background paper on the theme "Green Economy in the context of poverty eradication and sustainable development" (see above).
It is indeed important to underscore the connection between the two topics of the conference (green economy and institutional framework for sustainable development) and between the topics and the objectives of this conference (renewed political commitment to sustainable development, assessment of the progress and gaps since 1992, new challenges). These objectives and topics must be examined together. The need for a "green economy in the context of poverty eradication and sustainable development" thus arises from the detected implementation gaps, and such greening cannot become effective if the institutional framework and (world) governance are not geared to a sustainable development of the planet.

1. Challenge: transition needed

In his report to support the first meeting of the Preparatory Committee for the UNCSD 2012, the Secretary General sees the progress regarding SD since 1992 as mixed. While progress has been made on the economic front and in the amelioration of poverty in some regions, the profits have been unequally shared between and within countries, and most of the environmental indicators have continued to deteriorate. A number of problematic developments are gaining increasingly clearer contours on both the input and the output side, namely the scarcity of raw materials and energy sources on the one hand, the biodiversity loss and threatening climate crisis from greenhouse gas emissions on the other. Climate change, natural catastrophes and wars lead to migration fluxes, which requires special attention to social sustainability. Finally, the recent financial and economic crisis must also be mentioned, as it can compromise a more sustainable development for our world on many fronts. The report particularly stresses that the further progress in sustainable development calls for further convergence and integration between the three pillars, stressing that environment and development are not contradictory, but should be mutually supportive.
The EEAC WG SD considers this further integration very important to realise a sustainable society. In order to gear transition processes towards the long-term goal of holding the increase in average global temperature below 2°C, to name one objective of utmost importance, visionary competencies need to be combined with guiding principles and toolkits of sustainable development policies. Such a transition process goes far beyond classic industrial transition processes as it must go hand in with social innovations, and decreasing inequalities within and between nations (a "just" transition). To achieve the transition, an improvement and reinforcement of the governance (institutional framework and political processes at international, European, Member State and sub-national and local level is needed. This process should place SD governance in the core of the UN system and the EU and the member states policy.
At national level, it is as important to improve the existing framework and to make a better use of mechanisms in place. Indeed, while national SD strategies have become more widespread and institutions have been established to promote SD since 1992, their impact often has remained limited, first of all, because of inconsistent application, a lack of support and a failure to translate principles into concrete actions and results, secondly, because the framework was poorly implemented in hardcore policies, and thirdly because communication and public outreach failed.

In order to get renewed political support for SD, the EAAC WG SD is submitting a number of recommendations under four broad headings: Co-ordination and responsibility; SD Strategies; SD Tools; and Communicating SD. These recommendations aim to improve the governance for SD (strategies, coordination, tools) at sub-national and national level (with best practice examples in member states). Improving governance for SD at these levels is crucial for the implementation of commitments and policies agreed at international and EU level, which are at the same time more likely to be achieved with good governance frameworks. The national and sub-national SD councils, which are all organised in EEAC, have long-standing experience with governance for SD at these levels.

2. Coordination and responsibility

- *Sustainable development as the central organising principle of government:* More coordination is required amongst the various economic, social, and ecological policy domains in order to achieve a transversal policy and to respond in a integrated and sustainable manner to the different inter-related crises we are confronted with today (crises concerning the climate, energy, biodiversity, poverty, the scarcity of raw materials, the financial and economic issue, unemployment...). Here, the approach in Wales can be quoted as an example: the statutory Sustainable Development Scheme of the Welsh Assembly Government confirms that sustainable development will be the central organising principle of the Assembly government.
- *Political leadership at a high level*: In order to arrive at a more transversal policy, sustainable development should not be the sole responsibility of a single minister. Each minister should pay particular attention to the impact of his decisions on other areas. It is the prime minister's responsibility to secure such a transversal approach and consequently sustainable development should be included in the competencies of the prime minister in the government, who is responsible for policy as a whole. Germany and Flanders are examples of this approach at national and subnational level respectively. This high level commitment at national and regional level should be recommended to all member states and should be mirrored by commitments on UN-level for developing a coherent institutional framework and effective governance for sustainable development. This will require new and elevated governance frames for the Commission on Sustainable Development.
- One possible option here is to merge CSD and ECOSOC into one new and more powerful UN council, responsible for the coordination and coherence of the social, economic and ecological policy from the perspective of sustainable development. This comprises a far broader remit for this revamped ECOSOC to ensure coherence in the implementation of the Rio conventions (climate, biodiversity, desertification) and the policy of the different UN institutions (such as the ILO, WHO, FAO), including the IMF and the World Bank, as well as the World Trade Organisation. The remit of the UNEP must be extended for the sake of better international environmental governance.
- *Political and administrative coordination mechanism should be put in place*: High level commitment should be complemented with governance structures to supervise policy and operational performance on SD, which should be cascaded through all sectors and levels of governance, to promote cooperation between these policy domains and levels. Horizontal integration (between economic, social, and ecological policy domains) and vertical integration (between local, regional, national and international levels) tend to be mutually reinforcing: progress in one of them can be more readily realised while the other integration is being improved as well.
- On all governance levels framing SD at a high level must deliver both *ambitious commitments* (goals, indicators, ethics of long term thinking, coordination), encouraging *bottom up action* and participation of stakeholders. In this light, the UN-Rio+20 conference should differ from the way we know major, multilateral negotiating conference worked in the past, by giving non-governmental actors a say and by setting incentives for all participants to bring about advanced thinking and cooperation.
- *Legislative underpinning* to make SD the 'central organising principle' of government and to ensure that SD strategies are pursued also when governments change and institutional reforms take place. As an example, we refer to Wales, where the Welsh Assembly Government has a distinctive statutory duty in relation to sustainable development as core principle. This duty, under the Government of Wales Act 2006, requires Welsh Ministers to make a scheme setting out how they propose, in the exercise of their functions, to promote sustainable development.
- Another example is Belgium's Sustainable Development Act (1997), which creates a legally binding framework of institutions and processes for sustainable development.
- Establishing a *coordination body for SD and long term policy* in national Parliaments. It is vital for parliament to be more involved in the definition, implementation and assessment of the sustainable

development policy. Greater commitment on the part of members of parliament, in their capacity of representatives of the people, can actually provide a broader base for – and confer greater authority on – the sustainable development policy. On this level also, a *coordination mechanism is required*. A good example of this is the Committee for the future in Finland and the German Parliamentary Committee for Sustainable Development.

- *International cooperation:* In today's world of global inter-dependencies, the challenges for sustainable development most often surpass the borders of individual countries, and, in addition to the strong domestic commitment, the successful tackling of these problems requires strong and committed international cooperation - in the fields of R&D and education, but also concerning transport and energy infrastructure (for example the Desertec project for solar energy). In this regard, great and invaluable support and assistance can be gained from international experience and networks. EEAC recommends that this approach is further developed at EU-level.
- *National Councils for Sustainable Development* as multi-stakeholder platforms should be reinforced or established if none in place, to push the SD-agenda and promote participation and engagement of science, business, trade unions, non-governmental organisations, consumers, and the media, which today have a relevant role on societal and political changes SDCs contribute to an integrated vision and policy recommendations that take into account all dimensions of SD. They play an important role as agents for stimulating informed debate and webbing into society. In this regard, SDCs and other societal actors demonstrate and communicate the concrete impacts and benefits of SD policies for mainstream policies. As these councils play a key role in concretising and further developing the notion of sustainability as guiding principle in policy development, society, and private sector performances, it is important to improve their capacity.
- The National Strategy and Councils for Sustainable Development are indispensable elements of national policy-making and implementation of sustainable development principles. However, in order to ensure that each community is fully aware and knowledgeable about the commitment taken by the national government, it is crucial to encourage development *of regional and local strategies or visions* for sustainable development and establishment of regional and local bodies/councils in charge of ensuring the implementation of the SD policy in their respective environment. These local initiatives are not necessary policy-driven: grassroot and citizens movements also form an interesting and necessary bottom-up input to the SD process (see for example "transition towns" and Local Agenda 21 in many countries).

3. SD strategies

- *A two-track approach is needed:*
  1. There should be on the one hand *a stated SDS with a middle and long term vision*, taking into account ecological and economic as well as social priorities in a global context.
  2. On the other hand all actors need to continue working on *mainstreaming SD in core* political processes, in particular socio-economic strategies such as the National Reform Programs for the EU member states (based on the Europe 2020 strategy) and budgetary processes. As mentioned in the background paper on Green Economy, the Europe 2020 programmes and the national reform programs need a long-term sustainability umbrella to ensure that there is both horizontal and vertical integration across the whole range of governance. This implies that an SD strategy should emphasise where existing planning processes and programs can become more sustainable, and where these processes can be better coordinated towards this aim SDSs should be 'SMART' strategies, which means they should be **S**pecific (with targets), **M**easurable (with indicators), **A**chievable, **R**ealistic and **T**ime-bound (start date and target year).
     This implies that SDSs should be operationalised into actions, along the targets and deadlines, with clear responsibilities (see 'performance management framework' below) regular monitoring , and active communication with civil society at large.
- Complementary to internal monitoring of the SD strategy, there should also be an *independent scrutiny function*, a regular assessment by non-governmental experts/stakeholders, starting for example with a progress report on the indicators agreed (see section 'SD tools'). The EEAC notes a diversity of arrangements here, related to the government structure of its members.
- *'Transition management'* as innovative approach for SD governance need to be developed. To consolidate this, different stakeholders (companies, organisations, citizens,...) meet in 'transition arenas' facilitated by the public authorities, discussing and implementing innovative projects for long-term changes and objectives in specific areas

such as energy, resources, transport, building, food supply, social cohesion. In this way, transition management has a potential for participatory and innovative societal change, when these networks of forerunners succeed in creating public and political support for their transition goals. This approach has already been tested in the Netherlands and Flanders, with some promising results.

4. SD tools

- *A Sustainability Impact Assessment (SIA)* is crucial for policy integration and for improving policy-decisions. IA can improve and structure the knowledge base for the three basic (or more) dimensions of SD and make trade-offs transparent, while it remains in the political sphere to weigh up and decide for an alternative presented. IA has to be established as a governance procedure, and its scope of application has to be broadened to all major decisions.[9] The IA procedure will be re-enforced if there is a legal obligation to mainstream sustainable development as a central organising principle for policies, as is the case in Wales.
- Furthermore, the assessments should be made public (transparency of the procedure) and decision makers should be required to show how they used the IA for their policy decisions. While there is room for improvement in some aspects, EEAC considers the IA system of the European Commission as a good practice example, amongst others because of its transparency (all IA reports are announced and published on a website), the encompassing scope of application, and systematically assessing impacts on the three key dimensions of SD, economic, environmental and social.
- *SD-indicators*: We recommend the introduction of a dashboard with headline indicators and composite-indicator(s) and to continue the work on an adjusted GDP (adjusted by eliminating the main flaws in SD respect). Important element in this debate were the work of the Stiglitz-Sen-Fitoussi Commission *"on the Measurement of Economic Performance and Social Progress"* at the request of the French government, the work of the UK SD Commission on *Prosperity without Growth* (2009[10]) and the "Beyond GDP" process initiated by the European Commission in 2008 (see "GDP and beyond", COM(2009)433[11]). EEAC calls upon the Commission to take this up and restart the debate with the member states, some of which have meanwhile also conducted own studies.[12]
- *A performance management framework* for measuring progress towards agreed pan-government outcomes, can help deliver the commitments set by Government on sustainable development. Two other important mechanisms that should be applied, are Delivery Plans and tools, and Monitoring and Reporting.
- A more systematic approach and more efforts for *building capacity for SD at all levels, national as well as local*: A good example on governmental level has been provided by UK's Sustainable Development Commission, who performed a "Departmental Sustainability Assessment" of the Department for Work and Pensions.[13] Also interesting cases can be mentioned related to the local level and civil society. In Wales, for example, Cynnal Cymru – Sustain Wales promotes sustainable development by acting as a forum for the development, canvassing, exchange and dissemination of views and information on sustainable development. It is essentially a network of networks promoting SD development and providing practical information to help people live sustainably.
- To encourage multidisciplinary scientific research in the area of sustainable development, namely ensuring that R&D projects applying for funding from the Community Support Framework specify to what extent they take into account the SD concerns, considering the findings of research in the natural and social sciences.

5. Communicating SD

- Using an SD strategy (process) as a coordination and communication instrument has proven useful and a good red thread in many member states. It is important however to *communicate SD in more practical terms towards a wide audience*. For the public, sustainable development must be presented not as a theoretical concept but as a narrative, as a project connected with living, working, consumption, transport and so on, a project of inherent interest that makes sense since its ultimate objective is

9 *See Statement and Background paper of the EEAC Working Group Governance (April 2006):* Impact Assessment of European Commission Policies: Achievements and Prospects. *http://www.eeac-net.org/download/EEAC%20WG%20Gov_IA%20statement%20with%20background%20paper_final.pdf*

10 *http://www.sd-commission.org.uk/publications.php?id=914*

11 *http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0433:FIN:EN:PDF*

12 *For example, the German government commissioned the development of a "national welfare index", see Diefenbacher/Zieschank (2010): Measuring Welfare in Germany: A suggestion for a new welfare index. http://www.umweltdaten.de/publikationen/fpdf-l/3903.pdf*

13 *See http://www.sd-commission.org.uk/publications/downloads/DSA_DWP_report_artwork.pdf*

to safeguard and to improve the quality of life for citizens and their children. In such an approach, the accent lies more on the positive aspects than on disaster scenarios: the main theme is that sustainable development offers new opportunities, for instance, to make environmental concerns, employment opportunities and well-being compatible with one another. This needs to be illustrated with sample projects and "best practice" related to the citizens' day-to-day world.

- As daily life issues occur at the local level, this is where an important emphasis should be in the communication approach. National actions, analyses and commitments will remain isolated and abstract unless if not accompanied by concrete local activities. Hence, the local self-governance level should be given a special role in the process of communicating about SD. ECO XXI is an example of this approach in Portugal: a voluntary survey and analysis of a set of indicators on SD at the municipal level, which establishes a classification award system – green flag; another initiative there is "GLOCAL", which promotes networking of local SD initiatives.
- *SD should be at the core of the communication of the government*. It is not enough to mention sustainable development as a principle in the policy declaration and the annual state of the union: SD should also be treated as a priority communication theme, and integrated in the total information and communication effort of each minister. The recently adopted National Communication Strategy for Sustainable Development in Montenegro is a good example here, as it provides an overarching strategy about the need to coordinate the efforts of all ministries in advocating the SD concept to the wider public.
- *Getting SD at the core of the media agenda*: By communicating in more practical terms towards authorities, stakeholders and the wide audience, SD can also become more present in the media. This process should be fostered by an active media policy, whereby it is not only important to stimulate media to do more on SD topics, but also to suggest the SD angle perspective/in their covering of policy domains such as economy, fiscal policy, transport, food, travel, etc. This can also imply specific training for journalists, public relation advertising and the marketing of educational programs. It is not only important to address traditional media (press, radio and TV), but also to use new media related to the web sphere – blogs, portals, facebook and other types of online communication, that more easily reach the younger population. This is of utmost importance since present society needs to better integrate the younger generation, many of whom are excluded from society, and to encourage their active citizenship.
- *In communicating SD, a strategy should be defined to address different target groups*. In this sense, a clear message needs to be sent to the businesses that compliance with the principles of sustainable development does not mean the renouncement of the profit. On the contrary, systemic efforts need to be made to translate the philosophy of sustainable development *into the business language*. Only through this, businesses could be persuaded that sustainable development is the best long-term strategy for development and growth and that those who embrace it in time will have a significant advantage in the market in the longer run.
- *Different techniques* can be applied to better communicate SD to a larger audience. An annual award for SD can be a good way of promotion – see the example in Germany for companies, and in Belgium for media. Another approach is to involve well-known people with political, economic or cultural power in society in communicating SD, as "pioneers" that show the way.
- *SD needs to be integrated in the educational system of each country all levels*. The International Implementation Scheme for the 2005-2014 UN Decade of Education for Sustainable Development (DESD)[14] can be an important tool here, as it provides countries with new opportunities to incorporate ESD into education reform efforts.

14 *http://www.unescobkk.org/index.php?id=990*

ANNEX

Policies and actions towards achieving a green(er) economy: national and regional good practice examples

1. Belgium
2. Croatia
3. Finland
4. Germany
5. Hungary
6. Ireland
7. Montenegro
8. Poland
9. Portugal
10. Spain / Catalonia
11. United Kingdom
12. UK / Wales
13. EEAC

1. Belgium

Federal Council for Sustainable Development (FRDO-CFDD)

The specific challenge

We are currently confronted with different, often inter-related crises: there is the financial and economic issue, accompanied by unemployment and the recent budget deficits, as well as crises concerning the climate, energy, biodiversity, poverty, the scarcity of raw materials, etc. A policy of business as usual will simply not do: a transition policy is needed to arrive at a green economy, or a low-carbon welfare state. This transition policy must entail an integrated approach to the different aforementioned crises concurrently at the national, EU and world level. To that end, it is essential to integrate short-term measures in a long-term vision of a society that secures the prosperity and the well-being of all, without exceeding the capacity of our planet. The Council consequently called for a sustainable new deal at its annual forum for 2009: a structural, integrated, future-oriented response to the current crises, reorienting our production and consumption patterns taking into account the principles of ecological balance, fairness and a stable economy.
In this view, FRDO-CFDD asks for an EU2020 strategy and National Reform Programs that are consistent with the EU SD strategy, and integrate economic, social and environmental concerns in the perspective of a sustainable and fair low carbon economy. We suggest to draw more attention to the EU2020 strategy in the paper, as this seems a crucial instrument for a greening of the economy in the EU.
More specific issues for GE in Belgium along the tracks mentioned above are compiled in the following table:

Belgium: Specific issues for green economy

	GE TRACK	Challenge	Best practice	Success factors	Assessment
1	**Green stimulus packages**	Economic recovery in a sustainable way	Recovery plan 2009	Integrated approach	Sustainable dimension of recovery policy too limited
2	**Eco-efficiency**	Make buildings, transport and economic processes more energy and resource efficient	National energy efficiency plan, initiatives on regional levels	Integrated approach with specific targets	Lack of ambition, especially in housing and transport where efficiency is low compared to other EU-countries
3	**Greening markets and green public procurement (GPP)**	Increase share of GPP	Federal and regional initiatives: guidelines and manuals for GPP	Compulsory approach	Good practices remain marginal – no clear and binding targets. Belgium lags behind in GPP share
4	**Investments in sustainable infrastructure**	Adapt electricity grid, develop sustainable transport grid (road and water ways)	Extension of train network planned	Investments: funding necessary	There is no clear choice for the sustainable solution in energy and transport
5	**Restoration and upgrading of natural capital**	Safeguard natural surface	Regional targets in the frame of Natura 2000	More integrated spatial planning	Landuse evolution: surface occupied for houses, roads and industry keeps growing, esp. in Flanders
6	**Getting prices right**	Prices should internalise external costs	Tax treatment of company cars related to CO_2 emissions	Political will to decide unpopular measures	No overall policy in this field
7	**Ecological tax reform**	Extend tax on the use of energy and resources + pollution	Tax on new vehicles based on CO_2 emissions	Political will to adopt measures taking into account attendant circumstances	Many proposals due to the budgetary problems but few results up to now
8	**Green and decent jobs (with training and transition funding),**	Combine social and environmental objectives by creating jobs in eco-business	Regional initiatives for energy cutting in households	Funding and collaboration between political levels	Positive initiatives but remains limited
9	**Innovation and entrepreneurship**	Promote innovation in a SD context	Some initiatives (funds) on regional level	Reorient funds to SD goals	Innovation efforts even in general too small
10	**Technology transfer to LDC (and funding of this TT)**	Supply technology and funding for sustain. management of resources and climate policy in the South	Position of Belgium in EU and international fora		Limited progress in the frame of climate negotiations
11	**Greening of a – stable – budget / Financing of the transition**	Reorient the budget to SD goals and create funding for SD actions	Some initiatives for funding in the 2009 recovery plan, but remains limited	Comprehensive approach	Scope remains limited, also due to budgetary problems

General conclusion: Limited progress has been made in Belgium as far as a greening of the economy is concerned. There is no comprehensive strategy to reach this objective, and changes seem to be incremental, not structural. To make steps forward, mutually reinforcing actions on different political levels (local-regional-federal-European-international) are required, and the active commitment of producers and consumers.

	Mentioned in FRDO/CFDD opinions (the list is not exhaustive)	Way forward national level	Way forward EU level	Way forward world level
	· "Sustainable new deal": opinion on the federal government's recovery policy – 2009a05	Comprehensive approach, integrated with National Reform Program	Orient EU2020 towards a strategy for greening the economy	Make GE the standard on UN-level through the Rio+20 process
	· Stimulate eco-innovation (2007a12 etc.), promote REG in families and companies and extend he third-investor system (2007a05, 2003a06 and opinion on energy efficiency in buildings 2011a04 · a more sustainable mobility (2007a09) and a sustainable food system (2010a03) · FRDO/CFDD annual conference 2011 (31 March on a sustainable use of materials and raw materials).	Comprehensive strategy for improving energy-efficiency of buildings + approach for sustainable transport	Enhance the regulatory framework – cf. new directive energy performance of buildings and ecodesign directive	
	· Opinions on the federal action plan for corporate social responsibility – attention for corporate social responsibility and investment (cf. in particular 200803 § 21 and 2006a13) · Sustainable Public Procurement (cf. in particular 2009a05 § 20 and 2008a05) · Opinion on product policy plan 2009a01, opinion on a third Federal Plan for Sustainable Development	Enlarge share of GPP with binding criteria		
	· Financing of sustainable infrastructure projects and energy-saving measures (2009a05 §§ 8 ff.)	Effective collaboration between federal and regional levels	Make EU-investments in infrastructure more sustainable	
	· Opinion on sustainable land use 2010a010 · More sustainable approach to natural resources, in particular fish stocks (2009a04 §§ 17 and 18 and 2008a06), · biomass (2008a04) and wood (2009a12) · Opinion on decoupling and dematerialisation (2007a09)	Develop sustainable view on special planning, related to transport		
	· Tax adjustment for "energy-saving materials and other ecological products and services" (2009a04) · Mileage levy in the long term (2007a09)	Develop structural approach – see opinion of the High Council of Finance	A EU and/or international framework would be an important driver, to avoid competition distortion and carbon leakage	
	· Green tax reform subject to a number of attendant circumstances (2010a04 and 2009a09)	Comprehensive approach necessary	A EU and/or international framework would be an important driver, to avoid competition distortion.	
	· Expansion of "green jobs," alliance for employment and the environment (in particular 2009a05 §§ 16-18) · Support interesting regional initiatives on this front elsewhere (ibid). · Sustainable and decent jobs: cf. Copenhagen opinion 2009a16 § 2	More comprehensive approach needed		
	· Innovation in a sustainable development framework, in the opinion for the 2007 progress report on the Lisbon · Strategy – implementation of Belgium's National Strategy (2007a12n, §§ 18 ff.)	Define overall strategy, actions and funding	Reorient EU funding of R & D in a SD context	
	· Funding for sustainable development in the third world · Technology transfer to the South: cf. 2009a16 § 2 third bullet from the bottom	Belgium should support strongly the different initiatives on EU and multilateral level		International agreement in the frame of climate negotiations
	· Funding recommended in opinion on recovery policy 2009a05 and in opinion on energy efficiency 2011a04 (create specific fund for this)	Comprehensive approach taking into account as well fiscal policy as public and private funding	Review of the EU budget + alternative financing: specific funds or bonds (see "project bonds" Barroso)	

2. Croatia

Council for Sustainable Development and Environmental Protection (SORZO)

The issue of "green economy" is not put yet on public agenda in Croatia. During a few public events on this topic organised in 2010, one of the discussed questions was related to definition of the term, which is obviously not completely understandable / agreed. As this topic is put highly on the Rio+20 Agenda, more debate by experts and interested stakeholders related to "green economy" is expected in the coming period.
Having in mind that green economy is connected to several sectors (e.g. renewable energy, green buildings, water, waste and land management and related to three pillars of sustainable development (economic development, environmental sustainability and social justice) some elements of "green economy" can be observed in Croatia.

Strategic documents

Strategic Development Framework 2006-2013

The instruments and actions described in the *Strategic Development Framework 2006-2013* are aimed at the realisation of the following main strategic goal: growth and employment in a competitive market economy acting within a European welfare state of the 21st century. it is recognised that this strategic goal may be achieved only by simultaneous and harmonised action in the ten strategic areas: people, knowledge and education; transport and energy infrastructure; science and IT technology; social cohesion and justice; macroeconomic stability and openness; integrated financial services; environmental protection and balanced regional development; entrepreneurial climate; privatisation and restructuring and new role of the state.
The message of this Strategy, is that the achievement of growth, development, employment, social inclusion and fairness can be achieved only by harmonised and simultaneous action in a number of strategic areas. These are people, knowledge and education, infrastructure, information interconnectedness and social cohesion, macroeconomic stability and an efficient financial market, *sustainable development* and uniform regional development, accompanied by the new role of the state transformed into an efficient and effective service acting for its citizens and entrepreneurs.
Sustainable and competitive development cannot be achieved exclusively through policies and programmes formulated at the central state level, i.e. with a top-down approach. Significant differences in regional development (at the county level), different degrees of economic development, and the specificity of the problems faced by individual counties require pertinent solutions and the strengthening of a bottom-up approach.
Some of the objectives related to "green economy" are:

- promote ecological sustainability in transport and energy
- increase energy efficiency
- promote the use of renewable energy sources and ecologically sustainable energy sources.

Strategy for Sustainable Development of the Republic of Croatia

This *Strategy* was adopted in February 2009 and several goals and measures promote and support development of Croatia in line with "green economy". Just to mention some of them:

- achieve competitiveness by increasing efficiency while at the same time decreasing human and environmental risks and by incorporating the principles of socially responsible and transparent business practice and stakeholder interaction
- integrate cleaner production programmes in production processes, products and services
- promote corporate social responsibility
- increase the share of renewable energy
- redirect transport from roads to more environmentally acceptable systems
- enhance collective transport and the selection of transport options
- ensure adequate waste water collection and treatment in all settlements with more than 10,000 inhabitants at Adriatic coast
- increase the share of areas used for ecological production and support the development of the market for ecological products.

Economic Recovery Programme

The *Programme* developed by Government in April 2010 is important for domestic economy, as the cabinet has openly recognised the clear limitations to the present growth model (which is focused on domestic demand and the accumulation of external imbalances) and presented a quite detailed to-do list consisting of short-, medium- and long-term goals.
With a program aiming to boost structural reforms, lower the state's share in GDP, enhance private sector effectiveness, simplify tax administration, reshape the current state subsidy scheme and boost investment activity and the investment climate, the economic reasoning is quite clear and by all means favourable.
Among others, following activities are planned:

- enhancing investment projects with focus on energy sector and renewable sources
- environmental protection (focus on "green" technologies)
- infrastructure (railways, water supply and similar).

Other relevant documents:
Strategy of rural development
Strategy for regional development
Strategy for energy sector development
JAP - Joint Assessment of the Employment Policy
Priority of the Republic of Croatia

Current Situation

The Croatian economy, which until recently showed an increasing growth trend, is strongly affected by the events in the global market. The effects were reflected on the real sector through a negative trend in economic growth and a significant unfavourable impact on current economic events in Croatia. This changes the recent positive image of employment and unemployment trends and places it into the context of negative trends. There are other problems that slow down the overall economic development. For instance: dependence on imported energy, corruption, slow and inefficient judiciary, decline in the population and average ageing of the population, economic disparity between the regions, pressures concerning irrational management of national land resources, etc.
Croatia's competitiveness continues to decline. While other countries are managing to improve despite the crisis, we are falling behind. There is a negative economic growth (in the first nine months of 2010 GDP and by November 2010 industrial production, both declined by 1,6% in relation to the previous year). According to The Croatian Bureau of Statistics, the registered unemployment rate for December 2010 was 18,8%.

Achievements

According the data collected by Croatian Agency for Environmental Protection, stated in the Draft State of the Environment Report 2005-2008:

- contribution to environmental protection was achieved by increased energy efficiency through application of technologies for production of environmentally sound energy and energy-generating products; this is mostly visible in renewable energy production (biomass, wind, sun, biogas, biodiesel, geo-thermal energy); the production of pellets had increased, but most of the production is exported
- projects related to energy efficiency and use of renewable energy resources were funded through public Fund for environment protection and energy efficiency (e.g. more than 500.000 Euro was invested in 2008)
- implemented cleaner production projects; 185 projects were started in the period from 2002-2008 and 220 experts were trained
- increased areas under ecological production and number of ecological farms (still, only 0,75% of the agriculture land is covered by ecological farming)
- during last years, a significant increase (23,4%) in the number of users of public transport
- over last several years more measures related to waste recycling is used
- more financial instruments are available for environmental protection projects; statistical data shows the increased investments in infrastructure (more than 1,00 mill. Euro between 2004-2008); 40% is invested in waste water treatment
- since 2005 UNDP has implemented project "Enhancing eco-efficiency in Croatia", etc.

3. Finland

Finnish National Commission for Sustainable Development (FNCSD)

The specific challenge

Finland has had a national strategy since 2006. It frames the economy as a crucial element that uses renewable natural resources for economic activity and increasing human well-being in a way that assures from one generation to another. The country has set ambitious climate and energy efficiency targets. It further promotes sustainable consumption and production by establishing a material efficiency service centre; defining long-term policy guidelines to reshape the taxation system; initiating material- and energy efficiency dialogues; assessing the environmental impact of material flows related to consumption and production, or the greening public administration. Besides developing strategies that deal with natural and mineral resources as well as bio-economy, the country has introduced a number of economic instruments such as the tax on waste, disposable beverage containers, water supply and sewerage policies, or carbon and energy taxes. Furthermore, a national cooperation forum was established in order to search for methods to better support environment policies in developing and implementing environment innovations. However, Finland does not have a coherent integrated green economy/growth strategy, but rather a set of policies and tools which all together are expected to contribute to a more sustainable economy.

The specific challenges are:

- Setting the prices right would mean a big step towards a Green Economy. The removing environmentally harmful subsidies would be essential. There is a need to assess the impacts

of various sectoral economic support schemes on the environment. This would contribute to making policies and measures that follow the principles of sustainable development.
- Being a pioneer and setting an example the public sector stimulate action of private actors and consumers in the sense that an increase in the sustainability of the natural economy is absolutely essential.
- Need for government leadership, for pressure from international and EU-processes (quantitative targets for national governments with timetables) as well as for multi-stakeholder participation during the national strategy processes. In terms of a broad societal commitment the strategy processes are considered to be as important and effective as the final outcome. In legislative initiatives good governance and transparency are essential.

4. Germany

Council for Sustainable Development (RNE)

The specific challenge

- In the light of rapid global change, Germany has to demonstrate that it is possible to manage and gear a transformation towards a low carbon economy meeting EU commitments of 80-95% reduction by 2050. What is needed is a process of structural change based on new technological and social knowledge, based on the capacity of the economy to constantly generate new dynamic activities. Such a structural change will have deep impacts on production structures as well as consumption patterns.[15] The promotion of a far-reaching change is needed that allows e.g. for the provision of new infrastructure, the improvement of the qualification system, or new forms of co-operation and collective learning.
- The concept of green economy is key for the national sustainability strategy. The transition process towards a green economy needs to be context specific thus giving rise to developments that encounter that aligns to demographic change – and this particular challenge provides for specific chances and risks.
- The brand "Made-in-Germany" has to be updated. Sustainability-made-in-Germany will seek new societal and business opportunities in renewable energies, smart grid and logistics solutions, low-carbon goods and housing, organic agriculture, sustainably managed natural goods, all of those meeting the needs of a demographically transforming society in a fair way.
- Visioning goals and pathways for 2050 will have to guideline this.

Policies of transformation

Introducing the draft German Sustainability Code, the German Council for Sustainable Development (RNE) launched a draft for this new instrument in December 2010. The Code aims at strengthening the green economy, provide the respective guidance, and to make the sustainability business case more reliable. The Code addresses financial market players as well as corporate sector and social stakeholders, and provides for key performance indicators for corporate sustainability management. Building on extensive groundwork with investors, analysts, corporate representatives, scientists and corporate governance experts the code provides for 22 cornerstones on environmental, social and corporate governance issues. The dialogue is open to the general public.[16]

Framing green economy in the context of sustainable development the Peer Review on German sustainability policies by Björn Stigson, President of the WBCSD and eminent international experts recommends inter alia strengthening and streamlining the collaboration on the sustainability strategy in Germany. Published as "Sustainability – Made in Germany" the review has been widely discussed in Parliament, Government bodies, and the private sector. The Peer Review encourages sustainable business and plays a major role in the preparatory work for the relaunch of the National Sustainability Strategy for Germany. It highlighted the need to develop a "Grand Design – a radical but widely supported vision that conceptualises, designs, tests and builds a clean energy system."[17]

Visioning responsible business

As of 2005, the German Council for Sustainable Development has issued a series of statements and events framing corporate social responsibility as the sustainability case of German business. In 2009, the Federal Government established a multi-stakeholder CSR Forum whose comprehensive report finally led to the Government's CSR strategy, 2010.
The publication of a ranking of corporate sustainability reports is another angle to address responsible

15 *Jose Antonio Ocampo: The macroeconomics of the green economy, in: The Transition to a Green Economy: Benefits, Challenges and Risks from a Sustainable Development Perspective; www.uncsd2012.org/rio20/content/.../Green%20Economy_full%20report.pdf*

16 *http://www.nachhaltigkeitsrat.de/en/projects/projects-of-the-council/deutscher-nachhaltigkeitskodex/*

17 *http://www.nachhaltigkeitsrat.de/uploads/media/RNE_Peer_Review_Report_November_2009_03.pdf*

business. Extra-financial reporting provides information on how a company manages the transition into a green business, or its engagement to enter green markets, and its processes to manage risks and opportunities arising from sustainability issues. Since 2005, the RNE has supported the biannual ranking of sustainability reports performed by the Institute for Ecological Economy Research, in 2009 covering the corporate community as well as small and medium size companies.[18]

Awarding best practices is a soft, but very effective policy to strengthen and mainstream green business. The German Sustainability Award Foundation in collaboration with the German Council for Sustainable Development and other partners established this award in 2008, and since then continually improved metrics, design and convening outreach. The jury selects nominees and winners on the basis of evidence put together by the results of a questionnaire and independent research. The annual award ceremony is a major event bringing together some eight to nine hundred representatives of the private sector and stakeholders.

Metrics on growth and well-being

In 2010, on request of the German Council of Economic Experts the secretariat of the RNE comments on the findings of the study issued by a French commission lead by Stiglitz, Sen, and Fitoussi. The Council recommends some key indicators for prosperity linked to the metrics of the German sustainability strategy. The paper proposes a concept for societal dialogue on how to relate economic performance to what society perceives as progress and well-being.[19]

Perspectives of Growth within the context of a resource constrained world

The relationship between economic growth, prosperity and sustainability will be one of the key themes in the next Environment Report to be published by the German Advisory Council on the Environment (SRU) in 2012. A section of the report will summarise the current debate about green growth, degrowth, the post-growth society, and measurement ("beyond GDP"), explore the objective of sustainable economic development within absolute ecological limits and develop on political strategies towards this goal. The 2012 Environment Report will also reflect on the future role of Sustainable Development Strategies in the current discourse with its focus on climate policy and the green economy.
The "new" debate on growth, prosperity and sustainability is announced to be a central feature of the Environment Report to be published by the German Advisory Council for the Environment (SRU). The report will summarise the debate about green growth, degrowth, the post-growth society, and measurement ("beyond GDP"), explore the objective of sustainable economic development within absolute ecological limits and develop on political strategies towards this goal. The will also reflect on the future role of Sustainable Development Strategies in the current discourse with its focus on climate policy and the green economy.

New strategies and demand side management instruments

In its 2008 Environment Report, the German Council on Environment (SRU) identified innovation-oriented environmental policy as a mega-trend. An increasing number of industrialised and newly industrialised countries are actively gearing their environmental policy towards innovation thereby linking ecological objectives with economic interests. While recognizing that this strategy has certain limits in terms of environmental effectiveness, the SRU sees this as a very promising trend. The Council has identified a number of key requirements to maximise the environmental and economic benefits of such a strategy: a focus on environmental innovations with radical improvement potential, ensuring a high level of market penetration, an active role of the State and ambitious public policy objectives, an ambitious structure of the policy-mix that addresses the entire innovation process, and the forcing of product-related innovation in product groups with large negative environmental impacts.
The SRU published a report that provides a detailed technological and economic analysis of a long-term transition towards a German and European electricity supply system which is entirely based on renewable sources. The analysis shows that the renewable energy potential in Germany and Europe is sufficiently large for electricity demand to be met throughout the year, using current technology. It would require, however, considerable investments, not only in renewables capacity, but also in power grids and storage facilities. On the other hand, the fuel savings associated with a shift away from fossil fuels mean that the overall costs of such a scenario are moderate. Ambitious and far reaching energy saving and energy efficiency policies would reduce both the economic and ecological costs of an electricity supply based on renewables. The second part of the report - due to be published at in early 2011 - will analyse the political and legal challenges entailed by such a transition at both the national and European level. It will also propose approaches to implementing the transition to a wholly renewable electricity supply. With the publication "Sustainable Shopping Basket"

18 *http://www.nachhaltigkeitsrat.de/en/projects/projects-of-the-council/corporate-social-responsibility/?blstr=0*

19 *http://www.nachhaltigkeitsrat.de/uploads/media/RNE_Gutachten_zum_Bericht_der_Stiglitz-Sen-Fitoussi-Kommission_31-05-2010_01.pdf*

Germany: Qualitative Assessment of Best Practice Examples

Best Practice Example	Qualitative Self-assessment		
Policies of transformation (Green New Deal)		· The introduction of the German Sustainability Codex is acknowledged as agenda setting, though the process itself can be clearly seen as a role model. Stakeholders in government, administration, civil society, capital market as well as small and medium sized/global enterprises are invited to engage in a dialogue series in order to elaborate and implement the Sustainability Codex framework · The Peer Review was acknowledged, particularly by parliament and administration as a role model and has informed the debate on how to tool up sustainability policies and to increase active delivery	
Visioning responsible business		· Ranking of corporate sustainability reports is an ongoing activity. It continuously aims to improve reporting standards, benchmarks and outreach.	· RNE's work on CSR was regarded as a front runner approach with the Government subsequently establishing a multi-stakeholder forum and developing its national CSR strategy. · The German Sustainability award has since being established continually improved metrics, design and increased its outreach
Metrics	· RNE's work on qualitative growth has added new perspectives on measuring prosperity in the context of sustainable development		
Demand side instruments	· RNE's work on consumption and sustainability informed ongoing debates on public procurement and knowledge building. It further aimed to open the horizons in linking the recommendations with outcomes of thematic workshops designed as future search ('Zukunftswerkstatt')	· Since the sustainable shopping basket has been launched it has continuously increased public outreach. It further exemplifies how transparency in product labelling could be increased by assessing underlying criteria and operational certification procedures.	
Greening the tax system	· The study on ecological tax and fiscal reform informed the political debate.		

the German Council for Sustainable Development addresses the issue of demand side management and private consumption. Featuring sustainable goods and services that take resource use and social impacts into account the free of charge shopping guide addresses the broader public.[20]

20 *http://www.nachhaltigkeitsrat.de/en/projects/projects-of-the-council/nachhaltiger-warenkorb/?blstr=0.*

The Council has issued a recommendation on consumption and sustainability that focuses on tools and measurements government could implement in the short as well the medium term as well as targeting societal responsibility, learning, and dialogical processes establishing new norms, values as well as mediating conflicting interests.[21]

Greening of the tax system
The German Council for Sustainable Development has issued a study on ecological tax and finance reform that elaborated on the efficacy of these instruments tackling the recent multiple crises and possible ways to advancing it further as means of gearing the transition towards a sustainable, low carbon, and resource efficient economy.[22]

German Advisory Council on Global Change (WBGU)

Transformation towards low-carbon society
The German Advisory Council on Global Change (WBGU) has published as a contribution to the Rio+20 Conference 2012 a new flagship report „World in Transition – A Social Contract for Transformation".
In this report, the WBGU explains the reasons for the urgent need for a transformation towards a low-carbon society.
In order to avoid dangerous climate change, the great transformation into a low-carbon society must start – or rather, must be accelerated – as soon as possible. This means: in the coming decade, we must trigger serious production process, infrastructure and lifestyle changes to be able to reduce global greenhouse gas emissions to a minimum by 2050. In addition, the disconcerting events in Fukushima make it absolutely clear that the path towards a low-carbon future must be nuclear energy free. The avoidance of dangerous climate change is a key element in the transformation towards sustainability: climate protection alone cannot guarantee the conservation of humanity's natural life-support systems; however, without climate protection, the essential development opportunities that mankind needs will soon be erased.

Germany as global policy maker in the context of sustainable development
The WBGU examines the options for a low-carbon transformation from a global perspective, differentiating between developing, newly industrialising, and industrialised countries, and considers the challenges in terms of international cooperation. The forthcoming 2012 UN Conference on Sustainable Development in Rio de Janeiro offers the next opportunity of focusing appropriately, at a UN level, on this issue of the challenges humankind faces. This report is intended as a contribution to this: policy-makers and society shall be supported in the debate on the transformation, and in its accomplishment. The report aims to reassure economic, political and social decision-makers and (future) change agents that the transformation can be successfully realised.
http://www.wbgu.de/en/publications/flagship-reports/flagship-report-2011/

5. Hungary

National Council for Sustainable Development (NFFT)

The specific challenge
How can the development of a Green Economy within the carrying capacity of the environment contribute to overarching national goals including increasing competitiveness and employment rates, reversing prevailing negative demographic trends, decarbonising the economy, increasing the promotion of renewable energy production coupled with economic growth?

A)
Comprehensive target areas of the *National Environmental Programme for 2008-2014* are: improving the quality of urban life and environment, strengthening environmental safety; preservation of natural resources and values; fostering sustainable way of living, production and consumption.
Green economic development should also be served by activities that are directly dependent on the *state of environment*, such as sustainable forest management, water management policy, eco-farming, fisheries or environmentally sound tourism industries etc.
Mitigation and adaptation efforts against climate change should be taken to help the development of green economy. These require strong co-ordination between different sectors (e.g. agriculture and water management); agriculture needs to be adapted to the changing climatic and water conditions; construction industry and housing have to answer to the new requirements; development and generalisation of renewable energy sources require additional investments in research and technology development. These challenges cannot be faced without strengthening society's *environmental awareness*.

21 *http://www.nachhaltigkeitsrat.de/dokumente/empfehlungen/*

22 *http://www.nachhaltigkeitsrat.de/dokumente/studien/*

B)
The Green Economy can contribute to solving Hungary's largest energy sector challenge, namely the *dependence on energy imports*. Dependency on fuels from foreign sources is slightly above 80%. Through promoting the Green Economy, use of renewable energy, locally produced feedstock, small and medium scale energy facilities can help in alleviating this problem.
Extending the use of the *renewable energies* depends on market demand and political intention, because high production costs restrict the competitiveness of renewable energies in the prevailing economic environment.
A significant portion of the population spends over 10% of their disposable income on energy. The social problem of *energy poverty* can be diminished if the population is supplied with locally produced, cost efficient energy sources that also contribute to employment on a local scale.
Low energy efficiency prevails across the entire economy. Given that 40% of the energy consumption is attributed to households, energy efficiency, especially in the building sector needs rapid and thorough improvement. The same applies for the central and local government sector.

C)
The status of the population in Hungary as well as the conformation of the determining processes have been alarming for decades.
The *population has been constantly decreasing* since 1981 (getting to under 10 million by these days), and together with this, the age structure is also changing to its disadvantage: the number of the senior citizens is solidly increasing against the decreasing number of young people. Moreover, the size of the middle class has been also declining since 2007. Together with the *aging of the population*, the number of the (economically) active age-group has been gradually decreasing, just as the dependency rate of the aging population has been increasing, which results in numerous social, economic and household problems in the long term.

Policies of transformation, new strategies

Hungary has not adopted a green economy strategy yet (national strategies on energy, climate change, and sustainable development have been adopted or are under review), however elements of a future green economy strategy already exist in other strategies or policy documents. The policies and strategic documents that underscore the important role of Green Economy development and create a firm foundation include the *Strategy for Sustainable Development due early 2012*.

A)
The National Environmental Programme's comprehensive target areas and the goals and measures worked out in the framework of the thematic action programmes are equally aimed at forming a bridge between the current situation and the scheduled implementation of the main orientations laid out in the future vision.
The mostly relevant *Thematic Action Programmes of the National Environmental Programme* are for example: environmentally conscious production; utilisation of environmentally friendly construction materials, processes and technologies in a broader range; creation of more sustainable urban transportation systems; protection of genetic resources; sustainable area and land use management; sustainable management of minerals; environmentally friendly agricultural practices and forestry; the use of geothermal energy; reduction of produced waste quantity; promotion of recycling.
Economic incentives for more sustainable use of natural resources, charges on utilisation of the environment (environmental load charge, product charges, utilisation contribution), deposit refund system, energy tax, fines on the pollution etc. have been applied for many years.

B)
The guiding documents and strategies formulated, including the *National Renewable Energy Action Plan* and the *Energy Efficiency Action Plan* contain targeted measures to promote the fulfilment of Hungary's energy policy related goals.
The Energy Efficiency Action Plan outlines ongoing and planned energy efficiency measures which, through proper application at the required efficiency level, will make it possible to reduce Hungary's energy use by 1% per annum in the 9 years of the period between 2008-2016. The Action Plan is an important instrument for Hungary to reduce energy use by 20% by 2020 in accordance with EU obligations and thereby assist a 20% reduction of greenhouse gas emission.
Technological advancement and production capacity roll-out in the near future could facilitate market entry and reaching grid parity. The pace of the process is also determined by conducive investment climate and predictable legal framework ensuring the long-term stability of the investor friendly business environment.
The process can be accelerated by quantification of externalities of conventional energy production and focused subsidies.
The rational deployment of renewables will be aided by the following measures: review the price subsidies of the fossil fuels (carbon tax); transformation of the current subsidy system taking into account market distortion effects; simplification of bidding process, harmonisation and integration of the financial sources; deregulation and simplification of authorisation procedures (one-stop-shop

system); increasing the capacity of the distribution network.
The new strategy on rural development – taking into account also the potential consequences of climate change – is under preparation.

C)
Another important policy in relation to green economy is the *employment policy* (closely linked with education policy). According to the plans of the government, the social policy is to be reformed in order to handle problems with ageing society, low birth rate and unemployment.
To increase birth rate the government introduced a monthly tax base allowance *(family tax allowance)* in 2011. 62 500 HUF per child can be enforced in case of one child or two children; this will reduce the monthly payable tax advance by 10 000 HUF per child. For three or more children, the tax base can be reduced monthly by up to HUF 206 250 per child, which can decrease the tax payable by 33 000 HUF per month and per child.
Other family-related policies and regulations: *child home care allowance* for parents who care for their children aged under 3 years; *child raising support* for parents who raise three or more children in their own home; birth grant. In addition employed fathers receive working hours reduction (5 days/child) in case of the birth of their child.

D)
The *Business Council for Sustainable Development Hungary* (BCSD) was formed in May 2005 as an informal business forum by the initiative of an independent business consultant, involving Hungarian and multinational companies engaged in or committed to sustainability. In 2007, BCSD Hungary was registered as an association for public benefit. Currently it has members from various sectors of the economy. It organises regular business breakfasts on SD for executives, made a survey of CEO opinion on SD issues (2008) and launched a website on green products and investments (2009).
With the coordination of the Hungarian KÖVET (Association for Sustainable Economies) association from 6 countries, 7 professional partners are involved in the *NeGOSE project. Network for Green Office Standardisation* in the EU, co-financed by the European Union, Leonardo da Vinci project was launched on the first of January 2010. The main goal of the NeGOSE is to develop the standardized Green Office guidelines and to introduce the Green Office training packages equipped with an office Ecological Footprint Calculator. The standards will be based on the Hungarian Green Office Program developed by KÖVET.
The *First Hungarian CSR Association* was founded in 2010. From a professional point of view, they intend to focus on the responsibility of the business sector.
The keywords of their activity are community, cooperation and locality. Community – because as enterprises they wish to be valuable members of our local communities, who respect and contribute to the shared (economic, social and environmental) values of our communities. Cooperation – open to all national and international cooperation which is characterised by reciprocality, honesty and respect for each other's work and ideas. Locality – CSR (and also sustainable development) will remain a theory unless it is implemented locally. The association works in three sections: management; communication and organisation; education and training.
The Civil Society Platform on *Sustainable Consumption and Production* Conference and Workshop took place in the Regional Environmental Center (REC), Zero Emission Conference Center in Szentendre, Hungary. The objectives of event were to enhance visibility of the Civil Society Platform on SCP; to raise awareness regarding SCP among civil society organisations (CSOs); to highlight the importance of SCP in EC's Sustainable Development Strategy and related initiatives.

The New Széchenyi Plan
The implementation of the goals set in national strategies needs coherent action through the national development policy. These are reflected e.g. by the goals of the Green Economy Development Program of the *New Széchenyi Plan launched 14th January 2011*, the targets set forth in the National Renewable Action Plan and the National Action Plan within the framework of the EU 2020 Strategy.
The Green Economy Development Program of the New Széchenyi Plan consists of the following subprograms:

- *Building energy efficiency subprogram*: this will create 60-70 thousand new jobs, stimulate construction industry and promote new technologies, which accelerate the growth of renewable energies. The investments will contribute to economic growth and competitiveness.
- *Green energy development subprogram*: the program will create new markets in various sectors of the national economy, and promote green projects and enterprises.
- *Green employment subprogram*: the aim is the retention of young labour force by creating employment opportunities especially in rural communicates where migration is a major problem.
- *Education and awareness subprogram*: this measure will help build much needed expertise and general awareness towards realising the goals of greening the economy.

Metrics on growth and well-being
Metrics that demonstrate the beneficial impact of the green economy on economic growth and societal well-being are currently being developed. Hungarian

Central Statistical Office is reporting regularly about the indicators of sustainable development. These indicators are set mainly by the European Union and applied for national specifics.
National Environmental Programme also set a lot of indicators such as number of reutilisation centres, quantity of municipal waste selectively collected or recycled in its material, monitored ecologically farmed land; the development of the extent of the areas affected by agricultural-environment management; number of farmers active on MTÉT (areas of high natural value) areas in the AKG (agro-environmental management) programme; number of manufacturers and products entitled to the use of ecolabels; number of EMAS qualified organisations; number of companies issuing environmental/sustainability reports.
Quantification of the key policy objectives of green economy development in the field of energy are for example reduction in fossil energy import dependency, proportion of the population afflicted by energy poverty, carbon intensity of energy production, increased energy efficiency in critical sectors.

6. Ireland

Comhar - Sustainable Development Council (COMHAR)

The specific challenge

Revive the Irish economy and create job opportunities through building an innovative, low-carbon and resource efficient society.

- Protect ecosystems and biodiversity while reducing our fossil fuel dependency.
- Provide for greater social inclusion through stimulating new green jobs, reducing fuel poverty and delivering better access to transport.
- Build ecological resilience and capacity to adapt to climate change.

Policies of transformation

The Irish Government published its strategy for economic recovery in December 2008. Entitled 'Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal', the strategy, *inter alia*, aims to implement a 'new green deal' to move Ireland away from fossil fuel-based energy production through investment in renewable energy and to promote the green enterprise sector and the creation of 'green-collar' jobs.[23]

To support the implementation of this strategy the Sustainable Development Council Ireland (Comhar) published a report in October 2009 making the case for a Green New Deal (GND) for Ireland.[24] The report set out Comhar SDC's position on what a GND should entail for Ireland and put forward concrete recommendations for action. The GND is classified as a policy led response to address the current economic problems and the challenges posed by increasing unemployment, climate change, our dependence on imported fossil fuels and the continuing decline in the quality of the environment upon which our economy depends.

Comhar SDC proposes in the report that the Irish Government should be prepared to commit up to 2% of GDP to green stimulus measures over the next two to three years. This is consistent with the levels recommended by the UN and will ensure that Ireland is positioned at the forefront of global policy developments in this field. Priority areas for investment were identified and comprise:

- Improving the energy efficiency of existing housing stock
- Renewable Energy
- Transforming the National Grid
- Delivering Sustainable Mobility
- Public Sector Investments including Green Public Procurement
- Skills and Training
- Green Infrastructure.[25]

The Government also published its own strategy for developing the green economy in November 2009.[26] The Report contains a number of proposals and the Government had agreed to oversee priority implementation of these recommendations in order to deliver jobs and investment opportunities.

Labour Skills

In September 2010 Comhar SDC published further research to add to the evidence base by examining the role of the skills and training sector in supporting a Green New Deal for Ireland. The report on the skills and training needs for a Green New Deal aims at advancing the skills and training required for the sustainable jobs of the future. This is important if the country is to meet aspirations to be at the forefront of the new wave of

23 *The report is available at: http://www.taoiseach.gov.ie/eng/Building_Ireland's_Smart_Economy/*

24 *http://www.comharsdc.ie/_files/2009_TowardsAGreenNewDealComhar_rpt.pdf*

25 *Comhar's report on Green Infrastructure is available at: http://www.comharsdc.ie/_files/Comhar%20Green%20infrastructure%20report%20final.pdf*

26 *The report is available at: http://www.forfas.ie/publication/search.jsp?ft=/publications/2009/title,5065,en.php*

green technology.[27]
The skills and training required to implement the Green New Deal is not just a matter for Central Government. There are a wide range of parties involved such as industry, higher and further education institutions, Local Government as well as civil society organisations that all have important roles to play. The recommendations of the report focused on how to advance each of these different elements to ensure an integrated delivery of a skills and training programme that supports the realisation of a Green New Deal for Ireland.

The study addresses a number of key aspects related to the skills agenda focused across a range of different priority areas. This includes providing a qualitative and quantitative assessment of the type and volume of skills that may be required and the establishment of the baseline situation in Ireland regarding the current provision of courses and institutions involved in delivering skills and training in this area. Based on this assessment an analysis is then carried out identifying key skills gaps that may impede progress in the delivery of a Green New Deal. The report also considers suitable policy options, financing mechanisms and awareness raising activities for Ireland to develop best practice in this area as well as providing guidance for future work in this field.

A further study examining the skills needs of enterprise within the green economy was also recently published by Forfas, which is Ireland's policy advisory board for enterprise and science.[28] This focused on identifying the future skill requirements of enterprises engaged within the 'green economy' in Ireland and proposes a range of measures to ensure that their skills base will drive employment and business growth and sustain competitiveness. The report aims to inform education and training providers on the required alignment of programmes to meet enterprise skills needs and to help individuals make an informed decision around employment opportunities and their career choice.

Visioning responsible business

The Green Hospitality Programme is the only Irish developed environmental certification standard for the hospitality sector. It is a voluntary programme that aims to develop leadership and best practice within the hospitality sector. The Green Hospitality Awards are recognised both nationally and internationally as standards that allow members achieve good environmental performance and allow visitors to choose "Greener" hospitality businesses knowing that defined criteria are being implemented and monitored.

Programme members and award winners have set themselves the target to reduce their environmental footprint where possible. Members aim to reduce carbon emissions by reducing energy consumption, preserve scarce water resources and minimise waste production. Members are encouraged to protect and promote local biodiversity, buy locally where possible and encourage visitors to use local "green" businesses and services. Visitors are encouraged to adopt a responsible approach to the environment without reducing the quality or enjoyment of their visit. Employees are encouraged and trained to implement and practice good stewardship within the business and members publish annual plans and set targets to reduce the waste of scarce resources.
The 'Green Awards' are designed to celebrate excellence in sustainability and to encourage green best practice amongst organisations and individuals.[29]
The Irish Corporate Leaders Group on Climate Change was launched in September 2009 with the group's first communiqué outlining their vision for transforming Ireland to a low carbon economy. Currently the member companies are: Arup, Bord Gáis, Bord na Móna, Diageo, Intel, KPMG, NTR, Siemens, and Vodafone. The mission of the group is that through leadership, corporate Ireland will collaborate to trigger the step-change in policy and action needed both to meet the scale of the threat posed by climate change, and to grasp the business opportunities created by moving to a low climate risk economy. The group will use their position of influence to work with government and consumers in making the vision of a sustainable, low-carbon society a reality.

Metrics on growth and well-being

It is essential that in any process of transition, a set of robust indicators are used to set the baseline and objectively measure progress. Building Ireland's Smart Economy highlighted the need to integrate the environment into measures of economic progress and recent international efforts in the form of the Commission on the Measurement of Economic Performance and Social Progress (CMEPSP) chaired by Professor Joseph Stiglitz have reiterated the shortcomings of macroeconomic indicators such as GDP which has become established as a measure of economic wellbeing. Comhar SDC has developed an integrated national and

27 *The Comhar SDC report on the skills and training needs for a Green New Deal is available on-line at: http://www.comharsdc.ie/_files/Comhar%20SDC%20Report%20-%20Skills%20and%20Training%20for%20a%20Green%20New%20Deal.pdf*

28 *The report is available on-line at: http://www.forfas.ie/publications/featuredpublications/title,7064,en.php*

29 *Further information on this initiative is available on-line at http://www.greenawards.ie/*

Ireland: Qualitative Assessment of Best Practice Examples

Best Practice Example	Qualitative Self-assessment			
Policies of transformation (Green New Deal)	The Irish Government had broadly acknowledged the need to implement a Green New Deal	Comhar's Green New Deal was stage setting in that it set out what a GND should include and put forward solutions as to how to bring this transformation about including policies and financing measures	The GND was acknowledged, particularly by civil society and some political parties as a role model with the Irish Government subsequently publishing its own Green Economy strategy which included elements of GND	The GND as a concept is characterised more of a process requiring a joined-up approach at national level rather than as a single point action
Labour skills	The labour skills implications of the GND had not been addressed before in any level of detail	Comhar's report on Skills and Training for a GND was agenda setting and the first to consider and analyse this policy issue	Comhar's work in this area was acknowledged in the Irish Government's subsequent report on skills needed for the green economy	Developing the skills and training needed for a low-carbon and resource efficient economy requires the involvement of a range of stakeholders in putting in place the programmes and structures that empowers people to work in this area
Metrics	Comhar's sustainable development indicator set was the first set produced for national level	Comhar's sustainable development indicator set is now being used as a basis for other indicator work taking place on sustainability at local level	The production of sustainable development indicators is an ongoing process in measuring and recording progress against set objectives over a period of time	
Responsible business	The recognition of best practice in sustainability in industry can lead to a wider process of change. Schemes such as Green Awards can help bring this change about.			

local sustainable development indicator set which also includes key indicators for measuring the performance of a Green New Deal and progress towards achieving its objectives. The proposals have been developed in an open and transparent way, involving many stakeholder groups. The indicators measure different aspects of human, physical, social, natural and financial assets and relate to relevant policy areas. This ensures that these proposals are in line with recommended international best practices while remaining policy relevant. Key questions that the indicator set aims to answer include; how well are people's needs being met? How efficiently are we using resources to deliver economic output? What is the status and potential of our resources and assets? How fairly are resources distributed? What measures are being taken to address sustainable development challenges?

Way forward

One of the success factors to date in developing the green economy in Ireland has been a political will to drive forward this agenda. Continued political support will be critical if the momentum gained is not to be lost. Strong enabling conditions need to be created which include establishing the right regulatory framework along with implementing policies that incentivise and encourage actions to make the green economy a reality. These include measures such as aligning fiscal instruments, green procurement, subsidies, R&D and capacity building. Some areas of opportunity which have been identified for Ireland include:

- Energy efficiency (commercial and residential)
- Renewable Energy (particularly wind and ocean energy)

- Green procurement
- Smart grid infrastructure
- World class green R&D
- Waste management, and
- Water and waste water treatment.

However, there remain many challenges to be overcome where action needs to be prioritised if we are to make progress in these areas. These challenges are exacerbated by the current state of the public finances which means that availability of exchequer funds is severely constrained. Some of the specific challenges to be faced include:
Addressing potential barriers including those relating to the electricity grid and the need for interconnection to the UK and beyond.

- Building public support and also the capacity to make the transition required in terms of addressing the skills and training components of the Green New Deal.
- Developing new approaches such as those needed for decentralised energy generation and Green Infrastructure.
- Supporting innovation that ensures that the Irish investments provide a platform for export led jobs.
- Developing a different way of measuring progress in terms of headline indicators for sustainable development to better communicate with stakeholders and the public and through using appropriate impact assessment methodologies for policy makers and practitioners.

7. Montenegro

National Council for Sustainable Development of Montenegro (NSOR)

The specific challenge

- Thus far, the National Strategy of Sustainable Development of Montenegro (NSSD) and other national development strategies covered periods of a maximum of five years, the key challenge for Montenegro is to define a clear and concrete long term vision of sustainable development, at least for the period up to 2050.
- The second challenge lies in strengthening the capacities and building partnerships for sustainable development at the local level. Particularly, the focus needs to be on creating legal environment conducive for small and medium size enterprises, which represent the backbone of Montenegrin economy, to redesign their operations based on sustainable development standards.

Policies of transformation
Taking into consideration that green economy is a relatively new concept, for the time being, this concept is sporadically present in the area of public dialogue and within projects of international institutions. However, the essence of green economy in Montenegro is strategically developed through the sustainable development principles and guidelines for their implementation which are defined by the National Strategy of Sustainable Development (adopted in 2007). Each of sectoral policies which were adopted after the NSSD, also, contains provisions on the necessity of integrating environmental issues into economic policies.

The Regional Development Strategy of Montenegro, which represents one of key development documents adopted by the Government in the last year, bases its approach to diminishing regional differences and increasing employment precisely on the concept of low-carbon development and its integration in the main branches of the economy. The Strategy also envisages the introduction of measures for encouraging private investments into green businesses.

As priority areas for achieving sustainable economy Montenegro recognised the following sectors:

- Energy sector -improvement of energy efficiency
- Tourism
- Civil engineering and building construction,
- Agriculture and forestry.

This primarily refers to the increased use of renewable energy sources, particularly those of sun and wind, encouraging the sector of energy efficiency, with special emphasis on the introduction of environmental standards generally into the construction sector. Equally important are the measures aimed at the development of the rural, mountain and eco-tourism, encouraging of organic agriculture, finalisation of wood materials, collecting and processing of forest fruits etc.

In addition to these efforts, greening the transport sector (introduction of combined transportation and improvement of public transportation system) and improving waste management (reduction, processing and recycling) are areas that are going to have a great significance for Montenegro in the following period. As a tool for stimulating green technologies, in 2008 Montenegro introduced – eco-taxes – which binds legal and physical entities to pay yearly allowance for using road motor vehicles and their trailers.

Alternative measurement of growth
Within the process of Revision of the Action plan of the National Strategy for Sustainable Development, Office for Sustainable Development is preparing the set of core indicators of sustainable development. Indicators are seen as a tool for better communication on the progress achieved. The main objective is to have precise, measurable indictors which will be in line with European indicator for sustainable development.

Visions or business case
Although there is no concrete strategy related to green economy, after gaining independence in 2006, Montenegro started making small steps in introducing the concept of corporate social responsibility as one of the instruments for achieving sustainable development. Since 2008, the Montenegrin Chamber of Economy introduced the annual award for best CSR practice as a way of promoting and stimulating the business sector. On the other hand, the new technologies are becoming one of the key priorities of Montenegro, especially with regards to the fight against climate change In January 2011, the Office for Sustainable Development in the Government of Montenegro together with various relevant stakeholders, started a process of identifying the most appropriate technologies that could already in the short run strengthen the country's response to climate change (through the UNFCCC designed Technology Needs Assessment).

8. Poland

State Environmental Council of Poland (PROS)

Recent Eco-Economic Background

The current economic situation of Poland – the largest of the new EU Member States – has its roots in the centrally planned economy of the Soviet block. The system was based on heavy industry and raw materials, in the Polish case mainly on coal. These characteristics, such as ancient technology due to the permanent lack of convertible currency, low efficiency of work as a result of poor management, and lack of motivation of the workforce in a completely state owned entrepreneurship caused a permanent deficit of everyday goods, mainly food and especially meat and oriental fruits. The economy was under the strong influence of the fetish of export and limits of convertible currency.
Environmental Law and standards were quite up-to-date since the 1970s, but their execution was very poor, dominated by the lack of investment of resources as well as operational malpractice. Nevertheless, Poland was far ahead compared to other countries of the Soviet Block in respect to scientific and technology links with western advanced technology. This, fortunately, was especially open in the environmental area, as it was not directly connected with a strategic military sector.

The above situation implied numerous and various false macro-economic decisions. One example is the decision to open and exploit sulfur resources in the Tarnobrzeg region. It damaged first class agricultural soils while it was already perfectly known that the amount of sulfur recovered from flue gases is largely exceeding the demand for that raw material. Another case of that kind was the erection of a huge metallurgy plant – the *Katowice* smelter (although Poland has no iron ore resources) – in the Upper Silesia region, the most populated and polluted area in the country.

These and many other investment decisions not only ruined the national economy, but also the country's environment. The economy appeared to recover much easier than the environment after the political and economic turnover of 1989.The latter still had to fight with various deposits of harmful components, mostly on agricultural land, but also with some continued discharges as a result of outdated technologies mostly in energy generation, metal smelting and in mining of minerals and fuels.

Relevant for economic transition, Poland also had a unique situation in agriculture compared to the other countries under Soviet influence. The Polish agriculture was forced to form cooperatives only during a short period of *stalinism* (first half of the 1950s) and was re-privatized quickly thereafter. Nevertheless, there remained several important consequences, both bad (very small farms) and good (all features of private property). Nowadays, the good elements start to outweigh the bad ones. Eco-farms have appeared, specialising in the planting of organic food and breeding animals by traditional, natural methods. They also support the family economy through agro-tourism. This situation allowed to formulate a historical document, the *Code of Proper Agriculture Attitudes*. It was signed by the Ministers of agriculture and the environment and minimised bilateral accusations of malpractice against the environment.

The environmentally friendly approach in agriculture is in line with Poland's great asset created by very rich biodiversity on a surface of almost half of the country. Almost 20 national parks, numerous other protected areas and objects allow to play an important role in the *NATURA 2000* program. On the other hand, the tremendous underdevelopment of transport

infrastructures – road, highways and railways requiring large scale investments – creates multiple environmental and very often also social conflicts very difficult to be solved.

The Legal Position of the Environment & SD Field and the Current Financial and Human Backup

The Ministry of Environment (ME) of Poland covers a very large area of responsibilities. It deals with air, water and land, which includes forestry and nature, mineral resources, as well as spatial planning.
It recently converted its former department of environmental control into an agency-like institution – *the Chief Inspectorate of Environmental Protection*.

The Environmental and sustainable development strategy and policy have been backed up by periodical official documents as *the National Environmental Policy of Poland* (the last one for 2009 – 2012 and its 2016 outlook - NEP). Implementation of environmental policy has been highly supported by *Infrastructure and Environment*, the EU Program in which about 5 bln € has been devoted to environmental investments in the 2007 – 2013 period. These funds of course require the domestic share, which is not easy to finance in times of economic crisis in Europe, even though Poland has been less affected by it. The main source remains *The National Fund for Environment Protection and Water Economy*, which supports these investments through low-interest loans.

One other important element is the scientific and didactic potential of environmental science and engineering disciplines in Poland. There are about 4.000 professorial staff employed at university faculties, the institutes of the Polish Academy of Sciences and industrial research units. This knowledge reservoir creates a domestic capacity to deal with various problems of E & SD.
The State Environmental Council **PROS** (Państwowa Rada Ochrony Środowiska) is one of two main advisory councils of the ME (the other at that level is the State Council for Nature Conservation – PROP), and the only one responsible for a broad consultancy dealing with all components of the environment and activities related to the exploitation of its natural values. It is also the only Polish member of the EEAC network.

The "Green movement" played an important role in the Polish fight against the former regime, also by supporting and stimulating governmental institutions to take environmentally friendly action. *The Polish Ecological Club, Environmental Partnership Foundation Development, European Society of Economists for Environment and Natural Resources* are only a few examples of Polish NGOs active on the E & SD field.

Challenges for 21st century

Since 2009, reform of the Polish strategic document has taken place to develop a comprehensive System of Management of Poland's Development. The strategies that are now being prepared are:

- Long-term Development Strategy 2030 *(coordination – The Chancellery of The Prime Minister)*,
- Mid-term Development Strategy 2020 *(coordination – Ministry of Regional Development)*
- and 9 integrated strategies (2020):
  1. Innovation and Efficiency of Economy Strategy *(coordination – Ministry of Economy)*
  2. Human Capital Development Strategy *(coordination – The Chancellery of The Prime Minister)*
  3. Transport Development Strategy *(coordination – Ministry of Infrastructure)*
  4. Energy Safety and Environment *(coordination – Ministry of Economy and Ministry of Environment)*
  5. Efficient State *(coordination – Ministry of Internal Affairs and Administration)*
  6. Society Capital Development Strategy *(coordination – Ministry of Culture and National Heritage)*
  7. Regional Development Strategy *(coordination – Ministry of Regional Development)*
  8. National Security Strategy *(coordination – Ministry of National Defence)*
  9. Sustainable Development of Rural Areas and Agriculture Strategy *(coordination – Ministry of Agriculture and Rural Development)*

All documents mentioned above are coherent with the EU-SDS, but none of them is providing direct implementation. The documents are planned to be adopted in 2011.

Poland 2030 Development Challenges

The Poland 2030 Report was prepared by the Board of Strategic Advisers to the Prime Minister of Poland and adopted by the government in 2011.[30] The aim of the document is to outline a perspective of potential routes for Poland's development in the next 20 years. It takes into account the completed process of Poland's transformation and points out the potential for further development. Thereby, the strategy presents the dilemmas which must be solved in the near future, especially in the field of economic and social policies,

30 *http://www.premier.gov.pl/en/government/poland_2030_development_chall/*

infrastructure, energy safety and efficient management of the administration.

According to the strategy, the objective of Polish development policy is to catch up with the developed countries in the two decades to come. Key elements for Poland's successful growth and development in 2030 are the following:
In the field of power and climate safety:

- increase of the power output by 20% and decrease of the economy energy consumption in Poland to the EU level of 2005;
- increase the share of renewable energy sources in power generation to 20% and meet the objective of 50% reduction in CO_2 emissions;
- construction and modernisation of the cross-border transmission hubs, allowing for the increase in electric power exchange to up to 15% of its domestic consumption in 2015, 20% in 2020 and 25% in 2030;
- decreasing the domestic transmission system failure frequency by 50%;
- improving the natural gas storage capacity to 3,8 bln m^3 and liquid fuels storage capacity to over 12 mio m^3, developing and executing the investment projects that shall have ensured the twofold increase in the electric power generation capacities by 2030;
- construction of at least two nuclear power plants, one of which being operational by 2020,
- diversification of the natural gas-based energy resources and the gas sources themselves,
- improving the domestic gas extraction potential and reaching the level of 30% share of LNG supplied via the Gasport (from 2,5 to 10 bln m^3).

Green Public Procurement

Green Public Procurement, an important instrument for sustainable development, has been in Poland. There was the national action plan on green public procurement for 2007-2009, and now in place is the national action plan on sustainable procurement for 2010-2020. The share of green public procurement in Poland's GDP has steadily increased. The value of public procurement in Poland amounted to 126,7 miliard zł (around 31,7 bln €) in 2009, compared to 109.5 miliard zł in 2008 (around 27,3 bln €) and about 10.5% of orders in 2009 take environmental criteria into the contract.

Energy Efficiency

Poland attaches great importance to improving energy efficiency and rational use of existing energy resources, in view of the increasing demand for energy. The government's priority objective has been to create a legal framework and system of support measures to improve energy efficiency. The Energy Efficiency Act of 15 April 2011 (OJ No 94, pos. 551) defines the purpose of energy savings, taking into account the leading role of the public sector. It also establishes mechanisms for supporting and monitoring systems and collection of the necessary data. The Act will also ensure full implementation of several European Directives on energy efficiency, including in particular the provisions of Directive 2006/32/EC on energy end-use efficiency and energy services. The Act enters into force in August 2011.

An integral element of the Energy Efficiency Act will be the system of *white certificates*. This market mechanism is supposed to lead to measurable energy savings in three areas, namely:

- to increase energy savings by end users,
- to increase energy savings by the unit's own needs and
- to reduce losses of electricity, heat and gas in transmission and distribution.

White certificates will be mandatory for companies selling electricity to end customers.

PETAP – The Polish Environmental Technologies Action Plan

The "Roadmap for Implementation of the Environmental Technology Action Plan in Poland" has been established for the implementation of PETAP. The following elements are also part of the system of research and implementation of innovation and technology in Poland:

- Research networks - they are formed as joint structures of regional research and education centres, Maria Curie Centres, Centres of Transfer of Technologies (CTT), Technology and Research Parks, Incubators, Pre-incubators and Centres of Excellence,
- ENVITECH-Net, the Scientific Thematic Network for Environmental Technologies and AIRCLIM-NET, the Thematic Network for Problems of Air Pollution and Climate Change are examples of scientific networks dedicated to environmental technologies,
- Academic and technological incubators - they are organizations supporting new enterprises (often so-called 'spin-off' companies created by outsourcing of workers from large firms and R&D entities),
- Pre-incubators - they are independent entities created by universities, supporting their research workers in founding their own companies based on advanced technologies,
- Centres of Technology Transfer - offices for direct co-operation with industry, offering innovative technologies worked out by research workers of their parent company/university.
- In addition to that, there are 22 technological platforms in Poland, 9 of which are involved in environmental technologies.

9. Portugal

National Council on Environment and Sustainable Development (CNADS)

In its Declaration on Green Economy of December 2010 the CNADS states:

> *«The most developed economies and the whole international system are in a deep crisis. In the present conjuncture the main point is the unsustainability of environment, economic and social.*
> *The balanced social system of wealth creation was seriously jeopardised. The environmental problems were exacerbated. There is a need to rebuild the economy in the sustainability way.*
> *The green solutions were identified to reconfigure the economic activities and infrastructural to get better returns in natural and human terms, to reduce greenhouse gas emissions and better use from available resources. It's necessary to redefine the forms of economic framework in the cities, sustainable mobility, services and industrial plants.»*

The green solutions address national, communitarian and international environmental governance, including answers for marine environment, fisheries and oceans, biodiversity conservation, and to avoid disguise trade protectionism.

The specific challenge

- One of the big challenges is the *energy issue*. It's related to *energy security*, *energy efficiency* and policies of *climate change mitigation and adaptation*. Portugal is highly dependent on energy resources such as oil, coal and gas. But on the other hand it has a great potential related to the renewable energy sources. This option could in the long run match the other challenges like the necessity of new and more jobs, the budget constraints and the deficit target, the trade deficit, the sustainable mobility and the buildings energy balance.
- Another challenge is the *governance* issue and its capacity to drive the economy embedded with social and environmental concerns and to avoid the increasing financialisation of collective life, often speculative, with high interest responsibilities bailed out for the next generations. The economy jeopardisation affects social relations, increasing poverty and inequities, loss of jobs, young most qualified people left the country, and there is a serious risk to enter into an underdevelopment spiral track.

Policies of transformation

Portugal has several mechanisms in place for action to the economic activities and processes reconfiguration, energy consumption rationalisation, sustainable mobility, ecobuildings, for instance. Although Portugal didn't put in place a specific strategy for the green economy it has adopted legislation for sustainable development. Some of these documents are embedded with the green dimension. The most important are:

- National Strategy for Sustainable Development 2015 (ENDS) and the Implementation Plan of the National Strategy for Sustainable Development (PIENDS);
- National Low-Carbon Roadmap (RNBC2020);
- National Climate Change Adaptation Plan;
- National Action Plan for Renewable Energy;
- National Strategy for Energy (ENE20);
- Energy Efficiency Fund to finance plans and measures of the PNAEE;
- National Action Plan for Energy Efficiency (PNAEE 2008-2015);
- Energy Efficiency Program in Public Administration - ECO AP;
- National Programme of Reforms;
- Technological Plan.

The RNBC will be a key building block to establish a roadmap to a Green Economy. The *RNBC* will develop the low carbon sector plans for each Ministry and the National Climate Change Plan for 2020.

Metrics on growth and well-being

The above strategic documents have a wide variety of measures with green policy implications.
The *National Strategy for Energy* undertook to reduce Portugal' fossil fuel imports by enhancing the capacity for endogenous production. It intends:

- A target for 60% of electricity consumption from renewable sources and 31% of final energy until 2020;
- To reduce the energy imports by 25% through the renewable endogenous production;
- To create an estimated 100.000 new direct and indirect jobs in the energy cluster;
- To develop an industrial cluster related to the energy efficiency promotion to generate an estimated yearly new 21.000 jobs.

The *National Action Plan for Energy Efficiency (PNAEE 2008-2015)* has green taxation measures for:

- Vehicle renewal program (GHG factor emissions);
- Home and office renewal program (green heat).

The *Energy Efficiency Program in Public Administration - ECO AP* aims:

- To achieve an increased level of energy efficiency by 20% in services and public administration bodies till 2020;
- Running from the above target an estimated saving of 50 million euros/year and a prevent emission of one million tonnes of CO_2 could be achieved.

Some of Portugal's top projects to achieve sustainable development

Extensity Project – Environmental and Sustainability Management Systems in Extensive Agriculture

The Project aims to create a cost-effective and simple *Sustainability Management System* (SMS) for extensive agriculture, comprising environmental, social and economic aspects, with successive levels of demand, to optimise the economic performance, social and environmental impact of farms, by direct intervention in the life cycle of products, processes and services, including certification schemes and remuneration of environmental and social services.

The products life cycle, processes and services analysis allowed in addition to the quantification of sustainability indicators, the creation of a database of important environmental impacts of products and agricultural activities, new in Portugal until the implementation of the Project. The results could be used for scientific studies.

The SMS provides farmers with a set of relevant information through simple internet access without any additional software. Information like land use, soil analysis, agricultural operations and other miscellaneous data for a system of multiple varied and complex information, useful for the farms' management and also for the reporting required under the Common Agricultural Policy. A technical information and geo tagging network gives farmers a knowledge about their holdings and possible dynamics of future development. It has multiple economic benefits for farmers: reduced implementation costs by the scale effect; lower operating costs resulting from the use of resources and improved technical management, primarily through direct sowing and biodiverse pastures, a Portuguese innovation; competitive advantage resulting from the certified products; promotion of environmental and social farmers'services; ensured regulatory compliance; profits from other farm activities, namely tourism and the deliverables that may result under the Kyoto Protocol related to greenhouse gas mitigation.

Program for Electric Mobility – MOBI.E

The Program for Electric Mobility - MOBI.E was launched by the Council of Ministers Resolution nº 72/2006, on March 24th, aiming the establishment of a network for the transition to the generalisation of the electric vehicle, maximizing the renewable energy use. It's an ambitious program developed since mid-2008. The MOBI.E network is a *smart charging network* to charge electric vehicles, available throughout Portugal, linked to the areas of *energy efficiency* (reducing the environmental impact of our mobility), *renewable energy* (reducing our dependence on imported fossil fuels) and *new technologies* (vehicles' charge levels, charging locations available on the internet and mobile phones or others support media and analysis of mobility bills to consumption optimisation). The introduction of the electric vehicle stimulates *technological developments* for the electricity grids modernisation in order the transition to smart networks. It's expected in the near future the network will offer *additional features*, such as *selling available power back to the network*, in a *bidirectional logic*, not only buying but also selling the stored electricity in batteries for.

Given its strategic importance, the MOBI.E integrates the National Energy Strategy 2020, the National Action Plan for Renewable Energy, the National Action Plan for Energy Efficiency and is still a key measure of future low carbon development strategy. It has environmental, economic and social objectives contributing for Portugal's sustainable development.

In the initial phase 1.300 public normal charging points will be installed in the adherents municipalities. In the first phase 50 public fast charging points will be installed in primary roads and highways connecting adherents municipalities, which will allow traveling between them, and in strategic areas to guarantee emergency charges. The MOBI.E is a *national solution* for the electric mobility and it integrates an Euro *cross-border region*, the Minho and Galicia.

Although the Project MOBI.E has many advantages the private electrical cars can affect the use of public transport. Besides this their batteries could become a problem due to its waste collection and its heavy metals in the near future.

Castro Verde Sustainable Program

Castro Verde Sustainable Program aims at sustainable development joining economic activities, nature conservation and social welfare. The program is a set of projects targets to:

- Combating desertification in Lower Alentejo region;
- Compilation of information about the vulnerability of ecosystems and changes of land use for the adoption of measures to support land managers and decision makers in their sustainable development strategies;
- Assessing the sustainability of some systems of crops;
- Agriculture and patrimony management;

- Conservation and recovery of wild fauna and flora;
- Environmental education;
- Ecotourism;
- Research associated with the achievement of those objectives and transcripts as a result of their activities.

The Program has a special focus on sustainable development of the extensive agricultural systems at risk in the Alentejo. A new technology was set up to reduce the time for soil remediation. The new patented machine allows the reduction of soil remediation faster, a hundred times than the business as usual scenario. The 7000 years process slowed down to 70 years. Under the Program six projects were classified as Project Life. Some of the projects received national, community and international awards.

Portugal's constraints

- The financial crisis became a social and political crisis. The budgetary deficit is an important handicap for the measures to go ahead.
- The aging of the Portuguese population could undermine future sustainability of social security and pension schemes. The ratio dependency between active age group and retired or pensioner people is about 1,7, which will result in long term sustainability problems. Low birth rate, ageing society and unemployment need to be addressed by a lot of measures including fiscal ones, educational and fine-tuning of the economic model.

10. Spain / Catalonia

Advisory Council for the Sustainable Development of Catalonia (CADS)

Specific challenges

Catalonia and Spain have been deeply affected by the economic and financial crisis, bringing to an end a cycle of economic expansion characterised by high levels of natural resource consumption and fuelled by the construction building sector and the use of external loans. It is now clear that Catalonia should use the current crisis for a deep transformation of the economy. The new established *Advisory Council for Economic Recovery and Growth* has identified four specific challenges for the Catalan economy: unemployment, public deficit, productivity and the institutional framework. Unemployment rates have rapidly increased in the last 3 years and are higher than in most EU countries, up to 18% in 2010 (20% in Spain), caused by the drop in economic activity. Therefore, the creation of new jobs is the main goal of economic policies both in Spain and Catalonia.
Other challenges that should be addressed are the ecological limits to economic growth, the high dependence on fossil fuels (which face scarcity, volatility and high prices), climate change and other environmental impacts that reduce people's wellbeing. Catalonia needs to find new economic activities that can create jobs without increasing energy imports, climate change emissions or pressures on natural resources and biodiversity. The bigger challenge, however, is to transform the whole economy into one with lower environmental impacts and more social wellbeing.

Policies of transformation

The Catalan Strategy for Sustainable Development, approved in 2010, focuses on the need for a change in the consumption and production patterns to foster a sustainable future, even more in the context of an economic crisis.
The new government (established early 2011) is now focused in recovery policies and the reduction of public deficit. For the next 4 years, the government plans include giving support to new emergent sectors in a green economy, such as sustainable mobility, energy and environmental services, sustainable building, waste and water management, *ecodesign* policies, organic farming, ecotourism, landscape and nature conservation, and forest management. Moreover, the Government aims to foster eco-innovation in products, services, technologies and processes, for both small and medium enterprises. These have to fulfill the needs of traditional and emergent sectors. In particular, the Government has committed to approve an action plan to stimulate the so-called *green economy* in order to create new jobs.
At the Spanish level, the Sustainable Economy Act was approved in March 2011, which creates a wider strategic framework for the production system in the medium term, such as further support to applied research and innovation, housing renovation activities or clean vehicles, among other sectors. An economic fund is created for private projects contributing to sustainability. According to the Economic Report of the Prime Minister it is estimated that these measures could generate up to 2.775.000 green jobs by 2020.
The Advisory Council for Sustainable Development of Catalonia (CADS) has proposed policy measures to introduce sustainability criteria in economic policies on several occasions. In particular, we have addressed the "greening the economy" topic through our reports on climate and energy, ecotourism and sustainable tourism, and sustainable local finance amongst others. The CADS has currently commissioned a study to identify actions that Catalonia can take to move towards a green economy; preliminary results of this study will

be presented at EEAC annual conference in September 2011. Recommendations will include specific changes in the economic and fiscal policies to foster a *greening* of the whole economy.

11. United Kingdom

UK Sustainable Development Commission (SDC)

The specific challenge

The specific challenge articulated by the UK government is to rebalance the economy, moving away from an economy which is reliant on debt to a sustainable, greener economy that is more technologically advanced. A key challenge is to ensure growth does not occur at the expense of the environment.

The Government intends to use its resources and policies to support public and private investment in capital, infrastructure, higher education, science and innovation as these are seen to be crucial to creating growth, economic competitiveness and creating a highly educated workforce.

The Department for Environment, Food and Rural Affairs (Defra) is developing, with the Department for Business, Innovation and Skills and the Department of Energy and Climate Change, a Roadmap to a Green Economy. This will clearly articulate the business and investment environment the government will provide to make possible the shift to a growing green economy. Some key recent activity includes:

- plans to consult on reforms to the Climate Change Levy to provide more certainty and support to the carbon price;
- a commitment by Government to argue for an increase in the EU emissions reduction target from the current 20 per cent by 2020 to 30 per cent;
- investment in low-carbon technologies and infrastructure, including electric vehicles, new renewables, home insulation. A Green Investment Bank will be established to help fund the major investments the country needs.

Employment

1. In the UK there are 985 000 young adults between 19 and 25 not in work, rising at around 35 000 per month, and there is 25% unemployment amongst university graduates.

2. No amount of green fix will deal with this cohort, which will be unemployable if left to smoulder for over two years.

New strategies and demand side management instruments

Becoming the 'Greenest Government Ever' means achieving sustainability in operations and procurement, is the fifth of the SDC's annual watchdog reports which scrutinise Government's progress towards more sustainable operations. It finds that the savings made to date are only the tip of the iceberg, and concludes that by extending its commitment to become the "Greenest Government ever" beyond carbon to a wider range of sustainability issues including water and waste - would enable the new Government to save hundreds of millions more over the course of this Parliament.[31]

Metrics of growth and well-being

The SDC report "Prosperity Without Growth" (PWG) identifies understanding the investment demands of a sustainable economy as a key challenges for government. Both public and private sectors approach investment predominantly as a contributor to GDP-measured economic growth. Both PWG and the Stiglitz/Sen report for the Sarkozy Commission stress this approach is limited as it fails to account for wealth in terms of natural and social capital. 'Community' investment does begin to account for these types of wealth and consequently accept lower or longer-term financial returns. But it remains a very small niche. Prosperity and quality of life call for economic strategies that are soundly financed, equitably allocated, that deal responsibly with the world's resources, while taking into account the material and immaterial needs of mankind. PWG clearly articulated the challenges facing Government and placed SDC at the heart of the debate. There is a growing consensus that such a positive future scenario will not be realised without making the transition to a new and more responsible economic model – one that is based on more than permanent increases in gross economic production. The work of the Sarkozy Commission and statements by the World Economic Forum are examples of mainstream voices that are part of this consensus.

Yet for Government this remains a sensitive and difficult area to make progress on. It is important that Government initiates a truly open and informed strategic dialogue on this crucial issue, involving business, policy-makers, and civil society.

The SDC has supported the development of new Sustainable Development indicators, focusing its input on strengthening the relative importance of these indicators to the current primary measure of economic welfare GDP. This work has been picked up by the new Government, in particular in developing a set of quality

31 *http://www.sd-commission.org.uk/publications.php?id=1097*

of life or well-being indicators to run alongside GDP and a recent consultation on well-being indicators. The main challenge is to ensure that these indicators provide more than just an 'add-on' or 'fine-tuning' for traditional growth based economic model. Both PWG and, significantly the Sarkozy Commission identified the need for such reviews to also bring on reforms to macroeconomics that are sustainable.

Policies of transformation

Prior to the budget in April 2009 the SDC advised the government on a Green New Deal which would act as a stimulus package for economic, social and ecological recovery. The advice included £ 30 billion of proposed investments in the green economy focusing on the transport network, housing stock and energy.[32]

Research was undertaken into the potential benefits of taking an integrated, area-based approach to retrofitting buildings and upgrading community infrastructure. The final report *The Future is Local,* that was launched in July 2010 found that enabling communities to lead local renewal projects with a neighbourhood-scale approach was the most cost-effective way to ensure our villages, towns and cities are fit for the future and create the conditions for people to thrive. Through empowering community groups to come together to tackle issues of local priority, and to work in partnership with local authorities and businesses, multiple benefits can be delivered. Upgrades to our physical infrastructure can tackle climate change, deliver reliable and efficient transport networks, improve health and well-being, secure a healthy natural environment, improve long-term housing supply, maximise employment opportunities, and make our communities safer and more cohesive.

Key recommendations relevant to the green economy were:
Government should support an integrated, area-based approach to upgrading local infrastructure as a cost effective way of achieving maximum sustainable outcomes in an area by:

- Ensuring existing and new polices and delivery programmes (such as the new obligations on energy company's post-2012) are flexible in operation to support integrated delivery;
- Improving the evidence base to assess the economic, environmental and social benefits of this approach; and
- Developing pilot projects which test integrated delivery.

A new Green Investment Bank should direct finance to a wide range of low carbon infrastructure projects including energy efficiency at a variety of scales, including neighbourhood through:

- Providing capital or guarantees where private finance is unwilling to take the risk,
- Bundling small projects to attract wider investment,
- Providing a brokering service between private, public and third sectors,
- Raising capital (for example, through Green Bonds) for sustainability projects identified by the partnerships.

Government should create ways in which local communities are able to derive long-term benefits from the siting of low carbon energy infrastructure, such as new housing or wind turbines, in their area.

12. UK / Wales

Countryside Council for Wales (CCW)

The Welsh Assembly Government specifically identified green jobs as a source of employment in the context of a transition to a more sustainable economy in the launch of its green jobs strategy *'Capturing the Potential'* in July 2009. That strategy was very clearly set within the bounds of the Assembly's Sustainable Development Strategy, which identifies sustainable development as the 'central organizing principle of the Welsh Assembly Government'. The green jobs strategy was later embedded in the Assembly Government's economic development strategy *'Economic Renewal: a new direction'*, which was launched in July 2010. Amongst other things, the strategy recognised the links between the economy and the environment, identifying six sectors for action. (ICT, Energy and Environment, Advanced Materials and Advanced Manufacturing, Creative industries, Life sciences, Financial and professional services). The new strategy puts greater stress on the role of government, both local and national, 'in shaping the environment in which businesses operate, providing network infrastructure, developing skills, healthy workplaces and supporting research and development.' The need for economic regeneration to be planned in the context of sustainable development is acknowledged.

In September 2010 the Welsh Assembly Government launched a consultation document entitled *'A Living Wales – a new framework for our environment, our countryside and our seas'*. This consultation is primarily concerned with refreshing the approach for managing the environment and integration with economic and social well-being. The approach was built around

32 *http://www.sd-commission.org.uk/publications.php?id=928*

integrating the management of land and water by making the long-term health of ecosystems and the services that they provide central to decision making and making optimum use of finite land and water resources and ensuring that Wales' natural and cultural assets are maintained and enhanced.

The Countryside Council for Wales (CCW) recognises that there are strong links between the environment and the economy. Healthy ecosystems are fundamental to the people of Wales both in terms of providing provisioning services, such as food and water but also in providing supporting services, such as a landscape that attracts visitors to Wales and, in turn, this supports rural economies. CCW is involved in a number of projects that seek to integrate economic, social and environmental objectives. At a landscape scale there are initiatives in the Cambrian Mountains, Valleys Regional Park, Heads of the Valley and in the Dyfi Biosphere. At a more local level there are initiatives under the CAN and LIFE programmes. Whilst these initiatives are primarily focused on the environment they have important local employment opportunities and benefits.

CCW's own grant to voluntary, public and private sector organisations in Wales for work relating to biodiversity actions contributes to the direct creation of jobs in rural Wales. Evaluation work undertaken nearly 10 years ago identified grants of £ 2.5m supporting 414 direct jobs, which increases to 500 jobs once the multiplier effect is taken into account. At an all-Wales level, work associated with the management, use and appreciation of the natural environment created 117, 00 direct jobs and when the multipier effect is taken into account the figure rises to 169,00 jobs – equivalent to 1 in 6 jobs in Wales at that time.[33]

13. EEAC

The EEAC Statement 2008 *Sustaining Europe for a long way ahead, Making long-term sustainable development policies work* urges the European Union not to give way on any aspect of the current Climate and Energy Package because of fears about the impact on energy prices and of the perceived need to guarantee energy security. The Statement further claims that the problem of carbon leakage does not justify general exemptions, but requires careful assessment, particularly where it might affect unwanted social or economic consequences, and effective instruments to address it.

Free allocation will not improve the competitiveness of very carbon intensive industry subject to strong international competition.
The EEAC further requests the European Union in seeking to restore the basic functions of the financial markets and the revitalisation of the economy, it should grasp the opportunity to stimulate innovation, environmentally sound technology, and new sustainability-promoting enterprises, so that a wide range of new jobs and skills is developed.[34]

33 *Capturing the Potential: A green jobs strategy for Wales*

34 *http://www.eeac-net.org/conferences/sixteen/sixteen.htm*

The EEAC Working Group Sustainable Development has prepared this statement and background material. The Working Group co-chairs, from the Belgian and German SD Council respectively, have been the rapporteurs, editing together with the EEAC Office. We thank the two councils for their support:

FRDO CFDD

The Belgian Federal Council for Sustainable Development is an advisory body that advises the Belgian federal authorities about the federal policy on sustainable development. The acronym FRDO-CFDD comes from the Dutch Federale Raad voor Duurzame Ontwikkeling and the French Conseil Fédéral du Développement Durable. The FRDO-CFDD was founded in 1997, succeeding the National Council for SD, which had been in place from 1993. In addition to its advisory duties the FRDO-CFDD acts as a forum to encourage the sustainable development debate, for instance by means of organizing symposia.

German Council for SUSTAINABLE Development

The German Council for Sustainable Development (RNE) is an advisory body with a mandate from the German Federal Government. The RNE comprises 15 public figures. The latest RNE council members were appointed for a period of three years by Chancellor Angela Merkel in June 2010. RNE was first established in April 2001 by then Chancellor Gerhard Schröder.
The Federal Government has entrusted RNE with the tasks of advising the Federal Government on all items of the National Sustainability Strategy, pinpointing specific areas of action and projects, and bolstering the public discussion on sustainability.

EEAC

The network of European Environmental and Sustainable Development Councils (EEAC) is a unique collaboration between the councils set up by European governments to provide independent and scientifically based advice on environment and sustainable development. The network is a powerful tool for sharing information and experience across Europe.
Co-operation between advisory councils in the EEAC network started in 1993. Around 25 councils from 16 European countries with around 300 key senior actors from academia, civil society/ NGOs, stakeholder organisations and the private sector now participate in the network.

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