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# The Future of the Cardiff process

A report for the Danish Ministry of  
the Environment

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**Danish Environmental Protection Agency**

Danish Ministry of the Environment

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# Executive summary

## *Introduction*

The 'Cardiff process' was initiated at the European Council meeting in Cardiff in the UK in June 1998. It requires the various formations of the EU Council of Ministers to develop comprehensive strategies to integrate environmental concerns into their policies and actions, with the aim of achieving sustainable development. It therefore seeks to make a major contribution to the objectives of Article 6 of the EC Treaty, requiring the integration of environmental considerations into effectively all other Community policies. Since 1998, successive meetings of the European Council have called upon nine formations of the Council to develop strategies in three 'waves' of three, and have received a number of strategies and progress reports.

The Göteborg summit in June 2001 was to be the deadline for the completion of the Council strategies, and the occasion for an overall stocktaking of the Cardiff process. However, delays in the completion of the strategies for the 'third wave' Councils required the postponement of this review. EU Heads of Government instead invited Councils to 'finalise and further develop' their strategies, and present the results to the Barcelona summit in March 2002.

However, since Göteborg, the momentum of the Cardiff process has faltered. At five of the six succeeding European Council meetings, neither the Cardiff process nor individual Council strategies have been mentioned in the Presidency conclusions. The Environment Council meeting in October 2002 in the aftermath of the Johannesburg Summit on Sustainable Development called upon the European Council to reinforce the Cardiff process, and indeed extend it to formations of the Council that have so far not been included. Further development of the Cardiff process, and in what form, should depend, amongst other things, on an assessment of what it has achieved so far, and how it can be accommodated to the significant changes to the EU's policy and institutional landscape over the past four years.

## *Strengths and Weaknesses of the Cardiff Process*

Through its focus on the Council of Ministers, the Cardiff process has been an innovative and ambitious environmental policy tool, and Article 6 of the Treaty necessarily gives it a wide scope and overarching character. Environmental considerations have been put firmly on the agenda of a number of other Council formations as a result.

To date however, the Cardiff process has had mixed success, and progress has been uneven from one Council formation to the other. Its major positive achievement is to have promoted an increased understanding and sense of ownership of environmental issues in several Councils, and to have stimulated an important learning process. It has facilitated the development of integrative mechanisms such as the use of joint Councils and working groups, and in some Councils has stimulated groundbreaking work on sectoral environmental

integration indicators. It has also had a positive influence on procedural innovations within the Commission and in some Member States.

On the other hand, detailed analysis has shown that the quality of some of the Cardiff strategies has been disappointing, and sometimes important integration issues have not been addressed fully, or at all<sup>1</sup>. This partly reflects a lack of central co-ordination and guidance. Moreover, it has become apparent that the development of Council strategies requires the supportive involvement of the Commission – but where the Commission has become involved, in some cases tensions have been evident over policy priorities. And the recent lack of momentum has highlighted how dependent Cardiff has been on the priorities of individual Council Presidencies, emphasising the need to embed the process more firmly in a longer-term work programme for the EU as a whole.

### *Changing EU Institutional and Policy Context*

Events have moved on over the past four years. A reinvigoration of the Cardiff process will need to take account of significant new developments. In terms of substantive policy, several parallel programmes or strategies have been launched, including the Sixth Environmental Action Programme (6EAP), the EU's Sustainable Development Strategy, and the Johannesburg Plan of Implementation. At the same time, the Commission is engaged in developing major reforms to several sectoral policies with major environmental impacts, such as the common agricultural and fisheries policies, the common transport policy, and the mid-term review of the Structural Funds. Council integration strategies will need to be closely co-ordinated with these separate initiatives, and reflect their priorities.

In terms of procedures and institutions, reforms to the operation of the Council agreed at the Seville Summit in June 2002 have enhanced the co-ordinating role of the new General Affairs and External Relations Council (GAERC) in relation to other Council formations, while streamlining and simplifying the agendas of the European Council. New procedures for multi-annual strategic policy planning have been introduced both for the Council and the Commission, into which an informal process such as Cardiff - only periodically steered by the European Council - will become increasingly difficult to fit. On the other hand, the Commission's new procedures for sustainability impact assessment of major policy proposals could provide new opportunities for strengthening environmental policy integration.

These new policy and institutional developments will need to be reflected both in the *content* of Council integration strategies, and in the *procedures* through which they are developed, monitored and reviewed.

### *Defining the contents of integration strategies*

The Cardiff European Council called for the inclusion of targets, timetables, indicators and regular monitoring and reporting procedures in sectoral integration strategies. These were to be defined by the Council formations

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<sup>1</sup> Institute for European Environmental Policy, 2001, *The Effectiveness of EU Council Integration Strategies and Options for carrying forward the Cardiff Process*. IEEP and Ecologic, London; and IEEP, 2001, *Review of progress made under the 2001 Swedish Presidency of the EU on Council Integration Strategies for carrying forward the Cardiff Process*. IEEP, London.

themselves, and they were also given broad discretion to set their own integration objectives and options for achieving them.

While it is important to maintain the benefits of 'learning by doing', the changes in the policy and institutional context outlined above now mean that there is a need for greater central guidance and co-ordination in relation to the contents of individual Council strategies. Moreover, some of the tasks assigned by the Cardiff and subsequent summits to the Councils themselves would be more appropriately undertaken by other institutions.

Community competence differs significantly between different policy areas. There is therefore a need for greater differentiation between the Councils as regards their contributions to environmental integration. Some strategies – particularly in relation to transport or health – need to devote more attention to proposing actions at the level of the Member States, as Community action alone can probably not deliver sustainability.

For the content of Cardiff strategies, a minimum requirement should be to respond to relevant existing commitments in the 6EAP, the EU SDS and international environmental agreements including the Johannesburg Plan of Implementation, and to set out options for achieving them. These commitments need to be brought together in an overarching EU environmental strategy, or road-map. But at the same time, each Council should be proactive in relation to relevant 6EAP Thematic Strategies by proposing future actions that would contribute to their objectives.

As regards monitoring and reporting, appropriate integration indicators should be set with much more central input and guidance from the Commission, the European Environment Agency (EEA), the GAERC and/or the Environment Council, rather than being left in the hands of the individual Council formations themselves. First of all those council formations that have not developed integration indicators should be encouraged to do so. There is, however, also a growing need for consistency within an overall indicator framework, given the increasing prominence of Community indicators in the decision making process. The monitoring of progress against these indicators is also a task that might be allocated to the EEA. However, each Council should be required to report annually to the GAERC on its contribution to environmental integration. The report should also contain descriptions of all impact assessments undertaken by the Commission in policy areas falling within its responsibility; how relevant commitments in the 6EAP and other programmes have been taken into account; and what contribution the Council itself has made to the assessment.

#### *Options for the Future of the Cardiff Process*

There are strong arguments in favour of strengthening the Cardiff process as an initiative specifically directed at the Council, with a clear focus to environmental policy integration as required by Article 6 of the Treaty. Evidence from the 'first wave' Councils indicates that there would be considerable benefits in allowing sufficient time for the process to mature in respect of those Councils which have become involved at a later stage.

There are a range of measures that might be introduced to make the Cardiff process more effective. These are not mutually exclusive, and might be packaged in various ways. They do differ, however, in their level of ambitiousness.

It is clear that although the Cardiff process is focused on the Council, there is a need for the more systematic involvement of the Commission in the development and follow-up of integration strategies. There is arguably a need for greater guidance and co-ordination for individual Councils from both the Commission and the new General Affairs and External Relations Council, possibly in close cooperation with the Environment Council.

- The Commission is the only EU institution with the resources to undertake proper strategy development, and should in the future have more active involvement in the Cardiff process.
- An important initial contribution from the Commission might be to compile an overarching road-map, on the basis of agreed EU and international environmental programmes. This should serve as a reference framework to set priorities for the integration strategies of individual Councils.
- The GAERC should be encouraged to take a proactive approach to the co-ordination of cross-cutting aspects of the work of sectoral Councils, including taking forward the environmental integration requirement set out in Article 6.

When the Cardiff process was launched, the EU had no sustainable development strategy. However, there is now an established mechanism for the annual steering and review of economic, environmental and employment/social policies at the highest level, by the Spring European Council. It is important, therefore, that priorities for environmental integration are reflected in the development and review of the EU SDS.

However, the EU SDS is a relatively new mechanism. There are also major conceptual difficulties with the vehicle chosen for its development – the extension of the existing Lisbon process. This is based on the so-called ‘Open Method of Co-ordination (OMC) for developing and reviewing the economic and employment policies of Member States. As matters stand, there is a danger that environment and environment-related policies will not be allocated sufficient attention in the preparation for the annual Spring summits. This was a feature of the synthesis report for the Barcelona Summit in March 2002. The environmental dimension of the EU SDS needs to be strengthened through the introduction of reporting and guidance mechanisms parallel to those which already apply to economic and employment policies. A crucial difference, however, is that the principal focus in this case should be the activities of individual Councils rather than the policies of the Member States.



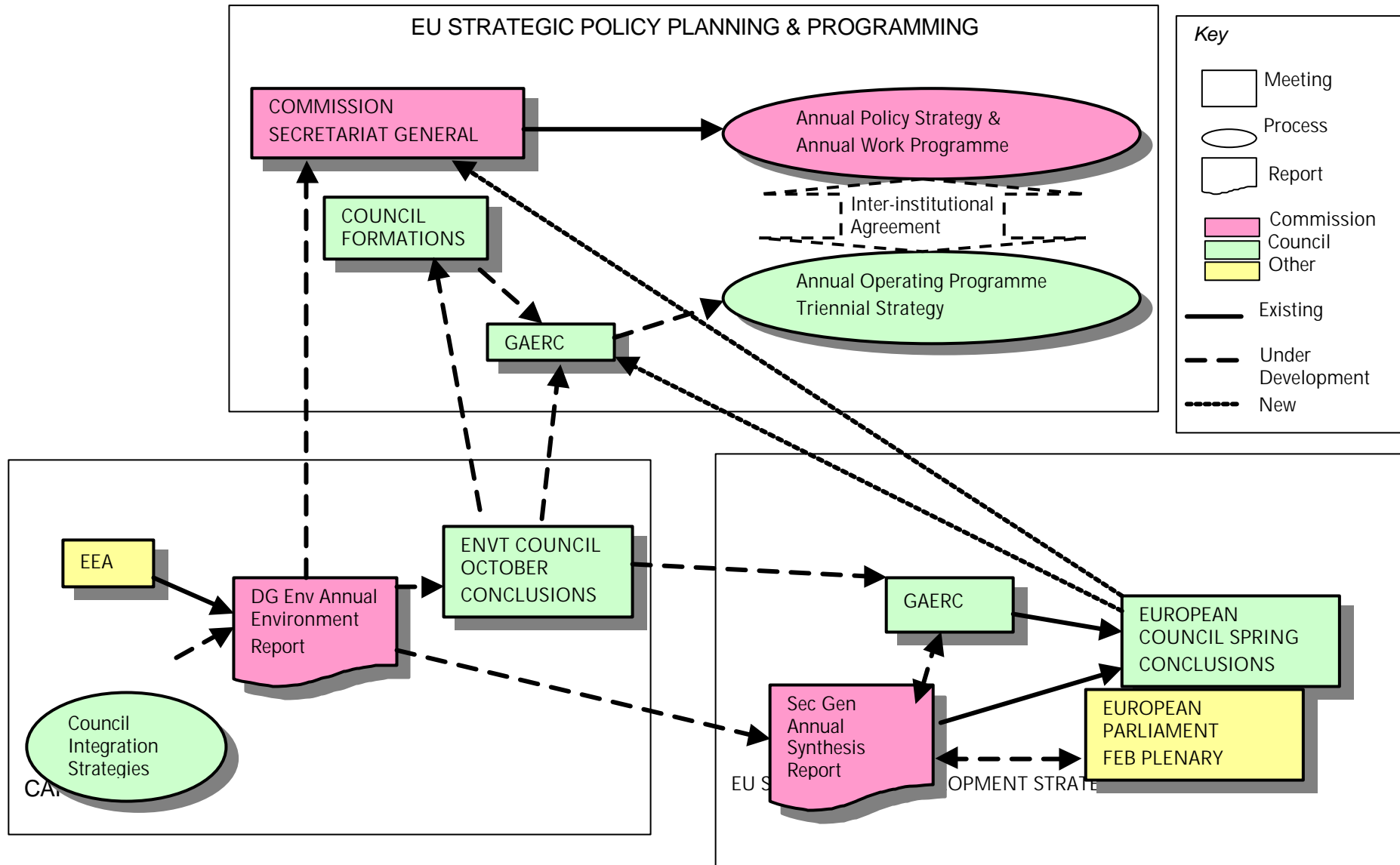
- Annual reporting should be introduced by sectoral Councils to the GAERC on their performance in relation to commitments in the EU's overarching environmental strategy or route-map, and to environmental integration generally.
- An Annual Implementation Report should be published by DG Environment, highlighting key issues and indicators to be addressed in the Commission's Spring report. This would also inform the development by the GAERC of the triennial strategy for the Council and the annual operating programmes for each of its formations.
- Guidelines from the Environment Council to each relevant formation of the Council should be issued at the same time as the Broad Economic Policy and Employment Guidelines developed under the Lisbon Process.

In seeking to make the Cardiff process more effective, it is important to take account of all the wider changes that have occurred to EU governance and policy planning since its launch in 1998. The policy cycle associated with the EU SDS needs to be more strongly co-ordinated with the development of annual and multiannual work programmes of the Commission and the Council, which themselves need to work more closely together in moving towards a single EU policy planning process.

- A new reporting and co-ordination cycle for environment policy in the framework of the EU SDS needs to be reflected in the parallel cycles for strategic planning and programming, within both the Commission and the Council.
- Mechanisms and procedures are needed for bringing more closely together the Commission's annual work programme and the Council's annual operating programme. These should be developed in the framework of a new Inter-institutional Agreement between the Commission, Council and European Parliament.

Figure 1 overleaf sets out how the Cardiff process could feed into the EU SDS, and how both processes could be co-ordinated with the strategic planning cycles of the Commission and the Council. This is an ambitious agenda, but progress can be made by tackling its various elements step by step.

Figure 1: Possible Interlinkages of Policy Activities



# 1 Introduction

## 1.1 The Cardiff integration process

The 'Cardiff' integration process was initiated at the Cardiff Summit of 1998. It requires formations of the European Union Council of Ministers to develop comprehensive strategies to integrate environmental considerations within their respective areas of activity. The process has thus far called upon nine formations of the Council – Transport, Agriculture and Energy, Development, Internal Market and Industry, and General Affairs (GAC), Economic and Finance (Ecofin) and Fisheries, to develop strategies. In October 2002, the Environment Council called on the European Council to invite other Council formations to follow suit.

## 1.2 Background to this report

In preparation for its review of the Cardiff process, the Danish Ministry of the Environment has commissioned this study by IEEP to examine progress on the Cardiff Process and to set out and evaluate a range of options for carrying environment and sustainable development policy forward.

This builds on two previous IEEP reports, published in March and June 2001<sup>2,3</sup>, which assessed progress and achievements prior to the Göteborg Summit. The focus of these reports was on the content of the strategies and the process for developing them. They were based on nine separate expert evaluations of work relating to the nine Council strategies. For each Council strategy, IEEP also contacted one or more key players as appropriate to support the evaluations, and to ensure full coverage of relevant papers and other 'informal' developments not apparent from official sources. This was particularly important in terms of assessing innovations in the strategy development process.

The Terms of Reference for this new report also include an element of updating earlier analysis in terms of recent progress, but also include a stronger focus on strategic considerations. This has been necessitated by a range of other developments which are relevant to the Cardiff process. Detailed Terms of Reference were as follows:

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<sup>2</sup> IEEP, The Effectiveness of EU Council Integration Strategies and Options for carrying forward the Cardiff Process. IEEP and Ecologic, London, 2001.

<sup>3</sup> IEEP, Review of progress made under the 2001 Swedish Presidency of the EU on Council Integration Strategies for carrying forward the Cardiff Process. IEEP, London, 2001.

## **IEEP's Terms of Reference**

### *1. An evaluation of the strengths and weaknesses of the Cardiff process so far.*

This will summarise the findings of IEEP's reports covering developments up until March 2001, and extend the analysis to consider more recent 'strategies' including those from the GAC and Ecofin, and work on the Fisheries strategy. Further developments in relation to the transport strategy are also to be included.

### *2. Definition of the contents of 'model' strategies*

This will be in two parts:

- Identification of the requirements common to all strategies eg relating to problem definition, target setting, timetables, indicators, monitoring and reporting etc;
- For each individual Council, identification of the specific contributions needed to address the priorities set by the various other relevant initiatives (see 3.1 below). This analysis will include Council formations so far excluded from the Cardiff process.

### *3. Mechanisms and procedures for strategy development, monitoring and review*

3.1 A consideration of procedures to ensure a more coherent contribution from each Council to recent environmental/SD strategies, including

- EU SDS
- 6EAP (targets and measures, e.g. reducing subsidies, use of fiscal instruments)
- 6EAP Thematic Strategies. (Consideration will be given to whether there might be additional thematic strategies relating to eg chemicals; transport and planning; sustainable regional development.)
- European Climate Change Programme
- EU Biodiversity Action Plans
- Johannesburg follow-up, especially the proposed 10-year framework of programmes for sustainable production and consumption

These contributions could be set out in the new Annual Programmes for each Council.

3.2 Procedures for strengthening the input of the *Environment Council* to (non-Cardiff) strategies being developed by other Councils eg reforms/mid-term reviews of CAP; CFP; common transport policy; structural funds;

3.3 The future contribution of Councils to the European Commission's new impact assessment procedures;

3.4 Strengthened monitoring and review mechanisms, and the role in this regard of

- the new GAERC
- the Environment Council's annual conclusions for the Spring European Council
- the annual environmental policy review from the European Commission (DG Environment)

## 2 Strengths and weaknesses of the Cardiff process to date

### 2.1 Overview of Cardiff process

#### 2.1.1 Strengths and benefits of the Cardiff process

Among the particular strengths identified in the strategy development under the Cardiff process are the following.

- An increased understanding and sense of ownership of environmental issues in some Council formations. Hitherto sectoral Council formations were rarely exposed to any great degree to broader environmental requirements. Even where there have not yet been clear and positive outcomes from the Cardiff process, many observers and participants believe that it has generated a greater understanding, and, in time, possibly a sense of ownership as well.
- Cardiff has facilitated the development of integrative mechanisms – the use of joint Councils, joint working groups and specialist environment units are positive features of the Cardiff process. This is discussed further in the latter part of this Chapter, with particular reference to the Transport Council's integrative activities.
- Work on sectoral indicators has progressed substantially since the initiation of the Cardiff process. The TERM indicator set used to support work on Transport is also discussed later in this Chapter.
- Linkages to other policy review cycles were initially not well developed. However, the Fisheries report makes a clear reference to the Common Fisheries Policy (CFP) 2002 review, providing an important opening for a future and more developed strategy to exploit.
- In spite of the various weaknesses in the process, many of which are touched on in what follows, the Cardiff process can be seen as a learning process. That is, even where strategies have thus far failed to agree on concrete and positive action, awareness raising has been an important precursor which may well lead to more substantive developments in the future. Equally, where strategies have hitherto developed along separate lines, there are now greater opportunities for comparison and coordination, which are discussed in later chapters.
- Aside from effects on the Council itself, our various analyses have identified a number of areas in which the Cardiff process has had positive influences on the workings of the Commission and of the Member States themselves. These relate particularly to the establishment of new integration units, committees and procedures which appear to be directly associated with the Cardiff process, and sometimes in areas where integration was previously very weak. This is a valuable reciprocal

process, which should be encouraged through the continuing development of the Cardiff requirements.

### 2.1.2 Weaknesses and drawbacks

#### *Faltering momentum post-Göteborg*

The Göteborg European Council in June 2001 was intended to be the deadline for the presentation of completed integration strategies, and an occasion for an overall stocktaking of the Cardiff process as a whole. In the event, this review did not take place, largely because the strategies for the 'third wave' Councils (General Affairs, Ecofin and Fisheries) had not at that stage been completed. Heads of Government therefore invited the Council to 'finalise and further develop' their strategies, and present the results to the Barcelona summit in March 2002.

However, following the end of the Swedish Presidency, the momentum of the Cardiff process faltered further. In five of the six European Councils since Göteborg, neither the Cardiff process nor individual Council strategies were mentioned in the summit conclusions. At Barcelona in March 2002, it was noted that the Ecofin and General Affairs Councils had presented strategies, and that a Fisheries strategy would be forthcoming. However, the Fisheries strategy is still unpublished; the Ecofin strategy did not cover all the aspects which might have been desirable (see Box 1); and of the several reviews of earlier strategies promised for 2002, only those of the Competitiveness (Internal Market) and Transport Councils has appeared at the time of writing.

#### *Dependence of Cardiff on the priorities of specific Presidencies*

This slowdown in activity contrasts with the considerable progress that had been made during a comparatively long 'run' of sympathetic presidencies from 1998 to 2001 – including those of the UK, Finland, Austria, Germany and Sweden. This serves to highlight the danger that an informal process such as Cardiff, periodically steered by the European Council, can be derailed if the Presidencies do not give sufficient priority to the topic. It emphasises the need to embed the process more firmly, for example in a longer-term work programme for the Council.

#### *Relationship between the Council and the Commission*

Although Cardiff is focused on the activities of the Council, it is clear that little progress can be made without the active and supportive involvement of the Commission. As set out in the Treaty, the role of the Council is primarily to react to proposals initiated by the Commission, and thus it is ill-equipped on its own to gather data, develop indicators, engage in consultations with stakeholders and consider alternative policy options. Accordingly, the Commission has become progressively more involved in the development of almost all of the Cardiff strategies. Indeed, in their separate conclusions on integration, Councils have commonly asked the Commission to undertake further work to take the strategies forward.

However, this dependence on the Commission has in some cases given rise to tensions over the development of policy priorities. As part of the Prodi reforms, the Commission now has its own procedures for strategic programming, and the priorities of particular directorates-general may cut across those of their associated Councils. This appears to have happened in

relation to the transport strategy (see case study below). Moreover, under the system of Activity-Based Management introduced in 2001 as part of the Kinnock reforms to the Commission, directorates-general are explicitly required to cut out activities for which resources are not available.

This gives rise to the possibility of conflicting priorities within limited resources. Resolutions of the Development and Energy Councils respectively have drawn attention to the need for additional resources to be made available to the Commission if their integration strategies were to be developed further.

However, the greater involvement of the Commission in the development of sectoral strategies means in some cases that they have become little more than reflections of on-going Commission priorities. This has been the case particularly in relation to the mid-term reviews of the CAP and CFP. In the case of fisheries, the Council has explicitly stated that an integration strategy must await the publication of the reform proposals.

There is therefore a need to bring the Council and the Commission closer together in the longer-term development of integration strategies.

#### *Limited co-ordination between Councils*

One of the major weaknesses of the Cardiff process highlighted by IEEP's two previous reports<sup>4,5</sup> is that there has been 'remarkably little cross-referencing between the documents'. For example, the Vienna European Council in 1999 called upon all Councils to address climate change in the development of their strategies. Global warming is quintessentially a cross-sectoral issue, but in the absence of mechanisms to co-ordinate the contributions to greenhouse gas reductions of different Councils, there has been little progress evident in the strategies in this respect.

An alternative approach to EU policy co-ordination in relation to climate change is the European Climate Change Programme (ECCP). This is a Commission-initiated programme which brought together relevant DGs, Member State representatives and stakeholders in the development of policy options. An evaluation of the ECCP is included as an annex to this report as an alternative case study.

More generally, Councils could gain from stronger and more systematic coordination. Thus the report of the Development Council neglected to make reference to the strategy of the General Affairs Council, even though trade and development issues featured significantly in the latter.

#### **2.1.3 Content of the Cardiff strategies**

Against this procedural background, it is not surprising that the content of most of the strategies does not fulfil the tasks of addressing all relevant environmental issues. The conclusions of IEEP's June 2001 Progress Review remain valid, and are reproduced as Annex I to this report. Particular attention should be drawn to the following points:

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<sup>4</sup> IEEP, *The Effectiveness of EU Council Integration Strategies and Options for carrying forward the Cardiff Process*. IEEP and Ecologic, London, 2001.

<sup>5</sup> IEEP, *Review of progress made under the 2001 Swedish Presidency of the EU on Council Integration Strategies for carrying forward the Cardiff Process*. IEEP, London, 2001.

### *Integrating Environment or Sustainable Development?*

The Cardiff and succeeding European Councils referred to the need to integrate both environmental and sustainable development considerations into the work of individual formations of the Council. As a result, it has never been clear whether the needs of the environment should always take precedence, or whether they should be traded off against economic or (more rarely) social considerations - in other words whether Cardiff is 'about' Article 6 or Article 2 of the Treaty. However, the Cardiff Conclusions state (¶32) that

'A healthy environment is central to the quality of life. Our economies must combine prosperity with protection of the environment. That is why the Amsterdam Treaty emphasises the integration of environmental protection into Community policies, in order to achieve sustainable development'

This gives a clear reference to Article 6, and supports the argument that Cardiff is a tool for integrating environmental considerations with the aim of achieving sustainable development.

The consequence of this apparent ambiguity was made clear in recent conclusions of the Industry and Energy Council on *Enterprise Policy and Sustainable Development* (6 June 2002). The focus of these conclusions was on sustainable development rather than environment, and more specifically, how environment policies should be tailored to the needs of the economy. The Council placed particular emphasis on ensuring that environmental legislation should not hamper the competitiveness of European industry as it competes with third countries with lower environmental or social standards. In this regard, it emphasised that the forthcoming 6EAP Thematic Strategies on, respectively, the sustainable management and use of resources, and waste recycling should take fully into account 'industry-related concerns'.

Most Council strategies have in practice focused on environmental integration and given extra weight to environmental considerations within the sector, but the conceptual ambiguity has provided opportunities for some Councils to avoid the discussion of important issues, or to address them selectively.

#### *Comprehensiveness of the strategies*

In the absence of detailed guidance and steering, the coverage of the strategies has been extremely variable. For example, the report of the General Affairs Council fails to address its responsibility for horizontal and major budgetary issues, while the Ecofin report focuses mainly on the economic and fiscal policies of the Member States rather than those of the EU. To date, many of the reports contain only a rehearsal of the questions that would need to be addressed in a strategy, without supplying proposals or clear objectives. Full analysis of the problems posed for the environment by sectoral policies, and the range of options available for addressing them is also generally absent, although the transport strategy perhaps comes closest to providing these.

The question of the elements which would be needed in a 'model' strategy is returned to in Chapter 3.



## *Links to the 6EAP and the EU SDS*

The Göteborg Summit called upon Councils to take account in their sector strategies of the commitments in the draft Sixth Environmental Action Programme and the EU Sustainable Development Strategy. This was important, since it was the first occasion that the European Council had given concrete guidance on the objectives that each strategy should reflect. However, the only Council to respond explicitly to this request has been the new Competitiveness Council. In a report adopted on 14 November 2002 and addressed to the GAERC, it accepts that there is a need to take account of the 6EAP, and the follow-up to the WSSD - particularly the call for the programmes on sustainable production and consumption. It therefore proposes to review the existing (Internal Market) strategy in conjunction with the Commission, under the forthcoming Greek and Italian Presidencies, and produce an updated strategy before the end of 2003.

Again, the possibilities of these various linkages are returned to in Chapter 3.

Box 1: Ecofin Report to the Barcelona European Council 6 March 2002

The report is short (7 pages) and was drafted not by the Presidency, but by the advisory Economic Policy Committee (EPC) of Member State representatives. Its coverage is limited, given the responsibilities of Ecofin. It focuses principally on the incorporation of an environmental element into the Broad Economic Policy Guidelines (BEPGs), and their role in the EU SDS. BEPGs are directed principally to the Member States, and the report calls upon the Member States to adopt more market-based policy instruments. However, there is little discussion of EU-level action on economic instruments. The rest of the report is a rehearsal of principles and policy procedures. The Barcelona European Council noted that the report had been submitted, without making further comment on its content.

## 2.2 Case study of the Transport Council's integration strategy

### 2.2.1 Introduction

The Transport Council integration strategy, adopted in October 1999<sup>6</sup>, implicitly acknowledged the limited success of integration attempts to date, which had been largely confined to reducing polluting emissions from new vehicles, stating that the 'indefinite continuation of current trends in the growth of private and commercial road transport and aviation is unsustainable in relation to environmental impacts'. Accordingly, it recognised the need for packages of policy measures to influence transport demand and travel behaviour. It was also unusual amongst the original strategies in that it gave a brief but fairly comprehensive indication of the various environmental problems caused by transport.

However, like other strategies it has been less active in proposing concrete action, although there is some progress on issues such as targets, and a recent conference addressed questions of best practice in strategic integration mechanisms in EU transport policy.

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<sup>6</sup> Council strategy on the integration of environment and sustainable development into the transport policy submitted by the 'Transport' Council to the European Council of Helsinki, 6 October 1999, Luxembourg

By contrast, the Commission continues to propose a range of transport-related measures. Some of these appear consistent with the Council's priorities, and others less so. More generally there are signs of divergent approaches between Commission and Council in relation to transport integration, as described below.

Effective integration requires greater cooperation between the Commission, Council and Parliament, but the Cardiff strategies are not necessarily effective, or even helpful, in delivering this. A better coordination method is needed.

### 2.2.2 The Transport White Paper

In 2001, in parallel to the development of the Cardiff strategy, the Commission developed a White Paper on the Common Transport Policy (CTP), as part of the regular updating cycle. However, drafts of the White Paper were criticised on the grounds that they paid insufficient attention to the full range of environmental considerations; that they did not address the 'decoupling' of transport demand from economic growth which was called for at the Göteborg Summit; and that they placed undue reliance on supply side policies to promote modal shift to rail and water transport. Perhaps because of this, in July a draft was 'called in' by Commission President Prodi, who wished to ensure that the policy would support the goals of the EU SDS. The result of this unusual procedure was the publication of a set of 'policy guidelines' which included a reinforced section on 'the need for integration of transport in sustainable development' with a stronger environmental dimension and a requirement to 'consider the option' of gradually decoupling transport from economic growth.

The White Paper was published in September, but still did not contain a clear statement of the problems to be addressed (including no significant reference to the TERM indicators); and it did not fully address decoupling of transport demand from economic growth, an issue which had been raised in Council Conclusions.

The current process of policy formulation, with separate and possibly contradictory priorities in the Council and the Commission, is not conducive to effective integration and does not match up to the requirements of good governance.

### 2.2.3 Recent Council Conclusions on the transport integration strategy

The Transport Council Resolution on the Cardiff strategy during the Swedish Presidency of 2001 stated that a further Cardiff review would be undertaken during the Danish Presidency. Accordingly a quite progressive and ambitious draft text was circulated by the Danish administration for comment during the summer of 2002. However, many of the elements calling for further progress were later deleted, reportedly on the advice of the Council's legal services. It remains unclear why a non-binding text should have presented so many legal problems, particularly with apparently inoffensive and uncontroversial references to Articles 2 and 6 of the Treaty, for example.

A number of Member States were nonetheless keen to proceed and would have been unhappy to see a statement postponed or abandoned, as the Transport Council has thus far met all the main timelines imposed by itself or

the Summits. However, a successful outcome appeared far from certain, as prolonged negotiations would have competed for the time available in the Transport Council Working Group with Denmark's substantive legislative priorities.

In the event a new set of Conclusions was agreed at the Council meeting of 5-6 December, with a number of the more important elements of the early draft restored. In particular, the Göteborg Summit's wording on a 'significant decoupling' of transport and GDP growth is restated, along with the environmental priorities (greenhouse gas emissions, particulates and unregulated pollutants, and noise) set out at that time. It includes a strong statement on the need for impact assessments of all major proposals, and follows precedent in referring positively to the latest TERM report, quoting its challenging conclusions that transport is becoming less sustainable rather than more, and that integration efforts need to be redoubled. At a late stage, an additional paragraph was added, welcoming the Commission's ongoing work on a framework for fair and efficient pricing, environmental targets, modal shift and measures to safeguard the future of the TERM indicators – apparently reflecting concerns over progress, in that the first two of these items were expected during the Danish Presidency, but have been delayed.

Thus a positive result has been achieved. Reflecting on this experience, there is generally an expectation in reviewing progress on the transport strategy (as perhaps in any other policy development process) that policy will develop in a fairly linear way, with each stage building upon and elaborating upon what has previously been agreed. However, compared with the Commission, for example, the Council does not have a particularly strong or reliable 'institutional memory'; and under the rotating Presidency system, this 'memory' is not necessarily very consistent, either. A further point is that the political composition of the Council also changes over time, and this will continue or even accelerate in the future. In an enlarged EU, there will on average be a general election every two to three months – ie probably more frequently than Environment Council meetings or Summits.

Given the nature of a Council formation, it may in fact be misleading to view strategy development as a linear or rational development process over time, and a different frame of reference may be needed.

#### 2.2.4 Distinctive elements: the TERM reporting mechanism

A distinctive element of the transport Strategy was its early adoption of a system of indicators under the framework of the TERM (Transport and Environment Reporting Mechanism) project. This was promoted by the European Environment Agency (EEA), working closely with the Commission, Eurostat and others. The first annual update of this was published in 2001<sup>7</sup>, and the second was published in December 2002<sup>8</sup>.

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<sup>7</sup> EEA, 2001, *TERM 2001: Indicators tracking transport and environment integration in the EU*, European Environment Agency, Copenhagen, Denmark

<sup>8</sup> EEA, 2002, *TERM 2002 - Paving the way for EU enlargement - Indicators of transport and environment integration*, Environmental issue report No 32, European Environment Agency, Copenhagen, Denmark

TERM benefited from the outset from a clear political mandate of support from the Council; and it has been at least mentioned in most or all of the relevant Council Resolutions or Conclusions since that time. Concerted attempts are also in hand to ensure that adequate resources and a sound institutional basis are established. A Working Group of the Joint Expert Group (JEG - see below) addressed this issue, although permanent links between the JEG and TERM have not been established (eg through EEA involvement in the JEG).

From the outset, the EEA consulted widely and sought to take a well-structured approach to identifying indicators in the framework of its DPSIR concept. Indicators were also grouped around a set of key 'policy questions' covering, for example, environmental performance, transport demand and supply. Within this, the development process also sought to begin by setting out the scope and criteria, then identifying an ideal set of indicators and establishing how or to what extent they might be developed. This is in contrast to the much less ambitious approach of beginning from the available statistics and seeking to turn these into an indicator set – as has been done in some other sectors.

There is a wide range of good and bad practice in the development of sectoral indicators, and TERM sets a good model, in terms of process as well as content. Even at this stage, the TERM model could usefully be applied in other sectors – and indeed in the sustainable development indicators discussed below.

However, neither the Council nor the Commission has sought to capitalise on TERM in developing structural indicators for the Commission's annual synthesis report to the Spring European Council. Indeed, in the course of the CTP White Paper, TERM receives only one passing mention in a footnote.

Owing to the piecemeal development of sectoral indicators and of the structural SD indicators, there is an obvious lack of consistency in form, coverage, content and quality between the various indicator sets which should be addressed.

The Danish government has historically been particularly supportive of TERM. Ideally it should therefore take advantage of its Presidency and the upcoming Resolution to make more explicit the potentially important role of TERM within the Cardiff strategy, the CTP and the SDS.

### 2.2.5 Distinctive elements: the Joint Expert Group on Transport

Work on the Transport strategy has been supported throughout by a Joint Expert Group (JEG) on Transport and Environment, consisting of one transport and one environment expert from each EU Member State and the other members of the European Economic Area. The existence of such a group itself marks transport out from other sectors in the integration process. In September 2000, the JEG produced a strategic review of transport and environment policy<sup>9</sup> applying a systematic approach to operationalising the concept of 'environmentally sustainable transport', addressing the various

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<sup>9</sup> *Recommendations for actions towards sustainable transport: a strategy review*, Joint Expert Group, Brussels.

policy measures available. Various other reports have been produced, including one on use of objectives and targets in the sector.

One area of particular interest is that it has already commissioned research on the transport integration aspects of EU Enlargement, and has established a Working Group to address this issue. Representatives of several candidate countries already participate in the Group, which is considering a broad range of issues surrounding Enlargement. In this the JEG appears to be very well advanced in comparison to many other EU committees and working groups, which have not yet taken the opportunity (or in many cases had the possibility) to integrate candidate countries to such an extent.

The particular nature of the JEG has allowed it to take a forward-looking position on Enlargement, not only in its work programme but also in the composition of the Group itself, and this may present a model which others could follow.

The Resolution of 2001 in particular included explicit recognition of the complementary role of the JEG in supporting the Commission. The group is chaired in rotation by DGs Tren and Environment. Its members are as far as possible selected on an *ad hominem* expert basis, and in principle attend as independent experts rather than proponents of their own government's positions on given issues. As an informal group it does not have voting mechanisms, and its reports reflect a consensus, but not necessarily the unanimous view of its membership.

The informal nature and working style of the JEG has its strengths and has produced some useful results. The format appears to have been particularly productive in bringing together experts from different countries, and different departments, on a regular basis and for a clear purpose. It appears to have been instrumental in building a greater degree of trust between sometimes-distant departments, and between the Commission and Member States in particular. This role may now be renewed in the context of Enlargement.

However, its indeterminate status means that there is no clear ownership of or responsibility for its outputs in either the Commission or the Council. Thus progress based on its recommendations is likely at best to be rather *ad hoc*, and to depend heavily on the extent to which they are already compatible with the views of either of the institutions.



# 3 Defining the contents of integration strategies

## 3.1 Overview and structure of strategy content

The Cardiff European Council called for the inclusion of targets, timetables, indicators and regular monitoring and reporting procedures in sectoral integration strategies. These were to be defined by the Councils themselves, which were also given broad discretion to set their own integration objectives and options for achieving them. The Finnish Presidency in December 1999 took this list slightly further, by suggesting the following as a contents list for a strategy:

1. An analysis of the situation (state of the environment, problems and trends)
2. Objectives and targets (not necessarily quantitative)
3. Actions and measures (Community level – national level only as necessary)
4. Timetables for measures
5. Actors (as necessary, cf (3))
6. Indicators
7. Monitoring and review

More recently, a Danish Presidency discussion paper has also sought to give a clearer form to some elements of strategy content, such as a checklist of environmental impacts to be considered, and a requirement to consider whether the strategies taken together cover all relevant environmental objectives.

However, some of the tasks assigned by the Cardiff and subsequent summits to the Councils themselves would, with the benefit of hindsight, now be more appropriately undertaken by other institutions. For example, an analysis of the state of the environment and pressures upon it might usefully be supplied by the EEA, and could often be derived from its existing publications; yet all the strategies have thus far had little or no recourse to the EEA's materials. Issues of coordination and framework-setting are discussed further in the next chapter, regarding procedural and institutional aspects of policymaking.

## 3.2 Approaches and competences

There is also a need for greater differentiation between the Councils as regards the scale of their contributions to environmental integration. Community competence differs significantly in degree between different policy areas, such that some strategies – particularly in relation to transport or health, for example – have to reflect very limited or scattered areas of Community competence, while in others – such as agriculture and fisheries – Community policies are far more wide-ranging and (potentially at least) coherent.

At the same time, in all areas there remain (and will remain) significant degrees of national discretion in relation to the mode of implementation, and sometimes as a result, the overall effectiveness of Community policies. There are inevitably interactions between policies and measures applied at all levels of government, and it must weaken the effectiveness of the Cardiff approach if these are ignored.

Clearly the focus of Cardiff should remain with Community policy, and hence the Finnish list above refers to measures at national level 'only as necessary'. The key here, however, is to consider what national measures it is 'necessary' to include; as in many cases it seems clear that it will be necessary to address certain national measures as well as Community measures if seeking a path to genuine sustainability.

Having identified such measures, it would enhance the effectiveness of the Cardiff approach if Council formations could begin to develop guidance on some of the more important areas of national policy, at least insofar as these have a bearing on the effectiveness of Community policies. These in turn could be applied through a process of peer review, perhaps utilising some elements of the Open Method of Coordination.

### 3.3 Existing commitments

As regards the contents of Cardiff strategies, a minimum requirement should be to respond to relevant existing commitments in the 6EAP, the EU SDS and the Johannesburg Plan of Implementation, and to set out options for achieving them. These commitments need to be brought together in an overarching EU environmental road-map.

Annex II sets out these commitments as they apply to each Council formation, and could form a basis for such a road-map. Putting agreed commitments into a formalised framework such as this would be an important step forward for the Cardiff strategies, as it would not only give them a broader relevance, but would also help to counter the problem of the limited 'institutional memory' of Councils, as discussed in Chapter 2.

The same approach could also be applied to the Council's own self-commitments, either within the Cardiff strategies or elsewhere (eg in other Council Conclusions or Resolutions). It is noteworthy that the Joint Expert Group has already undertaken this process for the Transport Council, and has adopted the self-appointed task of monitoring progress towards Council self-commitments from the strategy.

### 3.4 Looking ahead

As well as systematising existing commitments, it would now be helpful for Council formations to take a more proactive approach to the upcoming Thematic Strategies under the 6EAP. Thematic Strategies represent a new approach to policy development in relation to a number of cross-sectoral themes. Ideally they bring together all relevant directorates-general and stakeholders, and consider a range of options and policy instruments for addressing them. As such, they represent a parallel approach to environmental



integration to that represented by the Cardiff process, which has had a more sectoral orientation. In view of the future importance of Thematic Strategies, Annex III assesses the contribution of the European Climate Change Programme (ECCP) - not itself a Thematic Strategy, but a prototype on which the 6EAP strategies are likely to be modelled.

Councils need to acknowledge the importance of this new policy process, and begin to propose future actions, or at least areas of priority for action, that would contribute to their own objectives within the framework of the Strategies.

As a first step towards this approach, Table 3.1 below sets out an interpretation of the intersection between the areas of competence of the various Council formations, and the likely coverage of the various Strategies. This illustrates that there are some particularly strong areas of overlap for some Council formations, and this could therefore act as a first step to help indicate the most important priorities for the Council in its approach to the Thematic Strategies.

Table 3.1 Potential input of Councils to 6EAP Thematic Strategies

		Thematic Strategies						
Full Council Title	Breakdown	Soil	Pesticides	Marine	Air	Waste Recycling	Natural Resources	Urban Environment
General Affairs and External Relations	General Affairs	○	○	○	○	○	○	○
	External Affairs		⊙	⊙	⊙	⊙	⊙	
	Development	●	●	●	●	●	●	●
Economic and Financial Affairs			⊙		⊙	⊙	⊙	
Justice and Home Affairs		⊙			⊙		⊙	
Employment, Social Policy, Health and Consumer Affairs	Empl and Soc Policy			⊙				⊙
	Health		⊙	⊙	⊙			⊙
	Consumer		⊙	⊙		●	●	
Competitiveness	Internal Markets		⊙			●	●	
	Industry		⊙	⊙	●	●	●	⊙
	Research	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Transport, Telecommunication and Energy	Transport			⊙	●	⊙	⊙	●
	Telecommunication					⊙		⊙
	Energy			⊙	●	⊙	⊙	⊙
Agriculture and Fisheries	Agriculture	●	●	⊙	⊙		●	
	Fisheries			●			●	
Environment		●	●	●	●	●	●	●
Education, Youth and Culture	Education/Youth					⊙	⊙	⊙
	Culture							⊙

Key

- ⊙ Some relevance
- Highly relevant
- Overview function

### 3.5 Monitoring and reporting

As noted elsewhere in this report, different sectors have taken differing approaches to indicator development, with mixed results. Some have begun from a broad overview of what would ideally be required to illuminate the key policy questions for the sector, while others are rooted firmly in the currently available statistics. Some reflect indicator development and production processes which are already well established, either within the EU institutions or elsewhere, while others have a less strong institutional footing. And those Council formations that have not developed any integration indicators should be encouraged to do so.

However, given the prominence which the structural SD indicators have now taken on within the framework of the EU SDS and the Spring reviews, it can be argued that there is now a need for a more consistent and structured approach within the Council formations. Better coordination of integration indicators into an overall framework is needed in at least three distinct dimensions:

- Incorporation of policy integration indicators into overall environmental performance indicator sets;
- Linkages between environmental, social and economic indicators at Council/sectoral level to provide SD indicator sets;
- Linkages between Council/sectoral level indicator sets and the overall structural indicators, to form a coherent hierarchy of indicators to evaluate SD at both sectoral and strategic/cross-cutting levels.

With these requirements in mind, it seems clear that appropriate integration indicators should be determined with much more central input to the framework by the Commission, the European Environment Agency and/or the GAERC.

The monitoring of progress against these indicators is also a task that might better be allocated to the institutions listed above. As a basis for such an evaluation, each Council formation might be required to report annually to the GAERC on its contribution to environmental integration. The report should not only address changes in the indicators themselves, but could also be made more forward-looking by discussing all impact assessments undertaken by the Commission in policy areas falling within a Council formation's responsibility; how relevant commitments in the 6EAP and other programmes have been taken into account; and what contribution the Council itself has made to assessing the various outcomes identified. In this context, it is noteworthy that the recent Transport Council Resolution contains strong wording on impact assessments, envisaging that major proposals will in future not be considered without a proportionate level of impact assessment except in very exceptional circumstances; and this may provide a model which other Council formations might follow.

### 3.6 Coordination of best practice

While it is important to maintain the benefits of 'learning by doing' in the various Council strategies, the changes in the policy and institutional context outlined below now mean that there is a need for greater central guidance and co-ordination in relation to the contents of individual Council strategies.

Indeed, there is arguably now scope to bring together the collective learning from nine Council formations over a period of up to four years of Cardiff strategies. Based on existing analyses of the process, the GAERC (perhaps with the help of the Commission and the Environment Council) could now distil best practice from each Council formation, and propagate this more systematically across the Council as a whole, setting benchmarks and guidance for each of the main elements of the strategy content as set out above.

More generally, issues of coordination and institutional architecture are taken up in the chapters which follow.



# 4 Steps towards a stronger cardiff process

## 4.1 Introduction

There are strong arguments in favour of strengthening the Cardiff process as an initiative specifically directed at the Council, with a clear focus on environmental policy integration as required by Article 6 of the Treaty. Indeed, the Göteborg European Council in June 2001 called upon the different formations of the Council to 'finalise and further develop' their sectoral strategies. The discussion in Chapter 2 of this report indicates that there is some way to go before this process is completed, and evidence from the 'first wave' Councils indicates that there would be considerable benefits in allowing sufficient time for the process to mature in respect of those Councils which have become involved at a later stage.

Moreover, the Conclusions of the Environment Council of 17 October 2002 call for the reinforcement of the Cardiff process, and invite those formations of the Council so far left out (covering education, health, consumer affairs, tourism, research, employment and social policies) to produce their own strategies. Each Council formation is asked to give an account of its integration achievements to the Spring European Council every two years – ie a separate cycle from the annual review of the EU SDS.

However, it is clear that a number of steps need to be taken to make the Cardiff process more effective. These include

- The more systematic involvement of the Commission in the development, monitoring and review of environmental integration strategies;
- Better guidance and co-ordination to individual Councils through the development of an overarching environmental 'road-map' reflecting existing EU and international commitments that should be reflected in Council strategies; and a stronger co-ordinating role for the General Affairs and External Relations Council (GAERC);
- A stronger environmental input into the development and review of the EU SDS;
- Improved co-ordination between, on the one hand, the Cardiff process and the EU SDS, and, on the other, the wider strategic planning and programming cycles within the Commission and the Council.

These steps, which are discussed below and in chapters 5-7, are not mutually exclusive. Rather they form a set of building blocks that together would produce a more integrated architecture for policy development within the EU that would fully reflect the needs of environmental integration.

## 4.2 Greater Commission involvement, and improved guidance and co-ordination

It is difficult to see how the development of environmental integration strategies can remain the responsibility of the Council alone, when the Commission is itself engaged in major mid-term strategic reviews of key sectoral policies with major environmental implications, such as the common agricultural policy, the common fisheries policy and the Structural Funds. Moreover, the Commission is the only EU institution with the resources and established procedures for the consultation of stakeholders to undertake proper strategy development. The Commission is also increasingly concerned about its right of initiative.

An important initial contribution from the Commission might be to compile an overarching EU environmental road-map to provide a framework within which individual Council strategies could be developed. This would be based on agreed EU and international environmental programmes, and is discussed further in section 5.2 below.

The absence of an effective mechanism for steering, co-ordinating and standardising the integration strategies of individual Councils has been one of the major weaknesses of the Cardiff process to date. However, the reforms to the Council agreed in June 2002 at the Seville European Council now provide an opportunity to address this (see Ch.6). Potentially, this could provide a powerful instrument for ensuring that environmental considerations are addressed regularly and systematically by all Council formations.

## 4.3 Integrating Cardiff into the EU Sustainable Development Strategy

When the Cardiff process was launched, the EU had no sustainable development strategy. However, there is now an established mechanism for the annual steering and review of SD-related policies at the highest level, by the Spring European Council. As the Commission has noted: ‘The Spring European Council is a defining moment in the annual policy co-ordination cycle’<sup>10</sup>. The legitimacy and importance of the EU SDS has been boosted by the Johannesburg World Summit on Sustainable Development (WSSD), and its associated Plan of Implementation.

Following the reforms to the European Council agreed at the Seville summit in June 2002 – particularly the streamlining of its agendas – it seems unrealistic to expect EU Heads of Government to devote regular attention to the details of individual sectoral environmental integration strategies, at the same time as they review progress in relation to the EU SDS. It is important, therefore, that priorities for environmental integration are reflected in the development and review of the EU SDS as one tool to implement environmental commitments.

However, the EU SDS is a relatively new mechanism and exhibits a number of institutional weaknesses. Managing policies to advance sustainable development poses real problems for any system of government. This is because SD is *par excellence* a cross-cutting issue which involves the integration and co-ordination of economic, environmental, and social policies,

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<sup>10</sup> European Commission, *Communication on Streamlining the Annual Economic and Employment Policy Co-ordination Cycles*, COM (2002) 487, 3.9.2002, p4.

and at different levels of government. It also cuts across both domestic and external affairs. In the EU, there is no Treaty guidance on how to handle the development of a sustainable development strategy. There is therefore a lack of clarity concerning the respective roles of the Commission and Council in relation to the EU SDS, the role of the European Parliament; and which Council formation (particularly post-Seville) and which Commission directorate-general should have primary responsibility for steering the EU SDS.

More specifically, there are major conceptual difficulties with the mechanism chosen to develop the EU's SDS – that is, the extension of the existing Lisbon process for the development and co-ordination of economic and employment-related policies respectively. These difficulties arise because the Lisbon process is based upon the 'Open Method of Co-ordination' (OMC) – a Treaty-based mechanism for the co-ordination of the policies of *Member States* in policy areas where Community competence is rather limited. Box 2 sets out the essential features of OMC:

Box 2: Features of the Open Method of co-ordination

- co-ordination of multiple levels of government;
- recognition of the need for diversity between Member States;
- benchmarking, and the sharing of information and good practice;
- structured - but generally unsanctioned - policy guidance from the Commission and Council;
- development of National Action Plans by Member States;
- regular reporting from Member States to the Commission; and from the Council and the Commission to EU summits;
- a high level of political authority derived from supervision by the European Council.

By contrast, the EU's competence over environment policy is extensive - albeit shared with Member States – and the environmental *acquis* is well developed. Accordingly, there is no Treaty provision for OMC to operate with respect to environment policy, and therefore no regular cycle for policy reporting and co-ordination.

The consequence of this is that there is an inherent danger in seeking to extend the Lisbon Process that the Commission's policy recommendations to the Spring European Council (expressed in the annual synthesis report) will focus principally on economic, employment and social priorities, to the neglect of the environment. This was a feature of the synthesis report for the Barcelona summit in March 2002. Moreover, the recent Communication from the Commission on streamlining the annual economic and employment policy co-ordination cycles<sup>11</sup> fails to refer to environmental policy at all. Therefore, the environmental dimension of the EU SDS needs to be strengthened through the introduction of reporting and guidance mechanisms parallel to those which already apply to economic and employment policies. A crucial difference, however, is that the principal focus in this case should be the activities of individual Councils rather than the policies of the Member States (see Ch 5).

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<sup>11</sup> *ibid*

#### 4.4 Integrating Cardiff and the EU SDS into strategic policy planning processes

Strengthening the environmental element of the EU SDS on its own would not be sufficient to advance environmental policy integration within the EU. A new reporting and co-ordination cycle for environment policy within the framework of the EU SDS would focus principally on *EU* policies – specifically those of sectoral Councils and the activities of their associated Commission directorates-general - rather than the policies of the Member States (as is the case with economic and employment policies). Thus, there is a need to ensure that future environmental priorities identified in the framework of the EU SDS are *at the same time* taken fully into account in the parallel cycles for strategic planning and programming, within both the Commission and the Council. How this might be done is discussed further in Chapters 6 and 7.



# 5 Strengthening the environmental element of the EU SDS

## 5.1 The EU SDS policy cycle

In considering options to strengthen the environmental dimension of the EU SDS, it is necessary first to consider the policy cycle under the Lisbon Process in relation to developing and reviewing economic and employment/social policies. This cycle consists of the following stages:

- The establishment of overarching strategies – the Stability and Growth Pact in the case of Member States’ economic and budgetary policies, and the European Employment Strategy in respect of labour market policies;
- Annual reporting to the Commission by Member States on their performance in relation to these strategies and associated guidelines;
- An assessment of Member States’ implementation by the relevant Commission directorates-general;
- The production by the Commission’s Secretariat-General of the annual synthesis report to the Spring European Council (the ‘Spring Report’), reviewing progress and making proposals for future action. It includes a review of a limited number of structural indicators (chosen by DG EcFin) covering economic, social/employment, and environmental trends. The draft of the synthesis report is developed from October- December each year, and is agreed by the Commission and published in January.
- The conclusions of the Spring European Council, taking into account the synthesis report and conclusions from relevant Councils;
- On the basis of these conclusions, the drafting by DG EcFin of the Broad Economic Policy Guidelines (BEPGs) and by DG Employment and Social Affairs of the Employment Guidelines that Member States should follow. These are then considered and endorsed by the appropriate Council. Guidelines are currently produced on an annual basis, although the Commission has recently proposed a three-year cycle<sup>12</sup>.

Although in principle the Spring Report should give as much attention to environment as to economic and employment policies, it has been argued above that the environmental input to the report has so far been limited. This is not surprising, as it can be seen from the foregoing that several steps in the above cycle do not apply to the environment or environment-related policies, and to redress the balance, the following ‘gaps’ need to be filled.

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<sup>12</sup> *ibid*, p6

## 5.2 An overarching EU environmental road map

The Sixth Environmental Action Programme (6EAP) sets a 10-year, legally-binding framework for the EU's environmental policy and its sectoral integration objectives.

It has now been supplemented by the relevant conclusions of the Göteborg European Council, and the environmental aspects of the Johannesburg Plan of Implementation. In the future, the 6EAP's seven Thematic Strategies will also produce programmes requiring action from a number of formations of the Council.

Annex II to this report pulls together these commitments, which together amount to an overarching environment strategy or 'road map' comparable with those addressing economic and employment policies. Chapter 3 also discusses some elements of the integration of these commitments into Council strategies. Taken together this would be a more appropriate and co-ordinated framework for environmental integration activities than the separate strategies produced thus far by sectoral Councils themselves under the current Cardiff process.

## 5.3 Further elements for integrating the environment into the SDS

### *Annual Council reports on performance*

As discussed above, the principal focus for reporting on environment-related policies should be the sectoral *Councils* rather than Member States (although in areas where the EU's environmental competence is limited – as in transport or spatial planning – consideration could also be given to establishing a system of reporting by Member States). These reports would review how far each Council had taken forward relevant commitments in the EU's overall environmental road-map. As an exercise focused on the Council, it would be appropriate for the exercise to be co-ordinated by the General Affairs and External Relations Council (GAERC), rather than by DG Environment.

### *Annual Implementation Report from DG Environment*

The annual reports from sectoral Councils, together with appropriate input from the European Environment Agency, could form the foundations for an annual report from DG Environment reviewing environmental performance. The report could highlight key issues and indicators to be addressed in the Spring report, and make recommendations in relation to sectoral integration. In this way, the report, which was explicitly called for by the December 2001 Environment Council, would 'balance' similar reports on economic and employment policies from DGs EcFin and Employment. The report could also inform the development by the GAERC of the triennial strategy for the Council and the annual operating programmes for each of its formations.

Unfortunately, it appears that DG Environment is not producing such a report for 2002, but this possibility should be considered for future years.

It is of key importance that an annual environment report appears sufficiently early to influence the choice of environmental indicators to be considered at the following Spring summit, and the wider content of the Spring report. In this context, it was unfortunate that the Commission's October 2002

Communication on Structural Indicators for the 2003 Spring Summit<sup>13</sup> was published the day *before* the Environment Council called for the inclusion of two new indicators of considerable environmental significance (relating to fisheries and nature protection). In the event the GAERC has lent its weight to suggested changes from the Environment Council and other formations, so the Commission may yet make some changes. This addition was also supported by the Ecofin Council and the Council responsible for Employment, Social Policy, Health and Consumer Affairs in their recent conclusions on structural indicators for the 2003 spring report.

#### *Guidelines to sectoral Councils*

On the basis of the conclusions of the Spring Council, DG Environment should produce draft integration guidelines for each relevant formation of the Council, by analogy to the economic and employment guidelines. These would be agreed by the Environment Council in June each year, and issued at the same time as the BEPGs and the Employment Guidelines.

#### *Greater Council involvement*

Given the significance of the synthesis report for the development of the EU's Sustainable Development Strategy, there is a need for greater involvement in its production by the other EU institutions. The European Parliament is proposing to examine the draft synthesis report in a debate each February, following a Resolution tabled on 27 February 2002 by Environment Committee chair Caroline Jackson.

Similarly, the GAERC should review and possibly amend the synthesis report before it is considered by the Spring Summit, so that it is no longer a document from the Commission alone. How this would work in practice should be addressed in the new Inter-institutional agreement currently being developed between the Commission, the Council and the Parliament.

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<sup>13</sup> European Commission, *Structural Indicators*, COM (2002) 555, 16.10.2002.



# 6 Integrating cardiff into new EU systems for strategic planning

## 6.1 Introduction

The advent of the Prodi Commission in January 2000 ushered in a period of major reforms to EU governance. In addition to the extension of the Lisbon process in 2001 to include the EU's Sustainable Development Strategy, the principal changes include:

- The reform of the Commission following the March 2000 White Paper<sup>14</sup>, and the introduction a new strategic planning and programming cycle for Commission activities<sup>15</sup>. The first Commission legislative and work programme (for 2003) to be developed under these new procedures was published in October 2002<sup>16</sup>.
- The Action Plan on better regulation<sup>17</sup>, and the introduction from autumn 2002 of a new, integrated impact assessment system for major Commission proposals<sup>18</sup>;
- At Council level, reforms introduced by the June 2002 Seville European Council to the operation of the Council and European Council.

Together, these amount to important changes to the EU's institutional landscape, which need to be taken into account in thinking about the future of Cardiff.

## 6.2 Strategic role of the General Affairs and External Relations Council

The new GAERC could make an important contribution in advancing the Cardiff process, from at least three perspectives:

- Its role in co-ordinating the activities of other sectoral Councils has been strengthened. At each of its meetings since Seville, the co-ordination of the work of other Councils has featured on its agenda;
- It is responsible for developing each December an annual operating programme for the Council (and by implication for each of its formations) for the following year, together with a three-yearly strategic programme;
- It has responsibility for setting the agenda and preparing for each meeting of the European Council.

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<sup>14</sup> European Commission, *Reforming the Commission: a White Paper Parts I and II*, COM (2000) 200, 1.3.2000.

<sup>15</sup> European Commission, *Implementing Activity-Based Management in the Commission*, SEC (2001) 1197, 25.7.2001.

<sup>16</sup> European Commission, *The Commission's Legislative and Work Programme for 2003*, COM (2002) 590, 30.10.2002.

<sup>17</sup> European Commission, *Action Plan for Simplifying and Improving the Regulatory Environment*, COM (2002) 278, 5.6.2002.

<sup>18</sup> European Commission, *Impact Assessment*, COM (2002) 276, 5.6.2002.

As discussed in Chapter 2, two of the weaknesses of the Cardiff process to date have been lack of adequate steering and guidance to sectoral Councils on the content of their integration strategies, and, since Göteborg, the lack of involvement of the European Council in providing strategic direction. Therefore there is a great potential for the new GAERC to strengthen the process of co-ordination and guidance in relation to the Cardiff process, provided it is encouraged to do so. As regards substantive policy issues, the GAERC will need to be supported by the Environment Council, in particular through its proposed guidelines and conclusions on sectoral integration agreed at its June and October meetings respectively.

At its meeting on 28 September 2002, the GAERC requested all formations of the Council to report by mid-November on how they proposed to respond to the commitments set out in the Johannesburg (WSSD) Programme of Implementation. Three Council formations have not yet responded. The Justice and Home Affairs, and the Education, Youth and Culture Councils did not discuss the subject during their October/November meetings, while the Employment and Social Affairs Council, and the Transport, Telecommunications and Energy Councils have promised responses in December. The response of Ecofin was short and expressed interest in the issue of changing unsustainable patterns of consumption and production, but made no proposals on how it might contribute to future EU work in this area. Similarly, the Agriculture and Fisheries Council noted that it would take into account the commitments of the Doha and Johannesburg conferences in the reform of the common agricultural and common fisheries policies, without specifying further details.

The GAERC's conclusions indicate that it proposes to be proactive in its strengthened co-ordination role. At its meeting in February 2003, the GAERC will itself set out the actions that all relevant formations of the Council should take in the light of Johannesburg and the Monterrey Conference on Financing for Development. An updated 'road map' on the follow-up to the Göteborg European Council will then be proposed for endorsement by the Spring European Council. This should then inform the development by the GAERC of the first three-year strategy for the Council.

### 6.3 Bringing together the work programmes of the Commission and Council

The mutual dependence of the Council and the Commission in advancing the integration strategies has been highlighted by experience so far - as has the danger that the respective priorities of the two institutions may nevertheless diverge (a possibility discussed in Chapter 1 in relation to the Transport Council's strategy). The Commission's work programme for 2003 - the first to be developed under the new system of strategic programming - makes no specific reference to taking forward the sectoral environmental integration strategies, referring instead to developing 'measures to ensure sustainability and coherence in and between a number of key internal and external policies...as well as effective follow-up to the Göteborg Conclusions'.

It is important that the Commission's annual work programme and the Council's annual operating programme are brought closer together. As the Commission itself remarks in its 2003 Work Programme: 'The Commission is determined to play its full part ... [in meeting the EU's major policy

challenges] ... but they will more than ever before require coherent and integrated implementation of agreed priorities by all EU institutions.”<sup>19</sup>

The preparation of the Commission's 2003 Work Programme included for the first time a ‘structured dialogue’ with the Council and the European Parliament over policy priorities. This is an important development which needs to be strengthened, and a High-Level Technical Working Group on Inter-institutional Co-operation is currently discussing the shape of a new Inter-institutional Agreement between the three institutions covering strategic planning and programming. The ultimate objective should be the production of one agreed work programme for all the institutions. Little will be gained if the GAERC succeeds in including environmental integration priorities in the annual operating programme of the Council, if these are subsequently ignored in the Commission's annual work programme.

#### 6.4 Impact assessments of Commission proposals

Another area where there is a need for greater collaboration between the Commission and Council is in the selection of those proposals in the Commission's work programme that are to be subject to the new, integrated impact assessment (IA) procedures. The Commission's June 2002 White Paper on impact assessment<sup>20</sup> made clear that the new system would seek to identify all the likely economic, social and environmental impacts of major proposals, in order to identify synergies and clarify the nature and extent of any unavoidable trade-offs. IA is an important tool for advancing environmental policy integration at a key, early stage in EU policy development.

Although the IA system will not come fully into effect until 2004, the Commission's 2003 work programme contains an unexpectedly large number of items (42) that are to be subject to an extended assessment during 2003. They include a number of proposals with important environmental implications such as the new Trans-European Network (TENs) guidelines; management plans for fish stocks; and the review of the CAP tobacco regime. The Commission's White Paper includes criteria for selecting proposals to be subject to an extended assessment. According to these criteria, some additional proposals should have been identified for assessment eg the post-2006 Structural Funds Regulations.

As part of the new Inter-institutional Agreement, the Council and Parliament should be given an equal role with the Commission in identifying where an extended IA is needed. Arrangements are also needed to ensure that the future impact of major amendments by the Council and Parliament are taken into account during the assessment process.

#### 6.5 Conclusions

The further development and effective implementation of sectoral environmental integration strategies needs to be considered not only within the framework of a strengthened EU Sustainable Development Strategy (as

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<sup>19</sup> European Commission, *The Commission's Legislative and Work Programme for 2003*, COM (2002) 590, 30.10.2002, p18.

<sup>20</sup> European Commission, *Impact Assessment*, COM (2002) 276, 5.6.2002.

discussed in Chapter 5), but also in the context of new EU procedures for strategic policy planning and programming within the Commission and the Council.

Priority needs to be given to the following steps:

- The reinforced role of the General Affairs and External Relations Council agreed at the Seville European Council in relation to the co-ordination of other Council formations should be made effective in practice. The GAERC should be encouraged to use its new role to strengthen the integration of environmental concerns in EU sectoral policies;
- In the development of the annual and triennial strategies for the Council, the GAERC should require separate contributions from all Council formations identifying in detail how they propose to take forward commitments following from the 6EAP, the Göteborg Conclusions, the Johannesburg Plan of Implementation, etc. The Environment Council should support the GAERC in assessing whether additional measures might be required from particular Council formations;
- Mechanisms and procedures for bringing more closely together the development and content of the Commission's Annual Work programme and the Council's annual operating programme should be developed in the framework of a new Inter-institutional Agreement between the Commission, Council and European Parliament;
- Both Commission and Council programmes and strategies should spell out the responsibilities of each directorate-general and Council formation for taking forward relevant environmental commitments;
- Also within this framework, the Council and European Parliament should be given an equal say with the Commission in identifying those Commission proposals to be subject to an extended Impact Assessment.



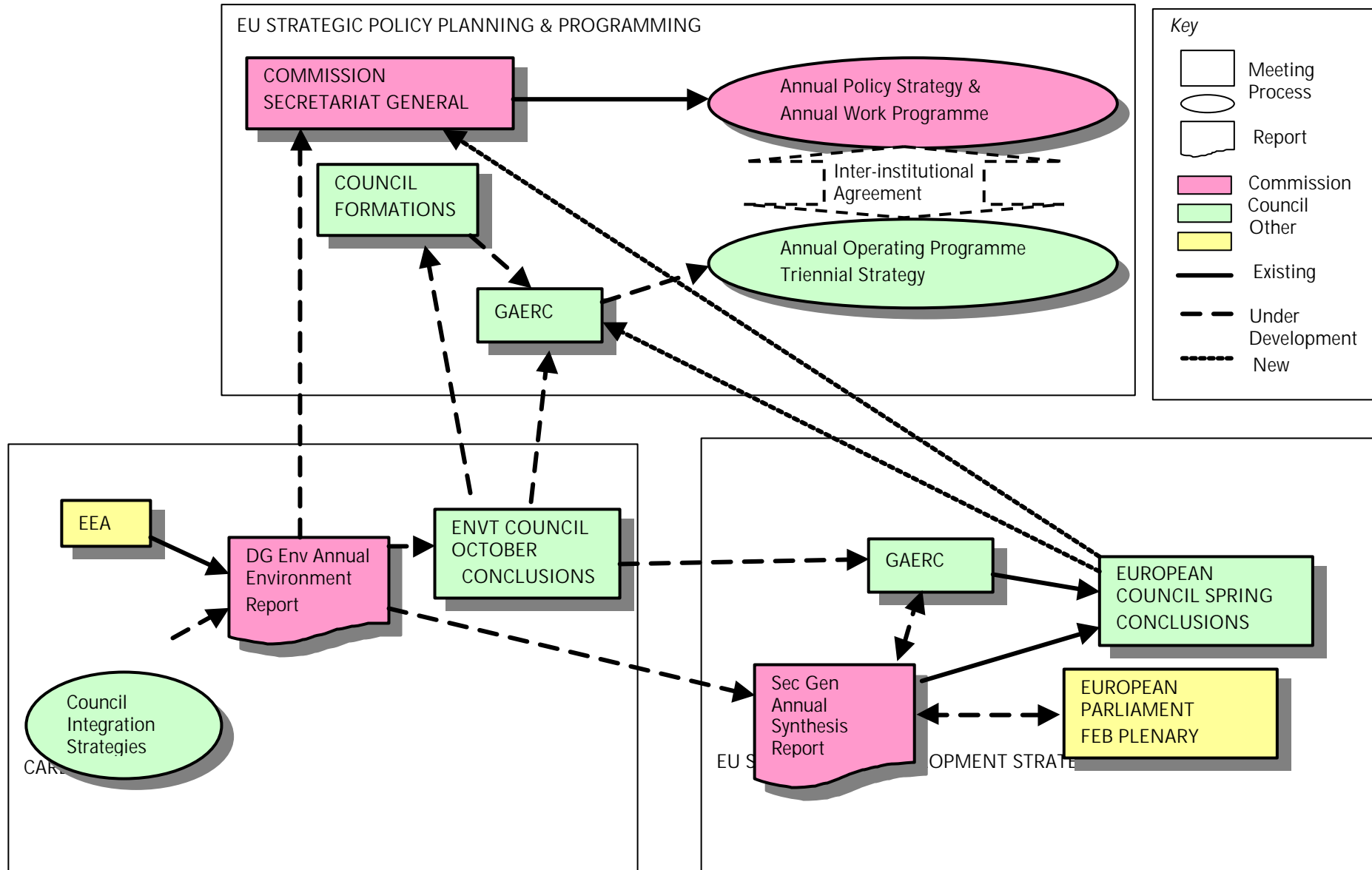
# 7 Bringing the pieces together

The discussion so far suggests that there are five essential ingredients to ensure that the Cardiff process is fully effective:

- The compilation of an overarching EU environmental road-map, on the basis of agreed EU and international environmental programmes. This should serve as a reference framework to set priorities for the integration strategies of individual Councils;
- A proactive approach by the General Affairs and External Relations Council (GAERC) to the co-ordination of cross-cutting aspects of the work of sectoral Councils, including taking forward the environmental integration requirement set out in Article 6;
- A strengthened environmental input into the annual review of the EU SDS by the Spring European Council;
- A bringing together of two strategic planning processes within the EU which are currently insufficiently co-ordinated: the regular strategic planning and programming cycles within the Commission and the Council; and the annual review of the EU SDS by the Spring European Council;
- A closer alignment of Commission and Council policy priorities as expressed in their respective planning cycles.

Each of these ingredients is necessary, but on their own, insufficient, to ensure that the Cardiff process is fully effective. Together, they constitute an ambitious agenda for reform, but each of the elements discussed in the previous chapters can be tackled step by step. How all the pieces fit together is illustrated diagrammatically in Figure 1 below.

Figure 1: Possible Interlinkages of Policy Activities



Many of the elements suggested in Figure 1 are already on the agenda of the EU institutions. In relation to the Spring Summits, the European Commission has acknowledged that the Lisbon process has developed in an *ad hoc* way, and that there is a need to streamline and synchronise policy co-ordination processes<sup>21</sup>. Commission President Prodi has also described the Commission's annual work programme for 2003 as 'a big step towards a more highly integrated and coherent planning process for the EU as a whole'<sup>22</sup>, and a new Inter-institutional Agreement is being developed to give this more substance.

Meanwhile, the GAERC has already begun its work of co-ordination by identifying priorities from the Johannesburg Programme of Implementation that sectoral Councils need to take forward<sup>23</sup>. The task ahead is to ensure that the needs of environmental policy integration are properly reflected in these various developments.

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<sup>21</sup> European Commission, *Communication on Streamlining the Annual Economic and Employment Policy Co-ordination Cycles*, COM (2002) 487, 3.9.2002.

<sup>22</sup> Speech 02/578 by President Prodi to the European Parliament, 20 November 2002.

<sup>23</sup> General Affairs and External Relations Council Conclusions, 18 November 2002.



## Annex 1: Conclusions from IEEP's follow-up evaluation, June 2001<sup>1</sup>

What follows reproduces IEEP's conclusions from its follow-up evaluation of the Cardiff strategies in mid-2001.

The initial IEEP report contained an evaluation of the content of the Cardiff strategies and the process for their development. It was clear that the nine strategies varied widely in tone and content, not least because they were at different stages of development. Nevertheless, a number of conclusions were drawn from the evaluations, as follows:

- none contained all of the elements that one might expect a 'strategy' to comprise;
- overall, some issues had been addressed much more fully than others;
- some aspects of strategy formulation were more fully developed than others;
- the strategies did not contain many specific measures which were 'new';
- there was considerable variation in approach and degree of adequacy between the Councils, and
- the first wave of strategies tended to score higher, but even this was not clear cut.

A number of conclusions were also drawn in relation to the strategy development process, as follows:

- the Council formations were poorly adapted to strategy formulation;
- interested Presidencies and 'helper' States played a vital role in all strategies;
- the involvement of the Commission varied greatly, but was crucial in some cases;
- the European Parliament had not engaged with the Cardiff Process; and
- stakeholder participation had been extremely limited.

This follow-up evaluation provides an update on progress since December 2000, noting considerable developments across the board and particularly in relation to GAC and fisheries, which began from a very low base. Addressing each of the points above in turn, there are however some distinctions and refinements which can now be made.

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<sup>1</sup> IEEP, *The Effectiveness of EU Council Integration Strategies and Options for carrying forward the Cardiff Process*. IEEP and Ecologic, London, 2001.

*No strategy contains all of the desirable elements*

This remains the case in spite of some useful progress set out above. In particular, problem formulation is at best vague, which necessarily limits the ability of a 'strategy' to address problems comprehensively. The 'global footprint' issue remains poorly addressed, even in the GAC strategy that is specifically directed towards the external dimension. No strategy has really got to grips with enlargement and few are even trying to do so, which is surprising in the light of the accession timetable.

*Some issues had been addressed much more fully than others*

Issue coverage has not improved greatly. Structural issues such as decoupling, and the relationship between environment and internal market, are still largely avoided.

*Some aspects of strategy formulation were more fully developed than others*

This is clearly the case. Good progress has been made on indicators, and in several cases, on ongoing monitoring and review arrangements. In contrast, the sensitive question of sectoral targets, for example, has been largely avoided.

*The strategies do not contain many specific measures which are 'new'*

For the present this conclusion holds good, but in several of the more advanced strategies there are now processes in motion which seem likely to result in new measures in the foreseeable future. In general a much stronger sense of an ongoing process is likely to reinforce this conclusion in the future.

*There is considerable variation in approach and degree of adequacy*

Substantial variations remain, which is perhaps not surprising or even undesirable. Recent developments have however filled some gaps, and led to a degree of convergence, for example in the nature of the Commission's participation.

*The first wave of strategies tend to score higher*

This remains valid. There has been important progress, especially in fisheries and GAC. By the same token, however, the 'first wave' Councils have all made substantial progress in some areas, so there is not yet an obvious 'catch-up' effect. Some elements of institutional learning (propagated by agencies such as Presidency initiatives, the role of the Commission and synthesis reports) may already have begun to address this point, however, and seem likely to do so in future.

*The Council formations are poorly adapted to strategy formulation*

This remains valid. However, the deficiencies of the Council structure have increasingly been remedied (at least for the present) by an active Presidency and a more coherent Commission input.

### *The Presidency and 'helper' States played a vital role in all strategies*

This has perhaps never been more valid than in the past year. The good level of progress is a tribute to the considerable preparation and effort of the Swedish government, and other ancillary activities engendered by the advent of the Göteborg Summit. This however places a great onus on the upcoming Danish Presidency in particular, and equally careful preparation for that event is desirable. This conclusion also raises some serious and as yet unresolved issues as to how Cardiff will fare beyond the end of 2002.

### *The involvement of the Commission*

This is one of the areas in which there appears to have been something of a sea change, with a generally better *modus operandi* appearing to emerge between Council and Commission.

### *The engagement of the European Parliament*

This too is an area in which remarkable progress has been made, at least in relation to the almost total lack of engagement beforehand. It nonetheless remains to be seen how sustained, comprehensive and effective the EP's role will be over time.

Stakeholder participation has been extremely limited

This remains broadly valid, and although participation has improved in some cases, this has been primarily through the good offices of agencies other than the Council itself. The Council remains institutionally inward-looking, and few formations have even paid lip-service to fuller participation in strategy development.

### *Overall conclusion*

Thus our basic assessment of the Cardiff Process still stands in most areas, but with a number of caveats which reflect real progress in some cases. Work on the different Council strategies is still incomplete and at very different stages in the process. While all Councils will have at least a first report by June 2001, few if any could be considered as having developed complete strategies. As against this, there is now a much clearer sense of an ongoing process which should engender further improvements over time.





## Annex II: Council commitments

Full Council Title	Economic and Financial Affairs	Environment	Education, Youth and Culture
6th Environmental Action Programme - 6EAP	CC: * Use of incentives; NR: *** Breaking the link between resource use and economic growth.	CC: Realisation by 2005 of demonstrable progress under Kyoto; ratification and entering into force of the Kyoto Protocol by 2002 and fulfilment of commitment of an 8% reduction in emissions by 2008-12; NR: Halt biodiversity decline with an aim to achieve this objective by 2010; H&Q: * * Aiming within one generation (2020) that chemicals are only produced and used in ways that do not lead to significant negative impacts on environment and health; NR: Meeting quantitative and qualitative targets by 2010, covering all relevant waste; NR: Developing quantitative and qualitative targets for waste by 2002; O: **** Establish a coherent set of environment targets to be promoted for adoption at the World Summit on Sustainable Development in 2002.	
6th Environmental Action Programme Thematic Strategies	S: Consider how to integrate soil protection onto Regional and Cohesion funding policies; NR: Doubling of wealth and halving of environmental impact.	S: Communication on 'Planning and Environment- the territorial dimension' by 2003; soil action programme to be proposed in 2004; Directive on soil monitoring to be developed. Discussions on what should be monitored to take place during 2003; P: ^A series of mandatory requirements within two years, covering eg. Management of pesticide packaging and unused products, regular inspection of machinery: ^all Member States to produce a hazard and risk reduction plans within two years (2004) of agreeing a new approach.	
Conclusions from Gothenburg	CC: Encourage the European Investment Bank to co-operate with the Commission on implementing EU climate change policy; T: "Decouple transport and GDP growth.	CC: Reaffirming of the commitments to deliver Kyoto targets and the realisation of demonstrable progress in achieving commitment by 2005 - see climate change under 6 EAP; NR: Halt biodiversity decline with an aim to achieve this objective by 2010; H&Q: The Commission intends to present proposals and these should be adopted by 2004, therefore ensuring that within a generation chemicals are only produced and used in ways that do not have a significant impact on health and the environment - see sustainable use of resources 6 EAP.	
Johannesburg Summit 2002	NR: Facilitate implementation of the Montreal Protocol by ensuring replenishment of its fund by 2003/2005; H&Q: EU to increase development assistance to more than 22 billion euros in the years to 2006.	H&Q: #Halve by the year 2015, the proportion of people without access to safe drinking water: ##aim, by 2020, to use and produce chemicals in ways that do not lead to significant adverse effects on human health and the environment; promote the ratification and implementation of relevant international instruments so that the Rotterdam Convention can enter into force by 2003 and the Stockholm Convention by 2004; encourage countries to implement the new globally harmonised system for classification and labelling of chemicals so as it is fully operational by 2008 with the development of a strategic approach for chemicals management by 2005; NR: Develop integrated water resources and management plans by 2005; achieve by 2010, a significant reduction in the current rate of loss of biological diversity.	H&Q: Ensure that by 2015 all children will be able to complete a full course of primary schooling and that girls and boys will have equal access to all levels of education
Biodiversity Strategy 1998 and Action Plans 2001	BS: Internalisation of biodiversity values in CBA; shifting incentives; and identifying indicators; BAPNR: Adequate financial support for Natura 2000; EC financed programmes to contain clear commitments to protecting biodiversity; evaluation of plans and programmes to integrate the environmental dimension into the Structural Funds programme and the assessment of its effects on biodiversity.	BS: Develop a system of indicators; identify and facilitate exchange of information, including CHM; implement the Habitats Directive, support Natura 2000 and provide financial and technical support; develop management plans for selected species; implement and adapt CITES; develop cooperation with Member States to enhance conservation and sustainable use of biodiversity outside protected areas; use the WFD ; enhance ecological function of land cover; protect and restore wetlands; promote better coordination between international initiatives, including identification of interactions between them; promote coastal zone management and planning; BAPF: promote measures to reduce environmental impact of aquaculture, ie under water framework directive, EIA Directive; BAPNR: Habitats and birds Directive - full transposition by 2002, adoption of standard EU reporting format by 2001, Community lists of sites by end 2002 and all forest types to be assessed as sufficiently represented by 2002; quality standards for products resulting from the treatment of sludge and biodegradable waste, and intended for application on soils by 2003; public awareness programme on the need to protect soil for biodiversity by 2005; develop instruments to enhance the conservation and sustainable use of biodiversity across the territory outside protected areas; implementation of EIA and SEA Directives, with particular attention to Structural Funds projects; revised guidelines for EIA; adoption and implementation of public access to environmental information and participation directives, and consider need for further Aarhus instruments; BAPNR: adoption of revised directive on monitoring, labelling and traceability GMOs by 2000; prevent or minimise the effects on biodiversity caused by release of GMOs; adaptation of CITES to reflect COP decisions; phase out ODS, and in particular methyl bromide in agriculture, by 2003; ratify and implement Cartagena Protocol as soon as possible; secure application of precautionary principle; assess need for proposals aimed at preventing the disappearance of greenfield sites in urban areas to preserve biodiversity; action plan including measures to clean up contaminated land affecting biodiversity, and a plan on how best to benefit biodiversity when reusing brownfield sites; consider developing register of urban contaminated sites; updating the list of alien invasive species under CITES regulation; develop international guidelines by the 6th COP (CBD).	BS: training, information and awareness raising on biodiversity; BAPF: Information, education and training on biodiversity.

Full Council Title	Employment, Social Policy, Health and Consumer Affairs		
Breakdown	Employment and Social Policy	Health	Consumer Affairs
6th Environmental Action Programme - 6EAP		H&Q: ** Aim by 2020 that chemicals are produced/used in ways that do not lead to negative impacts on health	
6th Environmental Action Programme Thematic Strategies			
Conclusions from Gothenburg			
Johannesburg Summit 2002		H&Q: ## Aim, by 2020, to use and produce chemicals in ways that do not lead to significant adverse effects on human health and the environment; NR: Reduce by 2015 infant mortality by two thirds and maternal mortality by three quarters; Improve health education to achieve improved health literacy by 2010; Reduce HIV prevalence among people aged between 15-24 by 25% globally by 2010.	
Biodiversity Strategy 1998 and Action Plans 2001		BAPNR: secure application of precautionary principle.	BAPNR: secure application of precautionary principle.

Full Council Title	Competitiveness		
Breakdown	Internal Markets	Industry	Research
6th Environmental Action Programme - 6EAP		H&Q: ** Aim by 2020 that chemicals are produced/used in ways that do not lead to negative impacts on health.	H&Q: ** Recognise the current gaps in chemicals knowledge on the properties, use, disposal and exposure that need to be overcome before the 2020 target can be achieved; O: Ensure regular information, from 2003 onwards, is available to provide the basis for policy decisions on environment and sustainable development, SDS, wider public. This will be supported by regular reports by the EEA.
6th Environmental Action Programme Thematic Strategies		P: ** All Member States to produce a hazard and risk reduction plans within two years (2004) of agreeing a new approach.	
Conclusions from Gothenburg			
Johannesburg Summit 2002		H&Q: ## Aim, by 2020, to use and produce chemicals in ways that do not lead to significant adverse effects on human health and the environment; NR: Develop community-based initiatives on sustainable tourism by 2004.	
Biodiversity Strategy 1998 and Action Plans 2001	BAPNR: secure application of precautionary principle.	BAPNR: Ecolabel award scheme to address biodiversity; secure application of precautionary principle.	BS: task and targets to be integrated into RTD programmes; BC: address research needs in 6RTD; BAPF: research on assessment methods, more selective and environmental fishing methods, and alternative management systems, including control and enforcement. Research to provide enhanced knowledge related to biodiversity; BAPDC: EC support to research efforts in developing countries.

Full Council Title	Transport, Telecommunication and Energy		
Breakdown	Transport	Telecommunication	Energy
6th Environmental Action Programme - 6EAP	CC: Identify specific actions to reduce greenhouse gas emissions from aviation by 2002; identify and undertake specific actions to reduce greenhouse gas emissions from marine shipping by 2003.		CC:* Encourage renewable energy sources to meet the indicative target of 12% of total energy use by 2010; increase Combined Heat and Power in the Community to 18% of the total gross electricity; NR: *** Indicative target of 22% of electricity production from renewable energies by 2010.
6th Environmental Action Programme Thematic Strategies			
Conclusions from Gothenburg	T: Revised guidelines for trans-European transport networks by 2003; * Commission to propose a framework to ensure that by 2004 the price of using different modes of transport better reflects costs to society.		CC: Reaffirm commitment to increase the use of renewable energy sources for electricity production by 22% by 2010 – see sustainable use of natural resources under 6 EAP.
Johannesburg Summit 2002			
Biodiversity Strategy 1998 and Action Plans 2001	BS: minimise impacts of transport infrastructure.		BS: minimise the impact on biodiversity of infrastructures for energy from conventional and renewable sources; implement acidification and climate change strategies with a view to minimise negative impacts on biodiversity; assess best options for biodiversity when deciding on energy sources to meet regional demands.

Full Council Title	General Affairs and External Relations		
Breakdown	General Affairs	External Affairs	Development
6th Environmental Action Programme - 6EAP			O: **** Establish a coherent set of development targets to be promoted for adoption at the World Summit on Sustainable Development in 2002.
6th Environmental Action Programme Thematic Strategies			
Conclusions from Gothenburg			
Johannesburg Summit 2002			H&Q: Halve, by 2015, the proportion of the world's people whose income is less than \$1 per day and proportion of people who suffer from hunger; by 2020, achieve a significant improvement in the lives of at least 100 million slum dwellers; #halve by the year 2015 the proportion of people without access to safe drinking water and basic sanitation; NR: Improve access by developing countries to alternatives to ozone depleting substances by 2010.
Biodiversity Strategy 1998 and Action Plans 2001		BS: Promote trade-related agricultural policies and disciplines respecting conservation and sustainable use, and WTO principles; BAPNR: Habitats and birds Directives - technical adaptation to annexes for candidate countries; BAPDC: support national and international initiatives to add value to biodiversity through market access, incentives, 'global benefits' trading, international standards for regulation of trade, and certification systems and related labelling schemes; secure application of precautionary principle.	BS: avoid aquaculture practices that may affect habitats conservation; BAPDC: Active participation in Biodiversity in Development Expert Group to harmonise policies, reporting and improve information sharing; support for capacity building; develop clear policies to maintain stocks of domesticated plant and animal species; support access to rural users to gene banks; EC support for rural development programmes to focus on array of habitats and species, to make use of IUCN sustainable development categories, and to incorporate ecosystem approach into cooperation; capacity building for national and local institutions to carry out EIA and SEA; new methods for data gathering and sharing; research into indicators and 5-yearly reviews of policy, programme and project documents.

Full Council Title	Agriculture and Fisheries	
Breakdown	Agriculture	Fisheries
6th Environmental Action Programme - 6EAP		NR: Promote greater integration of environmental information into the CFP during its review in 2002.
6th Environmental Action Programme Thematic Strategies	P: ^To support mandatory requirements reports on import/export quantities, pesticide usage applied per crop and area and time of application will be required; ^a series of mandatory requirements within two years, covering education and training for those who use pesticides; S: Discussion of integration of soil protection into existing and future policy as part of the mid term review.	
Conclusions from Gothenburg		NR: Common Fisheries Policy review to be completed in 2002.
Johannesburg Summit 2002		NR: Where possible by 2015 maintain and restore depleted fish stocks with the establishment of marine protected areas being set up by 2012; encourage by 2010 the application of the ecosystem approach to sustainable development of oceans.
Biodiversity Strategy 1998 and Action Plans 2001	BS: policies, programmes and projects to promote plant genetic resources Global Plan of Action; promote development of technologies to assess levels of diversity; reinforce policy of in and ex situ conservation of genetic resources; support the development of gene banks and ensure legislation does not obstruct genetic resource conservation; further develop forestry Regulation 2080/92; promote sustainable forestry development, and the development of appraisal systems and methods for evaluating the impact of management techniques on biodiversity; encourage ecological function of rural areas; promote good agricultural practice standards; increase awareness of polluting potential of agricultural practices; promote and ensure the viability of crop species and domestic races; promote and support low-intensity farming systems in high natural value areas; further develop agri-environment measures; BC: Identification of indicators; BAPNR: indicators by 2003 to enhance the conservation and sustainable use of biodiversity across the territory outside protected areas; BAPA: integrate biodiversity objectives into relevant provisions of the CAP.	BAPNR: indicators to enhance the conservation and sustainable use of biodiversity across the territory outside protected areas; secure application of precautionary principle; BAPF: reduce pressure on commercially exploited stocks: review of basic regulation (3760/92) and secondary acts; more ambitious targets for reduction of overcapacity and effort in fishing fleet (Decision 97/413 and FIFG Regulation 2792/1999); effort linked to management plans; flanking technical measures to protect juveniles and spawning stock; reduce impact on non-target species and habitats: more selective gears, fishing closures and definition of best fishing practice; research: framework for data collection and management of such data in support of the CFP.

Key to Thematic Areas			
NR: Natural Resources	BS: 1998 Biodiversity Strategy	BAPNR: Biodiversity Action Plan - Natural Resources	BAPF: Biodiversity Action Plan - Fisheries
S: Soils			
T: Transport			
P: Pesticides	BAPC: Biodiversity Action Plan - Chapeau	BAPA: Biodiversity Action Plan - Agriculture	BAPDC: Biodiversity Action Plan - Development Cooperation
CC: Climate Change			
O: Other			
H&Q: Health and Quality of Life			
* or ^ or " indicates when an aim applies to several Council formations			

# ANNEX III The European Climate Change Programme

## III.1 Introduction

The Vienna and Cologne European Councils in December 1998 and June 1999 respectively stressed that cross-sectoral issues such as climate change should be addressed by sectoral Councils in their Cardiff strategies. The Cologne summit made particular reference in this regard to the Transport, Energy and Ecofin Councils.

However, in the absence of an effective mechanism for the mutual co-ordination of the Cardiff strategies, and of resources to enable Councils to undertake a scientific analysis of what they might each be able to contribute to GHG reductions, the response has been quite limited. Instead, the main forum for advancing the EU's climate change policy has been the European Climate Change Programme (ECCP). This was led by the Commission rather than the Council - the Steering Group being chaired by DG Environment. It involved all relevant DGs; and included Member State and stakeholder representatives. Detailed work was undertaken in a series of working groups, chaired by the appropriate Commission DG.

Together with the CAFE (Clean Air for Europe) programme, the ECCP could be considered to represent a new approach to the development of policy where cross-sectoral and integration issues feature strongly. It is also likely to provide a model for at least some of the forthcoming 6EAP Thematic Strategies. However, the experience to date with the ECCP raises some questions of its own which are set out below.

## III.2 Background to the ECCP

The European Climate Change Programme (ECCP) was launched by the European Commission in a Communication published in March 2000 (COM(2000)88) with the aim of developing proposals on policies and measures to address climate change. The Communication noted the importance of the Cardiff integration strategies in strengthening common and coordinated policies and measures, particularly in the major greenhouse gas emitting sectors – highlighting the energy, transport, agriculture, industry, internal market and development sectors. However, the work of the ECCP was subsequently undertaken independently of those strategies and with little further reference to them.

Annex 2 outlined the proposed structure of the ECCP, which included concrete proposals for Working Groups (WGs) on flexible mechanisms (WG1), energy supply (WG2), energy consumption (WG3), transport

(WG4) and industry (WG5), and put forward other areas on which working groups might be formed, including capacity building, agriculture, sinks, waste and research.

Annex 3 included a list of proposed common and coordinated policies and measures, which the Commission set out in response to the conclusions of an Environment Council meeting of October 1999. This was the list on which the work of the ECCP would be based and it consisted of 32 proposals, some of which were rather vague, covering energy supply, industry, transport, the consumption of energy in the domestic and transport sectors, waste, research and international cooperation.

### III.3 The first phase of the ECCP

In the event, the ECCP started in the second half of 2000 with six working groups – WGs 1 to 5, as set out above and WG6 on Research. Each WG was chaired by a senior official of the most appropriate Commission DG, ie DG Environment chaired WG1 on flexible mechanisms, DG Enterprise chaired WG5 on Industry, DG Research chaired WG6 and DG Tren chaired the remainder. The work of the ECCP was overseen by a Steering Committee chaired by DG Environment. A Joint Sub Working Group on Energy Consumption in Products and Industrial Processes was also created, chaired jointly by DGs Tren and Enterprise, leaving WG3 to focus on the energy consumption of buildings. The work of WG5 on Industry focused on two ‘work items’ – fluorinated gases and renewable raw materials – while the work of WG4 on Transport was split between five Topic Groups and a number of associated groups. Originally four sets of meetings had been planned to take place between July 2000 and January 2001, contributing to the production of a final report in February 2001.

A progress report on the ECCP was published in November 2000. This contained 22 measures, some of which had not been listed in the original Communication. For some of these, emissions savings and costs were only estimated, whereas for others these were to be properly quantified in the following months.

A report containing the final findings of the six original ECCP Working Groups was published in June 2001, which was followed by a conference in Brussels in early July. The latter became an important event to demonstrate the EU’s commitment to addressing climate change. The report proposed 42 policies and measures resulting from the work of the six original Working Groups. Some of these were already under development, eg the Directive on the energy performance of buildings; some called for the expansion of existing policies to address climate concerns, eg the extension of EMAS and amendments to IPPC; and some were new proposals, eg a Directive on energy efficient public procurement.

A Communication on implementing the first phase of the ECCP was published in October 2001 (COM(2001)580). The Communication outlined twelve measures that it intended to bring forward in the course of the following two years, most of which were identified in the report from June 2001. Of these, three were horizontal, five addressed energy, three transport and there was one industry proposal. In some cases, eg a proposal for a

Directive to promote combined heat and power (CHP), these were exactly the same as the measure proposed in the 2001 report, whereas in other cases the measure had been amended slightly (eg a proposed Directive on energy services became a proposal for a Directive on 'energy demand management'). However, some proposals, notably two of the transport proposals on the promotion of biofuels and modal shift, had not been listed in the report published in June.

The Commission also signalled its intention to examine additional measures, including a selection of the remainder identified in the first stage of the ECCP, implying that further measures could be introduced if necessary.

#### III.4 The second phase of the ECCP

As a result of the political momentum resulting from the conference, it became increasingly likely that the ECCP would continue in some form. This was officially confirmed in the Communication on the implementation of the first phase of the ECCP, which signalled that the second phase would be different from the first in that it would not adopt a sectoral approach. Rather, the second phase would be more '*issue specific*' (or thematic) with technical meetings with stakeholders being arranged in a 'flexible and problem-orientated way', which would be overseen by the ECCP Steering Group.

At the time of writing, some proposals set out in the Communication have been published, eg those on promoting biofuels, uniform taxation for road hauliers and the promotion of CHP, and others are due in 2002. Four working groups – on forest-related sinks, agricultural soils, HFCs and linking Joint Implementation (JI) and the Clean Development Mechanism (CDM) to emissions trading - are still ongoing and are due to finish their work in early 2003. A report will then be produced to summarise progress, both in the ongoing WGs and in implementing the first phase of the Programme.

#### III.5 Assessment of the ECCP

The Programme was first and foremost a Commission initiative that did not significantly involve the Council or the European Parliament in its formulation. From the outset the objective of the Programme was to identify cost-effective policies and measures that could be developed at the European level in order to complement the climate change strategies of individual Member States – ie common rather than co-ordinated measures. Some of the policies and measures identified were then to be taken forward by the Commission in the form of legislative proposals. While the Council as such was not involved in the ECCP, Member States were engaged in that a number of officials attended Working Groups.

### **Strengths and Weaknesses of the ECCP**

- The ECCP has succeeded in raising the profile and awareness of climate change among stakeholders
- It has proposed additional policies and measures that will bring about reductions in greenhouse gas emissions.
- There was a lack of transparency regarding the choice of, and omission of, sectors for the initial set of working groups, eg the omission of agriculture. Subsequently, the changes in structure and formation of subgroups within and between the WGs also contributed to some problems of consistency and coverage.
- Although groups had terms of reference, it was not clear what working methods were to be applied to achieve these. Instead of a thorough review of evidence, proposals were often submitted by stakeholders with particular interests to pursue.
- Independent experts were commissioned to advise on the work of different working groups, but there was little scope for detailed analysis, and the working relationship between these and the chairs of the groups was variable.
- There was no clear framework within which the policies and measures were developed. Identification of measures in some Working Groups lacked transparency and it was often not clear how the policies set out in the interim and final reports had been selected, and why some were then taken forward by the Commission, while others were excluded.
- Estimates of costs and savings tended to be top-down and not undertaken on a comparable basis. This is in part because no proper analytical framework was established and little new analysis could be undertaken as a result of time and resource constraints.
- The volume of work undertaken in parallel by various Working Groups and their sub-groups restricted the ability of NGOS, in particular, to engage fully in the process, as a result of their limited resources. DG Environment made efforts to address this problem, but was not completely successful in doing so.

### III.6 The ECCP and CAFE

The aim of CAFE, which is to be the thematic strategy on air pollution of the Sixth Environmental Action Programme, is to bring all of the EU's air quality policy within a single, integrated programme. This will review existing legislation, improve the monitoring of air quality and identify priorities for further action to protect human health and the environment for air pollution on the basis of a rigorous analytical framework.

In comparison to the ECCP, CAFE presents a more developed model of an integrated and coherent thematic programme. However, the EU has a relatively long history of addressing air pollution and therefore its policy and policy process in the area is very well developed, not least through the prior experience of the Auto Oil and Auto Oil II Programmes. By contrast, EU climate change policy is relatively new. Consequently, policies to control greenhouse gas emissions are relatively underdeveloped and, as suggested by the results of the ECCP, there is a broad range of measures that can achieve cost-effective emissions reductions in the short- to medium-term. However,



as EU policy develops, particularly in relation to measures to achieve further emissions reductions after 2012, a more integrated and coherent programme to identify priority measures may be necessary. In this context, CAFE may also provide useful examples in terms of methodologies and procedures.

### III.7 Developing procedures for a coherent Council contribution to the ECCP

Having considered both Council and Commission integration procedures, there is clearly an argument for seeking greater coordination between the development of the Cardiff strategies and the work of the ECCP, for example. During the first phase, this might have been possible via the relevant sectoral working groups. Given that there are now no sectoral working groups ongoing within the Programme, this is clearly more difficult at present.

However, the work of thematic working groups in the second phase could be translated into measures to be taken forward by relevant formations of the Council. These would then need to be included in the those Councils' annual operating programmes.

