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– Commission's proposal to the Gothenburg European Council

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COMMUNICATION FROM THE COMMISSION

**A Sustainable Europe for a Better World:
A European Union Strategy for Sustainable Development**

(Commission's proposal to the Gothenburg European Council)

COMMUNICATION FROM THE COMMISSION

A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development (Commission's proposal to the Gothenburg European Council)

I TOWARDS A SUSTAINABLE EUROPE

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” - World Commission on Environment and Development (the “Brundtland Commission”), 1987

At its meeting in Helsinki in December 1999 the European Council invited the European Commission “to prepare a proposal for a long-term strategy dovetailing policies for economically, socially and ecologically sustainable development to be presented to the European Council in June 2001.” This paper responds to that invitation. It builds on the Commission services’ consultation paper issued in March, and on the many responses to it.

“Sustainable development should be seen as a global objective” – the Brundtland Commission

Sustainable development is a global objective. The European Union has a key role in bringing about sustainable development, within Europe and also on the wider global stage, where widespread international action is required. To meet this responsibility, the EU and other signatories of the 1992 United Nations’ “Rio declaration” committed themselves, at the 19th Special Session of the United Nations’ General Assembly in 1997, to draw up strategies for sustainable development in time for the 2002 World Summit on Sustainable Development. This strategy forms part of the EU preparations for that summit.

Sustainable development - a broader long-term vision

Just over one year ago at Lisbon, the European Council set a new strategic goal for the Union: “to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion”. The Stockholm European Council then decided that the EU sustainable development strategy should complete and build on this political commitment by including an environmental dimension. This recognises that in the long term, **economic growth, social cohesion and environmental protection must go hand in hand.**

Completing and building on the Lisbon strategy

Sustainable development offers the European Union **a positive long-term vision** of a society that is more prosperous and more just, and which promises a cleaner, safer, healthier environment – a society which delivers a better quality of life for us, for our children, and for our grandchildren. Achieving this in practice requires that economic growth supports social progress and respects the environment, that social policy underpins economic performance, and that environmental policy is cost-effective.

Providing a positive vision for the future

Decoupling environmental degradation and resource consumption from economic and social development requires a major reorientation of public and private investment towards new, environmentally-friendly technologies. The sustainable development

A strategy to unleash opportunities to invest for the long term

strategy should be a **catalyst for policy-makers and public opinion** in the coming years and become a driving force for institutional reform, and for changes in corporate and consumer behaviour. **Clear, stable, long-term objectives** will shape expectations and create the conditions in which businesses have the confidence to invest in innovative solutions, and to create new, high-quality jobs.

*Focussing on
the most acute
threats*

To bridge the gap between this ambitious vision and practical political action, the Commission proposes that **the strategy should focus on a small number of problems which pose severe or irreversible threats** to the future well-being of European society:

The main threats to sustainable development

- Emissions of greenhouse gases from human activity are causing **global warming**. Climate change is likely to cause more extreme weather events (hurricanes, floods) with severe implications for infrastructure, property, health and nature.
- Severe threats to public health are posed by new **antibiotic-resistant strains of some diseases** and, potentially, the **longer-term effects** of the many **hazardous chemicals** currently in everyday use; threats to **food safety** are of increasing concern.
- One in every six Europeans lives in **poverty**. Poverty and social exclusion have enormous direct effects on individuals such as ill health, suicide, and persistent unemployment. The burden of poverty is borne disproportionately by single mothers and older women living alone. Poverty often remains within families for generations.
- While increases in life expectancy are obviously welcome, combined with low birth rates the resultant **ageing of the population** threatens a slowdown in the rate of economic growth, as well as the quality and financial sustainability of pension schemes and public health care. Spending could increase by up to 8% of gross domestic product in many Member States between 2000 and 2040.
- The **loss of bio-diversity** in Europe has **accelerated dramatically** in recent decades. Fish stocks in European waters are near collapse. **Waste volumes** have persistently grown faster than GDP. **Soil loss** and declining fertility are eroding the viability of agricultural land.
- **Transport congestion** has been rising rapidly and is approaching gridlock. This mainly affects urban areas, which are also challenged by problems such as inner-city decay, sprawling suburbs, and concentrations of acute poverty and social exclusion. **Regional imbalances** in the EU remain a serious concern.

Very few of these unsustainable trends are new. Attempts have been made at many levels of government and society to address them. Initiatives such as local Agenda 21 have proved to be an effective means of building a consensus for change at local level. However, these efforts have so far had only limited success due to the difficulty in changing established policies and patterns of behaviour, and in bringing the responses together in a co-ordinated way. Tackling these unsustainable trends and achieving the vision offered by sustainable development requires **urgent action**; committed and far-sighted **political leadership**; **a new approach to policymaking**; widespread **participation**; and **international responsibility**.

Solving these problems calls for a new policy agenda

- **Urgent action is needed:** Now is the time to confront the challenges to sustainability. Many of the trends that threaten sustainable development result from past choices in production technology, patterns of land use and infrastructure investment, which are difficult to reverse in a short timeframe. Although the major impacts of losses in bio-diversity, increased resistance to antibiotics, or climate change may be felt only after many years, by then they may be very costly or impossible to tackle.
- **Political leadership is essential:** Strong political commitment will be needed to make the changes required for sustainable development. While sustainable development will undoubtedly benefit society overall, **difficult trade-offs** between conflicting interests will have to be made. We must face up to these trade-offs openly

Doing nothing may be much more costly than taking early action

Political leadership is needed to take tough decisions

and honestly. Changes to policy must be made in a fair and balanced way, but **narrow sectional interests must not be allowed to prevail** over the well-being of society as a whole.

A coherent, long-term view should guide policy

- **A new approach to policymaking:** Although the Union has a wide range of policies to address the economic, environmental and social dimensions of sustainability, these have developed without enough co-ordination. **Too often, action to achieve objectives in one policy area hinders progress in another**, while solutions to problems often lie in the hands of policy makers in other sectors or at other levels of government. This is a major cause of many long-term unsustainable trends. In addition, the absence of a coherent long-term perspective means that there is too much focus on short-term costs and too little focus on the prospect of longer term “win-win” situations.

Everyone has a contribution to make. A strong EU role is essential

- **Action must be taken by all and at all levels:** Many of the changes needed to secure sustainable development can only successfully be undertaken at EU level. Clear examples arise in policy areas where the Community has exclusive legal competence, or where integrated European economies mean that uncoordinated action by Member States is likely to be ineffective. In other cases, action by national, regional or local governments will be more appropriate. However, **while public authorities have a key role in providing a clear long-term framework, it is ultimately individual citizens and businesses who will deliver** the changes in consumption and investment patterns needed to achieve sustainable development.

Acting at home will provide international leadership

- **A responsible partner in a globalised world:** Many of the challenges to sustainability require global action to solve them. Climate change and biodiversity are obvious examples. The Commission believes that developed countries must take the lead in pursuing sustainable development, and calls on other developed countries to accept their responsibilities as well. The Commission believes that **the EU should start by putting its own house in order**, to provide international leadership and as a first step towards achieving global sustainability. As EU production and consumption have impacts beyond our borders, we must also ensure that all our policies help prospects for sustainable development at a global level.

To meet these challenges the Commission proposes an EU strategy in three parts:

- 1: A set of **cross-cutting proposals and recommendations** to improve the effectiveness of policy and make sustainable development happen. This means making sure that different policies reinforce one another rather than pulling in opposite directions.
- 2: A set of **headline objectives and specific measures** at EU level to tackle the issues which pose the biggest challenges to sustainable development in Europe.
- 3: Steps to **implement the strategy and review its progress**.

II MAKING SUSTAINABLE DEVELOPMENT HAPPEN: ACHIEVING OUR AMBITIONS

To achieve sustainable development requires changes in the way policy is made and implemented, both at EU level and in Member States. This in turn requires clear

Current policies need to change

commitment at the highest level. This section makes a number of proposals aimed at securing more effective responses to the challenges we face.

Improve policy coherence

All policies should be judged by how they contribute to sustainable development

Sustainable development should become the central objective of all sectors and policies. This means that policy makers must identify likely spillovers – good and bad – onto other policy areas and take them into account. **Careful assessment of the full effects** of a policy proposal must include estimates of its economic, environmental and social impacts inside and outside the EU. This should include, where relevant, the effects on gender equality and equal opportunities. It is particularly important to identify clearly the groups who bear the burden of change so that policy makers can judge the need for measures to help these groups to adapt. Assessments should take a more consistent approach and employ expertise available from a wide range of policy areas.

To do this, we need better information, especially to deal with risk and uncertainty

To assess proposals systematically **better information is needed**. For example, the implications of an ageing population are still imperfectly understood, as are the implications for bio-diversity and public health of some types of environmental pollution or of chemicals such as endocrine disrupters. However, in line with the precautionary principle, lack of knowledge must not become an excuse for lack of action or for ill-considered action. Risk and uncertainty are a part of life. The role of science and research is to help identify the nature of the risks and uncertainties we face, so as to provide a basis for solutions and political decisions. Policy makers have a responsibility to manage risk effectively, and to explain its nature and extent clearly to the public.

Action

- ✓ **All** policies must have sustainable development as their core concern. In particular, forthcoming reviews of Common Policies must look at how they can contribute more positively to sustainable development:
- ✓ The mid-term review of the Common Agricultural Policy in 2002 should reward quality rather than quantity by, for example, encouraging the organic sector and other environmentally-friendly farming methods and a further shift of resources from market support to rural development.
- ✓ The Common Fisheries Policy should promote the sustainable management of fish stocks in the EU and internationally, while securing the long-term viability of the EU fishing industry and protecting marine ecosystems.
- ✓ The Common Transport Policy should tackle rising levels of congestion and pollution and encourage use of more environmentally-friendly modes of transport.
- ✓ The Cohesion Policies need to improve their targeting of the least developed regions and those with the most acute structural problems – such as urban decay and the decline of the rural economy – and the groups in society most vulnerable to persistent social exclusion.
- ✓ The Commission will submit an action plan to improve regulation to the Laeken European Council in December. This will include mechanisms to ensure that all major legislative proposals include an **assessment of the potential economic, environmental and social benefits and costs of action or lack of action, both inside and outside the EU**. The Council and Parliament should amend legislative proposals in the same spirit.

Getting prices right to give signals to individuals and businesses

Getting prices right will encourage changes in behaviour and technology

Market prices have a powerful influence on the behaviour of individuals and businesses. Market reforms to get prices right can create new business opportunities to develop services and products that ease pressure on the environment and fulfil social and economic needs. Sometimes, this means public money for services which would otherwise not be supplied, such as essential public services in sparsely populated areas. More often, the issue is one of **removing subsidies that encourage wasteful use of natural resources**, and putting a price on pollution. Changing prices in this way provides a permanent incentive for the development and use of safer, less polluting technologies and equipment, and will often be all that is needed to tip the balance in their favour.

Action

- ✓ The Commission will give priority in its policy and legislative proposals to **market-based approaches** that provide price incentives, whenever these are likely to achieve social and environmental objectives in a flexible and cost effective way.

Invest in science and technology for the future

Advances in knowledge and technology are vital

Our continued long-term prosperity depends critically on advances in knowledge and technological progress. Without these investments, adjustment to sustainable development will have to happen much more through changes in our consumption patterns. By promoting innovation, new technologies may be developed that use fewer natural resources, reduce pollution or risks to health and safety, and are cheaper than their predecessors. The EU and Member States should **ensure that legislation does not hamper innovation** or erect excessive non-market barriers to the dissemination and use of new technology.

Public funding to support technological change for sustainable development should focus on basic and applied research into safe and environmentally-benign technologies, and on benchmarking and demonstration projects to stimulate faster uptake of new, safer, cleaner technologies. Public procurement policies – provided they are not a cover for protectionism – are an additional means to accelerate the spread of new technology. A “green purchasing initiative” from the private sector could similarly increase the use of environmentally-benign products and services.

Action

- ✓ The Community should fully exploit the potential of the next Community Framework Programme for Research to support research activities related to sustainable development as a part of the European Research Area.
- ✓ Drawing on the guidance document the Commission will issue shortly, Member States should consider how to make **better use of public procurement** to favour environmentally-friendly products and services.
- ✓ The Commission will encourage **private sector initiatives** to incorporate environmental factors in their purchasing specifications.

- ✓ The Commission invites industry to identify what it considers the major obstacles to the development and wider use of new technologies in sectors such as energy, transport and communications.
- ✓ The Community should contribute to establishing by 2008 a European capacity for global monitoring of environment and security (GMES)

Improve communication and mobilise citizens and business

Although science and scientific advice are a key input to decision making, public confidence in its objectivity has been shaken by events such as recent human and animal health scares. There are concerns that the policy responses have been driven more by narrow sectional interests than the wider interests of society. This perception is part of a wider malaise. Many believe that policy has become too technocratic and remote, and is too much under the influence of vested interests. To tackle this rising disaffection with the political process, policy making must become more open.

More open policymaking will improve policy and stimulate citizens and business to get involved

An open policy process also allows any necessary trade-offs between competing interests to be clearly identified, and decisions taken in a transparent way. **Earlier and more systematic dialogue** – in particular with representatives of consumers, whose interests are too often overlooked – may lengthen the time taken to prepare a policy proposal, but should improve the quality of regulation and accelerate its implementation. The views of those from outside the Union should also be sought.

Widespread popular “ownership” of the goal of sustainable development depends not only on more openness in policy-making but also on the perception that individuals can, through their own actions, make a real difference. For example, local Agenda 21 has been effective at promoting sustainable development at the local level. The education system also has a vital role to play in promoting better understanding of the aim of sustainable development, fostering **a sense of individual and collective responsibility**, and thereby encouraging changes in behaviour.

Public policy also has a key role in encouraging a greater sense of corporate social responsibility and in establishing a framework to ensure that businesses integrate environmental and social considerations in their activities. Some of the most far sighted businesses have realised that **sustainable development offers new opportunities** and have begun to adapt their investments accordingly. Business should be encouraged to take a pro-active approach to sustainable development in their operations both within the EU and elsewhere.

Action

- ✓ The Commission’s forthcoming White Paper on Governance will include proposals on **wide-ranging consultation of stakeholders** from within and outside the Union, typically including a public hearing, before tabling any major policy proposal. Reviews of major policies will similarly seek to obtain the views of stakeholders.
- ✓ All publicly-quoted companies with at least 500 staff are invited to publish a **“triple bottom line” in their annual reports to shareholders** that measures their performance against economic, environmental and social criteria. EU businesses are urged to demonstrate and publicise their world-wide adherence to the OECD guidelines for multi-national enterprises, or other comparable guidelines.

- ✓ Member States should consider how their **education systems** can help develop wider understanding of sustainable development.

Take enlargement and the global dimension into account

The EU strategy should look beyond the Union's present borders to be relevant for the countries which will join the Union during the coming years. These future Member States face many of the same problems, but also have a number of distinctive features. For example, they have much richer bio-diversity. However, economic and social disparities will be wider in an enlarged Union. The new Member States will have much larger agricultural populations on average, and a backlog of investment in infrastructure and in production technology. Future reforms of Community policy will have to take account of these differences. Candidate countries should be actively involved in implementing this strategy.

The EU strategy must look beyond our current borders

Moreover, many EU policies influence prospects for sustainability far beyond the borders of the Union, and EU production and consumption increase the pressure on shared global environmental resources. It is therefore important to ensure that measures we take to move towards sustainable development in Europe contribute towards sustainable development in the rest of the world. Our **policies – internal and external – must actively support efforts by other countries** – particularly those in the developing world – to achieve development that is more sustainable.

Sustainable development in the EU must foster global sustainability

To make an effective contribution to achieving global sustainable development the EU and its Member States need to co-operate effectively with other countries and international institutions, including the OECD, the World Trade Organisation, the International Labour Organisation, the International Monetary Fund, the World Bank, and the United Nations Environment Programme. The role of the EU in helping to achieve sustainable development in this wider context will be dealt with comprehensively by our preparations for the Rio + 10 Summit in South Africa in 2002.

Co-operation with other countries and international organisations is important

Action

- ✓ The Commission will present a Communication in the first half of 2002 further setting out its views on **how the Union should contribute to global sustainable development**, in advance of the World Summit on Sustainable Development (Rio+10) in Johannesburg. Among other issues, this Communication should address the question of mobilising additional financial resources for development aid, in particular to reduce global poverty.

III SETTING LONG-TERM OBJECTIVES AND TARGETS: IDENTIFYING PRIORITIES FOR ACTION

Action is needed across a wide range of policies

The main challenges to sustainable development identified above cut across several policy areas. Accordingly, a **comprehensive, cross-sectoral approach** is needed to address these challenges. Concrete actions in specific policy areas should be built on the policy principles set out in the previous section. Reforms to existing Community policies must aim to maximise their contribution to the strategic objectives of the EU strategy for sustainable development.

Concrete actions are needed

Recent European Councils at Lisbon, Nice and Stockholm have already agreed objectives and measures to tackle two of the six issues that pose the biggest challenges to sustainable development in Europe: **combating poverty and social exclusion**, and **dealing with the economic and social implications of an ageing society**. This strategy does not propose new actions in these areas. However, these objectives are an integral part of the EU Strategy for Sustainable Development and are set out in Annex 1 below.

For the remaining four issues, the Commission proposes the following set of priority objectives and measures at EU level. Meeting these objectives will also require action to be taken by Member States, both in their domestic policies, and in the decisions taken by the Council on changes to Community policies. The Commission will report on progress in meeting all the goals of the strategy in its report to the annual Spring European Council (the Synthesis Report).

Limit climate change and increase the use of clean energy

Headline objectives

- The EU will meet its Kyoto commitment. However, Kyoto is but a first step. Thereafter, the EU should aim to reduce atmospheric greenhouse gas emissions by an average of 1% per year over 1990 levels up to 2020.
- The Union will insist that the other major industrialised countries comply with their Kyoto targets. This is an indispensable step in ensuring the broader international effort needed to limit global warming and adapt to its effects.

Measures at EU level

- Adoption of energy products tax directive by 2002. Within two years of this, the Commission will propose more ambitious environmental targets for energy taxation aiming at the full internalisation of external costs, as well as indexation of minimum levels of excise duties to at least the inflation rate.
- Phase out subsidies to fossil fuel production and consumption by 2010. Where necessary, put in place flanking measures to help develop alternative sources of employment. Analyse whether there is a need to create a stockpile of coal reserves, and whether or not we should maintain a minimum level of subsidised production for security of supply reasons. Commission proposal in 2001 for adoption by Council before the expiry of the ECSC Treaty in July 2002. Take account of the specific situation of some candidate countries in the accession treaties.
- Greenhouse gas emission reduction measures based on the outcome of the European Climate Change Programme. Specifically, the Commission will propose by end-2001 a proposal for the creation of a European CO₂ tradable permits system by 2005.
- Alternative fuels, including biofuels, should account for at least 7% of fuel consumption of cars and trucks by 2010, and at least 20% by 2020. The Commission will make a proposal in 2001 for adoption in 2002.

- Clear action to reduce energy demand, through, for example, tighter minimum standards and labelling requirements for buildings and appliances to improve energy efficiency.
- More support to the research, development and dissemination of technology on:
 - clean and renewable energy resources
 - safer nuclear energy, namely the management of nuclear waste.

Address threats to public health

Headline objectives

- Make food safety and quality the objective of all players in the food chain.
- By 2020, ensure that chemicals are only produced and used in ways that do not pose significant threats to human health and the environment.
- Tackle issues related to outbreaks of infectious diseases and resistance to antibiotics.

Measures at EU level

- Improve consumer information and awareness, including through education, and clear labelling of food.
- Creation of a European Food Authority in 2002.
- Improve capacity to monitor and control health impacts of certain substances (for example dioxins, toxins, pesticides) in food and the environment, especially their effects on children.
- Reorient support from the Common Agricultural Policy to reward healthy, high-quality products and practices rather than quantity; following on from the 2002 evaluation of the tobacco regime, adapt the regime so as to allow for a phasing out of tobacco subsidies while putting in place measures to develop alternative sources of income and economic activity for tobacco workers and growers and decide an early date accordingly.
- Develop by 2003 a comprehensive Community strategy to promote health and safety at work, to achieve a substantial reduction in work accidents and professional illness.
- All legislation to implement the new chemicals policy in place by 2004.
- The Commission will present by the end of 2001 a European action plan to slow resistance to antibiotics, through improving information, phasing out their use as growth promoters in agriculture, and better control of the use of antibiotics in human, animal, and plant care.
- Create by 2005 a European capacity to monitor and control outbreaks of infectious diseases.

Manage natural resources more responsibly

Headline objectives

- Break the links between economic growth, the use of resources and the generation of waste.
- Protect and restore habitats and natural systems and halt the loss of biodiversity by 2010.
- Improve fisheries management to reverse the decline in stocks and ensure sustainable fisheries and healthy marine ecosystems, both in the EU and globally.

Measures at EU level

- Develop an Integrated Product Policy in co-operation with business to reduce resource use and the environmental impacts of waste.
- EU legislation on strict environmental liability in place by 2003.
- The Commission will establish a system of biodiversity indicators by 2003.
- The Commission will propose a system of resource productivity measurement to be operational by 2003.
- In the mid-term review of the Common Agricultural Policy, improve the agri-environmental measures so that they provide a transparent system of direct payments for environmental services.
- In the 2002 review of the Common Fisheries Policy, remove counter-productive subsidies which encourage over-fishing, and reduce the size and activity of EU fishing fleets to a level compatible with worldwide sustainability, while addressing the consequent social problems.

Improve the transport system and land-use management

Headline Objectives

- Decouple transport growth significantly from growth in Gross Domestic Product in order to reduce congestion and other negative side-effects of transport.
- Bring about a shift in transport use from road to rail, water and public passenger transport so that the share of road transport in 2010 is no greater than in 1998 (the most recent year for which data are available)
- Promote more balanced regional development by reducing disparities in economic activity and maintaining the viability of rural and urban communities, as recommended by the European Spatial Development Perspective.

Measures at EU level

- The Commission will propose in 2002 a framework for transport charges to ensure that by 2005, prices for different modes of transport, including air, reflect their costs to society.
- Implement in 2003 a framework ensuring through the use of intelligent transport systems the interoperability of payment systems for road transport; promote further technological progress enabling the introduction of road pricing.
- Give priority to infrastructure investment for public transport and for railways, inland waterways, short sea shipping and intermodal operations. In particular, the Commission will propose in 2001, for adoption in 2003, a revision of the guidelines for the Transeuropean transport networks, and will promote, in the mid-term review of the Structural Fund programmes, a marked reduction in the share of finance given to road transport.
- Improve transport systems by addressing missing transport links, developing open markets and co-operation at EU level (e.g. railway liberalisation, air traffic systems). European Single Sky to be operational by 2004.
- Promote teleworking by accelerating investments in next generation communications infrastructure and services.
- In 2001, start the implementation of the European Spatial Planning Observatory Network (ESPON) in order to define a set of territorial indicators to analyse the regional impacts of Community policies.
- Assess the coherence of the zoning of different Community policies, taking account of their objectives (e.g. NATURA 2000, less-favoured agricultural areas, areas eligible under the Structural Funds or for State Aids).
- Diversify income sources in rural areas, including by increasing the proportion of Common Agricultural Policy funds directed to rural development.
- Encourage local initiatives to tackle the problems faced by urban areas; produce recommendations for integrated development strategies for urban and environmentally-sensitive areas.

IV IMPLEMENTING THE STRATEGY AND REVIEWING PROGRESS: STEPS AFTER GOTHENBURG

Annual stocktaking checks our progress

Regular monitoring and reporting of progress, based on indicators

The Stockholm European Council decided that **all dimensions of sustainable development should be reviewed at the annual Spring European Council**. Measuring progress will imply adding a number of indicators to those already agreed for monitoring the Lisbon strategy. These indicators flow naturally from the long-term objectives and targets the Commission is proposing in this document.

Action

- ✓ The Commission will **report to each Spring European Council** in its Synthesis Report on progress in implementing the Sustainable Development strategy.
- ✓ The Commission will propose a small number of **headline performance indicators** for this purpose to the Barcelona European Council in Spring 2002.
- ✓ The process of **integration of environmental concerns** in sectoral policies, launched by the European Council in Cardiff, must continue and provide an environmental input to the EU Sustainable Development strategy, similar to that given for the economic and social dimensions by the Broad Economic Policy Guidelines and the Employment Guidelines. The sectoral environmental integration strategies should be consistent with the specific objectives of EU Sustainable Development strategy.

Working methods need to change

At all stages of the Community legislative process, policy proposals in individual sectors are developed and discussed without paying sufficient attention to the linkages between different policy areas. The way the Commission, Council and Parliament are organised reinforces this narrow, sectoral approach. All three institutions should consider what steps they can take to overcome this weakness.

All Community institutions should review their working methods

The Commission will improve its internal procedures to deliver more consistent policy proposals. The Council of Ministers and the European Parliament should also **review their working methods**. The Council should change its structures to improve the co-ordination and consistency of the work of the sectoral Councils. The European Parliament should consider creating a Sustainable Development committee to give a view on the wider implications of sectoral policy proposals. This committee could consist of representatives of other committees, as is the case with the financial control committee.

Action

- ✓ The Commission will establish a **sustainable development “Round Table”** of about 10 independent experts offering a broad range of views, who will report directly to the Commission President in time for the preparation of the Commission's synthesis report to the Spring European Council and make recommendations to improve the coherence of Community policies.

Medium-term reviews allow us to adapt the strategy to changes in long-term priorities

Sustainable development is by its nature a long-term objective. While annual stocktaking is important to maintain momentum and give early warning of unforeseen difficulties, too much focus on short-term developments and details may cause us to lose sight of the bigger picture. For this reason, the European Council's annual exercise should be periodically complemented by a more comprehensive review at the beginning of each Commission's term of office.

Periodic far-reaching reviews will keep the strategy on track

This should examine the strategy's effectiveness in achieving sustainable development. Over time, the severity of some problems – or the value of some measures – may change, and new, more pressing problems may emerge. Regular medium-term reviews will permit the Union to adapt the strategy to these changes and to changes in our long-term policy objectives.

The voices of stakeholders, including those from outside the Union, must be heard

Opening the review to stakeholders will increase its credibility and value. The Union's efforts to achieve sustainable development ultimately depend on widespread "ownership" of the strategy by individuals and businesses, as well as civil society and local and regional authorities. Prospects for public acceptance of the strategy will be greater, the more it is based on comprehensive dialogue with representatives of society at large.

Action

- ✓ The EU Strategy for Sustainable Development will be **comprehensively reviewed** at the start of each Commission's term of office.
- ✓ Starting in 2002, the Commission will hold a two-yearly **Stakeholder Forum** to assess the EU Strategy. The Commission invites the Economic and Social Committee to join it in organising this conference.

Annex 1: The goals of the Lisbon strategy in the field of social policy

The commitments made at the Lisbon, Nice and Stockholm summits are summarised below.

Combat poverty and social exclusion

Headline objective

- Make a decisive impact on the eradication of poverty.
- Raise the employment rate to 67% for January 2005 and to 70% by 2010; increase the number of women in employment to 57% for January 2005 and to more than 60% by 2010.
- Halve by 2010 the number of 18 to 24 years olds with only lower secondary education who are not in further education and training.

Measures at EU level

- Combat social exclusion by creating the economic conditions for greater prosperity through higher levels of growth and employment, and by opening up new ways of participating in society.
- Strengthen the implementation of the European Employment Strategy. Define common approaches to maintaining and improving the quality of work which should be included as a general objective in the 2002 employment guidelines.
- Complete work by the end of 2001 on updating existing legislation on implementing the principle of equal treatment of men and women as regards access to employment, vocational training and promotion and working conditions.
- Agree in the course of 2001 the proposal for a social inclusion programme.
- Agree by the end of 2001 indicators on quality in work and for combating social exclusion. Develop indicators on the provision of care facilities for children and other dependants and on family benefit systems by 2002. Develop indicators to ensure that there are no discriminatory pay differentials between men and women.

Deal with the economic and social implications of an ageing society

Headline objectives

- Ensure the adequacy of pension systems as well as of health care systems and care of the elderly, while at the same time maintaining sustainability of public finances and inter-generational solidarity.
- Address the demographic challenge by raising employment rates, reducing public debt and adapting social protection systems, including pension systems
- Increase the average EU employment rate among older women and men (55-64) to 50% by 2010.

Measures at EU level

- Use the potential of the open method of co-ordination in the field of pensions and prepare a report on the quality and sustainability of pensions in the light of demographic change in view of the Spring European Council 2002.
- Identify coherent strategies and practical measures with a view to fostering lifelong learning for all.
- The Council should regularly review the long-term sustainability of public finances, including the expected changes caused by the demographic changes ahead, both under the broad economic policy guidelines and in the context of stability and convergence programmes.
- An in-depth discussion will take place at the Laeken European Council in 2001 on immigration, migration and asylum within the framework of the Tampere follow-up. In this connection, due attention should be given to the position of third-country nationals legally residing in the Union.
- The Council and the Commission to report jointly, in time for the Spring European Council in 2002, on how to increase labour force participation and promote active ageing.