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**COMMISSION STAFF WORKING DOCUMENT**

**National Sustainable Development Strategies in the European Union**

A first analysis by the European Commission

April 2004

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## 1. INTRODUCTION

In 1992 in Rio de Janeiro<sup>1</sup>, the “Earth Summit” adopted Agenda 21, a plan of action to stimulate progress towards sustainable development (SD). Chapter eight of Agenda 21 recommends that governments draw up national sustainable development strategies (NSDS)<sup>2</sup>. The 1997 Special Session of the UN General Assembly set a target date of 2002 for their elaboration. In 2002, the World Summit on Sustainable Development (WSSD) reiterated this recommendation: the Johannesburg Plan of Implementation urges countries to make progress in the formulation and elaboration of NSDS and begin their implementation by 2005<sup>3</sup>.

Following the outcome of Johannesburg, the Environment Council conclusions of 17 October 2002, urged Member States to implement these strategies and...

*“promote ... an exchange of information concerning their sustainable development strategies or plans” (point 25).*

The Brussels 2003 spring summit also concluded that:

*“in order to deliver the full set of reforms proposed in Göteborg, it is crucial that EU institutions and the Member States take action to enhance the effectiveness and coherence of existing processes, strategies and instruments”.*

This review of the 15 Member States (MS) and the 10 acceding countries (AC) aims to contribute to the fulfilment of the above Council Conclusions. It is also an input to the forthcoming 2004 review of the European Union’s own Sustainable Development Strategy (EU SDS).

Many MS and AC have only recently adopted national strategies and have not yet fully implemented them, while the remainder are still actively preparing their strategies. Given this, it would be premature to assess their implementation, let alone their impact. Therefore this review aims to take *stock of progress* in preparing NSDS and initial attempts at their implementation. It also aims to gain new insights into the *structure* and *scope* of the available national strategies as well as the different *institutional* and *procedural settings* for their preparation and implementation. Another aim of this review is to lay the basis for the subsequent identification of emerging *best practices* and innovative processes for the preparation, implementation and monitoring of NSDS, especially with regards to improving the coherence of sustainable development policies across sectors and levels of governance.

Special attention is paid to the links between NSDS and the EU’s own SD strategy adopted in Gothenburg in 2001, as well as with the international commitments made at the World Summit on Sustainable Development (WSSD) in Johannesburg in 2002.

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<sup>1</sup> United Nations Conference on Environment and Development

<sup>2</sup> Chapter 8.7 of Agenda 21 states that: “Governments, in cooperation, where appropriate, with international organizations, should adopt a national strategy for sustainable development based on, *inter alia*, the implementation of decisions taken at the Conference, particularly in respect of Agenda 21”.

<sup>3</sup> Johannesburg Plan of Implementation, Chapter H§162(b) says that States should: “take immediate steps to make progress in the formulation and elaboration of national strategies for sustainable development and begin their implementation by 2005”.

## 2. METHODOLOGY

The analysis compares the *key characteristics* of the publicly available NSDS documents. Summary documents of national plans were consulted whenever they were available. This was complemented with relevant information found on official country websites. The outcomes from the 2002 The Hague<sup>4</sup> and 2003 Vienna<sup>5</sup> conferences on NSDS were also instrumental.

Other strategy documents support the preparation and implementation of NSDS. These include: strategies for economic development, spatial planning, environment, scientific support programmes, as well as thematic strategies. These documents were consulted when considered relevant to the analysis.

The analysis focuses on the following three questions:

- **How was the NSDS prepared?** In particular what were the institutional and procedural settings for the preparation of the NSDS? What was the role of civil society?
- **What is the main focus and content?** In short, what are the key themes, the main objectives and measures? What is the level of policy integration and coherence, and what are the links with other strategies (sectoral, local, regional, EU, global)?
- **How is implementation of the strategy organised?** Notably which institutional mechanisms are foreseen? Are there indicators to measure progress? What, if any, are the procedures for review and evaluation?

For each MS and AC, a summary country profile was drafted and sent to national representatives for comments and validation. These country profiles form the basis for this synthesis report and can be found in the annex.

However, a number of *knowledge gaps* limit the scope of the analysis. These include:

- Most documents analysed do not reveal **how policy choices were made**. That is, how the various economic, social and environmental costs and benefits of policy actions were balanced and weighted against each other. It is therefore unclear which criteria were used for including specific policy measures in the NSDS and making possible trade-offs. Nor was it possible to determine to what extent methodically sound ex-ante impact assessments were used to inform these policy choices. The analysis therefore focuses on the institutional mechanisms for policy preparation.
- Few of the earlier NSDS have at some point carried out **ex post evaluations of progress** in implementing the provisions of the strategy. On this matter, given the limited sample, only an analysis of the **indicators** used for reviewing progress and a description of the **review/evaluation process** itself were considered meaningful. Consequently, no conclusions could be drawn on the real impact of the NSDS on policy making and unsustainable trends. Neither was it possible to determine potential obstacles to their implementation.

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<sup>4</sup> National Strategies for Sustainable Development: “Facts, Faces and Future Challenges”, The Hague, the Netherlands 16-18 June 2002.

<sup>5</sup> Sustainable Development in an Enlarged Union: Linking National Strategies and Strengthening European Coherence, Vienna, Austria 27-29 April 2003.

### 3. ANALYTICAL FRAMEWORK

Following the publication of the Brundtland report in 1987, sustainable development has become a central policy goal in many countries and at global level. This is a result of the realisation that due to current patterns of production and consumption the planet's development path neither meet the needs of large parts of the world's population (e.g. because of low levels of economic growth and employment, the imbalanced distribution of wealth and the adverse effects on the quality of the environment) nor secure the ability of future generations worldwide to meet their needs (e.g. because of the pressures and impacts exerted on the planet's natural environment and its life carrying capacity) This realisation resulted to the call, at the United Nations Conference on Environment and Development in Rio in 1992, for inventing a new model of development that would reconcile the aspirations for economic well being, social cohesion and the preservation of our natural environment. It was also recognised that such a goal could not be achieved without profound changes in our economic and social structures and our behaviour. Moreover, it was also acknowledged that to achieve SD meant both addressing a number of concrete issues (e.g. economic and social development as well as reverting unsustainable environmental trends) and reforming the policy making process itself, with a view to enhancing public participation and ensuring policy coherence.

Given the wide range of issues, differences in emphasis and mechanisms that SD can cover, it is useful to have a reference framework before attempting a comparative assessment. For the purpose of this analysis, both the EU SDS experience and the OECD/UNDP guidelines for good practice<sup>6</sup> in preparing, implementing and evaluating NSDS have provided such a framework.

#### 3.1. The EU SD strategy

In developing the EU strategy for sustainable development and in line with the above, the Commission started from the Brundtland definition of sustainable development. That is...

*“development that meets the **needs** of the present without compromising the ability of future generations to meet their own needs”.*

This is generally interpreted in a broad sense as offering a **vision of progress** that integrates and balances social, economic and environmental concerns. However, this very broad scope makes it very difficult to reach a consensus about **what it actually means in practice**, with the ensuing risk that sustainable development becomes an “empty box” into which all existing economic, social and environmental policies are dropped and simply re-labelled, while changing very little.

To avoid this outcome, the Commission aimed to draw out some **key ideas** linked to the Brundtland definition on which there would be a very wide consensus, and to **build an operational strategy on them**. They include:

- ***A focus on quality of life*** - Sustainable development must imply striking the “right” balance between the different factors (economic, social, and environmental) that contribute to our overall quality of life and that of our children. This may involve making trade-offs, and so it is an inherently political task. Pursuing sustainable development implies looking at long term issues, while acting now. It is also a dynamic process, as public priorities evolve over time, and technology open up new possibilities and risks. Political priorities

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<sup>6</sup> Barry et al.: Sustainable Development Strategies: a resource book, OECD & UNDP, 2001

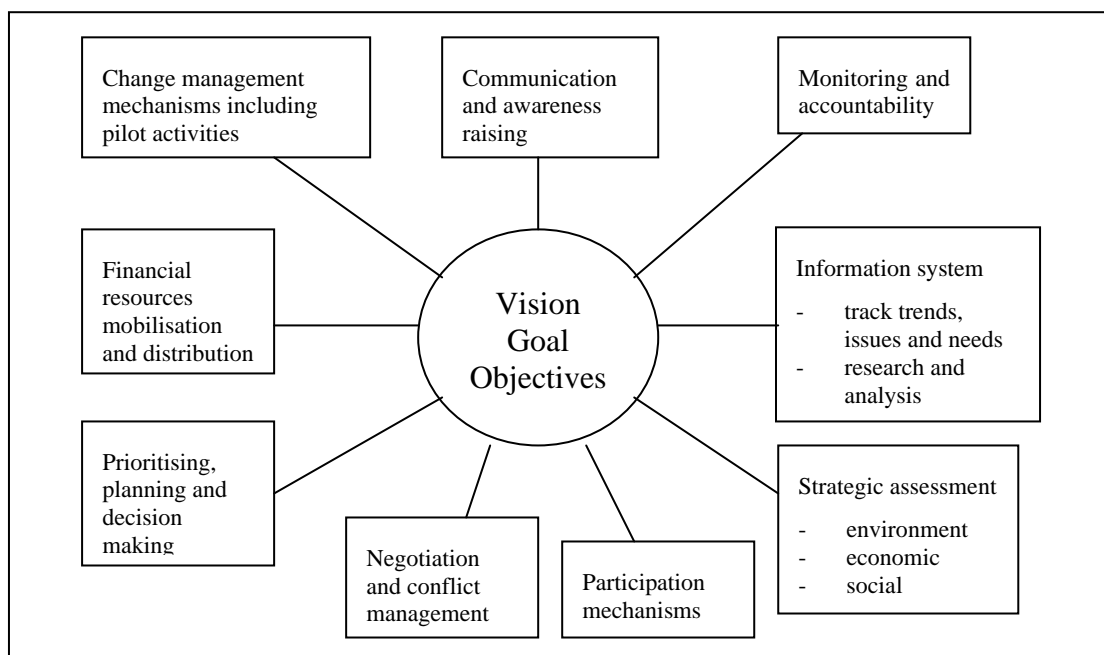
may also vary from place to place or from country to country. Nevertheless, a number of sustainable development principles can guide countries in their choice.

- ***A responsible approach to managing resources*** - Sustainable development also implies that we should ensure that the consumption of resources and their associated impacts do not exceed the carrying capacity of the environment and that the linkages between economic growth and resource use should be broken.
- ***Coherence in policy making*** - In many cases interdependencies or “spill-overs” between sectors are not fully taken into account, so policies in different sectors pull in opposite directions. This undermines their effectiveness and wastes resources. Improving coherence means better exploiting the potential synergies between policy areas, and dealing with unavoidable trade-offs in a transparent and responsible manner. Policy integration should go furthest where there is a high level of inter-dependence, and hence the potential gains from better co-ordination are expected to be greatest.
- In addition and in order to focus attention and effort, the strategy also identified a limited set of ***concrete priority areas***: two socially unsustainable trends (ageing and poverty eradication) and four environmental priority areas for action: climate change, environment and health, transport and land use, and nature and biodiversity. The latter are “slow burning” issues with high environmental, social and economic spill-overs, and involve high risks to people’s quality of life.

In sum, sustainable development is partly about “**objectives**” (what type of outcomes we want to achieve) and partly about “**means**” (what policies do we need to achieve these outcomes). Sustainable development therefore puts a premium on **open debate about political priorities**, in the context of a representative and accountable political system. In this debate we end up very quickly in a discussion of institutional questions, and facing difficult problems of reforming how policy decisions are made and by whom. Sustainable development is therefore closely connected to the issue of governance.

### **3.2. OECD/UNDP concept of National Sustainable Development Strategies**

The OECD/UNDP resource book on SDS states that NSDS should provide a strategic approach to help achieve a country’s desired long term sustainable development path, containing clearly defined long term and intermediate policy objectives, and specific actions and a timetable to achieve them. They should also contain provisions for monitoring and evaluating progress, and for periodic reviews. When developing NSDS, countries therefore have to set up **appropriate** information, coordination, participation, implementation, and monitoring and evaluation **mechanisms** as illustrated below.



Source: Barry et.al. (2001): Sustainable Development Strategies: a resource book, OECD & UNDP

The extent to which NSDS can bring about positive change in unsustainable trends will to a large extent be determined by the quality of the underlying mechanisms for preparation, implementation and evaluation. The OECD and UNDP consider therefore that **getting the process right** is key to achieving a sustainable growth path.

With this in mind, this review focuses on analysing the key mechanisms for preparation of the NSDS (chapter 4), the content of the strategies (chapter 5), and the implementation and review/evaluation mechanisms set in place (chapter 6).

#### 4. PREPARATION OF NSDS

##### 4.1. Most EU 25 countries have by now a national SD strategy

A total of **20 of the 25** MS and AC have developed a national strategy and are currently implementing them. This includes nearly all current Member States (with the exception of *Spain*<sup>7</sup>), and four of the ten accession countries (*Slovakia, Poland, Lithuania* and *Latvia*). The other countries are in the process of preparing their NSDS. *Cyprus* and *Slovenia* do not have a NSDS but touch upon the three dimensions of sustainable development in their National Development Plans (NDP). From an environmental perspective it is also worth mentioning that all AC, with the exception of *Malta*<sup>8</sup>, have developed National Environmental Action Programmes (NEAP) whose aim is to integrate environmental considerations in other policy fields and to adopt and implement the European Union's Environmental Acquis.

Some Member States, such as *the Netherlands, Sweden, Finland* and the *UK*, developed NSDS at a very early stage before or shortly after the 1992 Rio conference and have since regularly updated them. Initially these were mainly focused on the environmental dimension

<sup>7</sup> Situation at the end of January 2004

<sup>8</sup> Malta has a number of strategies for specific environmental issues, such as pesticides control, animal welfare and fisheries conservation. The Rural Development Plan also addresses environmental issues.



of sustainable development, but gradually encompassed more elements of the social and economic dimensions.

**Table 1: date of adoption of NSDS in relation to the adoption of EU SDS in 2001**

	<b>Before 2001</b>	<b>After 2001</b>	<b>Under preparation / revision</b>
<b>Member States</b>	The Netherlands (1), Sweden, Finland, United Kingdom (1) and (2), Luxemburg, Belgium (1)	Austria, Denmark, Ireland, Germany, Sweden Italy, France, The Netherlands (2) Portugal	Spain, Belgium (2)
<b>Acceding Countries</b>	Poland	Slovakia, Lithuania, Latvia, <i>Cyprus</i>	Hungary, Estonia, Czech republic, Slovenia, Malta

Strategies are updated and improved in the light of new knowledge and changing national and international circumstances. Several countries reviewed their NSDS in the context of the preparations for the September 2002 World Summit on Sustainable Development (WSSD) in Johannesburg. For others this was the sign to begin the preparation of their NSDS. Many paid specific attention to integrate the key elements of the European Union's SDS, adopted at the Göteborg Council in June 2001.

#### **4.2. The need for coordination: a spur to institutional creativity**

Given the many dimensions to be taken into account in the preparation of NSDS, coordination of the different policy areas was one of the first key issues to address. To meet the need for coordination and aiming to make their commitment more visible, MS and AC have often created new ad hoc institutions for coordinating the preparation of their NSDS.

##### *4.2.1. Government-led vs. mixed structures*

The organisation responsible for preparation of the NSDS is typically an **inter-ministerial body**, composed of high level representatives from all relevant Ministries. Exceptions to this are *Italy, Slovenia, Ireland* and *Luxemburg*<sup>9</sup>, where individual Ministries or agencies remain responsible for preparing the draft SDS, and consult other Ministries and stakeholders at a later stage.

This largely common coordination structure hides substantial differences in the responsible body's composition and leadership. There are two distinct compositions:

- Coordination structures **exclusively composed of representatives from government**. These countries include *Belgium, Denmark, Germany, Greece, Spain, Sweden, the Netherlands, France and the United Kingdom*.

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<sup>9</sup> Luxemburg is preparing a new legal framework where an Inter-ministerial Commission will be responsible for preparing the draft version of the future sustainable development plans.

- Coordination structures composed of a **mix of government representatives and key stakeholders**. This is the case for *Austria, Czech Republic, Estonia, Finland, Ireland, Latvia, Lithuania, Poland, Portugal, Slovakia and Slovenia*.

#### 4.2.2. *Environment ministries in the forefront*

The strategy is the collective responsibility of the entire Government, but Environment Ministries often play a key role, as shown in table 2. This is most likely due to historical reasons and the perception that the key priority of sustainable development is to limit damage to the life carrying capacity of the environment.

*France, Finland, Portugal, Germany, Malta, Estonia, Latvia and Lithuania* have placed the responsibility for coordination directly under the Prime-Minister's office in order to achieve maximum coherence between the social, economic and environmental dimensions of sustainable development. This could also be an indication of the priority attached to the strategy, a sign of political commitment to its implementation and a means of ensuring engagement of the different stakeholders.

**Table 2: Which government ministry or agency has the lead on the NSDS preparation?**

Slovenia, Cyprus	Institute for Macroeconomic Analysis (Nat. Development Plan)
Denmark	Environmental Protection Agency holds the Secretariat
Luxemburg, Italy, Greece, Czech Republic, Slovakia, Ireland, Belgium <sup>10</sup>	Environment Ministers
Austria	Environment Minister in collaboration with other key Ministers
The Netherlands	Environment Minister and Foreign Affairs Minister
Germany	Minister of State serving the Chancellery
Estonia	Prime Minister, Economy and Environment Ministers
Finland	Prime Minister, but secretariat is in Environment Ministry
France	Prime Minister and Minister for Sustainable Development
Latvia	Prime Minister and Minister for the Environment
Portugal, Lithuania, Malta	Prime Minister

#### 4.3. **Common but differentiated stakeholder participation & public consultation**

Most countries analysed strive to ensure a broad participation of stakeholders and public consultation as a means of achieving the **broad consensus** needed for society to accept, support and engage in the structural changes that sustainable development implies. Participation and consultation help build this consensus, allow people to express their preferences and needs, and help the identification of the provisions needed to address them.

<sup>10</sup> Initially, in Belgium, the responsibility was assigned to a Secretary of State for SD.

They also help to mobilise actions by all actors, which is crucial for successful implementation of any SD strategy. Both are therefore essential components of NSDSs.

4.3.1. Stakeholder participation

Nearly all EU 25 countries have some form of institutional structure for the participation of stakeholders in the preparation of the NSDS. However, these structures vary substantially across countries in terms of the status, timing and breadth of involvement of stakeholders in the policy process.

Stakeholders can either be organised in National Councils for Sustainable Development independent of the inter-ministerial working bodies, or they can form an integral part of the working bodies (table 3). In both systems stakeholders provide regular advice to the Ministers responsible for the preparation of the NSDS, but in the latter case usually occurs earlier in the process. On the other hand, independent Councils could be better placed to provide objective critical reviews of existing policies.

**Table 3: organisation of stakeholder participation**

	<b>Independent</b>	<b>Integrated</b>
<b>Member States</b>	Belgium, Denmark, France, Germany, Greece, Italy, Spain, Sweden, Netherlands, United Kingdom	Austria, Finland, Ireland, Portugal
<b>Accession Countries</b>	Cyprus, Hungary	Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia, Malta

Institutional participation is in certain cases, like in *Latvia*, fairly inclusive, and tries to associate besides the traditional social partners all groups and organisations directly or indirectly affected by the strategy, including minority groups mentioned in Agenda 21. *Finland* requested stakeholders to develop their own sustainable development programmes, which were then included in the Government’s evaluation programme for sustainable development. *France* and *Portugal* emphasised the importance of including regional and provincial representatives in the preparation of the NSDS. In some other countries, however, institutional participation is limited to the key social, economic and environmental players. The level to which stakeholders are involved in the actual policy process reflects countries’ past institutional settings and preferences.

4.3.2. Public consultation

Nearly all countries complement the formal participation of organised stakeholders with some form of **consultation of the general public**. This consists of the organisation of public hearings, thematic and sectoral workshops, national stakeholder conferences, and website consultations to allow comment on draft versions of the NSDS. This form of consultation fulfils the double aim of providing information to citizens on the government’s intentions and of involving them in determining political priorities.

Many public consultations however came **very late in the policy process**. Hence, they only marginally influenced the strategy’s content and broad orientations. Some countries did involve the public in the early stages: *the Netherlands* in part based their NSDS on a prior

review of actions and visions developed by Dutch society (incl. citizens, industry and scientific research centres). In a preparatory report, *Belgium* inquired social groups on their views with regard to sustainable development, and fed this information into the NSDS. *France* organised public hearings on its proposed Environmental Charter, and the visions expressed were taken into account in the drafting of the NSDS. These countries went even further in trying to build public ownership by organising the strategy according to the different groups of actors that need to be engaged.

#### 4.3.3. *The role of Parliament*

The role played by the national Parliament in the preparation and adoption of the NSDS is not always clear. *Sweden, Finland, Italy, the Netherlands* and *Slovakia* submitted their NSDS to Parliament for approval, and *Hungary, Slovenia* and *Estonia* did the same for their National Environment Programmes. *France* consulted its Economic and Social Committee and Parliament at the end of the NSDS's preparatory process. *Portugal* consulted its Parliament in preparation of its Framework Strategy. In future, the *Belgian* Federal Parliament will help guide the preparation and implementation of the NSDS through the organisation of a yearly debate on desired path towards sustainable development. The *Irish* Parliament established a special sub-committee to monitor and examine sustainable development issues.

The mechanisms for preparing NSDS vary substantially between the countries surveyed. This diversity is also reflected in the content of the NSDS.

## 5. CONTENT OF NATIONAL SUSTAINABLE DEVELOPMENT STRATEGIES

The following section identifies the key characteristics of the content of the different NSDS. First their central **purpose and focus** is described. Next, the **priority issues** are highlighted and compared to the environmental priorities in the EU-SDS. Finally, the mechanisms and tools for horizontal (across departments) and vertical (across levels of government) **policy coherence** are discussed.

### 5.1. Framework strategies vs. action programmes

The NSDS reviewed are intended as either framework plans for future policy making or concrete action programmes, but usually contain elements of both.

- **Framework strategies** set out general policy directions and guidance for sustainable development, combined with broad lines of action for specific problem areas. Their main objective is to change the processes of policy development and implementation. They are often complemented by separate, more detailed (sectoral) action plans or annual working programmes.
- **Action programmes** contain concrete, short and medium term objectives, with strict timetables and detailed measures. A few NSDS belong to this category
- **Mixed approaches** describe those NSDS, which are intended to be framework documents, but which also contain very detailed policy actions.

**Table 4: tentative classification of National Sustainable Development Strategies**

	<b>Framework strategies</b>	<b>Action Programmes</b>	<b>Mixed</b>
<b>Member States</b>	Austria, Denmark, Finland, Greece, Poland, Spain, Portugal	The Netherlands	Belgium, France, UK, Germany, Ireland, Luxemburg, Sweden,
<b>Accession Countries</b>	Latvia, Cyprus (Nat. Dev. Plan), Estonia, Czech Republic (draft NSDS)	Lithuania	Slovakia

The OECD/UNDP resource book on SDS advocates that NSDS should contain a combination of both strategic long term policy guidelines and intermediate objectives with more specific actions. The EU SDS also followed a mixed approach.

## **5.2. Broadly similar aims, but different focus**

### *5.2.1. Three dimensions generally covered*

A better integration of the economic, social and environmental dimensions of sustainable development is one of the main reasons for developing a NSDS. Almost all countries cover the three dimensions, although in different ways. For instance, whereas some countries (e.g. *Sweden*, the *UK*, *Lithuania* and *Poland*) include considerations in relation to competitiveness, innovation and economic growth, others do so to a much lesser extent. *Italy* took a two dimensional approach and focused its strategy on decoupling economic growth from environmental degradation. In the choice of topic treated many countries still put more emphasis on the environmental pillar, reflecting what they perceived to be the main concern of sustainable development and the institutional responsibility for the elaboration of the strategy. At the same time, reflections on the ways to ensure that environmental policy is cost-effective (e.g. through the increased use of market-based instruments) are not well developed in the Strategies.

**Table 5: Focus and scope of NSDS**

	<b>Environment</b>	<b>Three dimensions</b>	<b>Three + additional</b>
<b>Member States</b>	Italy	Austria, Germany, Finland, Denmark, Greece, Ireland, Luxemburg, Portugal, Spain (draft), Sweden, UK	France (cultural, regional, governance), Belgium (governance), the Netherlands (governance)
<b>Accession Countries</b>	Hungary	Cyprus (NDP), Estonia (Draft), Slovenia (NEDS)	Slovakia (cultural) Slovenia (cultural) Poland (cultural) Lithuania (regional) Czech Republic (cultural)

### 5.2.2. *Additional dimensions*

A few countries, mainly accession states, have explicitly added a **cultural dimension** to their strategy, emphasising local traditions, value systems, arts and the preservation of historical and cultural heritage as an integral part of sustainable development. This is the case for *Slovakia*, *Poland*, the *Czech Republic* (draft plan), *Estonia* (draft plan), *Slovenia* (Strategic Economic Development Plan) but also *France*. Other countries, such as *Finland* and *Lithuania* also implicitly recognise the importance of the cultural dimension through the choice of specific policy priorities and measures.

Several also focus on **education and training** as a key area for action with a view to changing unsustainable behaviour and preferences over time.

Countries have generally included an **international dimension** in their NSDS, thereby acknowledging that national consumption and production patterns have consequences that reach beyond a country's territory. Bilateral and multilateral agreements often form the basis for choosing policy priorities in the NSDS (e.g. climate change, protection of biodiversity...). Countries usually include a separate international section in their NSDS. Common themes treated are trade and environment (Doha-round), foreign aid and international solidarity (Monterrey International Conference on Financing for Development), and the outcome of the WSSD. Other issues include capacity building, urban development, sustainable tourism, and debt reduction for the poorest countries.

**Governance** is also often considered as an additional dimension of sustainable development in NSDSs. This acknowledges that for unsustainable trends to be averted, not only policies do policies need to be changed, but also the way they are developed. NSDSs are instrumental in guiding this change in policy making, through increasing policy coherence and integration.

### 5.3. **Similar priorities but various methods for clustering**

Most countries include a fairly large number of priority areas. Others, like *France* or *Belgium*, take an even more holistic approach (in line with Agenda 21) and cover a broader scope. Many strategies however lack prioritisation, with the associated risk of diluting important priority areas in a sea of other policy actions and hampering the implementation of the strategy.

#### 5.3.1. *A similar breadth of issues ...*

The NSDSs reviewed cover a wide variety of social, economic and environmental issues, including:

- **Sectoral issues** such as sustainable energy, transport, agriculture, industry, chemicals, SMEs, development of service sectors, government, tourism, fisheries, forestry, water, etc.
- **Cross-sectoral issues** such as biodiversity, climate change, atmosphere, noise, soil, radioactivity, marine environment, waste, nature protection, desertification, environment and health, ageing, gender equity, poverty, employment, education and training, social cohesion, cultural diversity, minority groups, security, research and innovation, governance, competitiveness, trade, overseas development aid, production and consumption, corporate responsibility, etc.
- **Territorial issues** such as regional, urban and rural development, landscapes, coastal zones, spatial planning and land use change, infrastructure, etc.

### 5.3.2. ... clustered in different ways

In an attempt to increase policy coherence and to prompt mobilisation, countries usually cluster the policies contained in their NSDS into a limited number of categories. The following types of policy cluster were identified:

- **Broad cross cutting objectives:** an example of this approach is given by *Austria* that clustered its priority areas around achieving (1) a better quality of life, (2) becoming a dynamic business location, (3) protecting the living space and (4) fulfilling Austria's international commitments. Within each broad category several thematic, sectoral and geographic issues work together towards the common objectives. Others took a similar approach, including, *Sweden, Denmark, Portugal, Estonia (draft plan)* and the *Czech Republic (draft plan)*.
- **Actor-centred strategies:** the *French* strategy is an example of this approach, in which some actions are clustered around the role of citizens, regions and provinces ("territoires"), economic actors and Government. *Poland* followed a similar approach, focussing on actions by society, the economy and the state. *Belgium* added a section to its NSDS dedicated to strengthening the role of key groups (women, children, foreigners and refugees, in accordance with the provisions of Agenda 21).
- **The classical three pillar approach:** that is the addition of social, economic and environmental objectives. The *United Kingdom* distinguishes between objectives and measures for a sustainable economy, for building sustainable communities and to manage the environment and resources. It adds a fourth category of objectives and measures for international co-operation and development, as well as a category for horizontal measures. Other countries that follow this approach are *Belgium, Greece, Finland, Lithuania* (adding a regional dimension). There are many cross references between the three clusters.
- **Mix of sectoral, thematic and geographic issues:** the *German* NSDS is an example of such an approach, which focuses on eight priority areas: (1) climate change, (2) mobility, (3) animal welfare, (4) demographic change, (5) education and training, (6) innovation, (7) land-use planning and (8) global responsibilities. Other countries that have a similar approach include *Ireland, Latvia, and Slovakia*.

A particularity of AC's worth noting is that many of the priority areas are centred on contributing to the multiple goals of bridging the economic and social development gaps that exist with current MS, and adoption of the environmental acquis, while preserving the cultural identities.

A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is a tool used by some countries for the selection of policy priorities. *Cyprus* for example used this tool for the development of its National Development Strategy. *Portugal* did the same for the preparation of the Implementation Plan of its Framework Sustainable Development Strategy

## 5.4. Policy coherence and integration

The search for more policy coherence and better integration of social, economic and environmental development goals is stated by many countries as one of the explicit aims of the NSDS. Countries have had varying degrees of success in providing institutional and procedural arrangements and policy measures to enhance **horizontal** and **vertical** policy coherence in their strategies.

### 5.4.1. Horizontal integration

Besides coordination mechanisms and provisions for stakeholder consultation, horizontal measures include tools such as guidelines for policy (*Belgium*), the use of Impact Assessment (*United Kingdom*), SWOT analysis (*Ireland, Portugal, Cyprus*) or spatial planning (*France*), as well as cross-sectoral policy measures such as fiscal reforms, education and training, capacity building and communication, and stimulating the production and dissemination of technical innovations.

An interesting example of how policy coherence can be further increased comes from *the Netherlands*, where every Ministerial department has to explain in its financial statements for the coming year how it will take account of the different dimensions of SD in preparing and implementing policy. The *United Kingdom* implements a similar approach, requiring each government department to present a report of the sustainable development impacts of measures for which it is requesting funding, as part of its regular two-yearly spending review.

**Table 6: measures for horizontal integration in NSDS**

	Central guiding principles	SWOT analysis	IA <sup>11</sup>		Spatial planning	Fiscal reforms	Education, training & communication	Capacity building	Innovation and R&D
			SIA	SEA and IEA					
<b>MS</b>	Denmark Belgium	Ireland, Portugal	Belgium Finland France Lux. NL Sweden UK	Denmark Italy Ireland Greece Spain Germany	Sweden France Greece Lux	Sweden Belgium Denmark Finland Greece Ireland Italy NL UK	Sweden Greece Italy Lux. Portugal	Sweden Belgium	Italy Belgium
<b>AC</b>		Cyprus Slovakia Slovenia		Hungary Slovakia	Slovenia Lithuania		Cyprus		Lithuania

The EU SDS also contains several horizontal policy recommendations. They aim to tackle some of the most important common causes of unsustainable trends, and include “getting prices right”, consultation with stakeholders, improved communication, better regulation through sustainable impact assessment, and investing in science and technology.

### 5.4.2. Vertical integration

This section looks at how coherence between levels of governance is promoted, i.e. how NSDS are linked to European, regional and sub-national strategies for sustainable development.

#### i) EUSDS – NSDS coherence

<sup>11</sup> IA: impact assessment; SIA: sustainability impact assessment; SEA: strategic environmental assessment; IEA: integrated environmental assessment



Despite having been adopted prior to the EUSDS, the NSDSs from *Belgium, Finland, Ireland, Luxemburg, the Netherlands* and the *United Kingdom*, also, not surprisingly, contain objectives and measures for policy areas covered in the EUSDS (see above). *Poland* did not include climate change because they already have achieved their emission reduction target under the Kyoto protocol.

On the other hand, the NSDSs of *Austria, Denmark, France, Germany, Greece, Italy, Latvia, Lithuania, Slovakia*, and *Sweden* were established after the EU SDS was adopted. They all contain references to the EU SDS and include the four European environmental priority areas in their own priorities, sometimes explicitly, sometimes as part of a broader policy area.

*Belgium* and *Estonia* go even further and explicitly base their new draft NSDS on the content of the EUSDS.

## ii) Regional SDS

- Nordic countries (*Denmark, Sweden, Finland, Norway* and *Iceland*) came together to draft a **Nordic strategy for sustainable development** (currently being revised for the 2005-2008 period), in which they coordinate measures of particular regional importance. Issues covered include climate change, biodiversity, natural and cultural environment, the sea, chemicals, food safety, energy, transport, agriculture, business and industry, fisheries, hunting and aquaculture, forestry, knowledge, instruments and resource efficiency, public participation and local agenda 21.
- A regional **Baltic Sustainable Development** process was initiated in 1996 between the 11 countries concerned (*Denmark, Sweden, Norway, Iceland, Finland, Germany, Russia, Poland, Estonia, Latvia*, and *Lithuania*) and the EU, together with a list of intergovernmental organisations (IGOs), international financing institutions (IFIs), and regional networks of cities and regions and international and regional non-governmental organisations (NGOs). The Baltic Agenda 21 project sets out future development visions for a number of key sectors of the economy, such as energy, fisheries, forestry, agriculture, transport, tourism, education and training, spatial planning and industry, and attaches specific action plans to them.

## iii) The sub-national governmental level

In many countries regional and local authorities manage substantial economic, social, environmental and spatial planning activities. They are also key players when it comes to involving the public in decision making.

Mechanisms for establishing links between the national and local or regional level frequently mentioned in NSDSs are:

- Support for the development of local Agenda 21 projects
- Support for networking between local authorities,
- Funding and capacity building for local and regional SD
- Help in the development of local and regional SDS.

The *Dutch* NSDS gives general guidance for SD at the local level, which is then to be tailored to the local situation. The *UK's* NSDS makes local Agenda 21 strategies and regional

strategies compulsory from 2000 onwards. The UK government also issued guidance on Regional Sustainable Development Frameworks (RSDF). In its “actors-centred” strategy, *France* devotes one of the sections to the “territoires”, a notion that encompasses both regions and sub-regional levels of governance.

However, detailed information on the extent to which there are fully fledged local or regional sustainable development strategies in the EU 25 and how intimately they are linked to/incorporated in the NSDS is lacking.

## **5.5. Concluding remarks on the content of NSDS**

The diversity in approaches taken in NSDSs is striking, yet they do show similarities in terms of key themes present, and ways to increase policy coherence. Strategies, however, often lack sufficient prioritisation of issues and the interlinkage between social, economic and environmental dimensions (including the identification of possible trade-offs and ways to mitigate them, e.g. through impact assessment and transition models) is usually weak. A feature commonly missing is an estimation of the financial and budgetary implications of the NSDS and the integration of SD priorities in the budgetary process. Nor do most strategies seem to contain an assessment of the administrative workload their implementation might entail.

## **6. IMPLEMENTATION AND REVIEW OF NSDS**

### **6.1. Institutional settings for implementation**

The institutional mechanisms for implementation of the NSDS vary depending on the specific constitutional circumstances of each country. They are not necessarily identical to the mechanisms for preparation, although the same broad categories appear. In some cases, such as in the *UK, Hungary, Slovakia, Lithuania, Greece* and *Italy*, one Minister has the overall responsibility for coordination of the implementation (usually the Minister for the Environment or the Prime Minister). However, the whole of Government remains politically responsible, and in all countries each Ministry, regional or local authority (in respect of the subsidiarity principle) is responsible for the actions that fall under its authority.

Some interesting cases of institutional mechanisms were noted:

- *France* has set up a network of high level administrators in each Ministry responsible for co-ordinating the implementation of the NSDS. Plans exist to organise joint study trips for these administrators to other EU capitals to learn from their experiences. The study trips should also enhance contacts between administrators, with the aim to improve collaboration between them.
- *Belgium* created a similar network of SD cells, one in every Ministry. The cells are responsible for the co-ordination of each Ministry’s responsibilities, and are assisted in this by a permanent inter-ministerial secretariat.
- *Spain* also foresees the creation of an institutional body whose function will be to increase and deepen co-operation between Ministries.
- In some cases, like in *Ireland, Denmark and Austria*, Government departments or inter-ministerial commissions lead in the development of more detailed annual working programmes to give effect to the strategy.

- Stakeholders sometimes participate actively in the implementation. In *Finland*, for example, several sectors have drawn up their own programmes and strategies for sustainable development, some of which have been developed in co-operation with the administration.

To assist with the implementation, *Belgium* included in its NSDS a set of **policy guidelines** for decision makers. This is part of a mechanism aimed at **building capacity** within the administration, and enhancing knowledge about sustainable development. *Cyprus*, in its Environmental programme, and *Sweden* in its NSDS also foresee measures to reinforce administrative capacities.

A **lack of a legally binding basis** means that NSDS mainly rely on the political commitment of the government in place and the engagement of the different stakeholders for its implementation. Implementation also depends on how target audiences appropriate the objectives set out in the strategy. Involvement of all stakeholders in the preparation of the strategy may enhance this.

## 6.2. Indicators for monitoring progress

There are often significant discrepancies between the intentions set out in the strategies and what is or can be realised in practice. This can have many causes. For instance, despite the search for mutually reinforcing objectives and measures, conflicts can remain between the social, economic and environmental objectives when it comes to putting the policies into practice. It is therefore important to foresee procedures and instruments for monitoring and reviewing progress in implementing NSDS.

### 6.2.1. Responsibilities

The institutional responsibility for reporting on progress is usually in the hands of the inter-ministerial working groups. This happens in the form of yearly or periodic progress reports, based extensively on the use of indicators for sustainable development. Some countries have also created institutional procedures for evaluations by independent experts. *Belgium*, for example, attributed this task to its Federal Planning Bureau, in which a task force on sustainable development periodically reports on the achievements and quality of the federal government's policies for sustainable development. The results of these expert reports feed into the preparations for the next NSDS, thus closing the policy cycle.

### 6.2.2. Large variations in indicator frameworks

The NSDSs usually include indicators to allow for close monitoring of the objectives and measures contained in the NSDS. *Ireland, the UK, the Netherlands, Denmark, France, Sweden, Finland, Portugal, Czech Republic, Latvia* and others, have developed separate periodic publications on indicators for sustainable development. These contain a list of core and more detailed indicators for sustainable development, and only partially cover the content of the NSDS. Because of differing national circumstances, objectives and measures, it is not surprising to see large variations in the indicators used to monitor progress. Nevertheless, together they commonly cover the three social, economic and environmental dimensions of SD, with often a predominant focus on environmental issues. They are mostly split into several sub-themes with one or several indicator for each theme, and often arranged in a DPSIR<sup>12</sup> framework. The vast majority of indicators, however, only cover individual sectors

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<sup>12</sup> Driving force, Pressure, State, Impact, Response

or topics and do not provide information on interlinkages between different dimensions. Efforts are nevertheless being progressively stepped up to devise such indicators<sup>13</sup>.

*Estonia* and *Slovenia* include a number of composite indices to their NSDSs, such as the Human Development Index, the Index for Environmental Space, the Ecological Footprint, and the Genuine Saving Rate. *Ireland* includes the development of satellite green accounts<sup>14</sup>. *The Netherlands* is also working on a set of indicators for determining Sustainable National Income (SNI). *Austria* is developing a set of indicators which will consider not only the scientific-technically based measurement values, but also aspects of people's perception. It will also cope with relations and interlinkages. Regular updates are made to account for changing priorities, and new data availabilities.

The lack of sound data to construct indicators for the follow-up of all aspects of the NSDS, notably the interlinkages between the different dimensions of SD, is a problem shared by many countries. Efforts exist in all countries to fill the gaps. The indicators are often produced by networks consisting of Ministries, research institutes and the government's statistical office. Countries base their selection of indicators to a large extent on the indicators work performed within the framework of the OECD, the UN, and the EU (e.g. structural indicators and the international task force on sustainable development indicators set up by Eurostat), facilitating comparison between countries. *Denmark* and *Belgium* also submitted the choice of indicators to public consultation.

## 7. CONCLUSIONS

The review of NSDS in the 15 Member States and 10 acceding countries highlights the variety of approaches taken in their preparation, coverage, implementation and review. It also points to the **common challenges** confronting each country. We are at an early stage in a learning process for the establishment and implementation of NSDS. The analysis therefore illustrates the **opportunities for joint action** between the Member States and the Commission, notably for identifying good practices, pooling knowledge and exchanging experience.

### 7.1. Common challenges

Some of the biggest difficulties faced by many countries include:

- **Getting the process right:** institutional and procedural arrangements to a large extent determine the success of a strategy in fostering integration, tackling cross-cutting and long-term issues, and positively influencing unsustainable trends. Countries have been creative in designing new institutions for this, but many barriers hinder their effectiveness. The active, high level participation of key Ministries and the strong political support to achieve what can be far reaching policy changes is necessary yet often lacking. Furthermore, Ministries do not always have a good, let alone a common understanding of sustainable development. Moreover, administrators have many difficulties to think "outside the box" and, for example, take account of spillovers from their policy areas. Finally, apart from a

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<sup>13</sup> One should mention the work of the SDI Task Force on drafting a framework for sustainable development indicators. The Task Force is organised by Eurostat and includes representatives from 16 countries (12 MS + 2 EFTA countries + 2 AC), several Commission DG's, the EEA, the OECD and the UN-CDS.

<sup>14</sup> Eurostat is financing a pilot project in several MS to devise satellite green accounts, the so-called NAMEA and SERIEE projects.

handful of countries, like the UK, NSDS show a lack of clear provisions to inform trade-offs and systematically assess costs and benefits that allow policy makers to take informed decisions that reflect people's preferences.

- **Creating a sense of ownership:** the review has shown that the processes often do not sufficiently guarantee the full participation and engagement of all actors concerned. Strategies also focus predominantly on actions to be taken by the government. A lack of understanding of the concept of sustainable development, and the limited time and resources to execute the measures contained in the NSDS, can also reduce the feeling of ownership within the administrations themselves, whose priority will often remain focused on achieving sectoral objectives. This lack of ownership can be part of the cause for discrepancies between what is planned and what is actually done. A bottom-up approach will increase the sense of ownership, but is a very time consuming and resource intensive exercise.
- **International collaboration:** the public good and trans-boundary character of many unsustainable trends renders policy action difficult if there is insufficient collaboration across national borders and between different levels of government. It is hard to organise stable long term coalitions that prevent countries from free riding, in other words countries benefiting from the action of others without making their own contribution to reducing the problem.
- **Finding a coherent vision or an agreed path for long term development:** the objectives and measures contained in the NSDSs are often a mixed bag or assembly of individual actions. Therefore they are not always integrated into a broad framework, so that NSDSs fail to pick up on or make use of interlinkages. Many decisions that are contrary to the aims of NSDS also prevail. This is also reflected in the OECD's country review of NSDS<sup>15</sup>, which concluded that "*in most cases ... goals pertaining to each dimension of SD are simply listed alongside each other and can hardly be described as integrated into a single strategy*".
- **Prioritisation and concretisation of policies:** addressing questions of policy coherence becomes more difficult the larger the number of policy areas addressed by the NSDS. A lack of prioritisation can be noted in many NSDS, and reflects the difficulties that countries face to design NSDS with concrete, realistic and credible intermediate targets and measures. Many objectives lack a concrete understanding of what they actually imply and how they should be reached. The OECD review concludes that "*there are often no priorities among the goals...no indication of the time frame over which they can be achieved, and little follow-up in terms of concrete actions*".
- **Financial implications of the NSDS:** the implementation of NSDS may require important shifts in both policy priorities and budgets. Vested interests both in government and society at large can hamper this process and allow only marginal shifts to occur, that are insufficient to fundamentally change unsustainable trends.
- **Matching intentions with action:** to what extent NSDS remain declarations of intent or actually have contributed substantially to changing the policy measures and the way they are made, in many cases remains to be seen. However, there is no sign of a reversal for the majority of unsustainable trends. Furthermore, insufficiently strong mechanisms for

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<sup>15</sup> OECD (2004): "Draft Final Report to Ministers, Ad hoc Group on Sustainable Development », §121.

monitoring and peer review of the NSDS can weaken a strategy's effectiveness to foster change. For many countries, effective monitoring of progress remains a difficulty. Important data gaps prohibit reliable monitoring of measures. There are also large uncertainties in establishing causal relationships between measures and changes in the state of a problem.

## **7.2. Opportunities for joint action:**

There is clearly a need to pool experiences and to develop a more systematic identification and **exchange of good practice** between all actors involved (representatives from Governments, National Councils, stakeholders and scientists) on issues such as:

- Key success factors in the preparation and implementation of NSDS.
- Institutional and analytical approaches to help policy makers identify policy priorities, look for synergies and make trade-offs between conflicting objectives.
- Approaches to involving stakeholders in the process of developing and implementing NSDS and for engaging the public through effective communication.
- Selection of credible objectives and effective use of milestones
- Efficiency of institutions and instruments to measure and evaluate progress towards sustainable development
- Efficient horizontal measures and policy guidelines that link sectoral and thematic issues, and increase policy coherence across sectors
- Experiences in use of geographic approaches to manage unsustainable trends in an integrated fashion
- Experience in integrating cultural considerations in sustainable development policies
- The development of education/training and life long learning programmes geared towards different decision making levels and type of actors, to promote a better understanding of the concept, content and implementation of the many aspects of sustainable development.

There is also the need at EU level to **increase synergies and complementarities** between national and European efforts on sustainable development in order to maximise the effectiveness of policies at each level and to avoid conflicting policy measures. Formally the national and EU strategies show a great deal of consistency because they address the same broad issues. However, this does not guarantee consistency in the objectives and measures taken. A more permanent exchange of information on good practices (e.g. through a dedicated internet portal) is therefore necessary.

The review has shown that the EU and national strategies are at least to a certain degree compatible in their choice of both thematic and horizontal priority areas. Further analysis may well identify actions within these areas that could be managed more coherently. The planned review of the EU-SDS will provide an opportunity to do this as well as to integrate more closely the EU's internal and global commitments (WSSD, Doha and Monterrey). It will also be the occasion to introduce more clarity between different European processes (Cardiff, Lisbon, Gothenburg and Johannesburg) and instruments (Extended Impact Assessment and Indicators for Sustainable Development).