

UN Summit 2012 And the EU Transformation Agenda

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UN Conferences are important benchmarks of a long journey which since 1972 tries to 'redirect' the course of the vessel Planet Earth with its present and future generations towards 'Well Being for all within the limits of one planet' .

According to Nobel prizewinner Paul Crutzen, since the 1800's, with the advent of the industrial society and the massive use of hydrocarbons, the earth has entered a "new geological era" marked by the growing impact of mankind, "the Anthropocene epoch", in which mankind has become a "planetary geophysical force". Crutzen considers that, since 1945, we have been going through phase II of the process, which he calls "the great acceleration". This phase is supposed to end quite soon, in 2015, as 60% of the services provided by the earth ecosystems have already deteriorated. The Peak oil theory merely reinforces the obvious observation that mankind can expect brutal changes in its economic and energy model. There are scarcity issues in many fields, from water and food to access to certain metals, which will increase the need to "fasten our seat belts" as it's going to be a bumpy ride. On the other hand, a better quality of life might result from forthcoming changes...¹

According to UNDP, a real turnaround in the direction of history is taking place²: *"We are witnessing with our own eyes what could be the beginning of a significant regression in human development (...) Climate change calls into question the principle of the Age of the Enlightenment according to which human progress always makes for a better future than the past (...) Letting this tragedy unfold would be a political failure which is worth describing as revolting for human conscience. It would be a systematic violation of human rights for the poor and for future generations and a big step backward for universal values". "If nothing changes, the crisis will lead to despair and anger and will create threats to collective security"*, stated Peace Nobel prizewinner Desmond Tutu.

The physical constraints linked to conditions for access to resources (energy, water, minerals) may lead – and already leads in some cases – to three types of conflict which are or will be the "hyper-conflicts" of the future³: war on "scarcities", war for influence and war for borders. The 'EU Transformation Agenda' is an alternative to the death forces in action and to the wars being prepared or taking place.

There are signs of hope. A silent transformation towards a "New Renaissance" is progressing with millions of "cultural creatives" all over the world, from Europe to China and the USA, moving towards a 'new civilization" based on knowledge and quality rather than quantity. One hundred millions Europeans (66% being Women) are engaged in behavioural changes. Their mistake is, each of them, to believe that they are... alone⁴.

¹ Paul Crutzen & Eugène Stoermer, in IGPB Newsletter 41, 2000.

² UNDP Annual Report, 27 November 2007

³ Jacques Attali, *Une brève histoire de l'avenir*. Fayard, 2006.

⁴ *Surgissement d'un nouveau monde: valeurs, visions, économie politique...tout change*, Marc Luyckx. éditions ALPHEE, Monaco, Paris, 2010

How has Europe evolved and where is Europe going ?

At the same time, a page of two hundred years of Europe's history is closing with the global economy gravity center shifting towards Asia⁵. The Copenhagen Climate Change conference has been an indicator of the loss of Europe's global influence. How should the Europeans (their Institutions, Businesses, Civil Society) should prepare their participation at UNCSD 2012, so that this UN Conference becomes a leverage for sustainable European policies, is the issue we wish to address.

If in the period 1992-2008 , globalization has been moving fast and economies were converging, since 2008 the macro-economics of Europe, Asia, Europe and the USA are diverging. More than an uncoupling, a real political, social and budgetary desynchronization of the major economic powers of the planet is happening⁶.

*"In an age of uncertainty, society globally needs a new compass to set it on a path of real progress. The Happy Planet Index shows that a good life is possible without costing the Earth. The highest HPI score is that of Costa Rica. Of the following ten countries, all but one is in Latin America" . Unfortunately, the first EU Country ranks only ...43, the Netherlands which is over twice as ecologically efficient at achieving good lives that the U.S.A. ⁷. In a time of budget austerity, the EU has to reshape its societal pact to achieve the three HPI goals of *high life satisfaction, high life expectancy and one-planet living*.*

The challenge for Europe is to make use of the UNCSD 2012 preparatory process, conference and side events to regain a coherent global presence and use the UNCSD 2012 process internally to respond to a double challenge for the years to come . If the EU succeed to do so, it will significantly contribute to "resetting our civilization"⁸

1. Europeans will have to face the decade of all the dangers (*the turbulent teens*⁹) to EU unity and the stability of our societies. A slow growth decennia combined with an increase in the prices of energy, food, raw materials will impact citizens buying power, imposing on Europeans to change their lifestyle towards happy frugality and more equity.
2. Europe is faced with scarcity and access problems in the field of energy (gas and oil), water, chemicals and 14 critical raw materials (see document 2 focused on the EU Resource Efficiency Strategy).

⁵ *L'Europe dans l'étau de la crise*. Pierre Defraigne. Executive Director, Madariaga-College of Europe Foundation. Madariaga Paper, Vol 3, N°4 (July 2010)

⁶ www.LEAP2020.eu

⁷ The Happy Planet Index 2.0. New Economics Foundation. UK.

⁸ "Reset Civilization", appeal of MEP Vittorio Prodi during the Resource Efficiency Alliance Think tank meeting on the post-Lisbon strategy.

⁹ A similar analysis is done by the WBCSD Vision 2050 Report with its "Turbulent Teens" decade 2010-2020.

The existing EU multiple 'strategies' proposed by Commission.

They need to be complemented by an '*out of the box*' exercise. In the time between now and 2012, the EU should complement and integrate its strategies "Security", 'Europe 2020', 'Competitiveness and Sustainable Industry Policy' and the 'EU SD strategy' by focusing on 3 priorities for which roadmaps have been proposed by experts outside the Commission (belonging to the Business, Academic and Civil Society spheres) and MEP's have initiated experts and business groups¹⁰:

- *Resource efficiency*¹¹. A way to increase competitiveness by cutting costs and increasing eco-innovation.
- *Sharing prosperity and living well*, even with limited or without growth^{12,13}
- *Mobilizing Economic Actors and Markets*¹⁴, including *Private Finance*¹⁵

More innovative 'governance' initiatives are needed than what has been proposed so far by the Commission or the Council to meet the 2 main challenges of stability inside Europe and access to resources outside Europe. *We need EU policies adaptation :*

- to manage resource efficiency and interdependences between (increasingly international) *value chain*¹⁶ interested parties as well as between raw material, water, food, energy and global security agenda ;
- to design partnerships with Governments of the other regions of the world in fields as energy, waste, materials .
- to co-operate with Front Runners and support the "*radical new landscape for business*" global business is interested in ¹⁷
 - (i) on one hand to accelerate the *shift* towards a low carbon and resource efficient Europe,

¹⁰ Globe Bee Groups 1(Resource Efficiency),2 (Lifestyles) and 3(Financing 2020)

¹¹ "Vision 2050" of the WBCSD

¹² "Prosperity without Growth" of the Sustainable Development Commission UK,

¹³ In Belgium, one can think, among others, of Christian Arnsperger ("Ethique de l'existence post-capitaliste"), Marc Halévy ("Le principe frugalité"), Emeline de Bouver ("Moins de biens, plus de liens") or Luc Bouckaert ("Frugality"; "Spiritualiteit & Soberheid"). In France, the most prominent ones are Pierre Rabhi ("La part du colibri") and Patrick Viveret ("Reconsidérer la richesse").

¹⁴ "The Balance Sheet," Mobilising economic actors and markets.

¹⁵ Mobilising private capital in support to Objectives 2020"

¹⁶ See the report of the Value Chain project of EPE and the Wuppertal Institute funded by the Ministry of Environment of the Netherlands.

¹⁷ WBCSD – Vision 2050.

- (ii) on the other hand to develop the *transition movement* which is flourishing in many parts of Europe towards more well being for all in the limits of one planet.

1972	UN Stockholm Conference on Human Environment	Environment Toxicity Waste	Poverty
1992	UN Rio Conference on Environment and Development	Eco Efficiency Climate Change Biodiversity	Top down Agenda 21 CSD monitoring mechanism
2002	UN Johannesburg Conference on Sustainable Development	Sustainable Consumption and Production	Bottom up Partnerships No monitoring mechanism
2012	UNCSD Rio Conference	Prosperity & life style Scarcity & Resource Efficiency Green Economy & Finance	The Global Value Chain Smart reporting to Internet communities Covenants

Proposal:

To move at wartime speed towards a green growth, a source of jobs, economic recovery and well being for all, we need to innovate and leverage additional ways to implement the Europe 2020 Strategy and secure the completion of the Single Market. *“The greening of the economy and the conditions for a just transition under a sustainable development strategy demand the establishment of new financial tools and a review of how international financial and economic institutions operate”*¹⁸

Europe is strong enough to show the way forward. Europe’s “attractiveness” for global investors should be reaffirmed on the basis of 5 elements to be captured by the EU Institutions communication¹⁹:

- Europe offers Stability, Democracy and Peace, we know how to manage consensus and we are based on great values, we have the absolute priority of solving conflicts with political means.
- Europe is a dynamic demand driven market for green products, investments, services, and sustainable territories.

¹⁸ ETUC. Anne Panneels. July 1st, 2010.

¹⁹ Resource Efficiency Alliance Think Tank meeting on the EU Post-Lisbon Strategy funded by the French Ministry of Environment. January 2010.

- Europe is the leading place for systemic, multi-stakeholder, innovation along the value chain with demand for technological and societal change within the carrying capacity of ecosystems.
- Europe has an “intergenerational pact” with pillars such as eco-growth, a skills pact and inclusiveness.
- Europe is an Innovation Laboratory for a Higher Level of Civilization.

By 2011, four initiatives to be decided at the level of the European Council should pave the way :

1.A European Finance Conference²⁰.

The European Council should launch the European Finance Conference proposed by the Chairman of the European Parliament Budget Committee, MEP Lamasoure,. The EU Budget 2013-2020, the review of the VAT rates, the ETS Auctioning revenues, the European Carbon tax, the macro economic indicators of growth and well being, the way to mobilize private capital in support to EU Objectives, the elimination of environmentally harmful subsidies²¹ need to be addressed together to secure their fast and most efficient impact on Europe’s ‘growth’. New rules of the market need to emerge quickly to accelerate Europe’s economic recovery. The EU and Governments need to provide without delay a regulatory framework to secure that carbon, water, ecosystems services costs are internalized.

It should also shape an “inter-generational pact” as *“the critical political fault line in the future will not be between insiders and outsiders in the labour market, or between labour and capital, but between generations. Future trends place higher costs on the young and give benefits to older citizens. Tightening environmental constraints will need to be managed by a younger generation which has not benefited from the era of cheap fuel and who will bear the direct legacy costs of climate change, water shortages, environmental disasters and biodiversity loss”*. Nick Mabey underlines that this must be accompanied by a *“fair burden sharing of public investment between generations to avoid that the most productive of the younger generation will leave for lower tax countries or a rejection by younger workers of higher public investment in securing Europe’s long term future”²²*.

The Convention/Conference should design a framework agreement to be adopted by the European Council and the European Parliament before UN 2012. It should include a “Private financial institutions covenant (see section 2 below)

This framework agreement would be a major signal to the global community while Europeans have had twenty years of failure at EU level when it comes to address environment harmful subsidies, carbon tax and other related issues. We

²⁰ Proposal of MEP Lamasoure, Chairman of the Budget Committee.

²¹ Interim report of the Green Growth Strategy. OECD. May 2010

²² *Europe in the World: Elements of a New Economic Narrative*, Nick Mabey

can't be credible internationally if the EU is unable to agree on a "package" and relies only on Member States national strategies.

Europe is also facing budget austerity, slow growth and the impact of a real political, social and budgetary desynchronization of the major economic powers of the planet. The situation is more alarming than usually recognised. Fears that "*change is too slow to avoid another major crisis by 2014-2015*" are growing at Governmental and Business levels.

To move at wartime speed towards a green growth, a source of jobs, economic recovery and well being for all, we need to innovate and leverage additional ways to implement the Europe 2020 Strategy and secure the completion of the Single Market.

2. A Private Financial Institutions Covenant

As the Commission noted '*the EU has the largest financial system in the world*' (...) *Actions by the EU alone would be less effective but could be considered, particularly if there are good reasons to expect that an EU role of global leadership would be followed by other key countries*²³".

After the financial crisis, Banks are an 'enabling industry', which should be creating real value for clients/members solving real economic scarcities and contributing to the implementation of a low carbon, resource efficient and sustainable economy. Banks addressing the transition towards a low carbon economy have many opportunities (new banking products, new clients and fields of interest).

Dialogue and partnership between States ministries of finance, European Union institutions, public and private banks and other interested parties to secure improvement in – and an optimal combination of – mechanisms to mobilize the necessary investment and financial flows to address climate change and eco-innovation is urgently needed at EU, national and regional levels as well at the international level.

We need a State-Market (Banks)-Civil Society Alliance to build the new risk-reward paradigm, restore Trust in European Banks and secure their "Green Economy Leadership". A Covenant, 5 Years Emergency Deal" with Private Banks should be negotiated prior UN 2012 . We are engaged in a race against the clock. Banks will find significant opportunities should they choose to participate in this major shift.

On the other hand, as stated in the FUNDETEC report, "To meet the financial challenges of tackling climate change and securing an energy efficient and sustainable economy, public institutions will need the help of commercial type funding on a very large scale. Innovative instruments must tap into private pools of capital, as public resources will prove insufficient to meet the new financing

²³ *Innovative financing at global level*. Commission staff working document 409.

requirements. But these segments cannot act in isolation from each other; much more cooperation between players in public and private finance is required.”

All European banks, including private banks, cooperative banks, saving banks, investment banks, retail banks, asset managers, and pension funds have a significant role to play in financing the shift to a low carbon and resource-efficient economy through their lending and investment practices.

A *European Forum Commission-Banks-Civil Society* should be part of the Covenant.

3. European Transformation Agenda and European Institutions Summit 2011, the time of front runners.

The European Council, the Commission and the European Parliament should be invited to innovate in terms of “governance” to mobilise economic actors and markets, and facilitate Europe’s transition :

Once a year, in the European Parliament, the President of the Union, the President of the Commission and the relevant Commissioners, the President of the European Parliament and Chairs of the European Parliament’s relevant Committees, the President of the Economic and Social Committee, the President of the Committee of Regions should meet with the front runners who are playing a key role in securing Europe’s green economy leadership implementation :

- public authorities (as the Mayors signatories of the Covenant of Mayors),
- CEO’s of eco-innovative Companies (from listed companies to SME’s),
- CEO’s of Private Banks helping to mobilise private capital in support EU Objectives
- Leaders of initiatives related to sustainable consumption and production

Front runners would submit to the High Level Meeting a joint report assessing progress made by economic actors on initiatives and covenants - beyond regulation - to reach EU Objectives and presenting new ways and drivers to accelerate the shift towards a resource efficient economy.

The European Institutions Summit 2011, the time of front runners should be the time of presenting a new vision and narrative. Citizens need today a new dream and a sense of hope ! Top down strategies presented to a public opinion which has not really been involved, is largely not aware and has not taken ownership or remains immensely skeptic will not make the deal. We have enough top down Commission communications and strategies. Now it should be the time of the front runners and the champions who are able to present success stories demonstrating that ‘it works’, ‘there is a big potential’, ‘there are profits to make and jobs to create’. In a way the ‘Covenant of Mayors’ shows the way.

The first high level meeting would take place prior to UN 2012 Rio Conference on Sustainable Development. It would have on its agenda :

- EU Resource efficiency Strategy with a global value chain approach
- Sharing prosperity and living well, Europe 2020, Mobilizing Economic Actors and Markets, including Private Finance

4. European Union Council. Special session UN 2012 Green Economy and Resource Efficiency

By the second half of 2011, President Van Rompuy might wish to convey a European Council session devoted to UN Summit 2012 and 'Resource Efficiency' (as it will be the case for Energy in January 2011). This meeting should be preceded by the High Level meeting with Front runners as described above.

The European Union Council. Special session UN 2012 on Green Economy and Resource Efficiency should review :

- The results of a European Financial Conference
- Europe 2050 Security and Resource Efficiency, New European and Global Partnerships along the Value Chain. Sustainable Consumption and ecological footprint.
- Global and European prosperity 2050 within the limits of one planet.

Sustainability is also a competition of cultural models.

The definition of an ecologically, socially and economically viable society, happiness, quality of life and health varies from one region of the world to the other. And the European/ Judeo-Christian approach might not be the most advanced and promising one. *“In its quest for higher “gross national happiness,” the Himalayan kingdom of Bhutan is posing a set of economic and social questions that are of pressing interest for the entire world. How to guide an economy to produce sustainable happiness – combining material well-being, environmental conservation, and psychological and cultural resiliency – needs to be addressed everywhere”*²⁴

In his book, the Performance Economy, Walter Stahel underlines that “*Sustainability, as a concept has a number of different faces and interpretations that depend on the underlying cultures and traditions*”. In 1992 the first Rio Conference took a “*seemingly neutral position*”. To prepare and be successful at UN 2012, Europeans need to be *more aware of these cultural and other geopolitical differences*. The Chinese approach (developed since 1992) of a “*Circular economy*” or the Japanese LOHAS – *Lifestyles of Health and Sustainability* which has replaced ‘green consumerism’ might be useful to consider²⁵ alongside approaches as ‘*cradle to cradle*’ and ‘*well being society*’. This is why the “European narrative” should also be revisited.

Where have we made progress since 1992 ?

➤ Responsibility.

The Millennium Development Goals have been adopted. In different ways awareness has progressed and responsibility has been taken. The Noble Prize has been given to the GIEC and Al Gore awareness efforts, as well as to Wangari Mathai. Churches have issued ‘roadmaps’²⁶. Some companies have moved from Corporate Social Responsibility window dressing to roadmap (such as Vision 2050) and sustainability supply chain guidelines²⁷ with precise objectives and new labeling systems of ecological/carbon footprint. Regulations have been adopted as the EU REACH and the Electronics Waste Directive which have a global outreach. IT Communities are facilitating the transfer of knowledge in an unprecedented manner.

➤ Green Growth Strategies.

²⁴ Jeffrey Sachs. UN Special Advisor on MDG’s.

²⁵ Stahel p285-286.

²⁶ Encyclique Caritas in Veritate .

²⁷ See Wal-Mart environmental objectives – WEC Gold Medal 2010.

UNEP, the OECD, UNESCAP and the EU are all helping shape 'Green growth' strategies.²⁸

➤ New Vision and Monitoring of Performances

Countries²⁹, Companies³⁰, Consumers³¹ "environment/sustainability" performances are tracked and ranked. Governmental policies, companies management schemes, consumers behavior are under scrutiny.

More a Company is "*part of the solution*", more its '*intangible assets*' are raising.³²

➤ Traceability

Due to both civil society pressure and technological progress, the traceability along the supply chain is becoming a critical issue from health, safety, environment and fair trade requirements perspective. Satellites and IT have dramatically changed the way to trace product and manage responsibilities along the chain.

➤ Pricing.

The ETS system is progressively in place in several parts of the world. Payment for environmental services is progressing on the agenda.

➤ Adaptation.

The impact of climate change (sea level raise, floods, drought) has become obvious. Climate change mitigation and adaptation programs are developed. Cities have embarked in major restructuring. Sectors as the 'building sector' is becoming one of the most eco-innovative. Long time overdue, a new industrial revolution is becoming reality with smart grids, buildings becoming power plants, new mobility schemes, biomimicry. Resource Efficiency is now becoming an EU Flagship initiative. The OECD³³ and UNEP have launched major green economy initiatives, studies, roundtables. Eco-innovators are active in many fields.

➤ Circular economy.

Some of the 1992 developing countries have emerged as new economical powers, as the BRICS. Growth of population and economical development have created new security issues both in terms of health and access to scarce raw

²⁸ See ESDN Conference "Towards an Economy compatible with Sustainable Development Principles: 'Green' Strategies in the context of Sustainable Development" 4 - 6 July 2010 in Ghent, Belgium

²⁹ See Yale and Columbia Universities www.Epi.yale.edu

³⁰ Dow Jones Sustainability Index, and others

³¹ Third annual National Geographic/GlobeScan "Consumer Greendex," a scientifically derived sustainable consumption index of actual consumer behavior and material lifestyles across 17 countries

³² Marc Luyckx. Vision2020.

³³ OECD interim report.

materials and resources. China has adopted a 'Circular economy' agenda. Anti-recession plans have in some countries been largely focused on the green economy. Both Korea and Japan have announced their aim to each create one million green jobs resulting from their green stimulus packages.

➤ Natural and cultural heritage:

Companies are increasingly seeking business opportunities in preserving biodiversity³⁴ rather than viewing it as a threat to their profits, according to a new McKinsey survey. The results suggest that companies are now embracing biodiversity as the next big environmental issue³⁵. Natural and Cultural Heritage are recognized as an asset for leisure and tourism industries.

➤ Transformation

The Yasuni ITT Fund agreement signed between the State of Ecuador and UNDP to avoid drilling in the Yasuni reserve in the Amazon forest is one of the major Governmental initiatives of this decade. Countries as Indonesia, Vietnam and Guatemala are envisaging similar initiatives.

➤ Smart and radical changes.

New Business models have emerged. The green economy is perceived as an extraordinary "business opportunity", smart and unusual alliances creating wealth for knowledge and radical changes through people's power and partnership are changing the business landscape. Covenants where top down and bottom up initiatives are complementing each other are demonstrating their efficiency to move beyond regulation and EU targets.

➤ Transition Movement

The Transition Towns movement began only about 2006 and is growing rapidly. It emerged in the UK mainly in response to the realisation that the coming of "peak oil" is likely to leave towns in a difficult situation, and therefore that it is very important that they strive to develop local economic self-sufficiency. Similar movements are starting in other EU Countries as well as in the USA. This kind of initiative is also starting at State and City level.

Where have we failed ?

There are persistent implementation gaps relating to poverty eradication, food security, income inequality, maintenance of biodiversity, combating climate change, reducing pressure on ecosystems and fisheries, access to clean water and sanitation and the full participation of women in implementing internationally agreed goals, reflecting a fragmented approach to achieving SD goals. No major changes have been made in

³⁴ TEEB for Business. IUCN-WBCSD-PwhC 2010

³⁵ See

patterns of consumption and production since UNCED, although fundamental changes are indispensable to global SD.

Efforts at achieving SD goals, including the Millennium Development Goals (MDGs), have been further hindered by the recent financial and economic crises which have adversely affected economic performance, eroded financial hard won gains and increased the number of people living in extreme poverty. We are far from achieving the goals of the 1992 Conventions on Climate Change ,and on Biodiversity. With some exceptions, developed countries are still far from delivering on the levels of official development assistance (ODA) which they have frequently promised to assist developing countries to develop in a more sustainable way.³⁶

On top of this :

- Governance.

Since Doha, the international conferences are not delivering results any longer. Cancun (WTO) , Copenhagen (Climate Change) are examples of failures.

The gap between the EU and its citizens is obvious and is due to the lack of courage of the EU Institutions. The EU 'participatory approach' has largely failed which explains the failure of the EU Constitutional Treaty, the Lisbon Strategy and the EU Sustainable Development Strategy. The EU is a-citizens³⁷.

- Environmentally Harmful subsidies.

Since the 1992 carbon tax proposed by the EU Commission chaired by J. Delors, the efforts towards a rebalance between labor taxes and harmful environmental subsidies have failed (see OECD Green Growth report).

- Biodiversity

We are living during the six major mass extinction period of the Earth's resources³⁸

- Move the banking world.

The financial sector is the laggard though they have powerful leverages to accelerate change. Private financial institutions are still considering Environment, Social issues as 'niche markets'.

What should be the added value of UN 2012 ?

³⁶ EESC

³⁷ Pierre Defraigne.

³⁸ See DG Environment website.

According to the GA resolution, the Conference will have three objectives:
- securing renewed political commitment for sustainable development;
- assessing the progress to date and remaining gaps in implementation of the outcomes of the major summits on sustainable development;
- addressing new and emerging challenges : a green economy in the context of sustainable development and poverty eradication ; the institutional framework for sustainable development.³⁹

Forty years after the Stockholm Conference what are the main changes, problems unsolved and progress made ? What should be on the agenda of 2012 to make it a step towards new mankind 'progress' within the carrying capacity of ecosystems ?

The UN Green Economy Initiative as well as the post-crisis Global Green New Deal (GGND) broad objectives is: a major contribution to reviving the world economy, saving and creating jobs, and protecting vulnerable groups. It should promote sustainable and inclusive growth and the achievement of the MDGs, especially ending extreme poverty by 2015. Also, it must reduce carbon dependency and ecosystem degradation.

Climate change adaptation and biodiversity new extinction are perceived as major planetary issues . In such a framework the concerns for security of access to and fair sharing of energy, water, raw material and food are growing. Their raising costs will put even a more heavy burden on citizens shoulders while, during the coming decade Europe's economic growth will remain very low putting Europe's societal model at risk with growing inequalities . It will impact life styles. Citizens will become "smarter" and new forms of solidarity will emerge in support to collective goods and rights.

Green growth is seen as an important economic recovery leverage. Sustainable material management offers viable, effective and efficient solutions rapidly. New concepts are leading towards a new industrial revolution (zero waste, positive buildings) largely focused on a smarter building, energy, material management , value chain management by 2050 a new economy, with new "infrastructures". Retrofitting buildings program, co-processing, urban renewal, new transport systems are seen as key policies securing local jobs, improving quality of life and well-being.

➤ **Renewed commitment : A Declaration of Interdependence.**

Mankind has to rediscover its ' interdependencies', the new 'security agenda' related to human development , reaffirm 'collective goods and rights'. A Declaration of Interdependence would open the UN 2012 concluding document.

➤ **Emerging challenge : Scarcity**

A list of critical raw materials is becoming part of the 'security agenda'.

³⁹ EESC preliminary opinion

➤ **Gaps in implementation : a Value Chain Approach**

Most public and corporate policies are traditionally segmented and thematic and not oriented along the global value chain. Adapting both policy instruments and business models to move towards sustainable development management for which a chain approach is an essential element will require to focus on adaption towards value chain management. It should address in particular sustainable material management, sustainable trade, sustainable finance.

➤ **Drivers : The Eco-Innovators and other Front Runners bottom up green economy partnerships.**

The Eco-Innovators of the Value Chain should meet in Rio. IT joint instruments should be reviewed both in terms of products traceability and internet communities joint action

➤ **Weak link : Mobilise Private Financial Institutions.**

It is for the moment the weakest link. It should become a strong link and leverage. Europe should take the lead by presenting a five years framework agreement between private financial institutions and public authorities.

➤ **Empower Front Runners. Bottom Up processes.**

To make links and interdependences work, Internet should be the leverage of change towards a reinforced 'dynamic' developed between economic actors, amongst which 'Cultural Creatives' and Citizens communities as buyers and investors.

Annex 2. EU steps towards UNCSD 2012

If Europeans (their Institutions, Businesses, Civil Society) want to regain influence, they should be clear regarding the strong links, the weak links and the missing links of the Europe 2020 Strategy, and before leaving for Rio they should elaborate implement an action plan 2010-2012

Rio 1992 initiated several processes which will meet again in the next two years:

- International agreement on climate change (Copenhagen 2009-Cancun 2010)
- International agreement on biodiversity (Nagoya 2010)
- Sustainable Consumption and Production (CSD 2011).

At EU level we have had :

- EU Sustainable Development Strategy
- Lisbon Strategy, phase 2 (2005-2010)
- Europe 2020 Strategy (2010-2020)
- Action plan on SCP and industrial development

And we will have :

- The European Eco-innovation Action Plan
- The European Resource Efficiency Strategy
- A new Communication on Raw Materials
- A new Sustainable Industrial Policy
- The European Energy Efficiency Action Plan
- A new Waste and Natural Resources Directive
- The Trade for Europe 2020 Strategy

According to Pierre Defraigne⁴⁰, former Deputy Director General of DG Development and DG Trade, the results of the Lisbon Strategy have been worthless and the Europe 2020 Strategy will change nothing. We will have to face the decade of all the dangers⁴¹ to EU unity and the stability of our societies. A slow growth decennia combined with an increase of the prices of energy, food,

⁴⁰ L'Europe dans l'état de la crise. Page 14,22

⁴¹ A similar analysis is done by the WBCSD Vision 2050 Report with its "Turbulent Teens" decade 2010-2020.

raw materials will impact citizens buying power, imposing to Europeans to change their lifestyle towards more frugality. This undergone and non selected frugality will require a more fair share of the added value by a transfer of shared value from the financial industry towards the other sectors. Deep reforms to reallocate scarce public money will require soon or later a form of legitimation by European citizens.

Sustainability Performance of EU Member States are varying from good to poor. According to the Yale and Columbia Universities Countries ranking first are Iceland (1), Switzerland (2) , Costa Rica (3) , Norway (4) . France (7), UK (14), Germany (17), Japan (20), USA (61). Twenty two EU Member States are performing better than the USA. ⁴² The five others are Poland (63), Bulgaria (65), Greece (71), Belgium (88), Cyprus (96).

Do we have what we need with the EU SDS and the Europe 2020 Strategy ?

Who has ever heard about the EU Sustainable Development Strategy ? To raise the question is to answer. All 27 member states have developed a sustainability strategy but their structure and content vary greatly. Recommendations have been made by the UN regarding the relevant processes and institutions⁴³.

In its preliminary opinion the EESC proposes to *Review and strengthen the EU SDS, building its key objectives into the implementation of the Europe 2020 Strategy* ⁴⁴. We will concentrate our efforts on improving the Europe 2020 Strategy process.

Will the Europe 2020 Strategy meet our needs ? As a basis yes, as a final document no. An excellent overview has been done by Philippe Pochet from ETUI⁴⁵ :

- One of the fixed strategic objectives is the EU Package 20% CO2-20%renewable-20%energy efficiency.
- The 'Smart regulation' objective, replacing 'better regulation', remains focused on the 'less regulation' agenda.
- The new measure and indicators of wealth (report Sen-Stiglitz-Fitoussi) are not addressed
- The driving Council will be ECOFIN
- The financial dimension of the European tri-dilemma is not addressed properly. *This critical assessment of the Commission's 2020 strategy paper finds that the consequences of the exit strategy are largely glossed over.*

⁴² www.Epi.yale.edu

⁴³ UN General Assembly. Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference. Report of the Secretary General. April 2010 § 88 to 91.

⁴⁴ Economic and Social Committee

⁴⁵ What's wrong with EU 2020. Philippe Pochet. ETUI. Issue 2/2010.

Policymakers face a looming trilemma - reducing debt, investing in green infrastructure, and maintaining the welfare state and public services - that can only be addressed by thinking out of the box. Tackling inequalities of all types should be the agenda's top priority. The transition to a low-carbon society will not be delivered by greening 'business as usual' with a top-up of innovation. A paradigm shift is happening that demands a in- depth analysis of the limits of the current development model (ETUI).

- *There has been no participatory debate and the chance to see the economic actors taking ownership is limited. The fundamentals of a raft of policies - taxation, industry, transport, trade, employment and others – must be opened up to discussion and revision. The focus should be on quality jobs, social security, social rights, social dialogue, public services, etc. A debate is needed on how the agenda can bring about a just transition by involving the stakeholders in delivering this radical change to the social model (ETUI).*

The management of the financial and economic crisis during the last months has demonstrated that we need to innovate in terms of “governance” and social innovation and have new methods to work together faster and more efficiently as no one entity alone can address the sustainability issue we face, no one has sufficient resources, no one has sufficient understanding and no one has sufficient credibility and authority to connect the large networks of people and organization that real change must engage.

As a participatory approach generates more growth, because it produces more innovation, the Europe 2020 Strategy needs to be flanked with participatory mechanisms to develop a joint pro-active vision and for negotiating multi-lateral tradeoffs, build consensus, mobilise economic actors and markets, address systemic risks and support front runners.