

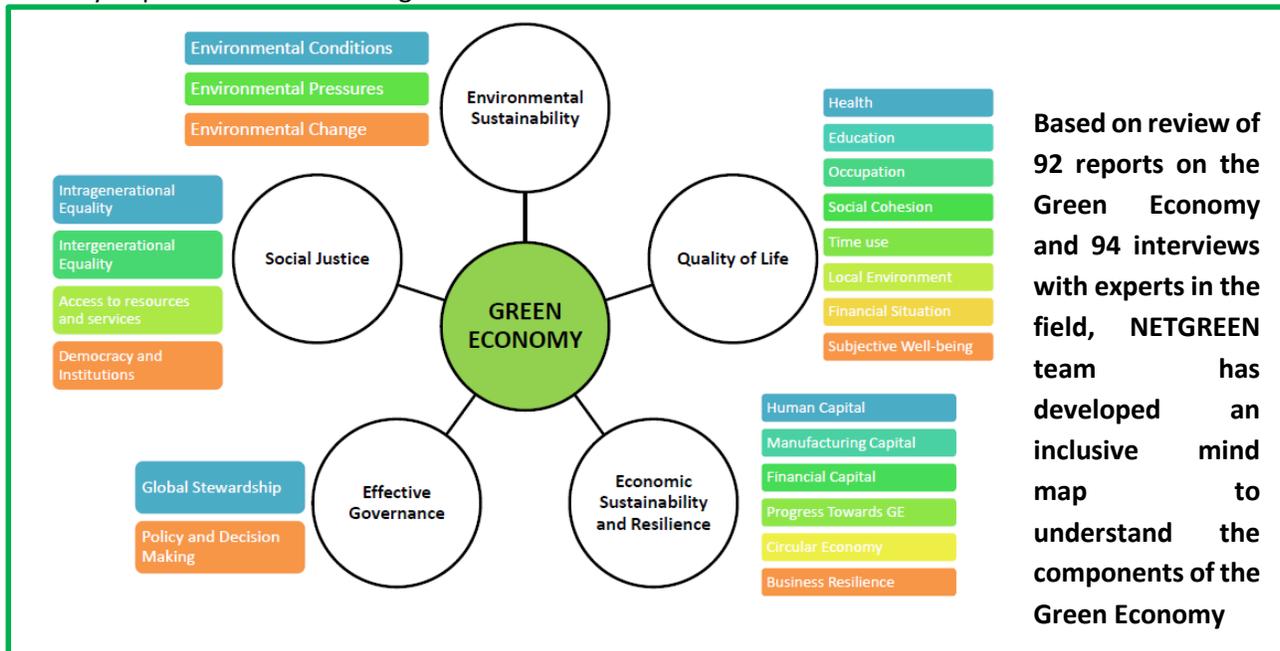


NETGREEN Final Conference (25 October 2015, CEPS) - PROCEEDINGS

**Accelerating the transition to a green economy in Europe:
National/regional strategies and the new Sustainable Development Goals**

About NETGREEN

The Conference was organised as part of the NETGREEN EU-funded project, aiming to facilitate the adoption of policies that will advance progress towards a green economy. The NETGREEN team has developed an open-access, searchable web tool, named measuring-progress.eu, that will provide the stakeholders involved in the policy making process with a unique point of entry in the huge landscape of green economy indicators. The beta version of the online tool measuring-progress.eu contains more than 750 indicators from various sources (Eurostat, OECD, World Bank, NGOs, etc.), including information about the EU and beyond. Most importantly, the tool provides to the users with several unique features, such as suggestions on similar indicators, potential misinterpretations, keywords, policy outcomes and others. Thus, measuring-progress.eu enables policy makers and other users to quickly identify the most relevant indicators that would help them measure the success of green economy policies and understand the key implications and challenges of the transition.



Session 1 - The EU green economy transition

What we need for the transition to a sustainable future¹

Humanity is exceeding its planetary limits. Today we use the equivalent of 1.5 planets to provide the resources we use. If we continue on the same path, by 2030 we will use the equivalent of two planets and almost three by 2050. Therefore, we must start the change now!

We often hear about the necessity of adjusting our consumption and becoming more resource efficient. Well, using less car and food packaging, for example, is not enough anymore. Now we need a systemic approach to have a sustainable resource consumption in 30 years. Our objectives should be energy generation from renewables, no GHG emissions and no harming bio diversity (harm should be compensated).

What do we need to achieve these objectives? Linear models as we know them do not solve complex issues. We need new business models, such as Circular Economy; we need sharing economy, where we lease products instead of buying them; we need disruptive technologies and use of digital platforms; we need a different type of planning towards the transition to green economy. Hence, we need indicators to measure the transition.

The concept of indicators should be similar to accounting standards – indicators should be set, compulsory, comparable and impartial. Our resource accounting should become like the financial one, where we can track the whole resource chain.

We need special indicators for the industries, having the biggest environmental footprint: food sector, construction sector, energy and transportation; in addition, we need indicators to measure the sustainability of the public procurement, accounting for 20% of Europe's GDP.

We should also stop practices preventing the transition to a more sustainable future, such as subsidising fossil fuels, for example.

The new Horizon 2020 work programme in the transition to a Green Economy²

Transition to the green economy requires systemic approach, a “systems-wide transformation through affecting the system's economic, social and environmental dimensions as well as their interconnections”. New business and governance models may be needed. Economic, social and environmental dimensions should be treated in a more interconnected way with a transdisciplinary approach. Instead of different communities working separately on each dimension, we need to move beyond discipline-specific

¹ Based on the key-note speech of MEP Sirpa Pietikainen

² Based on the presentation of Christian Ballarò, European Commission

approaches. As mentioned in the Europe 2020 strategy, economic, social and environmental aspects have to be tackled altogether.

It is expected that at least 60% of the overall budget of the EU Framework Programme for Research and Innovation "Horizon 2020" should be related to sustainable development. The newly adopted work programme for the SC5³ has adopted a challenge-driven, solutions-oriented research and innovation strategy that crosses disciplinary boundaries and involves co-creation of knowledge. The aim is to invest in the co-creation of future markets for circular economy, nature based solutions and climate services to accelerate the transition to a Green Economy. The attitude of private sector towards sustainable development seems progressively changing. Business perceives Circular Economy as an economic opportunity. There is a need to continue this tendency and increase the share of private investments in sustainable development initiatives along with increasing EU's knowledge and innovation capacity.

Session 2 - Moving towards a green economy- lesson learnt from national and regional strategies

How to manage the transition - Lessons from Central and Eastern Europe⁴

Transition is a complex process and the region of Central and Eastern Europe has experienced it in the 1990s. Back then, the vision was very clear: "Freedom, Peace and Prosperity" via democracy and market economy. The transition to a Green Economy might be more difficult than the one experienced in the 1990s, since the vision and the future are blurred. Here are some lessons we can learn from Central and Eastern Europe experience in managing transition:

- The change is inevitable. The choice is between drifting and rowing.
- We need an attractive vision of change, even if it is blurred.
- The more we value the values of present, the harder is the transition. We need to know what values we want to carry over with the transition.
- Government structures, business models and the whole fabric of society will need to change to support the transition.
- All these systems must move forward together. No one is able to move the progress alone.
- The system needs a supreme actor - someone above „who“ oversees efforts and marks the performance. The UN and the EC would suit for this.

³ Societal Challenge: Climate Action, Environment, Resource Efficiency and Raw Materials

⁴ Based on the presentation of Janos Zlinszky, Regional Environmental Center (REC), Hungary

Country Focus - Netherlands⁵

Green Growth is a priority for Netherlands - the “government wants to make the Netherlands more competitive and at the same time reduce the burden on the environment and our reliance on fossil fuels”. Dutch Green Growth strategy is based on eight objectives: 1) *a sustainable, affordable and reliable energy supply*; 2) *Bio based Economy*; 3) *ambitious climate policy*; 4) *Circular Economy: from waste to resource*; 5) *energy efficient built environment*; 6) *agricultural and food supply*; 7) *Sustainable transport and* 8) *Sustainable use of water*.

Following five pillars were designed to achieve the objectives:

- Smart use of market incentives
- An intensifying framework that promotes dynamism
- Innovation
- The government as a network partner
- International trade and aid

One important approach to achieve all of the above is cooperation between all the stakeholders – government, private sector, civil society. Until now, 178 Green Deals were made so far with over 1900 partners involved.

Public Private Partnership focus - The Spanish Group for Green Growth⁶

The Group is a public-private initiative, started in 2013 by the Spanish government and several private companies (including not just the largest firms based in Spain, but also some innovative SMEs). Now the Group has close to 40 corporate members from different sectors with common understanding that sustainable development is an opportunity for business - the volume of investment in green business globally is \$5 trillion, 8% of the global GDP. Based on the experience of the Group, here are several recommendations for better management of the transition to Green Economy:

- Companies need to demonstrate commitment – selling environmental products should go hand to hand with reducing the company’s own CO2 emissions.
- We need the engagement and coordination of all stakeholders – transition is a long process.
- We need to prepare legal and institutional frameworks for the transition. Now hundreds and thousands of legal acts affect every company. Transition requires simplification and clarification to make the legislation more efficient. This should not involve deregulation.
- There is much more room for public – private initiatives. Public funding should provide more support for private sector with loans and bank guarantees, rather than just providing grants and subsidies.

⁵ Based on the presentation of Mark Overman, Ministry of Infrastructure and Environment, The Netherlands

⁶ Based on the presentation of Valentin Alfaya, Ferrovial, Spain

- NETGREEN framework represents an opportunity to line up corporate reporting with global indicators that are key to evaluate properly the performance of Europe, in terms of driving the economy towards a low carbon path.
- We need indicators to measure how every individual company is contributing to the climate change battle, in a reliable way, avoiding “green washing” and superficial reporting.

Session 3 - UN Sustainable Development Goals and implications at EU and international levels

The link between SDGs and Green Economy in the EU⁷

The newly adopted UN Sustainable Development goals are a priority for the European Commission and provide a new framework for the Commission’s Green Economy initiatives. Given the complexities and interdependencies between the two, Commission is currently mapping all its initiatives related to SDGs, in order to understand the current picture and identify possible gaps. It is a necessary exercise before moving forward and support the implementation of the SDGs, which the Commission sees as an opportunity.

Green economy is also an important dimension of EU’s international cooperation and development policy, with number of programmes, actions and initiatives in place, such as:

Dedicated "green economy" initiatives	<ul style="list-style-type: none"> • SWITCH programs (SCP, eco-entrepreneurship) • Support to policy development (e.g. PAGE, GEC); • Strategic cooperation with UNEP (10 YFP, eco-innovation, resource efficiency, eco-labelling...)
Actions in "environment sectors"	<ul style="list-style-type: none"> • FLEGT Action Plan • B4Life flagship program on biodiversity • Global Climate Change Alliance • Support for the implementation of the Chemical & Waste conventions
Mainstreaming	<ul style="list-style-type: none"> • In key sectors of EU cooperation (energy, agriculture, private sector development...)

Source: PP presentation of Cristiana Pasca - Palmer, European Commission

⁷ Based on the presentation of Cristiana Pasca - Palmer , European Commission

2016 as a year of opportunity - International and European Agenda⁸ (IUCN)

The 3-pillar approach to describe sustainable development with the environmental, social and economic factors next to each other is incorrect. This model has led to arguments that after a long time focus on environment it is time to rebalance by paying less attention to this "pillar" and refocus on the social and economic concerns. A healthy environment is the foundation for sustainable development and provides the basis for economic and social development. Responding to today's challenges through nature-based solutions, as described by IUCN since 2008, by protecting and restoring our ecosystems also yields immediate high socio-economic benefits.

Achieving a transition to genuine sustainable development requires some real systematic changes in our policies and how we measure success. First, GDP as the sacred indicator for development has been, and still is, leading us into a wrong direction. We have to acknowledge that in the developed countries we not only need to consume differently but also less, which is an uncomfortable truth. However, even environmental indicators don't give the fair picture all the time. Since 1990, we have achieved 19% CO₂ reduction in the EU, but if we take into consideration the embedded emissions from the EU's imported consumption, according to the EEA these related emissions have increase by 9%.

The year 2016 could be THE opportunity to accelerate much needed action; implementation of the 2030 Agenda and hopefully also a strong outcome from COP 21 as well as implementation of the 7th Environmental Action Plan and the EU 2020 Biodiversity strategy could put us on a path to guaranty our prosperity for the next generations.

Country Focus – Sweden⁹

UN SDGs will be implemented on national level, but interpreting the SDGs' targets for national contexts is difficult for several reasons: 1) *scale*; 2) *several issues being addressed in one target*; 3) *ambiguous wording*; 4) *or because they set a "zero vision" for which achievement is difficult to verify*.

A recent report from Stockholm Environment Institute concluded that all the 107 UN SDG targets (excluding 52 on means of implementation) are applicable to Sweden, but only 26 of them are steadily achieved, meaning that 81 targets require actions from the government. Further, that the process of national target-setting and implementation of the SDG:

- Offer an opportunity to integrate sustainability in existing policy processes and politics, align sector objectives, and align domestic and foreign agendas.
- That target setting and a meaningful national implementation plan requires a government-led, inclusive, process for interpreting the agenda for the Swedish context.
- Deals with a comprehensive and complex agenda that puts high demand for integrated planning and action across policy areas, and may require new or adapted organizational structures.

⁸ Based on the presentation of Luc Bas, IUCN

⁹ Based on the presentation of Nina Wietz, SEI

- Should prioritize relevant action over global monitoring, and develop accountability frameworks that track progress on national targets.

Country Focus – Czech Republic¹⁰

The UN has proposed 204 indicators to monitor the implementation of the SDGs. 103 (out of 204) are not collected by Czech statistical office. EU could play an important role in supporting the member states in designing these indicators.

In Czech Republic, almost 20 ministries and regional authorities are responsible for implementation of different SDGs. We need to significantly improve the cooperation between all levels of the authorities to be able to make a progress with SDGs implementation. A four-step approach would be a good start for that in Czech Republic:

- **Step 1: Ensure political leadership**
Report on SDGs submitted jointly by the PM and the FAM to the government/Parliament
- **Step 2: Encourage partnerships and awareness-raising**
Participatory process of choosing and interpreting priority targets
- **Step 3: Create national platform for implementation**
Including the targets in the national SDS
- **Step 4: Set-up a framework for monitoring**
Choosing national indicators (policy-relevant, comparable)

Indicators index focus – The Green Economy Progress (GEP) Index by UNEP¹¹

UNEP is developing a Green Economy Progress (GEP) Index, which is a composite index that will include a number of indicators to measure changes in current human well-being (*green trade, green innovation, renewable energy sources, energy use, palma ratio, access to basic services, air pollution, material footprint, protected areas*). The index will be coupled with a dashboard of indicators (long-term sustainability) and will have links with some of the SDGs.

The index has several objectives:

- At the international level
 - Measure green economy progress in common issue areas and compare efforts across countries and over time
 - Measure progress in implementing some of the SDGs

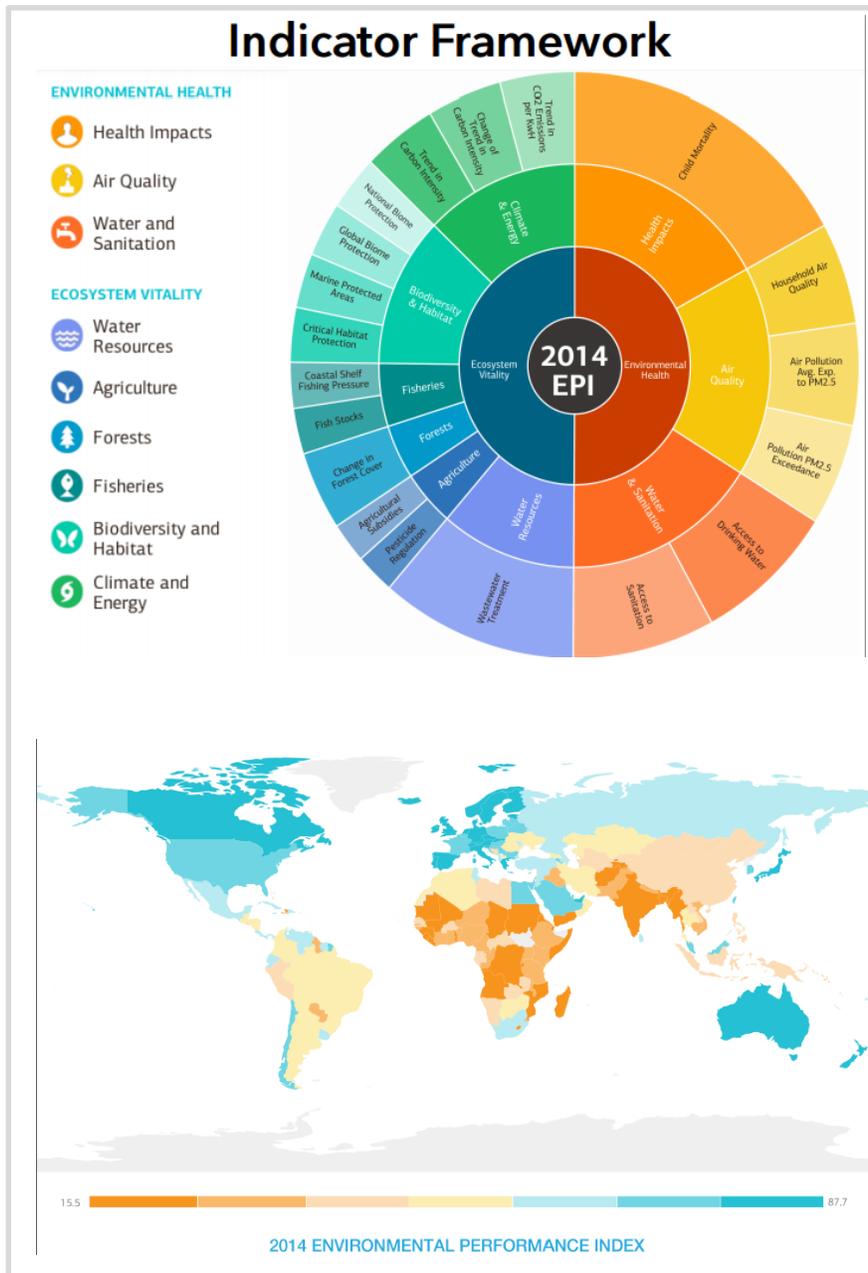
¹⁰ Based on the presentation of Anna Karnikova, Office of the Government of the Czech Republic

¹¹ Based on the presentation of Gisele Mueller, UNEP

- At the national level:
 - Measure progress in achieving national priorities – taking into account countries' level of development - GEP index complemented with country-specific indicators

Link to the research paper of first GEP index prototype will soon be available on UNEP's website.

Indicators index focus – The Environment Performance Index (EPI) by Yale University¹²



The Environmental Performance Index (EPI) is a global ranking of 178 countries and is constructed through the calculation and aggregation of 20 indicators reflecting national-level environmental data. These indicators are combined into nine issue categories, which fit under one of two overarching objectives - in 2014 those were “environmental health” that measures the protection of human health from environmental harm and “ecosystem vitality” that measures ecosystem protection and resource management¹³. 2014 EPI is current; 2016 EPI will launch in January 2016.

¹² Based on the presentation of Alisa Zomer, Yale University

¹³ Source: <http://epi.yale.edu/our-methods>