



**COUNCIL OF
THE EUROPEAN UNION**



**Preparation of the Spring European Council 2005
– Contribution of the Council (Environment) –**

The three dimensions of the Lisbon Strategy – the economic, the social and the environmental – are of equal importance and are mutually reinforcing if the potential for synergies is properly tapped. In this context, the Council,

1. TAKES NOTE of the Commission's report on the mid-term review of the Lisbon Strategy, and its emphasis on sustainable growth and employment.
2. STRONGLY SUPPORTS placing the Lisbon Strategy within the overall objective of sustainable development, which is an overarching concept guiding all Community policies.
3. WELCOMES the Commission's Communication on the 2005 Review of the EU Sustainable Development Strategy (SDS): "Initial Stocktaking and Future Orientations" as a good basis for in-depth debates to inform the actual review of the SDS later this year.
4. Also WELCOMES the 2004 Environmental Policy Review (EPR) as an input to the Lisbon process and report on progress under the 6th Environment Action Programme; NOTES the advances made in environmental policy in the EU in 2004 and the actions that need to be taken in 2005, particularly to address climate change, biodiversity loss and the impacts of environmental degradation on health, and to promote eco-innovations as well as energy and resource efficiency.
5. REITERATES the importance of effective EU environmental legislation and its implementation and the need to further improve EU policy design through enhanced stakeholder participation and the use of impact assessment addressing economic, social and environmental aspects in a balanced manner.

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6. POINTS to the importance of international cooperation to address global and trans-boundary environmental problems, which can be a challenge to international security, and promote sustainable development, and CALLS for better integration of environmental requirements into all external policy areas, including security, development, trade policy and neighbourhood policy. The EU should in this regard contribute positively to the Millennium Review Summit in September 2005.

INVITES the European Council to recognise:

7. the *positive contribution of environmental policy to growth and employment*, as well as to quality of life, in particular through the development of eco-innovations and environmental technologies as well as sustainable management of natural resources, creating new market opportunities and new jobs;
8. consequently, the *need to integrate environmental considerations into the growth and employment process within the Lisbon agenda*, the importance of including the Council (Environment) in a future streamlined Lisbon governance process, and the need to examine how existing tools, e.g. structural indicators, and structures could be improved to this end;
9. furthermore, the fact that delaying action or *failure to address environmental challenges may induce higher costs*, affecting future economic growth and putting additional strain on public finances, *and lead to irreversible damage* to the environment and the natural resource base, for example through climate change or biodiversity loss, as well as to impacts on public health.

On that basis, **the European Council is invited to endorse the following priorities for action:**

10. *strong promotion of eco-innovations and environmental technologies* in all sectors of the economy, notably energy and transport, with particular attention to SMEs, both for use in the EU and to meet the expanding demand for more sustainable solutions in markets worldwide. This requires *full and urgent implementation of the Environmental Technologies Action Plan* by the Commission and Member States, including national roadmaps for ETAP implementation as a contribution to the proposed national Lisbon programmes, as well as work in partnership with business and other stakeholders to give eco-innovations a fair and competitive market perspective;
11. a push for *more sustainable consumption and production patterns, to which eco-efficient innovations contribute*, with a view to decoupling economic growth from resource use and environmental degradation, *inter alia* through:
 - national programmes for performance-based green public procurement to be developed as soon as possible,
 - sustained efforts to reflect external costs in prices, through the use of economic and other relevant instruments,

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- revised guidelines for environmental State aid, with a view to promote positive incentives,
 - a reform of subsidies that have considerable negative effects on the environment and are incompatible with sustainable development, with a view to gradually eliminating them;
12. **mitigation measures to reduce the long-term threats and costs of climate change**, leading to a low carbon emitting economy *inter alia* through strengthened deployment and development of renewable and energy efficient technologies and new fuels. This should include:
- increased RTD, leveraging private investment,
 - a new phase of the European Climate Change Programme to start in 2005, and
 - the development by the Commission of a European Initiative on Energy efficiency and a Green Paper, including a list of possible actions, in 2005.

Adaptation to climate change should also be enhanced as a necessary complement to mitigation efforts.

13. implementation of the EU objective of **halting the loss of biodiversity** by 2010, in particular through integrating its requirements into other policies, noting in this regard the relevance of this issue for a range of economic sectors.
14. Without prejudice to ongoing as well as future discussions on Community financial instruments, the four above-mentioned priorities should be reflected in the relevant instruments of the forthcoming Financial Perspectives.

With regard to the forthcoming **review of the EU Sustainable Development Strategy**, the European Council is invited to agree on the need to:

15. restate the **key principles of sustainable development** to increase awareness and ensure broad public support for concrete actions;
16. **adopt by the end of 2005, a revised, ambitious strategy**, on the basis of a Commission proposal which should clarify the links between the Lisbon Strategy, the SDS, as well as other relevant processes. In particular the Cardiff Process on integrating environmental considerations into sectoral policies should be reinvigorated. The new strategy should also be underpinned by a positive long-term vision, fully integrate the internal and external dimensions, ensure effective follow-up to WSSD, and propose objectives, targets and milestones both for improving policy making and addressing unsustainable trends, with particular attention to education, stakeholder participation and governance issues.

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