



Beyond Lisbon. Beyond Fossil Fuels.

Chairmen's paper on the European Sustainable Development Strategy and on Sustainable Energy.

The European Union is undergoing a crisis of confidence in its ability to deal with some of the major challenges of our time. It has experienced several years of economic weakness and high unemployment in several of its member states. Issues of social discord and solidarity are becoming more acute. It is struggling to cope adequately with the challenge of climate change and other environmental issues.

There is no shared political vision and common leadership as to how to deal with this complex of issues. Great emphasis has been placed by some European leaders on the crucial importance of the Lisbon agenda and the need to promote economic growth and competitiveness. But that emphasis is too narrow and politically contested to deal adequately with many of the issues that currently confront our societies.

It has long been recognised that sustainable development provides a much more comprehensive and compelling over-arching goal for the Union as a whole. The current Treaties of the EU entrench sustainable development at the centre of the fundamental goals of the Union. The Union has however found it difficult to operationalise this commitment and to give it the political weight and impetus which it needs.

The Union currently has the opportunity to bring sustainable development closer to the heart of its goals and decision-taking processes through the forthcoming revision and implementation of the EU Sustainable Development Strategy.

In previous statements (the Kinsale Challenge and the Windsor Momentum) the EEAC Working Group Sustainable Development has pinpointed some of the key elements that should feature in the revision of the strategy. We now urge the Commission to come forward promptly with its communication on the strategy so that all the other institutions and representatives of civil society can move forward to play their part in shaping and implementing the new and re-energised strategy. We urge that the Strategy be broad in scope and ambitious in goals so that it can provide a more adequate strategic framework within which the narrower shorter term objectives of the annual Lisbon process can be properly assessed and guided. We urge that it be supported by more detailed thematic strategies in some of the key areas.

We wish to draw particular attention to a current opportunity to apply the principles of sustainable development in the energy sector. Recent increases in oil prices are causing stresses and strains in our economies and in our societies. The tragic impacts of Hurricane Katrina and the oil price increases that have taken place both before and since that disaster should be taken as an urgent wake-up call to the world.

These price increases are not simply a market response to short term disruptions of supply. They are the outcome of unsustainable trends and policies. They are a signal that rates of growth of consumption of fossil fuels in the world are going to be increasingly constrained both by insecurity of supply of fuel and by the damaging impacts of the climate changes that carbon

emissions are causing. They should alert us to the need to move much more swiftly towards more sustainable patterns of energy production and consumption.

There is an urgent need to ensure that energy is used much more efficiently in buildings, in industry, in vehicles and in other sectors, and to accelerate the development and deployment of renewable sources of energy. We need a variety of measures to encourage further innovation in these fields and to secure faster deployment of appropriate new technologies. We urge the leaders of the Union to respond to the oil price increases with a balanced package of measures that will include a major expansion of support for this transition to more sustainable patterns of energy production and consumption.

The investment needed to bring about this transition will be substantially greater than at present. The increase in oil prices will itself provide a significant market boost to the economic prospects for energy efficiency and renewable energy industries, and may attract new sources of private investment. We believe however that additional regulatory or fiscal incentives are still needed to bring about the massive increase of effort in these sectors that are needed.

The recent increases in oil prices are producing large increases in cash flow for some of the producers and intermediaries in the oil market. We suggest that it would be useful to consider with these industries how some of this additional cash flow might be mobilised to help to finance the transition to more sustainable energy use.

A major increase of investment in this area (whether pure private sector investment or possibly involving some public support) would itself be an important creator of new skills and new job opportunities. It will make Europe much more efficient in its use of scarce energy resources and therefore more competitive in the world. In this way it will contribute directly to the short term objectives of the current Lisbon agenda, which points to a “knowledge based”, innovation driven economy. But by focusing efforts on a programme of investment that will contribute in a major way to assisting in the essential transition to a more sustainable society for the future it will be the best possible demonstration of the practical integration of the Lisbon agenda within a broader sustainability framework.

If the European Union could develop a major concerted plan of action to bring about this sustainability transformation in the energy sector over the next decade it would also have an important impact internationally. It would help to ensure that Europe can deliver on its Kyoto targets and can move forward to recommend and implement the tougher targets that will be needed after 2012. At the same time it will be an excellent demonstration of the kind of practical measures on climate change and sustainability that the USA and other countries could and should take. It could be presented as a major European contribution to the 2006/2007 work of the UN Commission for Sustainable Development on sustainable energy, and serve as a model for the G8 work in this area.

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