



**Open letter to the Economic and Financial Affairs (ECOFIN)  
Council: debate on the EU's Sustainable Development Strategy,  
5 May**

Brussels, 24 April 2006

Concerning: ECOFIN contribution to a realistic and ambitious EU Sustainable Development Strategy

Dear Minister,

I am writing you on behalf of ten leading European/International environmental organizations in advance of the meeting of the Economic and Financial Affairs Council of the 5th of May. We call upon you to give your active input into the process that the Austrian Presidency has organized involving all formations of the Council, hopefully leading to the adoption of a reinforced Sustainable Development Strategy by the European Council in June this year.

We believe ECOFIN has a vitally important role to play in the promotion and achievement of Sustainable Development. Europe is faced with serious ecological as well as social challenges, including depletion of natural resources, climate change, an unsustainable development of the transport sector, combined with lack of job-security for many and ongoing deterioration of the quality of life in many rural areas. We are aware of the overarching goal of the Austrian and Finnish Presidencies for the work of the ECOFIN Council in 2006: *“to further improve pre-conditions for economic growth and employment in Europe, and to further strengthen Europe’s position in the global context.”* We are convinced that achieving improved, and sustainable, pre-conditions for economic growth and competitiveness require a strong ecological and social framework. Policies driven by the philosophy of internalizing ecological and social costs into the market prices are essential, and will also boost innovation that will concretely contribute both to competitiveness and sustainable development.

The discussion about a new Sustainable Development Strategy for the EU is the right platform to decide on concrete measures to provide such sustainable pre-conditions.

In particular, we would like to draw your attention to the **Action Points** below and to **Key Actions** in the joint Green 10 publication *“A programme for Sustainable Development of the European Union”*<sup>1</sup> (attached): in particular in Chapter 4: “Social Exclusion, Demography and Migration”; Chapter 5: “Use and Management of Natural Resources”; Chapter 9: “Policies, Instruments and Monitoring”.

<sup>1</sup> [http://www.eeb.org/activities/sustainable\\_development/G10-on-SDS-March2006.pdf](http://www.eeb.org/activities/sustainable_development/G10-on-SDS-March2006.pdf)

These action points should ensure that market based instruments for sustainable development are applied more strongly and consistently throughout the EU, in some cases supplemented by legal instruments, especially:

- Systematic mobilisation of public procurement for sustainable development, aiming at a 100% green public procurement by 2010 at all levels of government. In particular, develop proposals for public procurement for alternatives for a range of products and services with a significant impact on (sustainable) resource use. Support developing countries to meet EU standards and labelling requirements so they do not become a *de facto* barrier to trade;
- Invite all Member States to come up with proposals on how EU-wide economic instruments can support national sustainable development objectives and implementation, and feed these into proposals for the 2007 Spring Council;
- Agree on effective instruments for speeding up the uptake of eco-innovations such as performance targets for major product groups and levies or subsidies to steer market uptake;
- Phasing out or redirecting the billions of Euros spent on environmentally harmful subsidies from the EU and Member States by 2010; specific proposals to be ready for the 2007 Spring Council. Additionally, work towards the removal of market barriers which hinder the growth of clean energy, including putting an immediate end to subsidies to conventional energy sources (fossil fuels and nuclear energy);
- Aim at Environmental taxation reforms in all Member States, with a common objective of a 10% tax-base shift away from labour to environmental pressures, within a period of 5 years. As a detailed legal instrument might be difficult to achieve (the unanimity requirement), the alternative of Open Method Of Coordination should be considered;
- A sustainability scrutiny test for the use of all 2007-2013 EU funds and assurance that EU funds contribute to environmental protection and improvement over this period;
- Member States should also make much wider use of balanced Impact Assessment when developing policies for spending public funds and developing strategies, programmes and projects. They should follow recommendations in the Community Strategic Guidelines to ensure Cohesion and Structural Funds strengthen synergies between environmental protection and growth;
- Impact Assessment should be complemented by a wider use of evaluation to assess *ex-post* the impact of policies. The economic value of the long-term health benefits of reducing pollution, based on the precautionary principle, should be recognised in Impact Assessments of policies;

Finally, we would like to draw your attention to the demand, in Chapter 8 of our joint position, that “the EU should ensure the effectiveness, coherence and quality of its aid policies by improving the performance of the European Investment Bank in terms of funding for sustainable development, the consistency of the EIB’s lending policies with EU sustainable development and aid policies, and by increasing the quality and transparency of its operations.

We hope that these points are of interest in advance of your upcoming debate in Council and we look forward to working with you to ensure that Sustainable Development guides all future policy development.

Yours faithfully,

John Hontelez, Secretary General European Environmental Bureau

On behalf of:

BirdLife International  
CEE Bankwatch Network  
Climate Action Network Europe  
European Environmental Bureau  
European Federation for Transport & Environment  
European Public Health Alliance – Environment Network  
Friends of the Earth Europe  
Greenpeace  
International Friends of Nature  
WWF European Policy Office

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