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Committee on Industry, External Trade, Research and Energy

16 April 2002

OPINION

of the Committee on Industry, External Trade, Research and Energy

for the Committee on the Environment, Public Health and Consumer Policy

on the Communication from the Commission to the Council and European Parliament on: "Ten years after Rio: Preparing for the World Summit on Sustainable Development in 2002"
(COM(2001) 53 – C5-0342/01 – 2001/2142 (COS))

Draftsman: Caroline Lucas

PROCEDURE

The Committee on Industry, External Trade, Research and Energy appointed Caroline Lucas draftsman at its meeting of 18 September 2001.

It considered the draft opinion at its meetings of 18 March 2002 and 16 April 2002.

At the latter meeting it adopted the following conclusions by 42 votes to 7, with 1 abstention.

The following were present for the vote: Carlos Westendorp y Cabeza, chairman; Yves Piétrasanta, vice-chairman; Caroline Lucas, rapporteur; Sir Robert Atkins, Luis Berenguer Fuster, Mario Borghezio (for Marco Cappato), Felipe Camisón Asensio (for Werner Langen), Massimo Carraro, Giles Bryan Chichester, Elisa Maria Damião (for Gérard Caudron), Willy C.E.H. De Clercq, Harlem Désir, Carlo Fatuzzo (for Guido Bodrato), Concepció Ferrer, Francesco Fiori (for Umberto Scapagnini), Colette Flesch, Christos Folias (for Christian Foldberg Rovsing), Glyn Ford (for Reino Paasilinna), Cristina García-Orcoyen Tormo (for Jaime Valdivielso de Cué), Per Gahrton (for Claude Turmes), Neena Gill (for Gary Titley), Norbert Glante, Michel Hansenne, Roger Helmer (for Peter Michael Mombaur), Peter Liese (for Godelieve Quisthoudt-Rowohl), Hans Karlsson, Bashir Khanbhai, Rolf Linkohr, Patricia McKenna (for Nuala Ahern, pursuant to Rule 153(2)), Eryl Margaret McNally, Erika Mann, Marjo Matikainen-Kallström, Elizabeth Montfort, Angelika Niebler, Paolo Pastorelli, Elly Plooij-van Gorsel, Samuli Pohjamo (for Nicholas Clegg), John Purvis, Daniela Raschhofer, Imelda Mary Read, Mechtild Rothe, Paul Rübig, Ilka Schröder (for Roseline Vachetta), Konrad K. Schwaiger, Esko Olavi Seppänen, W.G. van Velzen, Alejo Vidal-Quadras Roca, Dominique Vlasto, Myrsini Zorba, and Olga Zrihen Zaari.

SHORT JUSTIFICATION

In anticipation of the Rio+10 World Summit on Sustainable Development (WSSD) which will take place in Johannesburg in August 2002, the Commission published its Communication "*Ten years after Rio - Preparing for the World Summit on Sustainable Development in 2002*" in January 2001. A much delayed Communication "*Towards a Global Partnership for Sustainable Development*" on the *external dimensions* was finally made available in February 2002.

This delay is extremely regrettable, since it means that Parliament and civil society will have no opportunity to influence the External Strategy before it is presented at the Barcelona Summit in March 2002 – just as happened in preparation for the Gothenburg Summit in 2001. Such cavalier disregard for the democratic process is unacceptable. If the Commission genuinely wants a “partnership” approach, it must treat its partners with more respect.

Moreover, the External Strategy is hardly a strategy in any serious sense of the word, since it contains very few objectives which are either measurable or timebound. Given that the Commission has itself frankly acknowledged that many of the expectations of the Rio Earth Summit have not been fulfilled (*Ten Years After Rio*), it should approach Rio Plus 10 with a far greater sense of urgency. Pressure on the environment and on the natural resource base have grown since Rio, and poverty has continued to increase globally.

In *Ten Years After Rio*, the Commission suggests that the reasons for this are a failure to change unsustainable patterns of production and consumption, a shortage of financial resources, insufficient response from international institutions and weaknesses in domestic governance and capacity. In its External Strategy, the Commission builds on this analysis by rightly identifying a “global governance gap”, with global market forces running ahead of efforts to achieve global governance and reform political institutions. Yet the very measures which the Commission proposes to close that gap are woefully insufficient. Your rapporteur points in particular to the lack of political will to create binding international legal measures to effectively implement already established agreements and to meet already set targets which would further ensure liability, accountability and transparency in governments and corporations.

What should be an important signal to the rest of the world on just how seriously the EU will take its commitment to sustainable development is now in danger of becoming a pretext for promoting a trade-oriented agenda at the coming WSSD. The Commission’s disproportionate emphasis on free trade and investment as engines for development in its External Strategy should be balanced with far stronger commitments to binding frameworks for corporate social and environmental accountability, together with rigorous sustainability and gender impact assessments for all bilateral and regional economic agreements, with a commitment to revise such agreements as necessary to maximise their potential to promote sustainable development.

One of the most serious obstacles to achieving sustainable consumption and production patterns is the WTO’s prohibition on discrimination between products on the basis of the way in which they have been produced (PPMs). Your rapporteur suggests that there is scope to devise new rules on PPMs which would not be open to abuse.

Achieving sustainable energy supplies is one of the most important challenges on the sustainable development agenda. Specific strategies, targets and timetables are needed both for promoting renewable energy sources and to achieve the Kyoto commitments, and beyond.

The Commission should also use this opportunity to examine the impact of all of its policies on the potential for sustainable development in developing countries, and to revise those policies in the light of that examination as necessary. It should also take care not to “export” unsustainable practices. For example, it should call for the adoption of the principle both North and South that agriculture should be both sustainable *and humane*: industrial animal farming not only imposes suffering on animals, but also – crucially – is detrimental to poverty eradication as it undercuts small-holder farmers and leads to the loss of rural jobs and livelihoods. Moreover, industrial agriculture also threatens food security, leads to environmental pollution and degradation, and endangers human health and food safety.

Finally, new and innovative ways of promoting technology co-operation and transfer to developing countries are urgently needed to bridge the digital divide and to facilitate "technology leapfrogging" in areas including energy, transport, and waste and water management. The Commission should take a lead in this vital area, and in the area of research into greater resource-use efficiency.

CONCLUSIONS

The Committee on Industry, External Trade, Research and Energy calls on the Committee on the Environment, Public Health and Consumer Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Asks the Commission to develop clear targets and achievable goals by 2003, and this should include a systematic assessment of how the EU's external policies can contribute to greater achievement of sustainable development in developing countries. This should encompass all areas of policies, and result in a Communication to the Parliament;
2. Confirms at the same time, however, that backwardness is also, as African countries noted in connection with the WTO conference in Doha, attributable to corruption, wars and poor governance – as recently underlined by the scandalous proceedings in Zimbabwe. Points out that cooperation with industrialised countries should therefore, following the independent African initiative, be tied to standards of democracy and the rule of law;
3. proposes that sustainability and gender impact assessments and the precautionary principle become an integral part of the mandate and conclusion of all international economic agreements between the EU and third countries; calls on the Commission to strengthen environment and social governance in EU bilateral and regional Association Agreements, and to identify and include environmental provisions and safeguards in the Economic, Trade and Investment Chapters of the Agreements, in line with Article 6 of the EC Treaty;

4. urges the Commission to promote new rules in the WTO to allow discrimination based on process and production methods, if the environmental damage caused by production is transboundary, the measures are not arbitrary, and are proportionate to the environmental damage caused;
5. Calls for a legal framework for corporate social responsibility for EU corporations to be established by 2004, with a directive on reporting on social and environmental performance as the first step;
6. Considers, in view of the growing pressure on natural resources and the environment, that there is a need for responsible concentration on the development of infrastructure and expansion of establishments to take account of environmental requirements; calls on the Commission to assist the organisation of working partnerships with industry to raise awareness of and encourage a culture of environmental responsibility and the application of good practice;
7. Considers that to secure sustainable world development there is a need to encourage the growth of small local businesses, creating productive centres capable of promoting the local economy and consolidating social progress in depressed regions;
8. Agrees with the World Energy Council that further use of nuclear energy, including the building of new nuclear power stations, should at least remain an open option, not least out of responsibility to parts of the world still short of energy resources and to future generations;
9. Asks the Commission to undertake further research into greater resource-use efficiency; and to explore new and innovative ways of promoting technology co-operation and transfer to developing countries to bridge the digital divide and to facilitate ‘technology leapfrogging’ in areas including energy, transport, and waste management, incorporating the aspect of sustainable water and forestry management and combating desertification and to consider a programme specifically targeted at eradicating rural poverty at the same time as promoting renewable energy in developing countries, by funding technology for converting biomass either directly into electricity or into methanol and/or hydrogen for use in fuel cells;
10. Supports the Commission’s efforts to make progress in the areas of technology transfer and resource creation, facilitating greater market access and increasing participation by LDCs, universities and research centres;
11. Calls on the Commission to take steps to restart the dialogue within OECD in order for environmental guidelines for export credit agencies to be established. Recalls in this context the statement of the G8 Environment Ministers at Trieste ‘to quickly develop and implement common binding environmental guidelines for export credit agencies [...] based on the practices of other internationally recognised, publicly supported

multilateral finance agencies such as the European Bank for Reconstruction and Development and the International Finance Corporation of the World Bank. Export credit agencies should also adopt common measures to increase the transparency of their decision-making process, including public access to environmental information, public consultation and consideration of relevant elements of the recommendations of the World Commission on Dams (WCD)';

12. Considers that, if the aim is to redress the regional imbalances that globalisation can cause, there is a need to support local and regional development models, with production systems capable of long-term continuity, based on the complementary nature of economies, and to seek formulas that permit the use of human resources and serve to stimulate local potential in a specific region;
13. Calls on the Commission to make a thorough revision of the incentives structure in the economy – including fiscal instruments, subsidies, norms and standards etc. – with the objective of promoting environmentally sustainable systems of production and consumption;
14. As part of the forthcoming IGC, asks the Council and Commission to secure increased transparency of trade policy making within the EU, in particular in relation to the 133 Committee of the Council. Priorities are the development of a more effective system of consultations with other Council formations; opening up consultation with stakeholders; and strengthening the role of the European Parliament in EU trade policy;
15. Urges the Commission to seek out alternative sources for development financing, such as taxation of currency transactions, and expects the EU to present the conclusions of its analysis at the latest for the WSSD;