

Green and healthy futures: Are we moving in the right direction?

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A green and healthy future depends on maintaining and strengthening: Resource Efficiency; Ecosystem Resilience; and Human Well-being. These three pillars of the so-called Green Economy cover not only the relationship between the economy and ecosystems assets (with their goods and services which they provide), but also embrace the benefits to humans from the maintenance of these environmental assets. Without ensuring the regulatory ecosystem services that are embraced in the term ecosystem resilience (such as around the water cycle: flow retention, wetlands, dilution, remediation and buffering), none of the provisioning ecosystem-services on which human wellbeing, food and energy production relies, can be maintained.

So how are we doing in providing green and healthy futures? And are we heading in the right direction?

Well first of all EEA's 2010 State and Outlook report¹ and 2012 annual indicator report² highlight that environmental policy in the European Union and its neighbours has delivered substantial improvements to the state of the environment. However, major environmental challenges remain, which will have significant consequences for Europe's environment, society and economy if left unaddressed.

Environmental priorities typically remain constant across decades i.e. the themes of air, water, climate, land use, biodiversity etc. do not change overnight. As a result, the environmental challenges we face today do not differ substantially from those a decade ago, even if our understanding of what drives the state of the environment has improved: climate change, loss of biodiversity, unsustainable use of natural resources, and environmental pressures on health remain to be key issues of concern. What has changed is an enhanced appreciation of the links and interdependencies between these challenges, as well as the interplay with a wide range of global megatrends.

Our assessments show that European environmental policies appear to have had a **clearer impact** on improving **resource efficiency** than on **ensuring ecosystem resilience**. This could be due to time-lag effects, but it is also because some of the gains we have made have been overwhelmed by broader 'megatrends' such as continued economic development, increases in population and changes in global trade and consumption patterns. The awareness of the role played by these **global megatrends** in our

¹ <http://www.eea.europa.eu/soer/synthesis/synthesis>

² <http://www.eea.europa.eu/publications/environmental-indicator-report-2012>

understanding of environmental problems is growing and marks a departure from previous ways of understanding environmental challenges.

Europe's demand for **natural resources** exceeds our ability to generate what we need from our own resource base, leaving a so-called footprint on the rest of the world. Between 20 and 30 % of the raw and semi-manufactured input materials needed for European economies to function is now imported from the rest of the world. While this reliance on imports may be economically advantageous — or even inevitable for materials not available in Europe — it has also led to a shift of environmental burdens abroad, raising questions around ethics, security and justice, including intergenerational equity. This demand from Europe is now **combining with continued economic growth worldwide** creating increased demand for the earth's resources. But the world's economy depends on the global ecosystem's capacity to provide resource inputs, and to assimilate emissions and waste. Using resources or emitting pollutants beyond ecosystem limits as we are currently doing damages the natural capital base, reducing its ability to provide the goods and services essential to our overall well-being. Consumption is **exceeding planetary boundaries** and our economy is threatening to overtake the environment's capacity to provide for it. This degradation is equivalent to creating a debt, in this case a "natural capital debt", because the costs of the degradation are not fully reflected in the prices paid for consumption of natural capital.

Consequently, we must remember that increased resource efficiency is a necessary, but not sufficient requirement for a green economy. Natural resource use may continue to increase in absolute terms despite increased resource efficiency. A relative decoupling of resource use from economic growth will not guarantee long-term sustainability. What is needed is absolute decoupling. If resource efficiency is not having a knock-on effect in terms of benefitting ecosystem resilience and creating a sustainable environment, then how can we improve ecosystem resilience?

The collision of resource depletion, growing affluence and increasing populations are simply not compatible with each other. Business as usual is no longer an option. The only option is to rethink our economy, environment and society in a systemic way to address these challenges with a solution. And the solution is the Green Economy.

So this is the broad context which set the scene for the publication, at the end of last year, of the European Commission's proposal for a **new general Union Environment Action Programme to 2020** (generally referred to as the 7th EAP) entitled 'Living well, within the limits of our planet'³. This is based on a 2050 vision centred on ecological limits, a circular economy and society's resilience. To move towards this vision, the proposal puts forward nine priority objectives – i.e. three thematic objectives, four enabling objective as well as urban and global objectives. The three thematic objectives are most pertinent for the present discussion:

- (1) to protect, conserve and enhance the Union's natural capital;
- (2) to turn the Union into a resource-efficient, green and competitive low-carbon economy;

³ Commission Communication COM(2012) 710 final, 29.11.2012, on "General Union Environment Action Programme to 2020"

- (3) to safeguard the Union's citizens from environment-related pressures and risks to health and wellbeing.

All of this should be seen in the context of the larger EU flanking policy framework covering the EU 2020 Strategy for Smart, Sustainable and Inclusive Growth, the Roadmap for a Resource Efficient Europe and the Roadmap towards a low carbon economy (with the opportunities for enhanced policy coherence as reflected for example in the target setting for Biodiversity 2020, the EU Blueprint for Water or the Air directives revision) and also the EU's Horizon 2020 research and innovation programme.

The proposal for a new general Union Environment Action Programme is an important milestone in the development of European environmental policy for the next ten years and beyond. The new proposal presents us with an opportunity to protect Europe's environment and ensure continued sustainable growth and employment.

But before we put all our hope on a new policy framework to deliver the goods, we must take a long hard look at existing policies and their implementation and learn some important lessons. For example there have been missed opportunities. In their 2012 communication on improving the delivery of benefits from EU environmental measures⁴, the European Commission says:

- "EU environment industry is estimated to have an annual turnover in excess of €300 billion, uncertainty about implementation possibilities, pathways and time-frames may carry significant costs in terms of missed opportunities". "...innovative or improved implementation methods offer the prospect of reduced administrative burden."

They also talk about threats:

- "Delayed or inadequate implementation has many negative consequences. It ultimately harms the environment and human health [...]. The long-term remediation costs – for example for clean-up of illegal waste sites and restoration of damaged habitats – can be much higher than the costs of prevention."

And on costs of non-implementation it says the following:

- The costs of not implementing current legislation are broadly estimated at around €50 billion a year. These relate not just to environmental but also to human health impacts.

To conclude: at the EEA we understand the Green Economy as one which policies and innovations enable society to use resources efficiently, enhancing human well-being in an inclusive manner, while maintaining the natural systems that sustain us. The increasing interlinks and interdependent of our economies and societies and on the natural capital base on which both depend mean that this can only be a global paradigm for it to be successful. In developing the new policy agenda we need to learn the lessons of the past and implement better our existing policies, avoiding missed opportunities.

⁴ Commission Communication COM(2012) 95 final, 7.3.2012, on "Improving the delivery of benefits from EU environment measures: building confidence through better knowledge and responsiveness"

Given the complexity of the issues, we cannot foresee exactly how things will develop – consequently we need to design into our policies adaptive management practices, which create feedback loops to allow and empower policy makers to make course adjustments. To support all of this we need to use all the information available to us from science and from citizens, from satellites and accounting, integrating all of these together with new metrics and models if we are to track and measure our direction of travel and assess if we are moving in the right direction. And all this needs to feed into the current discussion at global level to specify SDGs (Sustainable Development Goals) and how to combine this with the post-2015 MDG development agenda – this is key if we are to get this right.
