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from : General Secretariat

to : Delegations

Subject : Towards Sustainability: Eco-Efficient Economy in the context of the post-2010
Lisbon Agenda and the EU Sustainable Development Strategy
– Council conclusions

Delegations will find at Annex the above-mentioned conclusions, which the Council (Environment) adopted on 21 October 2009.

**Towards Sustainability: Eco-Efficient Economy in the context of the post 2010 Lisbon Agenda
and the EU Sustainable Development Strategy**

– Council conclusions –

The Council of the European Union,

RECALLING the invitation from the European Council in March 2008 to start reflecting on the future of the Lisbon strategy in the post-2010 period,

RECOGNISING the urgency of turning the current multiple crises into an opportunity by shifting to an eco-efficient economy, i.e. a safe and sustainable low carbon, resource-efficient economy, based on sustainable production in all sectors and underpinned by more sustainable life-styles focusing *inter alia* on the housing, transport and food sectors. This will improve the well-being of all citizens while at the same time reducing the use of energy and natural resources and minimising negative impacts on health and on the environment, especially eco-systems and climate change,

STRESSING that a transition to an eco-efficient economy represents new business opportunities and, given adequate framework conditions, will boost EU competitiveness and stimulate significant employment growth,

UNDERLINING the need to enhance the links between the Lisbon Strategy and the EU Sustainable Development Strategy, including as regards follow-up and monitoring, in order to strengthen synergies, complementarity and coherence,

ACKNOWLEDGING the growing consensus that GDP should be complemented with other top-level indicators to provide a more accurate view of progress in the social, economic and environmental spheres,

RECALLING the conclusions of the European Council in March 2008, which called for consideration of a review of the Energy Taxation Directive to bring it more closely in line with the EU's energy and climate change objectives,

WELCOMING the discussions during the informal Ministerial meetings in Åre, Sweden in July 2009 on an eco-efficient economy,

WELCOMING also the Commission Communication on the 2008 Environment Policy Review^{*}, the Communication on "GDP and beyond"^{**} and the Communication on the 2009 Review of the EU Strategy for Sustainable Development (SDS)^{***},

LOOKING FORWARD to an early presentation by the Commission of a proposal for a new Lisbon strategy post-2010,

1. AGREES that achieving an eco-efficient economy should be an essential element of a new Lisbon strategy post-2010;
2. STRESSES the importance of striving for absolute decoupling of economic growth from environmental degradation in creating an eco-efficient economy, which provides new business and market opportunities;
3. STRESSES ALSO the contribution and further potential of more integrated sectoral policies and of a global perspective in moving towards an eco-efficient economy;
4. UNDERLINES the need to internalise external costs to set prices right, recognising the cost of inaction and the value of ecosystem services;

* 11505/09 + ADD 1 + ADD 2.

** 12739/09.

*** 12453/09.

5. UNDERLINES that an eco-efficient economy can be promoted by shifting the revenue base for national budgets from taxing labour and enterprises towards taxing resource and energy use as well as negative environmental impacts and ENCOURAGES Member States to consider reforms to facilitate such a shift;
6. ACKNOWLEDGES that some Member States have achieved cost-effective reductions of greenhouse gas emissions by using carbon taxation, and that other Member States are considering the introduction of such taxes in the near future, thereby contributing to the transition to an eco-efficient economy;
7. INVITES Member States to:
 - Intensify discussion on how to make best use of cost-effective economic instruments, to better reflect true environmental costs and benefits, and assign a predictable price for carbon emissions,
 - intensify discussions and information-sharing on how best to fulfil Member States' greenhouse gas emission reduction obligations in a cost-effective way, especially in sectors not covered by the EU ETS Directive,
 - use employment and education policies to reduce current skills gaps for eco-efficiency and facilitate worker's employability in higher growth sectors, such as eco-efficient construction and housing, sustainable transport, renewable energy and recycling, whilst encouraging the creation of new green jobs, e.g. in the area of nature protection,
 - promote green public procurement in line with the indicative 50% target for Member States to be reached in 2010 and work jointly with the Commission to further develop criteria for green products and services and promote eco-innovative and green public procurement, to stimulate the future market for green products, services and technologies,

- make full use of impact assessments in a balanced way as a means to promote well informed and long term strategic decisions, drawing on experience gained,
- continue to take the lead with the Commission to develop a global 10-Year Framework of Programmes on sustainable consumption and production for adoption in 2011, encourage UNEP's global initiative on a Green New Deal, and implement the OECD Declaration on Green Growth adopted in June 2009;

8. INVITES the Commission to:

- identify concrete measures and develop guidelines, with a view to mainstreaming eco-efficiency in the new Lisbon strategy post-2010 and providing strategic orientation to all relevant EU policies including the future environmental action programme, drawing inter alia on experiences from the implementation of the economic recovery plans and their effects on jobs, growth, competitiveness, social cohesion and the environment, also taking into account specific conditions in different Member States, as well as the importance of better regulation principles, including reduction of administrative burdens,
- present an integrated strategy for the promotion of eco-innovation, as called for by the Council in June 2007, and, in that context, looks forward to an action plan on eco-innovation as soon as possible in 2010 and to the forthcoming European Innovation Plan to create a competitive and harmonised internal market in that area,
- further develop proposals on market based instruments, where appropriate, and establish an Open Forum for exchange of experiences between Member States on such instruments before mid-2010, as foreseen in the Commission's green paper on market-based instruments,

- review, as a matter of urgency, sector by sector, subsidies that have considerable negative effects on the environment and are incompatible with sustainable development, with a view to gradually eliminating them, in line with the EU SDS and the recent G20 call in that regard,
- continue efforts to improve the understanding of the economics of ecosystem services and biodiversity and propose adequate economic instruments and policies that better reflect the true value of such services, inter alia as a contribution to an ambitious EU position for the 10th Conference of Parties of the Convention on Biological Diversity in 2010,
- undertake a full review of the European Energy Efficiency Action Plan to identify measures towards additional energy savings and the objective of saving 20% of energy consumption in the EU as compared to projections for 2020,
- follow up on the Raw Materials Initiative and present a progress report on it in 2010, and review the thematic strategies on natural resources and on waste, with a view to identify additional concrete measures for significantly improving resource efficiency,
- promote innovative public procurement procedures to stimulate demand and speed up the development and commercialisation of eco-innovations, inter alia by bringing together potential buyers and their product requirements for goods and services not yet on the market with innovators or producers at EU level,
- promote sustainable consumption patterns based on improved understanding of consumer behaviour and of social impacts, e.g. by:
 - ensuring effective implementation of the EU Action Plan on Sustainable Production and Consumption and Sustainable Industrial Policy, which could be made broader in scope and strengthened when it is reviewed in 2012,

- considering extending the scope of the Eco-Design Directive to non energy-using products when reviewing the Directive in 2012, and
 - promoting front-runners, inter alia by strengthening the use of labels, benchmarks, sustainable public procurement policies and voluntary agreements with industry,
- promote the development and use of information and communication technology in support of eco-efficient technologies and services, while at the same time improving the environmental performance of ICT products, including recycling, in the development of Europe's future ICT- and media policy following the i2010 strategy,
- complement GDP with additional robust, reliable and widely recognised indicators to measure progress towards an eco-efficient economy and to develop, together with Member States, a sustainable development scoreboard by 2010, which will provide information on the implementation of EU sustainable development objectives in Member States.
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