



**THE EFFECTIVENESS OF EU  
COUNCIL INTEGRATION  
STRATEGIES AND OPTIONS  
FOR CARRYING FORWARD  
THE 'CARDIFF' PROCESS**

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## **The Institute for European Environmental Policy**

IEEP is the UK's leading independent institute specialising in the analysis and advancement of environmental policies in Europe. It undertakes research, analysis and consultancy on the European dimension of environmental protection, and on the environmental dimension of other EU policies including agriculture, transport, regional development and fisheries. IEEP seeks both to increase awareness of the European dimension of environmental protection and to advance European policy-making in this field. IEEP aims in its work to combine high quality analysis with an independent analytical perspective on pressing policy issues.

IEEP is a registered charity, and its London office dates from 1980. It operates as a network with partner offices in Germany and Spain, and collaborates closely with associates in countries throughout the EU and central and eastern Europe.

## **Ecologic**

Ecologic is the German partner in the IEEP Network. It is a not-for-profit institute for applied environmental research and policy consultancy, based in Berlin. Ecologic conducts implementation-focused research projects and prepares expert opinions on a range of issues relating to nature conservation and environmental protection. These include new approaches in environmental policy, ecologically sustainable resource policy, international environmental agreements and institutions, environmental planning and the integration of environmental concerns into other policy areas. Ecologic's work focuses in particular on analysing the environmental policy of the EU and its Member States and enhancing the effectiveness of international environmental regimes.

## **Executive Summary**

### ***Introduction***

This report provides an analysis of the so-called 'Cardiff process', wherein formations of the Council of Ministers of the European Union have been required to develop strategies to integrate environmental concerns into their activities. The European Council has called on three 'waves' of Council formations to develop such strategies, as follows:

- First wave - Agriculture, Energy and Transport;
- Second wave - Development, Industry and Internal Market;
- Third wave – Ecofin, General Affairs (or GAC) and Fisheries.

The upcoming Göteborg Summit in June 2001 will review the results to date of this process, and decide what (if any) course of future action is required. This report is intended as an input to the decisions which must now be made. It both examines progress to date and sets out and evaluates a range of options for carrying forward the Cardiff process.

### ***An Analysis of the Cardiff Process***

The research in this report has involved a structured analysis of each of the nine 'Cardiff' Council strategies to date, and in-depth interviews with more than fifty participants and stakeholders in the process, covering representatives from a wide range of Member States and institutions. The main findings are briefly summarised below.

### ***Strategy Content***

The nine strategies vary widely in tone and content, reflecting differences in the state of environmental integration prior to Cardiff; the varying stages of development of the strategies; the political context in which the strategies were developed, and many other factors. The table below illustrates some of the main features of the strategies to date in a greatly simplified form. This illustrates a number of key points:

- that none contains all of the elements that one might expect a 'strategy' to comprise;
- that overall, some issues have been addressed much more fully than others;
- that some aspects of strategy formulation are more fully developed than others;
- that the strategies do not yet contain many specific measures which are 'new';
- that there is considerable variation in approach and degree of adequacy between the different Councils, and
- that the first wave strategies tend to score higher, partly because they have been longer in development, but even this is not clear cut.

It is particularly noteworthy that none of the Councils had recourse to the scientific data which were available in formulating their strategies, and most were far from explicit about the environmental problems in their sectors. None took up the European Council's suggestion that they might include environmental targets in their strategies. As against this, there were notable positive developments in some of the reports and strategies.



### *Cardiff Alone Cannot Deliver Sustainable Development ...*

For reasons stated above, none of the strategies can be considered adequate as yet, even in its own terms. On the other hand, it should be emphasised that Cardiff could never deliver sustainable development on its own, because:

- the primary focus of Cardiff has been on environmental integration, so other elements are needed to secure the wider goal of sustainability;
- it centres on the Council, so integration in the other EC institutions is also needed;
- it primarily addresses Community policy, so complementary initiatives at international, national and local levels are also required.

This inherent limitation has in itself created a mismatch of expectations which has contributed to the criticism of the Cardiff process by outsiders; while 'insiders' are generally much more positive that it has delivered (or at least could deliver) real benefits.

### *... But Can Help to Fulfil an Important Treaty Obligation*

Article 6 of the EC Treaty requires the integration of environmental concerns into all areas of Community policy. Cardiff clearly contributes to meeting this requirement in relation to the Council, so if it did not exist, it would be necessary to replace it with something else.

In spite of the weaknesses and criticisms, we are convinced that Cardiff has been useful, and, with improvements, can make an important contribution to environmental integration and sustainable development. A distinctively Council-based process has already established a sense of ownership of environmental integration in some Council formations, has stimulated work on indicators, and should offer further benefits in future. There is also evidence that it is having positive 'knock on' effects on the Commission and Member States.

### *Environment or Sustainable Development?*

There is some confusion as to whether the Cardiff process has been about environment or sustainable development, and the various Summit Conclusions have not helped to resolve this point. We believe that the Göteborg Summit should clarify that the primary aim of Cardiff is to pursue integration of environmental concerns under Article 6 *as a contribution to sustainable development* as required by Article 2.

### ***Strategic Decisions on the Future of Cardiff***

Logically one can envisage three strategic possibilities for the future of Cardiff:

- end it and try some other approach;
- merge it with another process; or
- continue to a new phase of the Cardiff process.

These possibilities are addressed in detail in the main report. In essence we conclude that it would not be useful or timely to end Cardiff completely, and that no better alternative has been suggested which cannot be incorporated into the existing process.

We have considered in detail the pros and cons of subsuming Cardiff into a broader 'integrative' process – either the 'Lisbon' economic reform process or the EU's Sustainable Development Strategy (SDS). Either option offers some attractions, but we have concluded that a merger would at present be premature and that Cardiff should continue as a separate initiative. We argue that better procedures, linkages and coordination of different processes should be pursued, particularly with the Sixth Environmental Action Programme (6EAP).

### ***Strengthening the Cardiff Process***

#### *Completing the Current Phase*

We recommend that the Göteborg Summit should set a clear timetable by which all of the strategies should be brought up to an agreed state of completion. It should also signal clearly that Göteborg is a milestone in the Cardiff process, not its end point.

In addition, a number of ways in which the Cardiff process could be strengthened and improved are set out below.

#### *Extending the Cardiff Process to Other Council Formations*

There is a logic to extending the Cardiff process to other Council formations - ultimately perhaps to all of them. Several possibilities stand out, including Research, Consumer Protection, Health, Social Affairs and Education. Launching a 'fourth wave' may not be the highest priority at present; but it might on the other hand impart a new momentum to the process, and give a clear signal of an ongoing commitment to environmental integration.

#### *Clearer Guidelines for the Strategies*

Only very limited guidance has ever been given by the European Council as to how the strategies should be developed, or on what they should contain. This in itself has doubtless contributed to their great diversity, and to some of their shortcomings.

We consider that Göteborg should be the occasion to begin developing such guidelines, which could be adopted at a future Summit. These guidelines could provide general guidance on the content of an model strategy and some procedural elements. They should also highlight some outstanding issues to be addressed by specific Council formations.

#### *Improved Transparency and Stakeholder Involvement*

Both transparency and stakeholder involvement in the Cardiff process to date have been extremely limited. Improvements in this area would bring their own benefits, and may in any case be a requirement under the Aarhus Convention. A number of options are suggested in our report, and these should be reflected in the guidelines discussed above.

### *Targets and Milestones*

Targets are a deeply controversial issue in the Council, largely as a result of very different views as to the meaning and value of target-setting. It can however be argued that the Council strategies are not the best location for target setting anyway – not least because inter-sectoral coordination is needed to address some cross-cutting themes such as climate change and biodiversity. The SDS or 6EAP might provide a better framework for the establishment of appropriate targets, and the Göteborg Summit should address the best means to make progress on this issue.

### *Monitoring and Reporting*

While significant progress has been made on developing indicators in some sectors, there is very little framework apparent for monitoring and reporting progress on the Cardiff strategies. On the other hand, there is a clear need to streamline rather than increase current obligations, so reporting on sectoral integration requires further consideration within a broader review of monitoring, reporting and evaluation in general.

### *Joint Expert Groups*

Experience to date suggests that the strategy development process could be improved by wider use of sector-environment Joint Expert Groups, along the lines of that established for the transport sector. All ‘Cardiff’ Council formations should consider this possibility.

### *Improved Steering, Co-ordination and Policy Cohesion*

The involvement of the European Council in the Cardiff process has provided important impetus, but Summits can never provide sufficiently detailed scrutiny, co-ordination or guidance to the process. An overview role for some formation of the Council would therefore be desirable. On balance we consider that this would best be provided by the General Affairs Council, or possibly by a future Horizontal Affairs Council, by analogy to the role played by Ecofin in the annual economic review process.

### *An ‘Article 6 Committee’*

To support this overview and co-ordination role in strategy development, a new Committee to review progress on the strategies, to develop guidelines and future direction, would be useful. The Commission should play a role in this, but high level representation of the Member States is also essential, following the pattern of the Economic Policy Committee.

### *A Renewed Timetable and Review Cycle*

As Göteborg is a key milestone in the Cardiff process, it is essential that it establish a renewed mandate and timetable to take forward the various developments set out above. Amongst other things, this should clearly identify the Autumn Summit under the Danish Presidency in 2002 as a further ‘Milestone Summit’ for Cardiff. More detailed proposals for a future timetable are set out in the main report.



## **Chapter 1 Introduction**

### **1.1 Integrating the Environment into Sectoral Policies**

Environmental integration is achieved by changing the ways in which institutions function, altering the sectoral policies that result, and achieving appropriate implementation of these policies on the ground. In some of the sectors with the greatest environmental impact, including agriculture, trade and fisheries, many key decisions are taken at Community level. Community level action is therefore essential to promote integration.

The issue of integrating environmental considerations within sectoral policies is not by any means a new idea from an EU policy perspective. Integration has been on the EU agenda since the early 1980s and has gained in profile through the series of environmental action programmes, and in the inclusion and strengthening of the integration requirement in successive amendments to the EC Treaty. A fuller analysis of EU integration initiatives is included as Annex 5 to this report.

Environmental integration has taken on renewed importance in response to the signature of the Amsterdam Treaty in 1997, however, as Article 6 places integration among the main principles of the EC, and clearly links integration with the promotion of sustainable development. The renewed emphasis placed on integration by the Treaty also comes at a time when there is growing realisation of the inadequacy of environmental policy *per se* in tackling the underlying causes of environmental degradation caused by other sectoral policies and activities.

### **1.2 The Cardiff Integration Process**

In response to the new Article 6 of the Amsterdam Treaty, and at the initiative of the Swedish government, the European Council in Luxembourg in December 1997 asked the Commission to prepare a strategy on environmental integration. A Commission Communication – *A Partnership for Integration* – was subsequently published and presented to the Cardiff European Council in June 1998. The ideas contained in the Communication were developed into specific requests from the European Council. Notably, the Council of Ministers was asked to establish a series of strategies to give effect to environmental integration and sustainable development within the respective policy areas of all relevant Council formations. They were also to take account of the Commission's suggested guidelines and to establish indicators.

The European Council subsequently asked three specific Council formations – Transport, Energy and Agriculture, to start the process known as the 'Cardiff integration process'. Subsequent European Councils meeting in Vienna (December 1998) and Cologne (June 1999) invited two more 'waves' of three Council formations to join the list, covering respectively Development, Internal Market and Industry; and General Affairs, Ecofin and Fisheries.

At the Helsinki European Council in December 1999, stock was taken of progress and the commitment to integration and sustainable development was reaffirmed. The first three

Council Strategies were submitted (relating to the first 'wave' of Council formations) and a further three presented reports on progress so far, including initial elements of strategies. The European Council asked the Council to conclude work on developing the sectoral strategies by the June 2001 Göteborg European Council, where comprehensive strategies were to be submitted, 'with the possibility of including a timetable for further measures and a set of indicators for these sectors'. The comprehensive strategies were to be followed by immediate implementation as well as by regular evaluation, follow-up and monitoring by the Council and the Commission. The European Council in Feira in June 2000 and in Nice in December 2001 also referred to the Cardiff process, with the latter noting the Ecofin report that was submitted to it.

### **1.3 Other EU Integration Initiatives**

As is explained in more detail in Annex 5, the 'Cardiff integration process' is clearly a reinforcement of the drive for greater environmental integration. It does mark a distinctive new approach, however, by focusing on the activities of the Council of Ministers rather than the Commission or Community policy more generally.

Furthermore, while the Cardiff Process is the latest in a succession of integration initiatives, it would be wrong to think that these had merged with or been subsumed within the Cardiff Process. Although Cardiff currently represents perhaps the most visible manifestation of the EU environmental integration process, it co-exists alongside a range of other ongoing developments, including Commission, Community and Member State initiatives. These too are outlined in greater detail in Annex 5.

#### ***Policy Initiatives***

In several key cases, notably energy, agriculture and transport, the Cardiff Process is but the latest in a long line of integration activities. Many documents have resulted from earlier integration initiatives, including the Fifth Environmental Action Programme, as well as broader policy reform processes and international developments. It is consequently to be expected that the debate on environmental integration will be more mature in some sectors than in others. To add to this, agriculture, transport and energy were also the first Council 'formations' to be singled out within the Cardiff Process. The priority afforded to these three classic economic sectors itself reflects the magnitude and visibility of the environmental pressures to which they give rise: but at the same time, it is likely to have led to even greater disparities between these three sectors and the remaining six in terms of policy progress to date.

#### ***Integration Mechanisms***

A diverse set of integration mechanisms is also already in place, in part resulting from earlier internal Commission initiatives, including the 'integration correspondents' and environment units within several of the sectoral DGs, and specialist sectoral expertise within DG Env. There are also a number of integrative working groups, such as the Joint Working Groups under the European Climate Change Programme and the Joint Expert Group on Transport and Environment, both of which have been established as a consequence of initiatives other than the Cardiff Process.

These mechanisms are believed by many to represent important advances in support of integration, although there are inevitably doubts and criticisms as to the effectiveness of some of the arrangements in place. Perhaps significantly, they are largely limited to the activities of the Commission thus far. The lack of standing integrative mechanisms at Council level itself provided a major impetus for the launch of the Cardiff integration process.

### ***Indicators for Integration***

Like the concept of integration itself, the idea of using indicators to monitor progress on environmental protection or sustainable development is not new. Various indicator concepts have been under development in research establishments and at national or local level for some years. The current discussion, however, focuses exclusively on the sort of indicator sets that are of direct bearing on the Community policy level. By this definition, our conclusion is there was rather limited work on relevant sectoral indicators prior to the Cardiff process, with probably the most significant area relating to agriculture.

## **1.4 Evaluating the Effectiveness of the Cardiff Process and Future Options**

This report on the effectiveness of the Cardiff process, and future options, is intended to provide an important and timely input to the Göteborg review of the Cardiff Process. The report thus evaluates the process to date, identifying strong points and shortcomings in both the approach and the content of the strategies. It therefore assesses the effectiveness of the Cardiff process in terms of meeting the stated objectives of developing comprehensive Council strategies, as well as its effectiveness in securing or supporting environmental integration more generally. Crucially, it also suggests ways forward beyond Göteborg. It is thus contributes concrete new ideas to ensure that the Gothenburg Summit is seen not as the completion of the integration process, but rather as a key milestone, from which a mature and more effective process might develop in future years.

Following on from this chapter, the report is structured around the three main phases of the project. Thus, Chapter 2 presents a brief overarching evaluation of the existing set of Cardiff integration reports and strategies, based on detailed evaluations of work in all nine Council formations that are annexed to the report. In order to deepen the understanding of the process and the content of the strategies, extensive interviews were held with approximately 40 key stakeholders in the EU during the course of the project. A short summary of views collected during this phase is presented in Chapter 3. Chapter 4 brings together the key conclusions from this analytical work. Finally, on the basis of the earlier work, options for the future of the process, including potential ways of improving its effectiveness, are presented in Chapters 5 and 6.

More detailed information, including a full summary of views and a list of interviewees, is annexed to the report.

## **Chapter 2 Evaluation of the Cardiff Strategies**

### **2.1 Introduction**

#### ***Overall Approach***

This Chapter presents an overarching evaluation of work on the nine Council strategies that are being drafted within the framework of the 'Cardiff integration process'. The text is based on nine individual evaluations corresponding to the Council formations.

The evaluation seeks to take into account the state of play on integration for each Council formation by reflecting the extent to which integration was already being pursued before the Cardiff process commenced, as well as other ongoing initiatives that might be contributing more or less to integration in the sector.

This chapter focuses on the overall themes and trends apparent from the strategies, highlighting some particular examples and contrasting approaches where appropriate. A more detailed review, including a much fuller analysis of the features of the individual strategies, is included in Annex 2 to this report.

#### ***Stages in the Cardiff Process***

The evaluation takes account in particular of the fact that different Council formations are currently at radically different stages in the Cardiff process, reflecting in part the initiation of three 'waves' of three Council formations each, which were required by various European Councils to deliver reports and then comprehensive strategies to particular deadlines. To illustrate the degree of variation which results, the following table provides an overview of progress for each of the nine Council formations, highlighting principal 'milestones'.

As this table shows, not all the 'Cardiff' Council formations had reached the stage of developing full strategies at the time of writing. Throughout the rest of this report, however, the latest versions of documents which have emerged from each Council formation are collectively referred to as 'strategies' for the sake of brevity.

**Table 1 Progress in developing Council integration strategies – as at 31 December 2000**

| <b>Council Presidencies</b>         | <b>Luxembourg</b><br>Jul-Dec 1997  | <b>UK</b><br>Jan-June 1998   | <b>Austria</b><br>Jul-Dec 1998  | <b>Germany</b><br>Jan-June 1999  | <b>Finland</b><br>Jul-Dec 1999   | <b>Portugal</b><br>Jan-Jun 2000 | <b>France</b><br>Jul-Dec 2000                           | <b>Sweden</b><br>Jan-Jun 2001                                       |
|-------------------------------------|--|--|---|--|--|---------------------------------|---|---|
| <b>General Documents</b>            | European Council conclusions – Commission to prepare strategy on integration | Partnership for Integration COM(98)333; European Council conclusions –first 'wave' of Councils (Transport, Energy and Agriculture) to start process of establishing integration strategies | European Council conclusions –second 'wave' of Councils (Development, Industry and Internal Market) to join process | Mainstreaming of environmental policy SEC(1999)777; European Council conclusions –third 'wave' of Councils (Fisheries, Ecofin and GAC) to join process | From Cardiff to Helsinki and beyond SEC(1999)1941; Indicators SEC(1999)1942; European Council conclusions – comprehensive strategies by June 2001, including timetable for further measures and indicators | European Council conclusions    | European Council conclusions                            | <i>European Council conclusions; Commission report on progress</i>  |
| First 'wave' of Council formations  |  |  |   |  |  |                                 |   |   |
| <b>Agriculture</b>                  |  |  | Council report  | COM(1999)22  | Council strategy   | Indicators COM(2000)20          |   | <i>Council conclusions expected 24-25 April</i>                     |
| <b>Energy</b>                       |  | COM(98)571   | Council report; COM(1999)640  |  | Council strategy   |                                 |   | <i>Council conclusions and strategy expected 14-15 May</i>          |
| <b>Transport</b>                    |  |  | Council report  |  | Council strategy   |                                 |   | <i>Council resolution and long term strategy expected 5-6 April</i> |
| Second 'wave' of Council formations |  |  |   |  |  |                                 |   |   |
| <b>Development</b>                  |  |  |   |  | Council report; COM(1999)499   | COM(2000)264                    |   | <i>Council conclusions expected 30 May</i>                          |
| <b>Industry</b>                     |  |  |   |  | Council report   |                                 |   | <i>Council strategy possibly 14-15 May</i>                          |
| <b>Internal market</b>              |  |  |   | COM(1999)263   | Council report   |                                 |   | <i>Council conclusions expected 5 June</i>                          |
| Third 'wave' of Council formations  |  |  |   |  |  |                                 |   |   |
| <b>Ecofin</b>                       |  |  |   |  |  |                                 | Council report; COM(2000)576                            |   |
| <b>General Affairs Council</b>      |  |  |   |  |  |                                 | DG Trade informal discussion paper on sustainable trade | <i>Council strategy expected 9-10 April</i>                         |
| <b>Fisheries</b>                    |  |  |   |  | COM(1999)363   | Council report                  |   | <i>Council report expected 20-21 March</i>                          |

## **2.2 Strategy Development Process**

### ***Process for Developing Strategies in the Council***

There is no single template for the strategy development process since Cardiff. Obviously the Council's structures were engaged to a significant degree. However the Commission's input has fallen somewhere along a continuum, ranging from some strategies which are almost exclusively of Council provenance, to others in which the Commission is much more heavily involved and may even have drafted the strategy.

The Council Presidency has played a pivotal role in the process in all cases, with progress highly dependent upon the priorities of the specific Presidency 'in office'. Certain Presidencies with a strong environmental interest (notably Austria and Finland) gave rise to a high level of productivity and output within the sectoral Council formations. The early identification of the Vienna, Helsinki and Göteborg Summits as important 'milestones' has helped to generate important momentum, while providing time for actors to develop strategies and support activities in interim periods. In addition to these Presidencies several other 'green' Member States with a strong interest in the Cardiff process have also played a proactive role, including Denmark, Sweden, Germany and the UK

The strategies have typically been discussed in Council working groups, generally on the basis of draft documents tabled by the Presidency or sometimes the Commission. That is, there is little evidence of an *ab initio* strategy development process based, for example, on open-format orientation debates. Indeed, pressure on the Presidencies to deliver visible results during their six-month tenures meant that there was often a relatively short time frame for producing drafts and reaching final agreement. The process appears to have been less well developed in some Councils than in others, and even chaotic at times.

There has been a variable level of coordination between environment and sectoral experts within the national permanent representations. Where Council sectoral and environment coordination has occurred, this is believed mainly to be the result of work at national level which has then been reflected in the working groups.

### ***The role of Other EU Institutions***

In most cases the work of the Council has been supported or influenced by sectoral Commission communications or working documents. Sectoral Commission documents have been drafted by the sectoral DGs, with more or less input from DG Env and others. Commission officials have also provided *ad hoc* and informal support and advice in several cases, as well as attending Council working group meetings. This high level of activity reflects a desire to have input into and exert influence over the Cardiff strategies, particularly as a means of advancing proposals. In some cases the Commission services also have more detailed knowledge of the range of Community policies and associated environmental impacts, as well as access to more extensive resources than the Council and Member States to support the strategy development process.

The process has also supported new work on integration within the Commission services themselves, in many cases engaging environment officials in a much more consistent and substantive way than had been the case previously. DG Env, along with some sectoral DGs, is directly increasing the level of resources being committed to integration work.

For transport, the Joint Expert Group (JEG) of transport and environment officials from the Member States, chaired in rotation by DG Tren and DG Env, is the clearest example of an 'integration' working group associated with the Cardiff process. It is having a significant and ongoing input to the integration process.

There has been strikingly little engagement by the European Parliament in the Cardiff process. This is attributable partly to the fact that the Parliament responds best to Commission initiatives through the normal legislative channels, and that it is poorly adapted to addressing integration within its highly sectoral committee structure.

The European Environment Agency (EEA) was not approached by any of the Council formations to undertake new work in relation to the strategies. Also, strikingly little use appears to have been made by the Council formations of the EEA's State of the Environment reports in their problem definition activities. The EEA has however played a role in indicator work, particularly relating to the transport sector.

### ***The Role of External Stakeholders***

For these purposes, we use the term 'external stakeholders' to denote primarily industry umbrella groups, environmental NGOs, national environmental authorities and independent experts.

#### *Consultation by the Council*

At the Council level, there is absolutely no evidence of formal or official consultation involving industry or environmental organisations in the development of the Cardiff strategies. Furthermore, even where NGOs attempted to comment on emerging documents, the value of their contribution was diminished by the difficulty in accessing documents even after their adoption by the Council, and considerable frustration resulted.

#### *Member State Consultation*

Consultation has been somewhat better at national level, with several Member States having undertaken informal consultations once a draft document has been made available to the relevant working group by the Presidency. In these cases, draft documents were circulated for comment among a small group of 'interested' parties.

There appears to have been little involvement of national parliaments in tracking or commenting on draft reports.

### *Commission Consultation*

In comparison to the very closed Council approach, the Commission has a better track record in talking to NGOs in the development of its Commission communications or working papers. Practices vary significantly from one DG to another, however. Even within the Commission, too, consultation on draft documents has been limited in many cases, with DG Development the main exception.

### ***Resources Allocated to the Process***

Major resources would have been needed primarily for research (which was not undertaken by any of the Councils) or indicators (which, where they are developing, are doing so largely in parallel to the strategy process). As such, the core business of agreeing an essentially political text has not in fact been an onerous matter in most cases, and it is therefore often difficult even to identify specific resources allocated to the task. There is also equally little evidence of any additional financial resources being allocated to the Cardiff process within sectoral DGs, Member States or the Council secretariat general.

Resource constraints within the Council machinery are widely apparent. Its normal negotiating machinery, which is oriented towards 'deal making' between Member States on a draft proposal, appears poorly adapted to the process of strategy formulation. It is also arguable that the Council does not have the technical capacity to commission studies or other work in support of the Cardiff strategies. Some lack of Commission resources is likely to have been an important factor limiting the quality of the Commission documents, and thus indirectly also of the Council documents, in some respects.

The problems in resources are believed to reflect, in part, overall constraints on staff numbers and funds for studies in general; but also a lack of interest in and prioritisation of the Cardiff process within the hierarchy and the Council formations.

## **2.3 The Content of the Cardiff Strategies**

In evaluating strategy content, it is important to bear in mind the different nature of the Council formations and their subject matter. A key difference is that while some of the formations deal with the economic sectors (Agriculture, Energy, Fisheries, Industry and Transport) others are of a cross-cutting nature. Equally, some Council formations meet regularly to deal with substantial areas of Community responsibility (eg Agriculture), while others meet far less frequently and have more limited competence.

### ***Substantive Content***

#### *Scientific/Research Basis for Formulating Strategies*

Some of the reports and strategies show little or no reference to factual information. Existing Commission reports on environmental considerations provide the principal foundation for the sectoral strategies or reports. There does not appear to have been any fresh research undertaken in support of these reports or the Commission documents which often underpin them. Indeed, in many cases the analysis of the environmental impacts of

the sector does not even reflect independent research or the work of the EEA, despite the considerable material often available on the subject.

### *Problem Formulation*

Most of the strategies are not explicit about the range of environmental problems which they are setting out to tackle, or the level of priority which is to be attached to each. Problem formulation in the strategies can be described at best as vague and patchy, or at worst, as non-existent. In many cases this can be attributed not to an accidental omission, but to a reluctance by various Council members to be too explicit about outstanding environmental problems.

### *Risk Assessment and Option Appraisal*

There is no clear evidence that a risk assessment approach (either formal or informal) has been used in the development of any of the strategies to date. There is also little evidence in the documents of a discussion of alternative policy approaches. This does not, of course, demonstrate that alternatives were not considered or debated at certain stages of the drafting of the various strategy-related documents.

### *Aims, Objectives and Guiding Principles*

The approach to aims and objectives varies considerably from strategy to strategy, and so few generalisations are possible. Some for example restate existing objectives; others declare new and potentially important ones; and some have little to say in this respect. Some statements which imply a decoupling of resource use from output are of particular interest.

### *Targets*

No Council formation to date can be said to have responded positively to the suggestion by the Finnish Presidency that strategies should consider the establishment of concrete targets. Sectoral targets appear to have been substantially avoided, even to the extent that existing commitments and sub-sectoral targets are not reflected in the strategies. This reflects substantial differences of view between the Member States as to the meaning and value of target-setting.

### *Measures and Actions - including those beyond existing commitments*

The degree to which specific measures and actions are incorporated into the strategy documents varies considerably from one to another. Of the 'first wave' strategies, Transport includes an extensive list of actions in progress or already envisaged, while the Agriculture strategy makes heavy reference to the Agenda 2000 package. The Energy strategy includes no specifics on measures at this stage, but makes it clear that it will define further measures in the coming years.

In all cases, it is difficult to identify measures which can be classified as new initiatives arising specifically from the Cardiff process. It is, however, possible that the process has

been instrumental in giving greater impetus to activities in some areas, and that new measures will result in due course.

### *Recognition of the Extra-Community and Global Dimension*

It can be argued that an extra-Community dimension should be a factor in most if not all of the Council strategies. However, the strategies can be described as weak in relation to the external dimension, even in areas where this is clearly a major issue. General references to Kyoto, WTO and enlargement are found in some cases, but analysis and concrete proposals are almost completely absent.

### *Recognition of or Reference to Other Relevant EU/International Policy Agendas*

The implications of the Kyoto Protocol are widely mentioned, consistent with the primary position of climate change amongst the environmental issues addressed. Where relevant, the requirements of other international and UNECE conventions are noted in several of the strategies. On balance, however, the strategies can be described as incomplete and inconsistent in their engagement with other relevant policy agendas.

### *Resource Implications*

In none of the strategies is the question of resource implications – either for developing the strategy further or for implementing it – systematically addressed. The Development report does ask the Commission to give consideration to this issue, calling upon it to make sure that adequate staffing and training is provided.

### *Timetables*

Clear and specific timetables for future action are not widely apparent in the documents, although some timetables are at least implicit in the three strategies that have been finalised. For example, Agenda 2000, provides its own implicit timetable for the Agriculture Strategy. The Fisheries report also refers to the review of the CFP in 2002 which ‘will provide an opportunity for an in-depth debate on all questions related to the integration of fisheries and environmental policies’.

### ***Procedural Aspects of the Strategies***

#### *Roles and Responsibilities for Ensuring Implementation*

The respective roles and responsibilities for ensuring implementation of the reports or strategies is not always specified, and are in no case particularly clear or specific. A number of strategies do call upon the Commission to undertake specific actions. In its support for the idea of using the Broad Economic Policy Guidelines (BEPGs) to monitor sustainable development (see discussion elsewhere), the Ecofin Council does seem eager to take upon itself a broad monitoring responsibility within an established framework.

### *Monitoring and Review Arrangements*

The treatment of monitoring and review arrangements is very variable, with good coverage provided by the Transport document, compared to little or no mention to monitoring or review arrangements being made in the Agriculture, Industry, Fisheries and Internal Market reports. The Development report refers to an already established environmental evaluation cycle but does not discuss mechanisms specifically to respond to the Cardiff process. It is argued in the Ecofin report that the BEPGs should fully reflect the integration contributions of other Council formations, ensuring consistency of integration policy across all fields of economic activity.

### *Indicators – Extent and Nature*

Relevant indicator work prior to the inception of the Cardiff Process was limited in extent. In this context significant progress can be identified in some sectors, although less in others. These variations reflect not only the degree of elaboration of the strategies and the levels of resources allocated to the subject, but also real difficulties in conceiving an appropriate approach in some of the horizontal or cross-cutting areas.

Overall, significant progress has been achieved in some areas, and that this can to one extent or another be credited to the Cardiff process. However, even where progress has been made, significant differences in approach can be discerned and different institutional actors have been involved. This argues for a more coordinated approach in the future not only to ensure greater consistency, but also to establishing clearer linkages with any overarching indicators of sustainable development across the Community. The question of securing long term funding will need to be addressed for indicator sets as they develop.

### *Reporting Mechanisms and Requirements*

Reporting mechanisms are not addressed well in most reports or strategies. The Transport strategy stands out in this respect, with the strategy anticipating that the TERM report to monitor progress will appear at regular intervals.

### *Future Milestones – eg Medium Term Plans to Refine the Strategy*

Two of the three strategies adopted by the first ‘wave’ of Councils include medium term plans to strengthen the documents. Only the Agriculture strategy avoids this issue. Of the other reports that are available, the timetable provided in the Industry report is particularly disappointing, with a commitment only to prepare a full strategy by 2004.

## **2.4 Qualitative Assessment - Effectiveness**

### ***Definitions of Effectiveness***

The ‘effectiveness’ of the Cardiff process can relate either to the extent to which the immediate objectives are met (ie developing integration strategies) or the extent to which the problem is solved (ie full environmental integration within Community policies and activities).

These widely differing criteria, and variations in individuals' initial level of expectations, go a long way to explain the range of views as to the effectiveness of the Cardiff process. Most NGOs see the process as largely a failure because it has not led to integration. Others see it more positively because it has resulted in some change and had, by the end of 2000, led to the adoption of reports and strategies according to the requisite timetable in all but one case. It also appears to have contributed to a more widespread discussion of environmental integration within the Council formations, as well as at national level and within the Commission services.

### ***Environment vs Sustainable Development***

It is not possible to generalise the approach taken to environment and sustainable development in the strategies. Owing to their existing concerns with economic-related matters, most place emphasis on sustainable development as well as the environment. A number refer to the establishment of some form of 'balance' between environmental, economic and social criteria, while several refer to absolute environmental criteria (eg environmental carrying capacities and avoiding irretrievable losses) which should be upheld. Only the Ecofin Council chose to emphasise the need to insert economic and social considerations into Community environmental policy as a priority for sustainability.

In many cases, it should be noted that the social agenda is if anything less well developed than the environmental one in most of the strategies. This may in part arise from the fact that *environmental* integration has generally been regarded as the primary objective of the Cardiff Process.

### ***Adequacy***

Perhaps not surprisingly, none of the strategies can be described as adequate to deliver environmental integration within the Council in the short or medium term. None are sufficiently comprehensive or detailed to give confidence that they will fully support integration in the long term either.

Nevertheless, it is arguable that the strategies have managed to build a momentum for environmental integration. On the other hand, few would argue that there was ever any intention to develop strategies which were 'adequate' to deliver environmental integration at this stage.

### ***Innovation and Challenge to Status Quo***

It has not been possible within the strategy documents available so far to identify many aspects which would count as especially innovative, or which challenge the status quo significantly. Nevertheless, some innovative aspects are notable. Examples of at least potentially challenging or innovative statements can also be discerned.

### ***Comprehensiveness in relation to Impacts, Policies and the External Dimension***

None of the reports or strategies is comprehensive in relation to the range of possible environmental impacts. Attention to the external dimension of EU policies is also limited, particularly in relation to external impacts of EU policies and activities. Few of the documents appear, either, to have taken a systematic view of all the available policy options.

### ***Linkages to Other Councils and Strategies***

Linkages between different geographical areas, natural habitats, economic sectors and policy spheres are extremely widespread. Linkages between policy responses are clearly relevant to integration, particularly in a context of strategies being developed both in classic sectoral Councils (Agriculture, Energy, Transport, Industry, Fisheries) and in a number of horizontal or cross-cutting areas (taxation, trade and internal market, external relations, etc). In spite of this, most of the strategies have little or nothing to say about such linkages.

Several of the strategies refer to the Ecofin Council's remit regarding an appropriate framework for energy taxation. The Transport strategy includes a more general statement of the need to 'improve co-operation and the exchange of information within the various formations of the Council taking account of the relationships between sectors, particularly in areas which affect transport demand ...'. Although vague, this is probably the most comprehensive reference to linkages in any of the strategies to date.

### ***Overall 'Tone'***

Most of the strategies are pragmatic and realistic, and few if any could be said to have set out important new ground as yet. They do however vary considerably in their overall tone, with work on the Internal Market, Fisheries and Agriculture strategies probably the most defensive and negative, and the Development, Energy and Industry strategies are more positive and forward-looking.

### ***Particular Strengths and Weaknesses of Individual Strategies***

Among the particular strengths identified in the strategy work to date are the following:

- an increased understanding and sense of ownership of environmental issues in some Council formations;
- the existence of integrative mechanisms – the use of joint Councils and the Joint Expert Group are positive features of Transport Council's integrative activities;
- work on indicators - the TERM indicator set used to support work on Transport is by far in advance of what is available in other sectors;
- linkage to other policy review cycles - the Fisheries report makes a clear reference to the CFP 2002 review, providing an important opening for a future and more developed strategy to exploit.

However, most of the strategies are weak in a number of key areas. Most prevalent amongst these are:

- failure to identify the full range of potential risks and environmental problems;
- absence of new measures or innovative programmes;
- lack of clear timetables for future developments and implementation;
- failure to maximise opportunities for influencing broader policy reforms and other developments.

The issue of consultation and engagement of stakeholders can appear on either side of the balance. The Development strategy stands out in terms of positive consultation, although this was undertaken by the Commission rather than the Council itself. In all other cases, consultation has been poor or non-existent, and the inward-looking nature of the Council formations has been clearly demonstrated by the Cardiff process.

That said, a summary such as that presented above inevitably involves significant generalisations, which frequently gloss over the diversity of the strategies and may fail to give due weight to all of the positive elements which do occur. A more detailed analysis is therefore presented in Annex 2; but to illustrate this point, Table 2 below presents a simple scoring system for each of the strategies against some of the key criteria discussed above.

Key points to emerge from this table are:

- that none contains all of the elements that one might expect a 'strategy' to comprise;
- that overall, some issues have been addressed much more fully than others;
- that some aspects of strategy formulation are more fully developed than others;
- that there is considerable variation in approach and degree of adequacy between the different Councils, and
- that there is a general tendency for the first wave strategies to score higher, partly because they have been longer in development, but even this is not clear cut.

**Table 2 Summary Assessment of the Cardiff Strategies**

| Criteria for Strategy Analysis                                     | First Wave Councils |        |           | Second Wave Councils |          |                 | Third Wave Councils |     |           |
|--|---------------------|--------|-----------|----------------------|----------|-----------------|---------------------|-----|-----------|
|  | Agriculture         | Energy | Transport | Development          | Industry | Internal Market | Ecofin              | GAC | Fisheries |
| <b>Strategy Content</b>  |                     |        |           |                      |          |                 |                     |     |           |
| <i>Scientific/research basis for formulating problem</i>           | -                   | -      | -         | -                    | -        | -               | -                   | -   | -         |
| <i>Problem formulation</i>   | •                   | •      | ⊙         | •                    | ●        | ⊙               | •                   | -   | •         |
| <i>Risk assessment and option appraisal</i>                        | -                   | -      | -         | -                    | -        | •               | -                   | -   | -         |
| <i>Aims/objectives/guiding principles</i>                          | ⊙                   | ⊙      | ●         | ⊙                    | ⊙        | ⊙               | •                   | -   | •         |
| <i>Targets</i>   | -                   | -      | -         | -                    | -        | -               | -                   | -   | -         |
| <i>Measures/actions – including beyond existing commitments</i>    | ⊙                   | •      | ⊙         | ⊙                    | ⊙        | -               | •                   | -   | -         |
| <i>Recognition of the extra-Community/global dimension</i>         | •                   | •      | ⊙         | ⊙                    | ⊙        | •               | ⊙                   | -   | •         |
| <i>Reference to other relevant EU/international policy agendas</i> | ⊙                   | •      | ⊙         | •                    | ●        | •               | •                   | -   | •         |
| <i>Resource implications</i>                                       | -                   | -      | •         | ⊙                    | ⊙        | •               | •                   | -   | -         |
| <i>Timetables</i>  | ⊙                   | ⊙      | ⊙         | •                    | •        | •               | •                   | -   | •         |
| <b>Procedural Characteristics</b>                                  |                     |        |           |                      |          |                 |                     |     |           |
| <i>Roles and responsibilities for ensuring implementation</i>      | ⊙                   | ●      | •         | ⊙                    | ⊙        | ⊙               | ⊙                   | -   | -         |
| <i>Monitoring and review arrangements</i>                          | •                   | ⊙      | ●         | •                    | •        | •               | ●                   | -   | -         |
| <i>Indicators – extent and nature</i>                              | ⊙                   | ⊙      | ●         | •                    | ⊙        | •               | •                   | -   | -         |
| <i>Reporting mechanisms/requirements</i>                           | •                   | ⊙      | ⊙         | •                    | •        | •               | •                   | -   | -         |
| <i>Future milestones</i>   | •                   | ●      | ⊙         | •                    | •        | •               | •                   | -   | -         |

- Key**
- Not addressed
  - Little attention to this aspect
  - ⊙ Some effort to address this aspect, but incomplete
  - Relatively full treatment of this aspect

**Note** Evaluation of indicators reflects all indicator work in parallel with the Cardiff process – not only the Council’s input.

## **2.5 Role of the Strategies in the Broader Integration Context**

### ***Timing and Opportunism***

Timing has clear implications for the effectiveness of the strategies, as it can either help or hinder their development according to individual circumstances. In some cases the timing of strategy development has been fortuitous, and in others, problematic. In neither case do the Council formations appear to have been particularly creative or proactive in addressing timing issues, however.

In more than one case, work on the strategies has brought the Council closer in to line with papers and positions previously developed by the Commission. This may be a greater achievement than at first appears, given the scepticism of many Member States about environmental integration in their area.

### ***Means of Engaging Other Stakeholders***

The extent to which other stakeholders have been engaged throughout this process has been extremely limited, notably because of the closed nature of the Council.

There has been some new engagement among national officials but apparently no wider dialogue or stakeholder engagement by the Presidency, COREPER or the Council General Secretariat. Where 'external' stakeholders have been engaged, it has been on an informal basis and on the initiative of national ministries or individual officials.

Within the Commission, the usual means have in some cases been used to engage stakeholders, revolving around formal or informal NGO consultation procedures. Again, however, there has been no formal or standardised approach to consultation, leaving individual DGs to follow their usual procedures, often to the exclusion of open and early debate on draft documents.

Generally, inability to access documents and the lack of official information on the process continues to inhibit broader engagement of stakeholders. Industry organisations in particular have not been engaged for this reason, while environmental NGOs have become frustrated and critical.

### ***Realism***

All of the strategies could be described as realistic, in that they currently foresee few new initiatives beyond what is already 'in the pipeline', at best deferring innovative activities to a future date. However, several paint the relationship between their activities or sectors and the environment in a more positive light than more objective observers might suggest. In this sense at least one could argue that they are not yet being realistic as to the challenges which they face.

## ***Follow-up Activities and Implications for Future Developments***

### *Progress on Implementation of the Strategies*

Implementation can only be addressed here in its broadest sense – ie translating general objectives and goals into concrete action. Here there are some positive indications, but these are at a very early stage. In the narrower sense of transposing and enforcing Community legislation, implementation is not an issue because no significant new measures have as yet resulted from the Cardiff process.

### *Interaction with Other Integration Initiatives and Policy Milestones*

To be effective, the strategies should, ideally, identify any potential expectations or options relating to future implementation of the strategy, and linkages with other initiatives. In almost all cases, the strategies fail to relate sufficiently to other initiatives, even though these will almost invariably hold the key to delivering environmental integration. The general pattern has therefore been to develop the strategies within the boundaries presented by broader policy discussions, ie the ‘politically possible’, but without exploiting the potential interactions and win-win opportunities with other policy reforms in favour of environmental integration.

### *Expectations and Options for Future Implementation and Review*

The Cardiff process was initiated in response to Article 6 of the EC Treaty which calls for environmental considerations to be integrated within sectoral policies, in pursuit of sustainable development. As yet none of the strategies is considered to be either complete or comprehensive, so they will need to be regularly reviewed and revised to reflect emerging issues and challenges. In some cases there is no clear acceptance that the process to deliver environmental integration is both continuous and evolving, in the way that is clearly required by Article 6 of the EC Treaty.

It will therefore be important to complete work on the documents, and to review and periodically revise the strategies after 2001. This is arguably the greatest single challenge for the Göteborg Summit if it is to take the Cardiff process further and to render it more effective.

## **Chapter 3 Participant and Stakeholder Views on the Cardiff Process**

The analysis of the effectiveness of the Cardiff strategies, and options for the future, has drawn on an extensive set of interviews with individuals involved with, or having views on, the Cardiff process. Interviews were held with experts and stakeholders across relevant Member States, EU level institutions and a range of stakeholder types including governmental, parliamentary, environmental agencies, NGOs and industrial interests. Numerous other, informal discussions with interested parties were also undertaken by project team members in the course of our research.

Key findings or views expressed in recent reports on the Cardiff process, including a report commissioned by the Austrian Environment Ministry<sup>1</sup>, were also considered. A fuller summary of findings is set out in Annex 4.

The overall impression from these interviews is that the Cardiff process has been useful, in some cases even significant, and that it should continue in the future. However, it clearly fell short of most people's expectations in at least some respects, and needs considerable strengthening and re-orientating if it was to deliver effectively. Most felt that the Göteborg Summit would represent a critical juncture in the process and needed to give clear directions for the future of the process beyond June 2001.

### **3.1 The Process Of Strategy Development**

#### ***The Council Process***

Many of those interviewed considered it too early to be able to judge the quality of the process on a Council by Council level, let alone overall. In general, the process had fallen short of expectations and had simply resulted in a reiteration of existing commitments. But it had forced activity, and generated more acceptance and ownership within the Council of environmental issues than had previously been the case, and within only a limited time-frame.

Head of State involvement was widely seen as an essential ingredient in the Cardiff process, having placed the process at the highest level, providing some degree of continuity and introducing relatively concrete mandates. Even though Heads of State did not actually discuss the issue, their continued involvement in reviewing progress and adding new and more specific mandates was supported.

Translating Summit mandates into action had heavily depended on the work of the individual Presidencies, with Finland, Austria and now Sweden seen as investing most in this process. In some cases, there had additionally been good coordination among a group of sympathetic Member States, helping to inject a dynamic into the process. Even when Presidencies were not giving priority to the issue, the work of the Troika had helped to ensure work continued, even if only at a preparatory level.

Heavy reliance on the Presidency was of course also seen as a weakness, particularly given that not all Member States gave integration equal emphasis. Rather, the process was being led and dominated by a group of northern Member States. Proper discussion, planning, and

development of concrete measures by individual Council formations had also been hindered by pressures on Presidencies to produce visible 'results'. Instead there should have been greater emphasis on orientation debates, with follow-up based on clearer instructions from ministers.

The process had been undermined somewhat by a lack of a 'driver' and some basic guidance or framework for developing strategies. The Council Secretariat General, according to respondents, did not have the remit, structure or capacity to act as secretariat or coordinator of the process. No individual Council formation had been given this role either, and some thought that perhaps the GAC should have been considered. The lack of coordination at Council level was made all the more problematic by the lack of coordination at national level. In certain areas, joint Councils were suggested as potentially effective means of initiating debate and supporting coordination. However, this was unlikely to be useful as a regular tool to support all formations. Alternatively, several respondents suggested that improvements could be delivered, for example, by developing a committee similar to the Economic Policy Committee which could provide a single and permanent secretariat or structure while engaging both the Commission and the Council, and could report to the European Council on progress.

The role of the Commission was a difficult issue, with many conflicting views on whether the Commission was involved too much or too little. The Commission was better placed, according to many, to develop background documents, to think strategically, to organise consultations and to allocate human and budgetary resources to the process. On the other hand, the Commission had its own problems in delivering integration. Furthermore, this was a Council process with an important element of Council ownership, and it was therefore argued by many respondents that it should not become just another Community or Commission initiative.

### ***Participation***

Direct or active involvement in the Cardiff process was, according to interviewees, largely limited to sectoral staff in the various EU institutions and at national level, plus DG Env. The real debate had taken place in Council working groups although the Commission services had also discussed the issue in the course of drafting papers or communications. Most environment ministries felt only marginally involved, contributing more to coordination and strategic issues than to the detail of individual strategies.

The European Parliament, environmental agencies and advisory councils, and environmental NGOs considered themselves to have had only a peripheral involvement and then on an ad hoc basis. Thus, many of those 'outside' the process considered it to have been unnecessarily closed, secretive and intergovernmental. There was widespread criticism of the failure to engage stakeholders. Interviewees suggested that most consultation had taken place at the national level and through interested officials in one or other of the DGs, and even this was of a highly variable degree of coverage and quality.

NGOs also found it difficult to follow the process, partly due to the diffuse nature of it. There was no single institution to organise around, making it difficult to engage effectively across all nine Councils. The Parliament was also challenged due to its particular structure,

but also due to the fact that the Council strategies were not based on Commission initiatives.

Some modifications were proposed to improve the level and quality of debate. Changes to Council processes could be made to support direct stakeholder engagement, although officials thought that this was likely to be resisted. Commission consultation was also important, as was national debate although the latter was recognised to be rather labour intensive.

While an open and proactive approach could be adopted towards strategy development, stakeholders themselves needed resources to be able to respond meaningfully. EP engagement might be improved by asking the Parliament to report to the Summit. An environmental audit committee, modelled on the UK's committee was also suggested to follow the Cardiff process, as well as supporting the EP's own work. It was argued that 6EAP would also engage the EP more in strategic debate.

### **3.3 Strategy Content**

Like the process overall, views on the content of the Cardiff strategies or documents were variable although there was an underlying disappointment among environmental interests and officials, at least when considering that 'comprehensive strategies' were supposed to have been ready by Göteborg. Perceptions of sectoral ministries and DGs tended to be more positive, based on what they considered to be 'realistic' expectations. But even then, many Commission officials identified gaps and weaknesses in the documents. Deficiencies existed in all nine cases, relating variously to the poor analysis of the environmental problems, lack of clear objectives corresponding to the analysis, targets and timetables, and limited progress on indicators. NGOs were most critical, describing the documents as 'highly general', 'non-committal' and 'non-binding'. They gave insufficient attention to global footprint issues, as well as failing to coordinate or cross-refer to work in other Councils.

The quality of documents was limited by the imprecise nature of instructions from the Summits and, according to NGOs, the failure to allocate responsibility to specific sectors. There was also no capacity or political will within the Council to do substantial work or to develop a vision. Existing internal or external drivers (eg WTO and agriculture) were considered to have acted as further constraints, although they provided opportunities in other cases.

A standard set of guidelines was consequently supported by many as a means of improving the content of strategies, including calls for concrete targets wherever possible. Improvements could also be secured through greater recourse to integrative expert or working groups, but also by provision of more research material on problems and policies, as well as on targets and indicators. More time, according to one national official, was also critical in enabling the development of better documents and longer-term measures.

### **3.4 Effectiveness of the Process**

Interview responses and research reports on the Cardiff process are all but unanimous that the process was useful, despite modest progress, and that work should continue. Overall, most believed the process to have raised awareness of Article 6 of the EC Treaty and promoted more widespread acceptance that subsequent changes in policies and approaches were needed. In many cases, it was argued, environmental issues were being seen in a more comprehensive way, although progress in some areas was undoubtedly more significant than in others. According to officials from the respective institutions, the Cardiff process had also engaged new people within the Council structures, as well as in the Member States and the Commission.

Of course, the extent to which the Cardiff process was seen to be 'effective' depended on initial expectations, with sectoral officials tending to view the process more positively than NGOs and environmental ministries. As one DG Env official summed up, the Cardiff process had not provided a miracle cure and major problems remain to be dealt with. NGOs and agencies agreed that new thinking had not been generated, nor had the process been successful in forcing a fresh and open approach, based on an acceptance of the seriousness of the situation and the response that this required. Officials, in contrast, seemed more willing to appreciate what had been achieved, particularly changes in attitudes and mind-sets, even though progress was acknowledged to be slow.

Given the limited progress achieved, most interviewees considered that the Cardiff process had failed to have a real impact on the political agenda as yet. It lacked the necessary sense of urgency and failed to challenge the fundamental problems that exist. Where integration had progressed, this was more likely attributable to other factors, such as the Kyoto Protocol or the Millennium Round. Political momentum was also seen to be limited, according to some NGOs and officials, partly because of a failure to engage 'external' stakeholders such as NGOs, industry, and the European Parliament in political debate. Indeed, for this and other reasons, one official warned of the danger of losing momentum. The general expectation was that the Swedish Presidency would manage to inject new life into the process, but serious efforts would be needed if momentum was to be maintained and increased thereafter.

In sum, while many people believed that the Cardiff process was important and should continue, it was widely acknowledged that significant improvements were needed to strengthen it and ensure its continuity beyond the Göteborg Summit in June 2001. The Swedish Presidency needed to think hard about the future, and start to organise around the next big 'milestone' which some suggested could be provided by the Danish Presidency in 2002.

### **3.5 Examples of Integration**

All those who were asked thought that there were good examples of integration in action in different sectors, at EU, national and/or local levels. The emphasis now being placed on integration was in itself a reflection of national approaches and interests, particularly among the northern Member States.

Of the specific examples provided by respondents, very few had arisen out of the Cardiff process, however. Key exceptions were the indicator work, although the TERM project predated the Cardiff process, and improved integrative mechanisms in at least two Member States.

### **3.6 Aims, Objectives and Future Perspectives for Cardiff**

#### ***An Ideal Integration and Strategy Development Process***

There is a wide range of views on what an integration process should ideally consist of. It could be continuous, involving a management tool, dialogue and an aspirational statement such as that provided by Article 6 of the Treaty. It could require the development of guidelines and indicators, reforms of sectoral policies and institutions, as well as implementation of the environmental *acquis*. For some, it was important for an integration process to be transparent and participatory, clarifying roles and securing high level political commitment. A single institution was needed to drive the process and to coordinate activities, including work on medium or long term strategies, indicators, monitoring, reporting and evaluation. For the several environmental interests, there was also felt to be potential for establishing some form of presidential council or sustainable development commission, to ensure high level debate and review of activities.

It was argued that Article 6 of the EC Treaty should guide policy, by forcing an evaluation of the situation, leading to agreement of objectives, the selection and implementation of agreed measures, and ultimately, demonstrable change on the ground. It affected all levels, and all EU institutions, and therefore needed to be backed up by systems to make sure integration continues through the policy-making cycle.

Importantly, several respondents stressed that Cardiff is but one of several possible responses to Article 6, in this case focusing on the Council. Other initiatives and processes would be needed to complement activities and secure implementation of Article 6 of the Treaty. Others seemed not to grasp this point, and to see Cardiff as synonymous with integration. This in itself created a significant mismatch of expectations.

#### ***Continuing the Integration Process***

There was widespread, though not unanimous, support for continuing the integration process, but with NGOs in particular calling for significant change. In preparation for another cycle, various individuals called for reports either from the Commission, 'friends of the Presidency', a group of 'wise people' etc. Most also felt that the Göteborg Summit should call for further work, and identify Denmark as the next 'green' Presidency to take the Cardiff process forward.

A number of suggestions was put forward for the Göteborg Summit conclusions, including that they request qualitative improvements in the strategies, identification of concrete measures, monitoring, reporting and review mechanisms, further work on indicators, etc. More detailed guidelines were suggested as a means of 'putting flesh on the bones' of these general requirements. To keep reporting cycles to a minimum, reporting and review of

other integration initiatives and/or the Lisbon process could be linked, merged or better coordinated.

### ***Cross-Sectoral Issues***

Most respondents believed that more emphasis should be placed on cross-sectoral issues. Otherwise, the combined impacts of several sectors were likely to be missed or neglected, with no one sector taking responsibility for addressing overarching problems. Cross-sectoral *Council* strategies were one option, with the EC Biodiversity Strategy acting as a model.

However, some argued that too great an emphasis on cross sectoral issues could make the process even more diffuse. Instead responsibility needed to be given back to the Councils through sectoral targets. Targets could be established within a unifying framework such as that provided by the SDS or the 6EAP.

### ***Member State Integration***

Only a small number of respondents thought the process should not focus more on the Member States, given the Member States' responsibilities for agreeing and implementing policies. Member States could be involved through programmes to exchange information, guidelines or incentives. The proposed strategic environmental assessment Directive would also have implications, as would work on indicators.

However, respondents also warned against developing too strong a focus on the Member States. NGOs in particular thought that a *shift* in focus might weaken or deflect from the commitment to integration at EU level.

### ***Developing the Strategies Further***

For a small number of respondents, the Cardiff strategies should not be developed further. Reasons given varied, including a danger that this would start another bureaucratic process, partly taking over the Cardiff process. It might be better to start again it was argued, but from a different perspective, eg with specific themes, clearer direction and expected results.

Most others supported further development, in order to improve the quality and detail of the strategies, indicator work, and the effectiveness of the process as a whole. Key issues and sectors could be focused on, developing a long term and more global vision, as well as supporting improved communication between the sectors. Thus, many agreed that the strategies needed to be revised and brought up to a certain standard, eg where they could be considered 'finished products' and implemented.

### ***Making the Process Permanent***

All but two respondents thought that the 'Cardiff Integration Process' should be made more permanent to ensure that it delivered in the long term, although it was important to allow enough flexibility for the process to unfold, and to be updated to reflect changing events, technologies and ideas.

For the NGOs, the integration principle was a legal obligation and evidence was needed to show that Article 6 was being delivered on a permanent basis. On the other hand, tangible improvements were needed if the exercise was really to be considered worthwhile. The challenge was to keep the process alive by maintaining the Council and others' interest, as well as improving its effectiveness perhaps by focusing on different issues and by involving more institutions.

### ***Extension to Other Council Formations***

Integration applies to all institutions and all formations and the Cardiff process could, according to a considerable number of respondents, extend to other Council formations, for example Budgets. However, many argued that at the present time there was a risk of diluting and weakening the process too much by extending it further, and so consolidation and implementation should be the priority.

### ***Engaging a Broader Range of Stakeholders and 'Bringing the Process to Life'***

There was clearly interest in raising public awareness of issues and potential solutions associated with integration and sustainable development, by improving transparency and communication at EU level, in Member States and/or locally. This could be done using a variety of methods, for example, organising meetings, interactive communication, etc.

In relation to the Cardiff process specifically, the challenge was seen to be more to engage decision-makers, industry, science and environmental groups, at EU, national and regional level, based on a more systematic and transparent process. Council documents and meetings should be made as accessible as possible. To some extent, the strategies could also be given back to the Commission to organise consultation.

While some felt that the process should involve a large number of institutions, most respondents believed that the Commission, Parliament and to a lesser extent the European Environment Agency were the key institutions that should be engaged more. Suggestions for injecting life into the process included giving it greater political attention, media work, generating public debate and targeting Life funding at integration initiatives.

### ***Linking Cardiff with 6EAP and SDS***

The three separate processes or initiatives are generally viewed as related and potentially benefiting from coordination or merging. The EU Sustainable Development Strategy (SDS) was expected to provide the political framework and vision for sectoral and inter-sectoral work, and of course for integration of environment with social and economic factors. The 6EAP would focus on the environment, setting out key themes, parameters and basic targets, identifying issues that needed to be dealt with by sectors and providing a monitoring framework. Its legal nature could be used to force action in the sectors.

Most respondents supported calls for greater linkage between the Cardiff process and the 6EAP/SDS, although Cardiff was the only process responding specifically to Article 6 of the EC Treaty. No single blueprint emerged, however. Linkage could range from shared

objectives or joint reporting mechanism, to merging the initiatives completely. Merging the Cardiff process and the SDS could dilute and potentially kill the process, however. Also, it was not clear what the ultimate impact of the SDS would be. Alternatively, the Cardiff process could be married to the 6EAP. According to the European Environment Agency, Thematic Strategies (TSs) proposed by the 6EAP could set thematic targets and timetables which could be translated into sectoral Council targets to drive future strategy.

### ***Relationship with Other Policy Reforms***

According to several national officials, Article 6 means that all policy reforms should address environment and sustainable development. Thus reforms needed to deliver integration, rather than integration fitting within the parameters of the reforms. At the same time, environmental agencies and groups saw the broader agenda as a driver of change that the Cardiff process would need to harness. In effect, integration and other broader reforms needed to be brought together. Any overlap between the strategies and other policy processes should be made explicit, with both referring to one another.

### ***Relationship with External Policy Initiatives***

According to NGOs, the Cardiff strategies should reflect international commitments in full. Thus, existing strategies needed to make clearer links, for example, to the Kyoto Protocol. In addition, however, environmental interests stressed that there was a need to assess what was necessary and if that went beyond international targets, then that too should be reflected in the strategies. The Council was urged to use the opportunity to display its leadership role at the international level.

### ***Milestones, Monitoring and Review***

The overwhelming impression was that adequate arrangements were *not* in place to ensure that the strategies continued to develop over time. In terms of milestones, one suggestion was that the Göteborg Summit could establish a four year process to run to the next budgetary perspective (ie Berlin + 6), identifying a list of actions for that period. Other, more intermediate milestones might be desirable, eg the Danish Presidency, to monitor and adjust work, as necessary. The Troika structure would allow new Presidencies to engage, creating pressure and passing on momentum.

Many respondents agreed that good indicators would assist in stimulating monitoring, help maintain momentum by bringing longer term issues to the attention of decision makers, and help with meaningful evaluation. Progress on indicators was therefore essential, potentially involving headline indicators as well as structural indicators for the Spring European Council.

There was clearly a question about future reporting, including what to report and who to report to. Several national and Commission officials identified a need for broader reviews of progress, possibly as annual sustainability statements. Reports should be engaging but not too critical if from an EU institution. They should show the Summits overall trends and ask questions. In addition, a group of 'wise persons' at Head of State level could report to

the Summit, perhaps at Göteborg or under the Danish Presidency in the second half of 2002.

Among the practical options proposed was to merge the Cardiff process with the Lisbon social and economic agenda, although this would be resisted if it was likely to dilute the latter. Alternatively, the Cardiff strategies could be discussed at the Spring Summits but as a separate item. Reporting to the Summits could be coordinated by the General Affairs Council and, according to some officials, supported by a committee based on the structure of the Economic Policy Committee.

Many agreed on the need for a body to monitor progress, perhaps involving a Task Force or the Commission General Secretariat. Some thought that DG Env could undertake the reviews or a new Commission/Council committee for integration. Sectoral monitoring could be undertaken on the basis of joint expert committees. There was also scope to develop one reporting process to cover the various environmental initiatives (ie 6EAP and Cardiff) and potentially also the SDS. The EEA and others argued for a stronger role for the Agency in carrying out monitoring, although financial resources would be critical.

## **Chapter 4 Research Conclusions**

### **4.1 The Cardiff Process is not ‘Complete’**

It is clear from earlier Summit conclusions that the Göteborg Summit has been regarded as a key event in the development of the Cardiff process. Thus the opportunity was identified for this Summit, under a notably ‘green’ Presidency, to (in some sense) draw the nine strategies to a particular (but undefined) state of completion.

The use of the term ‘complete’ by the Summit has however contributed to some mixed expectations as to the outcome of Göteborg. It can be interpreted to mean either ‘fully formed’ or ‘finished’ – or indeed both. Clearly there is a minority who consider that Göteborg will or should mark the conclusion of the Cardiff process in its present form: but we argue below that this would be a mistake.

It is clear from the analysis in Chapter 2 that the nine Council strategies cannot, taken together, be regarded as ‘complete’, for a number of reasons:

- Some have clearly not reached the formal status of strategies
- None contains all of the elements which one might expect of a ‘strategy’
- Many already envisage further work and future developments
- Nine Councils do not necessarily represent the totality of the Council integration process

These points are briefly elaborated in the sections which follow.

#### ***Some have clearly not reached the formal status of strategies***

It is self-evident from the analysis of Chapters 1 and 2 that not all of the nine Councils have yet reached the point of developing a full strategy, and cannot now do so in time for Göteborg. Thus, unless the process is to be terminated, it is inevitable that a further phase will be needed in order to allow all the strategies to reach a mature stage of development.

#### ***None contains all of the elements which one might expect of a ‘strategy’***

It is equally evident from Chapter 2 that none of the strategies yet contains all of the elements which one might ideally wish to see in a strategy. As discussed below, we consider that a set of guidelines should now be developed, covering content, process and future perspectives, to guide further development of the strategies.

#### ***Many already envisage further work and future developments***

The ongoing nature of the Cardiff Process has been reinforced repeatedly through relatively specific requirements concerning content (such as the regular exhortations by the European Council to consider the Kyoto Protocol or EU enlargement). In addition, the European Council also stipulated formal requirements, such as the explicit call at its meeting in Helsinki to develop comprehensive strategies with timetables and indicators where possible. None of these requirements, which are set out in Annex 8, have yet been met in full.

Therefore the development of strategies conforming to these substantive and formal terms of reference should be considered a binding obligation still outstanding, as should their subsequent implementation, evaluation, follow-up and revision.

In parallel to the obligations established by the European Council, many of the Cardiff Council formations have made self-committing pledges in their Cardiff reports and strategies. Usually these refer to further deliberations (often on the basis of reports or Communications requested from the Commission) regarding future decisions, evaluations of indicators or strategy implementation, and strategy revision. In political as well as in administrative terms, these commitments will provide considerable momentum for carrying the Cardiff Process forward for some years to come. Many of the strategy elements must also be implemented in future by those to whom they are addressed. This applies above all to the tasks allocated to the European Commission.

However, there are considerable differences among the Council formations concerned, and progress may yet falter in some formations unless additional stimuli are given.

### ***Nine Councils do not represent the totality of the Council integration process***

Although there is a consensus that the nine Councils so far engaged in the Cardiff process cover priority areas, it can be argued that all Council formations should in principle incorporate an environmental dimension into their work as a requirement of Article 6. Indeed, respondents to our questionnaire identified several further Councils as a priority. This possibility is addressed further in Chapter 6.

## **4.2 Integration is a Legal Requirement**

One important consideration in relation to the future of Cardiff is that it is based on the rather precise requirements of Article 6 of the EC Treaty. In launching the Cardiff process, it was explicitly to Article 6 that the December 1996 Luxembourg European Council referred. Article 6 requires that

Environmental protection requirements must be integrated into the *definition and implementation* of the Community policies and activities referred to in Article 3 (*ie practically all of them*), with a view to promoting sustainable development. [Our emphasis in italics, and insertion in parentheses].

This instruction therefore extends not only to the specific Council formations so far covered by the Cardiff Process, but to all EU institutions responsible for developing Community policies. Member States are also covered because it usually falls to them to implement Community policies. In consequence, environmental protection requirements need to be taken into account in *all* Community policy and law. Failure to do so might be considered a breach of a Treaty obligation, although this may be difficult to prove in practice.

Thus, the Cardiff process has a high level of both legal and political legitimacy. The conclusion is that, if Cardiff were to be stopped, it would need to be replaced with something else which ensured integration at Council level.

### **4.3 Environmental Integration and Sustainable Development**

It must be acknowledged that there is some scope for confusion about whether the Cardiff strategies are concerned with environmental integration (in response to Article 6 of the EC Treaty) or the wider challenge of promoting sustainable development as one of the EU's overarching objectives (Article 2 of the EU Treaty). Both the Luxembourg and Cardiff conclusions referred to the importance of environmental integration as *a contribution to the achievement of sustainable development*. However, the Cardiff conclusions also called for strategies to give effect to 'environmental integration *and* sustainable development'. This was subsequently modified at the Vienna European Council to integrating 'environment and sustainable development into all Community policies in view of the Amsterdam Treaty'. This wording has given rise to a variety of responses, with some Councils focusing on environmental integration and others on sustainable development.

This potential confusion, we argue below, has significant implications for the future development of the Cardiff process, and should as far as possible be clarified.

### **4.4 Cardiff Cannot Deliver Sustainable Development Alone**

Greater clarity is needed as to the role of Cardiff, and its limitations. The latter include the following:

- the primary focus of Cardiff has been on environmental integration, so other elements are needed to secure sustainability;
- it centres on the Council, which is only one of the main Community institutions, so integration in the work of the Commission and Parliament is also needed;
- it primarily addresses Community policy, so complementary policies at international, national and local levels are also required.

Nonetheless it can and must make an important contribution to sustainable development. Although concrete results are as yet very limited, there are grounds to believe that it is making a contribution already, and has the potential to achieve much more in time. In some policy areas, even small steps may be a significant breakthrough.

### **4.5 Cardiff has Useful Spin-offs for the European Commission and Member States**

Our analysis has identified a number of areas in which the Cardiff process has had positive influences on the workings of the Commission and of the Member States. These relate particularly to the establishment of new integration units, committees and procedures which appear to be directly associated with the Cardiff process, and sometimes in areas where integration was previously very weak. It is usually difficult to attribute an outcome such as this to any one single cause, but we consider that the association with Cardiff is a strong one in some cases. This is a valuable reciprocal process, which should be encouraged through the continuing development of the Cardiff requirements.

#### **4.6 Political and Policy Context is Critical**

Although the strategies can be compared to one another to an extent, each sector inhabits a separate political and policy world which is of central importance in defining and evaluating the strategy's 'success'. Different sectors are clearly at *different stages of integration*, and subject to their own distinctive policy initiatives and cycles. They were also asked to join the Cardiff process at different stages, and have therefore had varying degrees of opportunity to elaborate strategies.

Furthermore, it is important to recognise the varying depth and composition of *political interests* in the strategies. In the cases of Agriculture, GAC and others, the strategies have the potential to affect vital national interests very directly. Where there is very substantive EU level involvement in the policy area in question, officials and ministers will tend to have good grasp of the issues and strong awareness of the need to anchor the strategy in political realities. In others there may be less of a sense of need to restrict the strategy or to be as closely involved in its development. In practice, this means that limited progress in Agriculture may be a greater sign of effectiveness than extensive progress in, say, Development.

These varying political and policy contexts argue for flexible and differing strategies, but there remains a need for a coherent overall framework and a certain minimum set of attributes, including a clear timetable for review. Strategies will not obtain the same level of apparent ambition within any given time period. Some variation is politically inevitable and indicates a degree of realism.

This however reinforces the need for periodic review of the process as a whole rather than allowing Councils to develop strategies in an ad hoc way wholly independently of one another. Too much flexibility might be exploited by Councils that simply do not want to engage and commit to the process. We consider that this problem is best addressed through the establishment of more detailed guidelines for Cardiff, which combine some general principles for all strategies with more specific priorities tailored to the individual circumstances of each Council formation.

## **Chapter 5 Strategic Options for the Future of Cardiff**

With the above conclusions in mind, this chapter addresses the key question of how (if at all) the Cardiff process should continue. Given that integration is a legal requirement of Article 6, one can logically envisage three main possibilities for the future of Cardiff:

- end it and try some other approach
- merge it with another process
- continue to a new phase of the Cardiff process

These possibilities are addressed in turn below.

### **5.1 Ending the Cardiff Process**

For the reasons stated above, it seems premature to see Göteborg as the end-point to the Cardiff process. To bring it to a halt at Göteborg would require a Procrustean\* approach to the existing strategies. That is, it might bring about a premature end to the ongoing work referred to in Section 4.1, as well as discouraging any further developments along the same or a similar path. It would also need to be replaced with some other means of delivering the requirements of Article 6.

Thus the only significant rationale for taking Göteborg as an end to the Cardiff process is on the assumption that it has been insufficiently useful to merit the cost and effort involved. While recognising that the process has its defects, and has not matched up to the expectations of many observers, we consider that there is a range of evidence to support the view that it has nonetheless been beneficial, and has potential for further development and improvements.

As noted earlier there is clearly scope for additional work to achieve the main Cardiff objective of developing ‘comprehensive strategies’ for each sector. Given the limitations of the strategies, there is a natural reaction by some to try a new approach instead. However, our research has not suggested a radical new departure which could be taken up quickly or easily, and which would clearly be better. Certainly a wide range of improvements have been suggested and should be considered, as discussed below. However, these are in most cases best regarded as incremental changes which can be applied to the existing process in a stepwise fashion, rather than as a completely new departure.

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\* Procrustes was a legendary innkeeper with a distinctive approach to customer service. All his beds were the same size, and if his guests were shorter than the beds, he stretched them on a rack: if they were too tall, he cut off their feet.

## 5.2 Merging Cardiff with Another Process

### *Background on Ongoing 'Integrative' Initiatives*

Since the inception of the Cardiff process, two other initiatives intended to take forward the objectives of Articles 2 and 6 of the Treaty have developed in parallel - the proposed Sixth Environmental Action programme (6EAP) and the forthcoming EU Sustainable Development Strategy (SDS). Initially there was little thought given to the ways in which these three initiatives would inter-relate, and some confusion has resulted. The Commission's proposal for the 6EAP does not address the future relationship of the programme with the Cardiff strategies, beyond a vague commitment to ensure their 'implementation' and to develop better sectoral integration indicators. The first full draft of the SDS has yet to appear, and its relationship to the Cardiff process therefore remains unclear. This problem is now more widely appreciated, however, and there is therefore some pressure for improved co-ordination or rationalisation.

In addition to generating public confusion, there is at present clearly a danger of duplication and overlap between these various initiatives, particularly in relation to target setting and monitoring and reporting procedures. Moreover, Commission President Prodi is known to want greater simplicity and transparency in the EU's decision-making procedures.

Apart from these three initiatives, there is in addition the so-called 'Lisbon process'. The Lisbon European Council in March 2000 launched a new strategy to strengthen employment, economic reform and social cohesion, as a contribution to the transition to a 'knowledge-based economy' (see Annex 1). Lisbon extended existing Treaty-based procedures for co-ordinating and monitoring the economic policies of Member States to social and employment policies as well. The Broad Economic Policy Guidelines (BEPGs) addressed to the Member States and the Community now incorporate a social dimension, and the performance of Member States, relevant Council formations and the Commission in applying the BEPGs is to be reviewed by the European Council at its regular Spring meetings. Thus the Lisbon process already incorporates a monitoring and review procedure in relation to economic and social policies, and this could be extended to provide a ready-made framework for addressing issues of sustainable development as a whole. Potentially, this could subsume both a future EU Sustainable Development Strategy, and the Cardiff process.

In this context, it is important to consider what exactly is meant by the term 'merger'. Its outcomes may range from a harmonious 'marriage' of different processes, in which the strengths of both are reinforced and the weaknesses of either are balanced by strengths in the other. On the other hand, a merger may result in the complete *takeover* of one process by another. In the case of Cardiff, the weaknesses we have identified in the early part of this report have been used to justify the argument that it has now passed its sell-by date and should now be 'folded into' another initiative.

The likely outcome of any merger cannot be known with any certainty in advance, but a judgement can be made on the basis of the inherent scope and strength, degree of momentum, and weight of political support for the respective processes. This we argue is a

vital consideration to be borne in mind in the assessment which follows, alongside the inherent procedural, institutional or legal logic of a merger between processes.

The proposed mechanisms for priority setting and performance review by the European Council which have been proposed for an extended Lisbon process would duplicate - and indeed go beyond - those of the current Cardiff process. There is therefore a strong argument for entirely subsuming Cardiff into Lisbon. Similarly, it would be logical for the EU Sustainable Development Strategy to absorb Cardiff, *if* the Cardiff process is perceived as being exclusively oriented towards sustainable development (rather than environmental integration).

The Sixth Environmental Action Programme (6EAP) is rather different, however, in the sense that Cardiff and the 6EAP are more obviously complementary and run less risk of overlap or duplication. In the sections which follow, therefore, we examine the arguments for and against entirely subsuming Cardiff into the Lisbon Process or the EU's Sustainable Development Strategy respectively. Then, having argued that Cardiff should continue as a separate initiative, we discuss the need for improved co-ordination with other initiatives, and in particular with the 6EAP.

### ***Subsuming Cardiff into the Lisbon Process?***

The injection of an environmental component into the Lisbon process was first put forward by the Commission in a Communication *Bringing our needs and responsibilities together - Integrating environmental issues with economic policy* (COM(2000) 576 - September 2000). This was subsequently endorsed by the Ecofin Council and sent to the Nice Summit in December 2000. The Communication proposed that the EU's Broad Economic Policy Guidelines (BEPGs) should henceforward incorporate 'environmental integration objectives' in the following ways:

- the integration of environmental issues with economic policy should be undertaken within the framework of the EU's forthcoming Sustainable Development Strategy;
- the 'multilateral surveillance' of structural reform in the Member States should be extended to encompass the mutual inter-relationship of economic and environmental policies.

The Commission's report to the Stockholm European Council (*Realising the European Union's Potential: Consolidating and Extending the Lisbon Strategy* - COM (2001)79 - 7.2.01) reinforces this message by emphasising that 'the economic and social dimensions of Lisbon must be completed by integrating an environmental dimension to contribute to a European Union strategy for sustainable development.' And in a recent speech, Environment Commissioner Wallström argued that

'The Environment Council should become involved in a regular annual exercise of reporting to the Spring European Council, just like the Ecofin and the Employment Councils. In addition, the Commission's annual Synthesis Report should contain an environment chapter where we report to the Spring European Council on the progress made in implementing the sustainable development strategy both at the

European level and in Member States ... I do not accept that environmental policy making should constitute a ghetto where we all preach to the converted.'

For some, the logic of this argument is that a separate Cardiff process would effectively be rendered redundant through an extended Lisbon process, and therefore should come to an end at Göteborg. There are indeed important arguments that can be made in favour of subsuming Cardiff into Lisbon:

- the so far *ad hoc* engagement of the European Council with issues of environmental integration would become permanent;
- several uncoordinated processes of policy review by the European Council would be simplified;
- the Commission would again be fully involved in the development and review of policy in relation to environmental integration; and
- the establishment of a fully-fledged sustainable development review system would enable the EU to claim a leadership role in the run-up to the 'Rio+ 10' Conference in 2002.

However, despite the apparent neatness of this approach, there are several good reasons for maintaining the distinctiveness of an (improved) Cardiff process.

- Cardiff is focused specifically on advancing Article 6 of the Treaty, not just Article 2. To retain clarity of purpose, Cardiff's primary objective should be to ensure that the *environment* is integrated into other policy areas, as an essential *contribution* to sustainable development. The amalgamation of the EU's SDS with the Lisbon process would not in itself obviate the need for continuing work on environmental integration. Indeed, if the Lisbon process is to be extended at all, logically it should be the 6EAP rather than the SDS that provides its principal environmental input.
- BEPGs are, as their name suggests, primarily an economic monitoring device, overseen by the economics ministers in Ecofin and the corresponding interests in the Commission. An enhanced environmental (and indeed social) dimension to these guidelines is of course desirable, but it would be premature to assume that they could be quickly transformed from an economic to a fully 'sustainable' focus.
- There is a danger that the Lisbon process will be overwhelmed, with issues of environmental integration in practice receiving scant attention from Heads of Government.
- It is less than a year since social and employment issues were added to what is fundamentally an economic policy review process, and it is too early yet to say how effective this has been. The addition of yet another element so soon would appear to be premature.

In these circumstances, it would appear prudent at this stage not to subsume Cardiff into the Lisbon process. We conclude that such a move would be at least premature at the time of the Göteborg Summit, but that the situation might be reviewed at a later stage.

### ***Subsuming Cardiff into the EU's Sustainable Development Strategy?***

A draft of the EU's Sustainable Development Strategy (SDS) is to be presented to the Göteborg European Council in June 2001. Developed by a Task Force within the Commission's Secretariat-General, the SDS is expected to have a long-term focus, and address six priority areas:

- poverty and social exclusion;
- demography and ageing;
- public health;
- climate change and clean forms of energy;
- management of natural resources;
- mobility, land use and territorial development.

Most of the nine Cardiff Councils are therefore responsible for EU policies which to a greater or lesser extent are relevant to these themes. Council integration strategies will need to take forward in more detail the priorities identified in the SDS, while the SDS itself will need to reflect work already done in the context of the Cardiff process.

There are, therefore, some possible advantages in absorbing Cardiff into the SDS. These include:

- the opportunity to address a key weakness of the Cardiff process - its essentially sectoral focus that has so far taken little account of interactions between sectors;
- possible synergies in structures and processes, eg a role for one Council formation to oversee the whole process; a new 'Article 2' or 'Article 6' Committee; establishment of a sustainable development or integration unit within the Commission Secretariat General (see Chapter 6 for further discussion of these possibilities);
- the likelihood that some Council formations which are cautious about environmental concerns might have more 'buy in' to a sustainable development process; and
- the opportunity to develop more holistic thinking about environment and sustainable development.

However, we would argue that the SDS cannot be seen as a substitute for Cardiff, for the following reasons:

- the timeframe it is expected to adopt - to 2025 - is far longer than the more immediate Cardiff strategies, and specific policy recommendations are likely to be correspondingly less precise;
- the six priority areas it will address appear not to cover a number of issues included in the Cardiff process (eg biodiversity and fisheries; internal market issues; or some environmental themes, such as noise);
- the institutions and structures for implementation, monitoring and review of the SDS are currently unknown, and could prove to be even less robust than those established by Cardiff; and
- the absorption of Cardiff by the SDS would not remove the obligation in Article 6 to advance specifically environmental integration.

In these circumstances, we consider that the two processes should be kept distinct, at least until the nature and operation of the SDS becomes clearer.

### ***Improved Co-ordination with Other Integration Initiatives***

If Cardiff is to remain a distinct process, the need for better co-ordination and simplification still needs to be addressed. The greatest synergies appear to be between Cardiff and the 6EAP. Both are essentially focused on Article 6, and both seek to introduce new approaches to policy development - cross-sectoral thematic strategies in the case of the 6EAP, and Council strategies in the case of Cardiff. Cardiff has the benefit of European Council involvement, while the 6EAP and its follow-up should provide environmental objectives and targets, and will take place within a legal framework. It will have the political and administrative support of the Community institutions. Thus there is a strong case for bringing the two processes more closely together.

On the assumption that the 6EAP's thematic strategies will be developed, implemented and reviewed along the lines of the existing European Climate Change Programme, for example, their development will be taken forward through Working Groups comprising:

- representatives from several of the Commission's services;
- Member State officials from various sectoral ministries; and
- NGOs and other stakeholder representatives.

Specific quantitative environmental targets and timetables are likely to be set within these cross-sectoral working groups. It will therefore be important that relevant Commission Directorates-General and Council formations accept them as the framework within which to develop their future work.

From this perspective, integration strategies developed by individual formations of the Council would no longer be set autonomously, but within a framework established by the 6EAP and its thematic strategies. As such, they could be more selective and focused on specific priorities. More specific guidelines on developing integration strategies could thus be tailored for each relevant formation of the Council, as outlined in Section 6.4 below. Indicators and monitoring and reporting arrangements could also be co-ordinated.

It would be equally important for a continuing Cardiff process to have clear links with the EU SDS and Lisbon. However, we would argue that there is a prior responsibility on the Commission and Council respectively to ensure that these two initiatives themselves reflect the priorities set in the 6EAP and subsequent Thematic Strategies.

Possible mechanisms for greater co-ordination and oversight are examined in Sections 6.4, 6.5 and 6.6 below.

#### **5.4 A New Phase of the Cardiff Process**

Thus we have rejected the main alternatives in terms of merging or subsuming Cardiff into some other process, or at least argued that they are only supplementary to the aims of Cardiff. This does not of course preclude creating better linkages between Cardiff and other relevant initiatives – on the contrary, these are likely to be desirable whether Cardiff remains separate or is to be merged at some point in the future.

For the present, we conclude that the best approach is to ‘tidy up’ the current phase of the Cardiff process, and then to embark upon a new phase rather than a completely new departure. This would not be simply ‘more of the same’, but should aim to remedy some of the deficiencies of the first phase and to address new and specific challenges. The next Chapter discusses this approach in greater detail.

## **Chapter 6 The Future of Cardiff**

### **6.1 The Current State of the Cardiff Process**

The Cardiff process has gathered some momentum over the last three years and its regular appearances on the agenda of the European Council have given it a prominence which earlier integration exercises within the Commission have not achieved. However, even in those Councils which are most advanced, the current process is still at a rather formative stage. As noted earlier, most of the documents agreed to date are missing some of the elements that could be expected within a strategy of this kind and there is ample scope for further development, both in terms of setting directions and in specifying detail. If the strategies continue to be elaborated and are given additional substance by more concrete indicators providing a structure for monitoring and evaluation, they hold considerable promise as a tool for advancing the integration agenda.

While the full potential of the strategies is still far from being realised, the whole Cardiff process remains rather fragile within the panoply of EU processes. There is no strong secretariat to underpin, defend and drive forward the strategies, the timetable has become complex and is in danger of being unsynchronised in future. There is a limit to the number of European Councils which can accommodate a time limited exercise of this kind on their agenda and there is a risk of confusion with other initiatives such as the Sustainable Development Strategy. In consequence, Cardiff could falter before its utility has been fully tested.

This suggests that the next phase after Göteborg should focus on completion and consolidation of the present cycle, taking forward commitments agreed already and reinforcing the process in a practical way. This implies more attention to follow through, to measurement of progress against indicators, better linkages between Councils and with other initiatives such as the Sixth Environmental Action Programme, more attention to the international dimension of sectoral policies etc. Many of these issues are developed further below.

### **6.2 Completing the Current Phase of Cardiff**

It has been argued above that Göteborg should be considered as a 'milestone' not an end point to the Cardiff process. At the same time, it is clear that the first phase will not be 'complete' in time for Göteborg. We therefore consider it important that both of these points should be registered in the Göteborg Conclusions. It should be made explicit that additional work is needed to achieve Cardiff's main objective of developing 'comprehensive strategies', and a timetable should be set for this to be achieved.

To reinforce this approach, we also consider below the questions of institutional strengthening for the process, and the provision of more detailed guidelines for future strategy development. To the extent possible, the completion of the later strategies (eg Fisheries, GAC) should reflect and benefit from these various enhancements.

### **6.3 A New Phase for Cardiff?**

#### ***Environment or sustainable development?***

In the light of the potential confusion arising from various Council conclusions, there are strong arguments for making it quite explicit that the primary focus of Cardiff should be integrating *environment* into sectoral policies, *as a contribution to* the achievement of sustainable development - thereby fulfilling in part the requirements of Article 6, and doing so explicitly.

Sustainable development is concerned with striking a balance between its three elements: economic growth; social welfare and equity; and environmental protection. While 'win-win-win' solutions may sometimes be possible, often there will be mutual conflicts between these priorities, so that compromises and trade-offs are necessary.

All the Community policies covered by the nine 'Cardiff' Councils already reflect economic objectives, and some but not all also incorporate social priorities. In order to ensure that trade-offs between the three elements of sustainable development are made on a level playing field, it is first necessary clearly to identify what the relevant environmental considerations are, together with options for addressing them. Attempting to define what sustainable development might mean for a particular sector without taking this prior step creates the danger that some Councils will marginalise environmental considerations in relation to the economic and/or social priorities with which they are most familiar.

The confusion surrounding the objectives of Cardiff is of great significance for its future. Specifically, it influences the debate on whether a continuing Cardiff process should be reviewed by any new institutions established by the EU SDS, or through separate, bespoke, mechanisms.

In practice, the double mission already established will now be difficult to alter, irrespective of inconsistencies between Councils. In principle, environmental priorities should be clarified and given more weight following agreement on the Sixth Programme, which should help to provide some counterbalance to the powerful sectoral interests influencing certain Councils. We consider that the best solution to this problem would be for the Göteborg Conclusions to state clearly that the primary aim of the Cardiff process is environmental integration under Article 6, as a contributing element to the requirement for sustainable development under Article 2.

#### ***Extension of the Process to other Council Formations***

It is sometimes asked whether Cardiff should be extended to other Council formations, or would this result in diminishing returns? Some argue that all formations should be included since the underlying purpose is to build awareness and change cultures and processes in all relevant aspects of the Council's work. Others suggest that it may be more efficient to consolidate efforts, focusing on the existing nine sectors, if not actually retreating to a smaller number of key sectors.

Most of the stakeholders consulted appreciated the logic of the initial focus on nine sectors and relatively few pointed to key sectors which had been omitted. Logically, there is a case for extending the process to a number of further Councils in the longer term but in the short term there are strong grounds for retaining the focus on a limited core group. On the other hand, initiating a 'fourth wave' would provide a useful signal of the continuing nature of Cardiff and could provide additional momentum.

We do not on balance consider that initiating a fourth wave should be a high priority for the Göteborg Summit, as there are other issues to be addressed. It would however be desirable at least to launch a further wave at a future date, once a degree of consolidation of the first nine strategies has been undertaken, and a range of structural and procedural issues have been resolved.

For a fourth wave of Council formations, a number of possible candidates stand out. These include Research, Consumer Protection, Health, Social Affairs and Education. From responses to our questionnaire, the Budgets Council was judged to be the highest priority for inclusion; but we suspect that this arose from a mistaken assumption that this formation has a major role in determining Community spending priorities.

That said, if the integration of sustainable development concerns remains a primary objective of Cardiff there is one obvious omission from the current list of nine. This is the Environment Council itself, which has yet to be selected for the production of a strategy. This Council could therefore be added to the current list following Göteborg. However, we argue elsewhere that the environment should be reasserted as the key objective of Cardiff, and if this argument is accepted, then the addition of the Environment Council to the Cardiff process would be a diversion. Ecofin has already called upon the Environment Council to provide timely input into the BEPGs, and this is arguably a more appropriate mechanism to provide an environmental input into the Lisbon strand of the 'sustainability' process.

### ***Implementation in the EU Fifteen and Accession States***

All strategies have implications for policy implementation in present and future Member States. This is not only a question of applying present Community policy in an appropriate way and adopting any new measures which may be agreed as the strategies gather weight. It may also imply the collection of statistical data and other information or perhaps monitoring work, if this is agreed at Council level. The strategies also may influence national decisions by setting a new context. They could inspire national governments to establish strategies of their own.

Nonetheless, it would not be appropriate to extend the strategies into a more detailed consideration of action required within individual Member States or to set down fresh obligations of the kind usually embodied in specific Community legislation. The primary focus should remain on the Councils themselves, to maintain their ownership of the process.

It should however be noted that the BEPGs incorporate a significant element of 'mutual surveillance' in relation to economic policy, and it is possible that a similar dimension

might emerge in relation to environment as well. Equally, procedural elements of the Cardiff process such as joint expert groups could lead to significant reinforcement of integration at national level.

For accession countries the strategies could be helpful in providing a longer term view of Community policy and the demands which are likely to be made on their own societies and administrations. All strategies should reflect the challenge of enlargement and the changing context which it will create. This is not generally the case at present, however.

### ***Strategies in an International Context***

One common criticism of the strategies is that they rarely address external factors that have influenced them or will do so. The main exception was the Kyoto Protocol, which was at least referred to in most strategies. Many of the stakeholders interviewed believe that international influences have been underplayed in the integration agenda, although there was disagreement about whether it was feasible or desirable to seek to challenge external factors through the strategy process. Some believe that external and international influences offered a driving force which could be better harnessed to advance progress within the Community.

A greater awareness of the international implications of Community policy and of international constraints would strengthen the present generation of strategies and broaden the horizons of those most narrowly focused on immediate Community preoccupations. In some cases, international developments, including the enlargement process, will shape the implementation of strategies in a way which will enhance or challenge the goal of integration and this should be addressed more directly.

## **6.4 Improved Procedures for Cardiff**

### ***Clearer Guidelines for Strategies?***

No detailed guidelines have been set for the structure of the Cardiff strategies. Successive European Councils have set requirements incrementally, while the seven elements proposed by the Finnish Presidency were put forward only as 'suggestions' to be 'considered' by each of the Councils. Thus, the different strategies and reports do not follow a consistent pattern, and none of them includes all the elements called for by successive European Councils.

As discussed in Chapter 4, there are considerable differences between Councils in relation to the nature of their policy areas, Community competence and existing integration agendas such that inflexible detailed standard guidelines would not be appropriate. However, it should be possible to require each Council formation to consider a limited number of common elements in developing their strategies. These might include the following:

- a full analysis of the environmental issues associated with the sector;
- the establishment of specific aims and objectives in relation to integration;
- the selection of (and justification for) particular indicators;
- the contribution to addressing specific cross-sectoral issues (eg climate change, biodiversity);
- international context and commitments;
- timetables for future developments;
- implementation plans;
- an assessment of how each Council is taking account of targets/timetables set in the 6EAP and/or the EU SDS.

Beyond this, some of the procedural weaknesses identified in the Cardiff process to date (eg problems in strategy formulation, lack of stakeholder participation, etc) could also be highlighted in the guidelines, and options suggested to address these. Some specific procedural aspects are discussed in greater detail in the sections which follow.

More detailed guidelines for individual Council formations could reflect the different demands arising from thematic strategies or action plans developed in the framework of the 6EAP. Specific priorities for individual Council formations should also be included which reflect the diversity of the different sectors as noted in Chapter 4. These should in particular seek to clarify the interrelationship between Council strategies and other sectoral or thematic policy developments at Community level.

### ***Improving Strategy Development***

EU policies are conventionally developed through intensive negotiations between the European Commission, the Council and the European Parliament. The focus of these negotiations is provided by proposals formally initiated by the Commission. Traditionally the role of the Council has been merely to provide a forum for taking decisions, based on compromises and deals reflecting the (sometimes-widely differing) views and interests of the 15 Member States. As such, individual Council formations have little corporate identity of their own, neither do they have resources at their disposal for considered policy analysis, monitoring, reporting and evaluation.

The Cardiff process, by contrast, is centred on only one element of this policy-making triangle. Therefore, if the Cardiff process is to continue, and sectoral Councils are to fulfil the integration mandate given to them by the European Council, it is clear that they will require more analytical and administrative support than they have so far received. A number of options are set out in Section 6.5.

### ***Stakeholder Involvement***

There has been an almost complete lack of transparency and public participation in the drafting of the Cardiff strategies. Besides increasing legitimacy and spreading a sense of ownership, greater public participation can lead to better policies through ensuring that a wider range of policy options are considered, and possible implementation problems addressed at an early stage. More specifically, greater opportunities for participation will be required to comply with Article 7 of the Aarhus Convention on Access to Information,

Public Participation and Access to Justice in Environmental Matters, to which the Community and all Member States are signatories.

Article 7 requires the public to be informed of proposed plans, programmes and policies at a sufficiently early stage when all options are still open; that reasonable time frames are allowed for the public to respond; and that final decisions take due account of the outcome of participation. To prepare for ratification of the Convention, the Commission has recently tabled a draft Directive extending the public participation provisions of a number of environmental Directives<sup>2</sup>. In addition, the Commission's proposed Code of Practice on Environmental Integration will require extended public consultation on Commission proposals, including the consideration of alternatives to the proposed option.

In the short term, more substantial consultation on integration strategies will probably depend on engaging the Commission more closely in their development. Indeed, since the proposed Code of Practice will oblige all sectoral Commission directorates-general to consider how to organise more extended stakeholder consultation on relevant Commission proposals, they should equally be equipped to handle participation in relation to Council integration strategies.

However, in the medium term, the onus should rest with the Council to develop methods for improving transparency and participation. A minimum requirement should be that draft Council strategies are made publicly available as early as possible through dedicated websites to allow considered public responses. More proactive opportunities for participation - for example through hearings and workshops - should also be considered. Some progress involving informal consultation at working group level could be made, and may be an issue addressed through the broader debate on European governance.

### ***Targets and Milestones***

It is a commonly held assumption that the Cardiff strategies should contain quantified targets and timetables. In truth, neither the Cardiff, Vienna or Cologne European Councils explicitly called for sectoral targets to be included in the Council strategies. The Finnish Presidency's proposed guidelines *suggested* only that they could contain 'objectives and targets (not necessarily quantitative)'. The Helsinki European Council concluded that strategies should be 'comprehensive, with the *possibility* of a timetable *for further measures*' (ie not for the attainment of targets); and a set of indicators.

There needs to be some flexibility in relation to target setting. In the case of several Councils, quantitative environmental targets are not appropriate, and more output-oriented targets would be more suitable. For the 'classic' sectoral Councils, quantitative targets are possible, but these should be set outside the individual formations to ensure overall coherence, fair allocation, etc. An alternative framework for targets might be found within the 6EAP and thematic strategies, and/or the forthcoming EU Sustainable Development Strategy. In either case, a substantial element of research would be desirable to ensure that the targets set were appropriate, that they could be attained at the least cost, and enjoyed the political support of all the sectoral Councils.

## ***Monitoring, Reporting and Evaluation***

The Cardiff European Council called on individual Councils to 'monitor progress (with their integration strategies) taking account of the Commission's suggested guidelines, and identifying indicators.' This very brief reference to issues of monitoring, reporting and evaluation raises a large number of methodological and institutional issues, which - as the draft 6EAP acknowledges in relation to the whole of the EU's environmental policy - urgently require a detailed and comprehensive review. It is therefore probably unrealistic at this stage to expect individual formations of the Council on their own to develop such systems.

Basic issues that need to be addressed include:

- what data/information is required?
- how is this to be collected?
- by whom?
- at what cost?
- to whom should results be reported?

In developing sets of integration indicators, progress has been variable - good in relation to Transport and Agriculture, poor in respect of (for example) Internal Market and Fisheries. A more consistent approach to developing integration indicators - at least for the classically 'sectoral' Councils (Transport, Energy, Agriculture, Industry and Fisheries) - might be based on the Driving forces - Pressures - State - Impact - Response (DPSIR) framework, and the links between its elements. A common framework such as this would facilitate inter-sectoral comparisons; help to monitor cross-sectoral issues such as climate change; and highlight possible synergies between sectors.

Individual Councils might invite the help of the European Environment Agency (EEA), which has contributed to TERM, and has proposed a set of integration indicators for the Global Assessment of the 5EAP. Independently, the EEA has also been developing a draft *Common Framework for Sector-Environment Integration Indicators and Reporting Mechanism*. Technical work of this nature is quite separate from policy development, and falls squarely within the tasks of the EEA as set out in its revised (1999) Regulation.

Identifying the impact on the ground of the Cardiff integration strategies will require the collection of additional information and data from the Member States. In partnership with the EEA, Eurostat should discuss these new monitoring and reporting requirements with the Statistical Programme Committee, in the framework of the 1998-2002 Community Statistical Programme<sup>3</sup>. Since there is a universally-recognised need to streamline rather than increase Member States' reporting obligations, a review of data needs in relation to reporting on sectoral integration could form part of the work of the Monitoring and Reporting Expert Group to be established by DG Env in fulfilment of pledges in the draft 6EAP.

## **6.5 Roles of the Community Institutions**

### ***The Role of the Commission***

The Commission could be more consistently involved in supporting the development of integration strategies. The Commission has the resources required for developing new policies, and indeed has the exclusive right under the Treaty to table new legislative proposals. It has the capacity to organise stakeholder consultation, and is also responsible for reviewing implementation. After some initial hesitation, all relevant Commission DGs have produced Communications or working papers setting out what environment and sustainable development means for each of the sectors. While it is important that the Commission should not relieve the Council of its obligations under Cardiff to consider environmental integration issues, there is a case for formalising or standardising the Commission's contribution and role. Several options are available, including the provision of a secretariat for a new Article 6 Committee (see section 6.4); and providing guidelines for Commission communications.

At the same time, greater Commission involvement in the Cardiff process should be accompanied by a strengthening of the Commission's *own* efforts to address integration issues, which for the past eight years have not met with notable success. In this regard, the proposed Commission Decision establishing a Code of Practice for Environmental Integration is an important advance<sup>4</sup>. However, it is restricted to establishing a procedure for the strategic environmental assessment (SEA) by responsible Commission services of those of their proposals with a significant environmental impacts. This alone is not sufficient. More needs to be done to establish, (or where they already exist, to strengthen) environmental units in all sectoral directorates-general. More environment/sector inter-service groups should also be established.

### ***The European Environment Agency***

As regards the analytical underpinning of the strategies, none is informed by a full analysis of the Driving Forces - Pressures- State - Impacts - Responses (DPSIR) framework developed by the OECD and the European Environment Agency. Only the Transport strategy attempts to address future trends and scenarios, while none seeks to evaluate the effects and effectiveness of specific alternative policy options. The EEA has proved useful to the Transport Council through its work on indicator development, and it might be invited by other formations to contribute to

- the analysis of sectoral integration issues
- the development of indicators
- the establishment of monitoring, reporting and evaluation systems.

In this eventuality, the question of resources available to the Agency to undertake this work would need to be reviewed.

## ***The Role of the European Parliament***

The principal role of the Parliament to date has been to scrutinise, amend and adopt individual items of legislation. Moreover, its Committee system is not conducive to considering cross-sectoral issues, and pressure to establish an Environmental Audit Committee along UK lines has been rejected. As a result, MEPs have not been engaged at all in the Cardiff process. This is unfortunate, since debates in the Parliament can serve to increase public visibility of particular issues, and can contribute to better policy.

The Environment Committee has recently stepped beyond the consideration of new legislation by producing 'own initiative' reports on the *implementation* of a number of environmental directives. This could set a precedent for the Committee to produce similar reports on the non-legislative Cardiff strategies. Moreover, examination of the draft 6EAP under the co-decision procedure could raise the interest of MEPs in how the Cardiff strategies do and should relate to it. However, as with the Commission, greater attention to developing its own environmental integration procedures would equip the Parliament better for examining Council strategies.

### **6.6 Possible Structural Strengthening**

#### ***Overall Approach to Strengthening of the Cardiff Structures***

To further address some of the weaknesses discussed above, and to put the Cardiff process on a more established footing, will require the establishment of new institutional structures. These should reflect the fact that the primary focus of Cardiff should continue to be the *Council* rather than the Community as a whole. Moreover the overarching role of the *European Council* should be maintained to underpin the process with political authority at the highest level. But a new mechanism is needed to institutionalise regular reviews of progress by the European Council, so that the importance of environmental integration on European Council agendas does not depend only on the commitment of a small number of individual Presidencies.

The arguments for keeping Cardiff distinct from Lisbon - at least in the medium term - are, we believe, convincing (see Chapter 5). This therefore would suggest the need to create in the Cardiff process a lighter structure mirroring some of the approaches now used for the Lisbon process, but focused primarily on environmental integration. The overall objective would be to give the Cardiff process a stronger steer through improved co-ordination, better reporting and review procedures, and the regular updating of guidelines, targets and milestones.

It can be argued, of course, that if Cardiff is not to continue indefinitely as a separate process, then there is little point in spending time and resources in strengthening it structurally. However, we consider that strengthening of Cardiff is required as a prerequisite of a successful and balanced merger with Lisbon or another related process at some time in the future. Also, many of the changes proposed below would be useful or essential as part of a future, merged, process.

That said, the nature and extent of any institutional innovations will clearly depend on, *inter alia*:

- whether Cardiff is seen as a separate Article 6 process rather than a sub-set of the EU's sustainable development strategy (Article 2);
- the extent of Member States' willingness to invest in new structures and procedures; and
- the nature of other parallel changes to EU institutions (eg following the Commission's forthcoming *White Paper on Governance*; the reform of the Commission; and the review of Council formations and structures).

In these circumstances, it is possible at this stage only to suggest a number of options for improved steering and co-ordination, rather than presenting a firm blueprint.

### ***Better Support to Council Formations***

With regard to the Council, individual formations of the Council could begin to improve strategy development through the formation of more joint sector-environment working groups along the lines of the Joint Expert Group (JEG) on Transport and the Environment. This meets three to four times per year and comprises representatives of Member States' transport and environment ministries. It is chaired alternately by DG Env and DG Tren, and it is the Commission which has responsibility for issuing its reports. An extension of JEGs would have resource implications for Member States' environment ministries and for DG Env, which would need to be addressed

### ***Improved Steering, Co-ordination and Policy Cohesion***

The different reports and strategies from the nine Council formations vary greatly in the extent of their development and the issues they address. In addition, the strategies have been particularly weak in terms of considering interlinkages between sectors ie target sharing, avoiding gaps, and maximising opportunities for mutual support. There is therefore a case for stronger and more consistent steering, co-ordination and oversight of the Cardiff process as a whole. While this should ultimately be the responsibility of the European Council, the detailed work of synthesising and reviewing the overall messages from the progress reports of individual Councils, and of developing guidelines and recommendations, could conveniently be undertaken at a lower level by some formation of the Council.

This role could be assumed by any one of the following:

- the Environment Council
- the General Affairs Council (GAC)
- a possible Horizontal Affairs Council (HAC)

The *Environment Council* would be qualified in terms both of commitment and expertise, and its claim to a central co-ordinating role will be made stronger following agreement to the 6EAP and the development of Thematic Strategies. Its role in a strengthened Cardiff process would exactly parallel that of Ecofin in the Lisbon process. However, in relation to

other Council formations its political authority is limited, and this is an important factor which could limit its effectiveness in this role.

The *General Affairs Council* (GAC), in theory, has a horizontal, co-ordinating role in relation to other sectoral Councils. The Helsinki Summit in December 1999 confirmed that

‘The General Affairs Council must be in a position to deal effectively with horizontal internal issues including overall policy co-ordination.’

However, the rapid development of the EU’s common foreign and security policy (CFSP), together with responsibility for overseeing enlargement negotiations, has meant that the GAC is already overstretched without the added burden of assuming new responsibilities in relation to environmental policy integration. The role of the GAC is currently under review following the publication in March 1999 of the Trumpf/Piris Report on the operation of the Council within an enlarged Union<sup>5</sup>. One option proposed by this Report was to split off horizontal questions from the GAC and create a *new Horizontal Affairs Council* comprising Deputy Prime Ministers, or other senior Ministers with sufficient authority to arbitrate between their colleagues.

A variation of this proposal has now been championed by French European Affairs Minister Pierre Moscovici and is thought to have the full support of the French Prime Minister. Moscovici has argued for the creation of a formation of the Council permanently based in Brussels, and composed of Member States’ European Affairs Ministers with a direct link to their respective heads of government. Such a Council could relieve the GAC and/or the European Council of many of the tasks of co-ordination and detailed negotiation, and if so it might be well placed to assume responsibility for the detailed oversight of the Cardiff process. However, a radical reform of this nature is likely to be opposed by some Member States and several sectoral Ministries (notably treasuries and foreign ministries). Moreover, even if agreed in principle, its practical implementation might well be postponed until after the next Inter-Governmental Conference in 2004.

### ***An Article 6 Committee?***

Whichever formation of the Council assumes a co-ordinating role, it will require advice and support. Although the Commission (through DG Env, and possibly the Commission’s Secretariat-General) would have a key role to play, at the same time it would be important to maintain the focus on the Member States. There is thus a strong case for the establishment of a new Article 6 (Environmental Integration) Committee, modelled along the lines of the Economic Policy Committee (see Annex 1). This would comprise representatives from Member States’ Environment, Foreign and/or European Affairs Ministries, and Commission representatives from DG Env and the Secretariat-General.

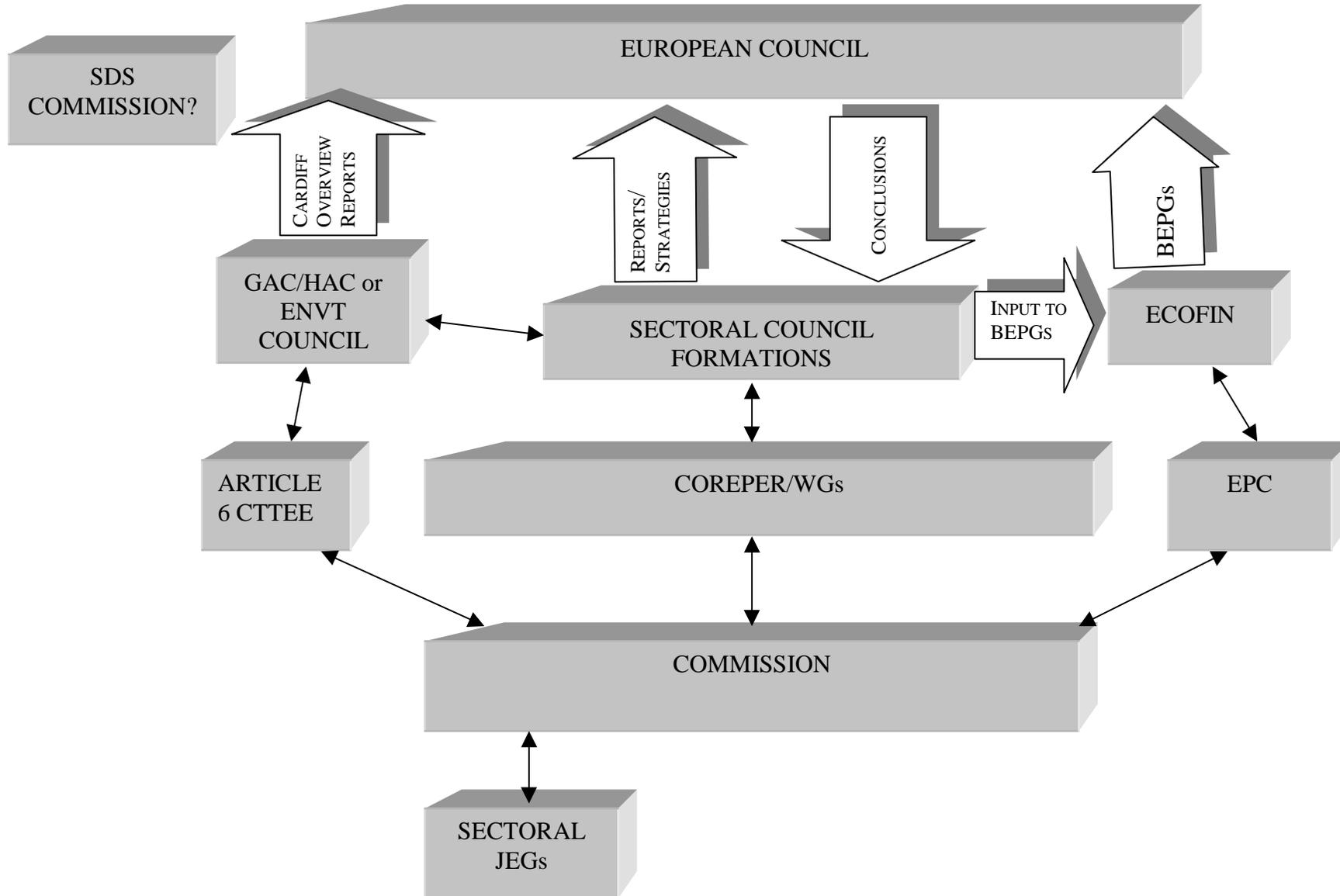
The Article 6 Committee would review progress on the development and implementation of Council integration strategies, and deliver advisory opinions on new guidelines and priorities to the European Council via the Environment, or GAC, or Horizontal Affairs Council in the role discussed above. This role could also be extended to providing expert advice on the follow-up to the SDS, on reporting and monitoring procedures (including headline indicators and indicators structures), etc, if this was considered desirable.

Such a model would reflect the priority of environmental integration over sustainable development as the principal focus of the Cardiff process. If this were not to be the case, then a similar advisory role might be played by a newly-established EU Sustainable Development Commission, supported by a new Sustainable Development Unit in the Commission's Secretariat-General.

### ***A Schematic Representation of a Strengthened Cardiff Process***

We consider that some or all of the innovations listed above could contribute significantly to achieving a better balance between the environmental and economic integration themes of a future sustainable development process. This new balance is represented schematically in Figure 1 below.

**Figure 1 Schematic of Cardiff and Lisbon Structures**



## 6.7 A Renewed Timetable and Regular Review Cycle

In a strengthened Cardiff process, individual formations of the Council would be required to report annually to the responsible co-ordinating Council - Environment, GAC, or HAC. This would then prepare a synthesis report for the European Council, taking account of the views of the Article 6 Committee. Specific themes or cross-sectoral issues might be identified for particular attention, with guidelines and targets proposed for particular Council formations. These would then be issued by the European Council, possibly at its autumn meeting to avoid creating excessive burdens on the spring summits.

Irrespective of the extent to which structural strengthening is undertaken, we consider it essential that the Göteborg Summit should set out a new and extended timetable for the Cardiff process in order to renew momentum. This new timetable should fulfil most if not all of the following requirements:

- establish milestones for follow-up action for first wave Councils in particular;
- set deadlines for completion of full strategies for the remainder of the nine Councils;
- establish the Danish Presidency (and possibly the Autumn 2002 Summit) as the next key phase for Cardiff;
- identify timetable for establishing new structures eg Article 6 Committee;
- identify specific policy milestones for individual sectors;
- optionally set out a timetable for a new 'fourth wave'.

Although a realistic timetable for agreed actions would need to be worked out in greater detail, and some deadlines might be subject to change, Table 3 sets out a possible, indicative timetable for illustration.

**Table 3 An Indicative Timetable for the Future of Cardiff**

| <b>Deadline</b>      | <b>Overarching Actions</b>   | <b>Sectoral Actions</b>  |
|----------------------|--|--|
| Göteborg Summit 2001 | Summit issues overall Conclusions on Cardiff.  | Transport, Energy and Agriculture (first wave) report to Summit on follow-up actions. Other six present latest reports or strategies.                          |
| Autumn 2001          | Establishment of Article 6 Committee.  | Second wave strategies completed. Transport, Energy and Fisheries Councils report on CTP Review, Energy Supply Communication and CFP Green Paper respectively. |
| June 2002            | Draft Cardiff Guidelines presented by GAC/HAC and adopted by Summit.   | Third wave strategies completed. All relevant Councils to review implications of the European Climate Change Programme.  |
| Autumn 2002          | Article 6 Committee submits synthesis report to GAC/HAC. Summit adopts review of sectoral strategies/reports and recommendations for next phase. | All councils address implications of 6EAP for strategies.  |
| Spring 2003          |  | Fisheries Council reports on implications of CFP Review for its strategy.  |
| Autumn 2003          | Annual Cardiff review cycle.   | Other sectoral activities, eg Agriculture Council reports on implications of CAP reviews for its strategy.   |

## Chapter 7 Conclusions and Recommendations

- ***The Cardiff Process has delivered significant benefits***, including
  - extension to the Council of the debate on advancing environmental integration;
  - harnessing the political authority of the European Council in this process;
  - additional, indirect effects on the Member States and Commission, going beyond their existing integration initiatives.
- ***Individual formations of the Council should continue to be required to give specific consideration to how they can contribute to the attainment of the requirements of Article 6, under the overall direction of the European Council.***
- ***This procedure should remain distinct from the Lisbon process, although modelled on it in some key respects.***

A parallel process centred on the Autumn Summits should be established for the present, with a view to a possible merger of Cardiff and Lisbon in the medium term.

- ***It has been unclear whether the primary and immediate objective of Cardiff is to advance environmental integration (Article 6), or sustainable development (Article 2).***

This has generated confusion over its future, and its relationship with parallel initiatives. This confusion should be resolved at the Göteborg Summit, with the emphasis on environmental integration *as a contribution towards* sustainable development.

- ***Further weaknesses of the Cardiff process will need to be addressed.***

These include, *inter alia*:

- the lack of a sufficiently standardised approach to developing integration strategies;
- limited analytical and administrative support for the development, monitoring and evaluation of strategies;
- a lack of transparency and public participation;
- the *ad hoc* involvement of the European Council.

The Göteborg Summit should initiate a process of developing guidelines to address these deficiencies, for later adoption by the European Council.

- ***Responsibility for improved co-ordination, the development of guidelines and the preparation of annual synthesis reviews should be given to a formation of the Council with horizontal responsibilities.***

This might be the Environment, General Affairs or a new Horizontal Affairs Council. For the present, the GAC appears to be the best option.

- ***A new advisory ‘Article 6’ (or Environmental Integration) Committee should be established, modelled on the Economic Policy Committee.***

This could comprise representatives of Member States' Environment, Foreign or European Affairs Ministries, together with representatives from DG Env and the Commission's Secretariat General. The Committee would contribute to annual reviews and the development of new guidelines for the strategies.

- ***The European Council should continue to review and direct the environmental integration efforts of other Councils annually at its autumn meetings.***
- ***Individual Council integration strategies should be strengthened in the following ways.***
  - Analytical support for integration strategies and their monitoring and reporting would be improved through more consistent input from the Commission and the European Environment Agency, and greater interest from the European Parliament.
  - To enhance its capacity for contributing to the development of Council strategies, the Commission should improve its own internal integration mechanisms, in particular through the establishment of Environmental Units in each sectoral Directorate-General, and through more recourse to inter-service groups.
  - Sectoral targets should not be developed by each Council separately, but should reflect targets set by the 6EAP and its associated thematic strategies.
  - For each formation of the Council, Joint sector-environment Expert Groups could be established, along the lines of the Joint Expert Group on Transport and the Environment.
  - Data needs and institutional mechanisms for the monitoring and evaluation of the strategies should be determined within a framework set by the Monitoring and Reporting Expert Group, which is expected to be established by DG Env.
  - Transparency and opportunities for public participation in the development of Council strategies must be greatly improved both to strengthen legitimacy and to accord with the requirements of the Aarhus Convention.

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