

Environmental Audit Committee Report - preparations for the Johannesburg Summit

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Sustainable
Development Commission

ENVIRONMENTAL AUDIT COMMITTEE REPORT – PREPARATIONS FOR THE JOHANNESBURG SUMMIT

MEMORANDUM FROM THE SUSTAINABLE DEVELOPMENT COMMISSION

The Sustainable Development Commission welcomes the opportunity to give evidence to this important and timely inquiry.

The Sustainable Development Commission is an advisory NDPB set up by the Prime Minister in October 2000. It has 24 Members (including the Chairman, Jonathon Porritt) from all parts of the UK and from all sectors of society. It reports to the Prime Minister, and the heads of the Devolved Administrations. It is sponsored by the Cabinet Office and supported on a day to day basis by the Department for Environment, Food and Rural Affairs.

The Commission's role is to advocate sustainable development across all sectors in the UK, review progress towards it, and build consensus on the actions needed if further progress is to be achieved. Its specific objectives – set by the Government - are to:

- review how far sustainable development is being achieved in the UK in all relevant fields, and identify any relevant processes or policies which may be undermining this;
- identify important unsustainable trends which will not be reversed on the basis of current or planned action, and recommend action to reverse the trends;
- deepen understanding of the concept of sustainable development, increase awareness of the issues it raises, and build agreement on them;
- encourage and stimulate good practice.

The focus of the Commission's work is primarily domestic. It is engaged in an extensive programme of work, including projects on climate change, regeneration, economic growth, and food and farming. The Commission's principal interests in the Johannesburg Summit are that it will:

- require the UK Government to review its performance on sustainable development domestically; and
- offer a unique opportunity to broaden and deepen public understanding of the concept of sustainable development.

SDC warmly welcomes the initiative taken by the Prime Minister in being the first head of government to make a commitment to attend the conference. The five sectoral initiatives undertaken by the UK Government – on sustainable energy, financial services, water and sanitation, tourism and forestry – will be important new partnerships for sustainable development within the UK, as well as establishing international leadership on these issues.



This short memorandum both provides an overview of recent UK performance on sustainable development, and highlights some particular conclusions about current UK performance, which we have drawn from our work to date.

Overview

"Whatever our background, occupation, expertise or lifestyle, we [SDC Members] have one thing in common: a passionate determination to see sustainable development embraced as the central organising principle underpinning all our lives." Jonathon Porritt

Our overall conclusion is that the UK has undertaken many worthwhile initiatives over the last few years, especially through the development of institutions and systems to promote sustainable development. However, we are as yet nowhere near the kind of structural and policy changes that will need to be made to the economy and to society to deliver sustainable outcomes.

While this government has done more than any before in the UK to promote the concept of sustainable development, and has been particularly strong on the social agenda, it has not yet embraced sustainable development as a central driver of policy formulation. Nor has sustainable development been accepted by the public on a political level. The key Rio principle, "Think global, act local" has been adopted only in a very patchy way, and tangible government leadership is needed to deliver the real outcomes that the Rio process demands.

Institutions and initiatives

Much worthwhile institutional machinery has been put into place over the last few years – including the creation of the Environmental Audit Committee. In 1997 the Government set up a dedicated Sustainable Development Unit (SDU), charged with embedding sustainable development throughout government policies at all levels. SDU has grown over the last decade into an influential and authoritative resource, and the scope of its activities has increased in recent years. Whether or not it will retain its authority following its transfer to DEFRA remains to be seen, though we are encouraged by the extent to which DEFRA has embraced sustainable development through its aims and objectives.

A major success of SDU has been the progressive incorporation of sustainable development criteria into public spending decisions. All government departments are now required to put together sustainable development reports as part of their bids for the 2002 Spending Review. **SDC would like to see this process go further with the publication of individual Departmental sustainable development reports.**

The publication in 1999 of the strategy document "A Better Quality of Life", and subsequently of a major set of sustainable development indicators in "Quality of Life Counts" were also major steps forward. While the indicators themselves were interesting enough, more significant to us was the very broad government commitment to take action where indicators were headed in the wrong direction. We welcome the fact that indicator sets are now available at regional and local level, and updated

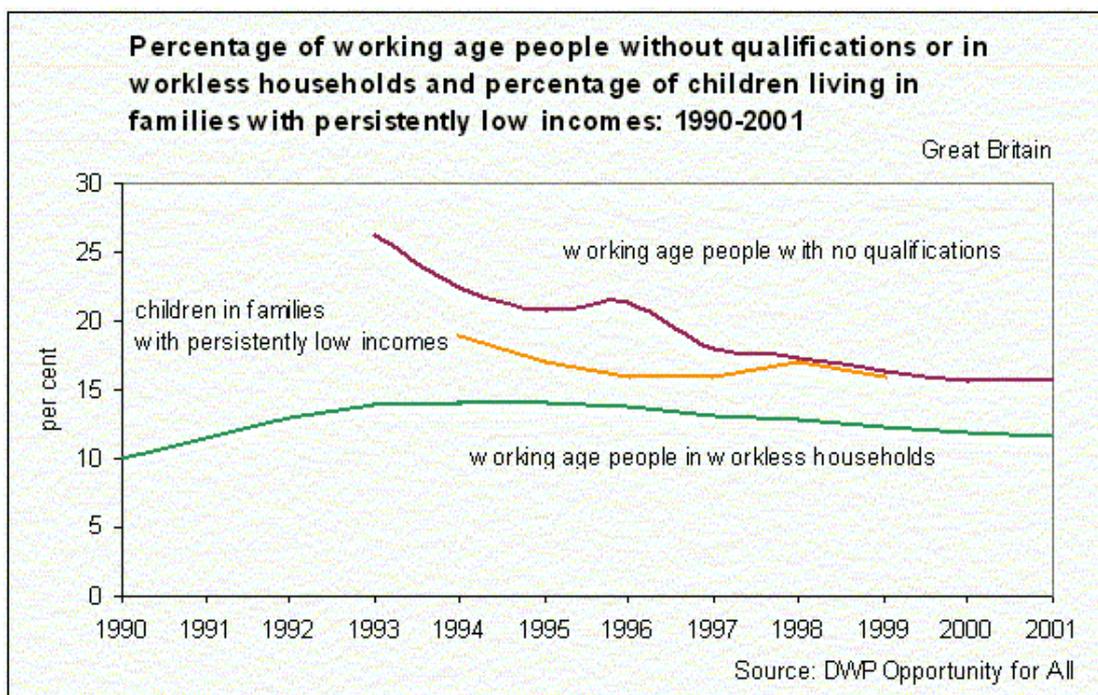
annually through a transparent reporting process involving the use of a well-structured and accessible website.

Individual Departments are also starting to report on their sustainable development performance. DTI's sustainable development strategy is currently going through its first review process, and strategies are under development in other Departments including DEFRA and DTLR.

At a Ministerial level, the collective structure for handling sustainable development has evolved considerably over the last few years. The original "Green Ministers" Committee, which focussed largely on housekeeping issues, has now been reconstituted as a formal Cabinet sub-committee, with a broader remit to promote sustainable development in policy as well as operations. **SDC regards this as a welcome development, though it is still too early to judge its success. An annual audit of all departmental performance on the basis of sustainable development indicators would be a useful task for the strengthened Committee.**

Positive outcomes

Looking at outcomes rather than inputs and processes, the picture is somewhat more mixed. There is much good to be congratulated, especially on the social angle of sustainable development. The most recent data published by DEFRA suggests a pattern of improvement in dealing with income disparities and failings in the education system (see chart below).



SDC welcomes the commitment of the current administration to improving public services, and to tackling poverty and social injustice. We recognise that this is a huge agenda, and that there is much more to be done. Indeed, with poverty and social justice both likely to be major themes for the Johannesburg summit, it is timely to remind

ourselves that it is not just an issue for developing countries, but very much still on the domestic UK agenda. For example, over 80 per cent of Pakistani and Bangladeshi people and 40 per cent of African-Caribbean and Indian people live in households that have incomes of less than half the UK national average¹.

Some other social indicators are also moving in the right direction. There have been measurable improvements in the quality of the UK's housing stock (although the UK is still building too many new houses on greenfield sites and failing to make effective use of its existing built infrastructure and missing opportunities to embed energy and eco-efficient measures in new stock). Initiatives such as the development of the Spatial Development Strategy in London demonstrate the potential for achieving more in terms of encouraging long-term sustainable patterns of land use and urban development.

Challenges for the future

In other areas, UK progress has been less impressive. Despite a proliferation of individual initiatives, we are still some way away from the major structural changes which will be needed to our economy and to our way of life to ensure sustainable livelihoods for us and for generations to come. To take some of the most pressing examples:

Climate change

While climate change is unlikely to be on the agenda for the Johannesburg summit, it is nonetheless the single most significant environmental social and economic challenge facing the world today, and a good test of how far individual countries are rising to the challenge of sustainable development.

Largely as a result of the "Dash to Gas", the Government's short term performance on climate change is reasonably good, and it looks set to meet its formal Kyoto targets, if not the domestic goal of a 20% reduction in carbon emissions from 1990 levels by 2010. Looking beyond 2010, the public policy levers which would be needed to ratchet down production of greenhouse gas emissions have not been put into place. The UK's current performance on renewables is poor, and the current target that 10% of electricity should be supplied by renewables will not be met unless institutional barriers like the New Electricity Trading Arrangements are addressed.

We welcome the recommendation in the recent report by the Performance and Innovation Unit that the Government should adopt a target of having 20% of electricity generated from renewable energy sources by 2020: if adopted by the Government, this will be an important incentive to innovate and invest in renewable technologies. Furthermore, SDC would like the Government to champion local community energy schemes, and make carbon reduction a key element of local strategic partnerships.

The government's initiatives to date have focused on production-side measures, and have not effectively tackled consumption. In 2000, the landmark energy report by the

¹ Social Exclusion Unit 2000 Minority ethnic issues in social exclusion and neighbourhood renewal Cabinet Office



Royal Commission on Environmental Pollution (RCEP) recommended that the UK Government should adopt a strategy which puts the UK on a path to reducing carbon dioxide emissions by some 60% from current levels by about 2050. **SDC would like to see the Government accept this recommendation, and do so in time to announce at or before the World Summit.**

SDC would like to see a transition from the Climate Change Levy to policy based on a combination of emissions trading (with the progressive introduction of permit auctioning) and an upstream carbon/energy tax. Starting in 2002, we plan a series of studies looking at how deep cuts in carbon emissions (along the lines of those recommended by RCEP) could be achieved at different geographical levels within the UK.

Food and farming

Although its direct economic significance has diminished in recent years (contributing only 4 per cent of GDP in rural areas of England), farming remains a hugely important activity to the character and culture of the UK. Farming shapes over 70 per cent of our landscape, a higher proportion than any other OECD country. The rural landscape created by farming activities creates the physical conditions necessary for the success of other sectors, especially tourism, and has important impacts on recreation and enjoyment. Farming also has impacts on our health, through the nutritional quality of the produce which reaches our tables. What happens on farms has major implications for both our local and global environments.

In the ten years since Rio, food production has remained a sustainability black spot, both in the UK and the EU. The current CAP production subsidy regime has blighted taxpayers and farmers alike, encouraging farmers in the direction of ever more intensive production, with associated damage to farm environments and rural communities.

The Curry Commission on the Future of Farming and Food recently recommended a move away from production subsidies, and towards a system of rewarding farmers for the provision of environmental and other public benefits. While major structural change will require re-negotiation of CAP, as an interim stage Curry recommended that the UK Government should increase the amounts of money diverted from direct payments to farmers and into environmental schemes. **The Sustainable Development Commission has warmly welcomed this recommendation, and urges the government to implement it without delay.**

Waste and resource productivity

The process of consumption has negative social, economic and environmental effects, both in the short term (waste) and the long term (resource use, greenhouse gases, land take). The central sustainable development challenge of achieving a step change improvement in our resource productivity has not been tackled. Levels of household waste continue to rise inexorably, and the Government's waste strategy sets targets which have no prospect of being met.

SDC endorses the principles enshrined in the EU Landfill Directive and awaits a much more comprehensive approach to recycling and reuse of wastes. This



programme should provide robust incentives for waste reduction and reuse, linked to local spending programmes and neighbourhood liveability initiatives.

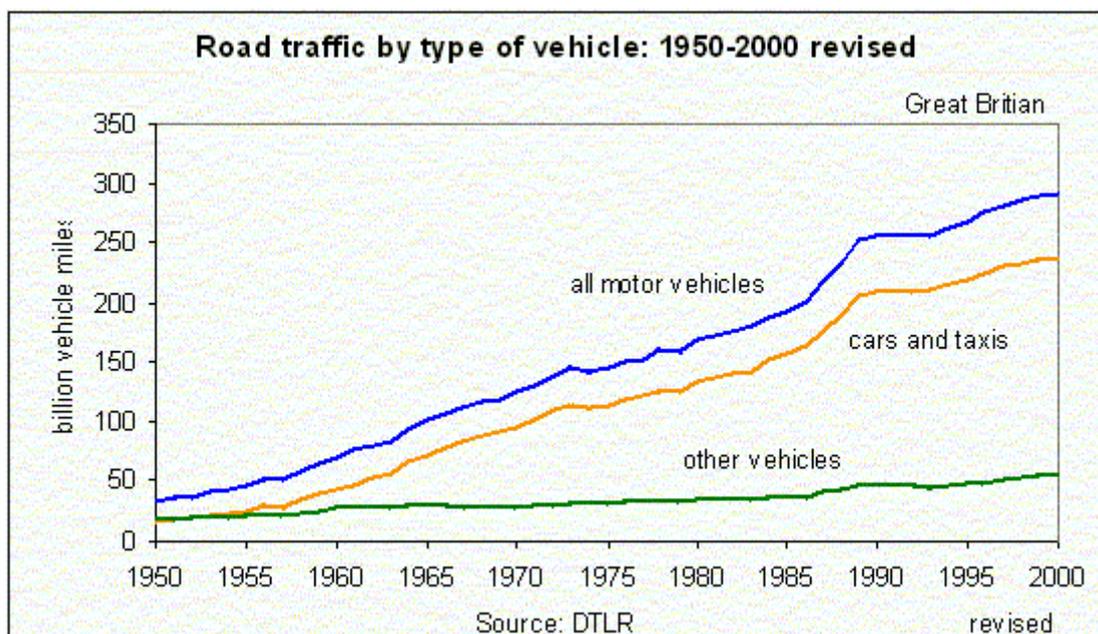
Like many other commentators, SDC was deeply disappointed by the outcome of the recent study into resource productivity by the Performance and Innovation Unit, particularly by the reluctance to commit to long term targets for resource productivity in particular sectors. Without such targets, industry will have little incentive to innovate in order to deliver the necessary shifts in technology. **SDC would like to see long term targets for resource productivity by sector introduced as soon as they can be developed.**

A strategic priority for SDC is to look beyond the conventional resource productivity agenda and consider in more detail the relationship between economic growth and sustainable human welfare. We will be publishing some new thinking on this issue in summer 2002.

Transport

The provision of transport infrastructure and services is a means to an end – access to goods, services employment etc – not an end in itself. Inadequate transport policies have the potential to frustrate progress on many other key sustainable development imperatives, such as energy consumption, high quality local environments and public health.

Road traffic growth is one of the Government's Headline Indicators but, despite the commitment mentioned above to take action when indicators are headed in the wrong direction, little has been done to halt this trend. SDC was disappointed by the abolition of the fuel duty escalator. Although we recognise public hostility to high fuel prices, **SDC believes that a more imaginative and ambitious package of economic instruments could have mitigated impacts on low-income and rural drivers.**



SDC would also like to see a much greater emphasis put on the promotion of walking and cycling, to meet both environmental and health promotion objectives. We see this as a crucial aspect of the liveability initiative that should enable local spaces to be greener and safer for people to walk in. Greater links need to be made between the land use planning process and transport development, which would help achieve those aims.

Governance

Governance is a major cross-cutting theme for sustainable development, with international as well as national aspects. The Commission reports jointly to the heads of the UK and Devolved Administrations, and welcomes the greater accountability that devolution has provided for policy makers in the very different parts of the UK.

SDC believes that people everywhere need to be engaged, empowered and inspired if the UK is to have any chance of achieving sustainable development. A key target group has to be children. Welcome progress has been made on environmental education and on putting citizenship in the national curriculum. However, much more could be done to engage children, listen to their views, and seek to develop new models and methods for active citizenship.

The progressive disengagement of the UK electorate which we have seen accelerating in the 10 years since Rio, at national and local levels, is a matter of concern to SDC.

SDC would like to see the Government address the deterioration of democracy by setting out a new model of participation and partnership with clear accountability, and then instigating a major capacity building programme to ensure that it can be delivered. This needs to involve five key elements: transparency in government, effective public participation, balanced stakeholder debate, shared responsibility, and democratic accountability.

Effective governance is not just an issue for governments – but for business, trades unions, and other key actors in the sustainable development world. For example SDC has been urging DTI, in the context of the current review of Company Law, to put into place a regime of mandatory social and environmental reporting for major companies. **SDC believes that, without mandatory social and environmental reporting, it will be very difficult to hold major companies to account for the sustainability of their activities.**

The transition to a low carbon economy will be a major challenge for employers and employees alike. **All relevant stakeholders need to be involved in discussion on the labour market implications of a low carbon economy, and the need to prepare the transition to a new skills base.**

Local government

Strong local government is a key actor in the delivery of a sustainable development agenda. A major new initiative is the obligation on local authorities to produce overarching community strategies for their area, in partnership with other key agencies and bodies (via local strategic partnerships (LSPs)).



There is much potential in this ‘joined up governance’ model. Yet, to date, it is not clear if or how it will work in practice. There needs to be greater clarity about the relationship between these community strategies and other strategic architecture at local government level, such as the Local Agenda 21 (LA21) strategies which flowed out of the Rio conference, and the health and wellbeing strategies. We do, however, welcome the proposal in the recently published Green Paper on Planning for greater integration between Community Strategies and Local Development Frameworks.

It is too early to judge how successful LSPs will be in promoting integrated solutions to local problems. But we are concerned that partners are not under any formal duty to take part in the LSP process, and by the absence of guidance on how LSPs should be made accountable to the public. Coupled with the lack of skills within local government in partnership working and effective consultation, there is a risk that all that will be produced in some authorities is a bureaucratic quagmire with little tangible or accountable product.

There is also a risk that, in the transition from LA21 to community strategies, local authorities will focus exclusively on short-term delivery targets, crowding out sustainable development commitments. Following the Prime Minister’s successful challenge to local authorities to propose LA21 Strategies, **SDC would like to see the Prime Minister challenge local authorities to ensure that all community strategies embed the sustainable development principles which have been at the heart of LA21.**

UK position at the Johannesburg Summit

If the UK can demonstrate commitment to greater progress in some of these areas, adding to its international standing from increasing development assistance and meeting its Kyoto targets, it will be ideally placed to influence the international agenda. Kofi Annan has set out a ten-point action plan for the Johannesburg Summit. The UK has a key role to play in nearly all of these, but from SDC’s experience and work in the UK, we suggest a focus on three would make sense:

- making globalisation work for sustainable development
- changing unsustainable patterns of production and consumption
- providing access to energy and improving energy efficiency

In all of these areas, the UK has the potential to make a positive contribution and to shape the agenda. As a major player in the global economy, with a capital city that is one of only three truly world cities and financial centres, UK has a large responsibility for the direction of globalisation. Again as a major developed country, the UK contributes to unsustainable production and consumption patterns, including in relation to energy. Having made significant progress, as we highlighted earlier, in achieving linkages between social justice and economic development, the UK needs to go one step further and demonstrate its commitment to the third pillar of sustainability, the environment.

The Prime Minister’s world leadership role in terms of seeking peace could be well complemented by a leadership role for sustainability. There is little point having a



politically or militarily safer world if in the long term it remains on an unsustainable economic, social and environmental trajectory.

Conclusion

The Johannesburg Summit will offer a unique opportunity for sustainable development to be grounded within the domestic UK political agenda. Many of the challenges listed above are politically difficult, and have not yet really been fully explored through a process of public debate. SDC urges the Committee to encourage Ministers across the range of government to take on a leadership role in explaining and articulating sustainable development as it relates to specific policy areas and challenges. **One major speech by each Cabinet Minister on a sustainable development theme during 2002 would be an excellent place to start.**

JONATHON PORRITT