

Environmental signals 2002

Benchmarking the millennium

European Environment Agency
regular indicator report



NOTE

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Foreword

This, the third of the European Environment Agency's *Environmental signals* reports - Benchmarking the Millennium, provides an insight into the state of Europe's environment and is targeted at high-level policy makers in EEA member countries and the European Union, as well as the wider public. The publication of this report demonstrates that the annual routine of reporting on the state of the environment, and above all the progress that has been made, is now well established.

These yearly assessments are a key benchmark for monitoring the integration of the environment into economic and sectoral (e.g. agriculture, energy, transport, tourism, etc.) policies and progress towards sustainable development. The provision of environmental information and a firm understanding of the environment is essential if policies, and other initiatives, are to be reviewed, re-orientated and improved to ensure they contribute to the ultimate goal of a more sustainable Europe.

There is still a long way to go to ensure environmental issues are accorded due weight in the decision-making process alongside economic and social considerations. Until now, the short-term (yearly) and medium-term (governed by four-five year political mandates) reviews of policies have been traditionally determined by socio-economic factors.

The 'Synthesis' or 'Spring' report was presented by the European Commission to the Barcelona Summit in March 2002. The report, which included progress on the 36 'structural indicators', and the conclusions of the Summit showed that socio-economic factors are still the main drivers for action. However, the reports to Heads of State and Government began incorporating meaningful and powerful indicators and related targets for environmental sustainability – though not much considered yet. These included energy intensity and the share of renewables, greenhouse gas emissions, transport volume and modality, air quality and waste production/disposal. It will, therefore, be difficult in the future to ignore lack of progress on these issues and, essentially, to consider the related impacts of the highest priority socio-economic issues.

Until very recently, the validity of producing relevant annual environmental reports was questioned; this had resource implications for the Agency. The success of the earlier annual reports means that their value is now widely accepted and their production is an established routine.

Reports such as these provide for a more consistent and comprehensive review of European policy progress and prospects and are being developed for delivery on an annual basis in a number of related areas:

- environment – The European Commission will produce annual policy reports from June 2002 onwards;
- economic and sectoral areas – The Councils responsible for the 9 sectors covered by the 'Cardiff Process' (e.g. energy, agriculture, transport, etc.) called for specific strategies and indicators for sector integration and sustainability. This process was initiated in 1998, with EEA producing annual reports on transport since 2000 ('TERM' report) and now expanding this approach into the other sectors;

- sustainable development – The presentation by the European Commission of a ‘Spring’ or ‘Synthesis’ report to every Spring Summit that presents progress on the 36 structural indicators (seven of them on environmental sustainability). This provides Heads of State and Governments with a comprehensive simultaneous view of progress, trends and challenges on the three dimensions (social, economic, environmental) of more sustainable development. This allows decisions to be taken on an informed (‘knowledge based’), consistent (‘mutually supporting’) and accountable (‘indicators and targets’) basis. The first exercise was for the March 2002 Barcelona Summit and this highlighted the many improvements that must be made. More space needs to be given to the environmental dimension and improvements are necessary in the quality and relevance of the environmental data and information provided by the Agency. Environmental data need to be more up-to-date and should show trends and links with the socio-economic dimensions.

This third annual edition of *Environmental signals* again tests how far we have come and details urgent improvements which are needed to make *Environmental signals* the primary tool for accountability and benchmarking progress at EU and Member States level. This report is a valuable input to the reviews of environmental, sectoral and socio-economic policy (the ‘three corridors’ of EU policy). We are developing a real Agency ‘brand’ that, together with the multi-annual reports (published every five years), provide a comprehensive view of the present and a partial insight, through the use of scenarios, into the medium-term (10-20 years) future.

What do we see with this third annual report?

We must recognise that annual reviews of the state of the environment do not generally reveal dramatic changes. Their value lies in the identification of underlying trends, which may be positive or may provide ‘early warnings’ of potential concerns. Above all, we need to know whether the conditions for change are emerging. These may be related to reducing environmental pressures, the exploitation of natural resources or the decoupling of environmental impacts from socio-economic development.

However, we must also look further upstream in the system, to see whether basic conditions for more sustainable (or less unsustainable) economic and sectoral activity are being established. These may include: providing for reduced and more efficient energy consumption; a shift towards more environmentally-friendly transport modes; greater agriculture diversity and food quality; better land management; less damaging subsidies and greater internalisation of costs; and, more, a sustainable fiscal system. We are also watching for any ‘vital signs’ or positive signals that may presently have little effect (e.g. increase in some renewable energies, organic farming, greener fiscality, cycling, car sharing) but are growing fast and the successes need to be recognised and encouraged. This is what information on changes or real improvements to the state of the environment should be concerned with.

In particular, this report demonstrates that:

- the dematerialisation process (higher quality of life with reduced consumption of energy and materials), which was anticipated with the transition to a service economy, has not yet been fully exploited. Some environmental pressures continue to be closely coupled with development in certain sectors, such as greenhouse gas emissions from transport (and tourism), or waste generation, space and territorial degradation, and energy and resource consumption from households, and reduction of stocks from fisheries. Other pressures, such as mining and industrial waste, are growing more slowly than GDP (relative decoupling), but are still growing in absolute terms;

- generally, as an EU average, we are using energy more efficiently (less energy per unit of GDP or economic output). However, we are still not reducing our energy consumption in absolute terms (absolute decoupling) or reaching our targets. Most importantly, while some countries have shown that the targets can be achieved (e.g. Germany or Ireland), energy efficiency in others is deteriorating (e.g. Spain or Portugal). This negatively affects the overall successful story of renewable energies ('a vital sign'), the contribution of which is being undermined by the overall increase in energy consumption (particularly electricity);
- households are often overlooked in integration policies. As levels of consumption continue to rise in parallel with disposable income, the need to help consumers to make informed choices becomes increasingly important. Eco-labelling and information dissemination (e.g. campaigns to encourage energy savings) are increasing but their use remains marginal.

This report and the experience of the March 2002 Barcelona Summit show that there is still a long way to go in improving the direct use of annual indicator-based reports. Reliable and up-to-date information on progress towards sustainable development and the underlying factors influencing social developments are fundamental to delivering the EU Sustainable Development Strategy and achieving the EU's goal (Articles 2 and 6 of the Treaty) of more sustainable development. This is why, as a natural progression of this work, the Agency has given top priority to supporting the development of the Commission's Communication, or 'Synthesis' report, to the Spring European Summits which requires up-to-date indicators and assessments to be produced.

An immediate challenge for the Agency (and Eurostat) will be to provide more up-to-date or timely environmental information in order to produce a picture as close as possible to that of the present day. In many cases we need to go beyond 'consolidated statistics' (via extrapolation or modelling) to what may be referred to as 'now casting', and provide trends or projections, 'forecasting', using scenarios based on predictions of change or stasis. Since the Agency began this work we have made enormous progress in our annual reports. Now, in early 2002, we are generally producing consolidated information from 1999 (which is only one year behind in statistical terms) and in many areas we are predicting future trends that adds to the policy relevance of the information.

But we can and must do better. In fact, for all seven environmental structural indicators we already had information for 2000 (but not consolidated at national level and not formally communicated and thoroughly checked at Community level). It is not difficult to anticipate 2001 data, and even make some adjustments for 2002, on the basis of the latest developments, as was done by the Agency for the 4 March 2002 Environment Council, however it requires two things:

- firstly, the purpose. The need for relevant and updated environmental (sustainability) information as the basis for effective and efficient policy decisions is clearly established and prioritised. In addition to consolidating the monitoring and statistical bases, more resources are needed for further developing prospective (and necessarily less accurate but still adequate) approaches;
- secondly, the adequate allocation of resources. This does not necessarily require increases in total budget or personnel. Resources at national and Community level need to be concentrated on delivering relevant and, if possible, independent information. Resistance to the production of certain information may occur if it is seen to be politically inopportune or incorrect, which is a challenge the Agency is continually working to overcome.

I have had the personal pleasure of seeing the *Environmental signals* maturing and also experienced the (Spanish) anxiety about them not maturing quickly enough! However, it is my feeling that they have developed in an organic and sustainable way and that the conditions have been created for continuous improvement.

Environmental signals represents a collective effort by dedicated EEA staff and experts in the European Topic Centres; the system is put to work, with efficiency and high professionalism. The quality of the information would not be attained without a similar dedication from the contacts points in the EEA network: the National Focal Points and Reference Centres, the European Commission services (DG Environment and Eurostat in particular) and the EEA Scientific Committee members (the assessment soundness). Finally, the dissemination and impacts of the information owes a lot to the will and commitment of countries, such as Spain, Sweden, Austria, to provide an enhanced access and service through appropriate products in their language. Let me thus sincerely thank those who have enabled the progress we have already achieved and also thank in anticipation those who will make it a continuing success.

Domingo Jiménez-Beltrán
Executive Director