



Environmental Audit Committee

Oral evidence: Sustainable development goals,
HC 452

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Written evidence from witnesses:

- [Government](#) (DfID)
- [Government](#) (DfID–additional written information)

Watch the meeting

Members present: Joan Walley (Chair), Peter Aldous, Martin Caton, Zac Goldsmith, Mark Lazarowicz, Caroline Lucas, Mrs Caroline Spelman, Simon Wright

Questions 130–246

Witnesses:, **Dan Rogerson MP**, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, **Amber Rudd MP**, Parliamentary Under-Secretary of State, Department of Energy and Climate Change, **Melinda Bohannon**, Deputy Director, Post 2015, Department for International Development, **James Hughes**, Deputy Director, Strategy, Engagement and Analysis, International Climate Change, Department of Energy and Climate Change, and **James Jansen**, Policy Adviser, International, Department for Environment, Food and Rural Affairs gave evidence.

Q130 Chair: I'd like to begin our session by welcoming both Ministers. I think for the Minister from DECC, this is your first appearance before our Committee, so welcome.

Amber Rudd: Thank you.

Chair: The Environment Minister is a part of the Committee and is an old hand at giving evidence, especially after the plastic bag debate last week. We have a lot of questions to get through and, unfortunately, because this is not our usual slot, we have members who have to go to other meetings. Please do not think that is in any way a sign of this Committee thinking that this is not an important issue. We will try to accommodate that as best we can.

We have a series of questions for you. If I may, I will start by asking each of you—and if your distinguished colleagues wish to come in as well, we would be happy—what role the two Departments are playing in championing both the environment and climate change components of the sustainable development goals? It would be very helpful to have from each Department a summary of the aims that you have for the outcome of this process.

Amber Rudd: Thank you. It is a great pleasure to be here. Can I just tell you who I have with me? I have James Hughes, who leads the strategy, engagement and analysis team in DECC's international climate change directorate, and also Mel Bohannon, who leads on the post-2015 agenda.

We need the sustainable development goals to finish the job of the millennium development goals. Although the millennium development goals have been successful and provided, as we know, a concise framework, which was very welcome in delivering the outcomes that we needed, they did not refer to climate change. So part of my role in feeding into DFID, which of course has the lead on this, is to ensure that climate change is part of all the development goals and all the outcomes that we are looking towards. I have heard Justine Greening many times on this, and I know that she absolutely gets it that mitigating climate change is an essential part of eradicating poverty. They are two sides of the same coin, as everybody says. I suppose that one of the things that DECC does is to make sure that we play our part in feeding that into sustainable development goals.

Q131 Chair: Do you wish to add to that?

Dan Rogerson: Yes. First, I will introduce James Jansen, who leads on post-2015 issues in the Department.

In our case at DEFRA, it is absolutely the same thing: to make sure that the issues in which we have a key interest—the whole of the Government do—are embedded across the range of goals around a truly sustainable approach. That means biodiversity, marine issues, resource management, in which I have a particular interest, and forestry. So we need to make sure that we embed all the aspects of policy for which DEFRA is responsible. The concern is that, if we put all the environmental goals into a silo, that will be the bit that does not get the funding and does not get the delivery as the programme moves forward. So we want to cut that right the way across, so that wherever people invest and wherever they make progress on development, it will be truly sustainable and we will achieve the outcomes that we want.

Q132 Chair: Okay. One of our concerns is how many goals there are going to be and where climate change fits into those goals. What is your bottom line? What absolutely has to be in that final list as it goes forward, and where does climate change stand in respect of that?

Amber Rudd: The negotiations for COP are ongoing at the moment in Lima and are going to be, we hope, successful in Paris next year. In a way, our focus on climate change in my Department has a specific momentum and target, which is an agreement in Paris at the end of next year.

Q133 Chair: And that will be reflected in the sustainable development goals negotiations going forward?

Amber Rudd: And that will form part of the framework for the post-2015 sustainable development goals. As we are all aware, the UK would like to see fewer goals, but I would leave how that is delivered to the Open Working Group, because I feel that we have a separate major climate change negotiation going on, which will be fed into the sustainable development goals.

Q134 Chair: I am trying to get a feel for what the absolute red lines would be. Looking at how many goals we are going to end up with—17, 12 or even 10—will it be an absolute necessity that climate change should have one line in that list?

Amber Rudd: I would be disappointed if the words “climate change” did not appear in one of the goals. Absolutely.

Q135 Chair: But would you see that being a goal in itself?

Amber Rudd: I think we have to let the Open Working Group decide how they are going to deliver that. I want to leave it some flexibility, but I would like to see the language within it.

Q136 Chair: But is not that an issue of how the negotiations pan out? I do not know whether there is any truth in this, but there is talk of a paper doing the rounds, which has come from the UK Government, that would water down the number of goals and the list of goals. We really wish to know exactly how strongly the UK is going to be negotiating to keep that in the final list. Is there a letter doing the rounds that perhaps is departing from our starting point?

Melinda Bohannon: No, is the short answer to that question. In the context of the Secretary-General’s Synthesis Report, we have spoken to the Secretary-General’s team about raising approaches to prioritisation, given the number of goals and targets, but there is no letter doing the rounds. You asked about the bottom line. There are two angles to this. The first is that we are in a negotiation process now, following the Open Working Group, to agree the goals and targets framework alongside the financing aspect, the monetary review, the Government’s process and so forth. That negotiation has to carry forward next year. We simply don’t know, at this point, the number of goals and targets and we do not have a bottom line. Clearly, from a climate change point of view, the agreed target—whatever is agreed in Lima—needs to be reflected and the visibility of climate change needs to clearly be there and integrated into areas such as food, water, energy, growth and so forth. These all form part of our bottom line, but the principle of flexibility as we go into negotiations is important.

James Hughes: Perhaps I can add to that by saying that the targets may go some way towards reflecting climate change, both in terms of mitigation and adaptation. In terms of what Mel was saying about visibility, it is very important, in what we end up with, that climate change is visible across all of those goals. Whether or not it needs its own individual goal will depend on how effectively it is highlighted elsewhere.

Q137 Chair: There is a rumour going round that the UK is now pushing for 10 goals within the target framework. It would be helpful to know the bottom line, what the UK position actually is and how that fits into the overall position.

Dan Rogerson: I think the “bottom line” is very laden with various implications. It sounds as though it is a red line; something that is not negotiable. These are negotiations and we are part of that. From the Prime Minister, right the way across Government, we are clear that we think you could reduce that number further. That is where we would like to see that process continue. The most important bit is that we have a framework that is simple, inspirational and is going to deliver things and that we are able to implement it as well. But to say a particular number and that we must end up there is not necessarily helpful in negotiation. What we are saying is that we think we could do better and reduce that number.

Q138 Chair: I need to move on quite quickly with these next two questions. Very briefly, could you outline for us the involvement of DEFRA Ministers in the SDG negotiations?

Dan Rogerson: Directly, our officials are engaged constantly with others across government in discussions about how we can do that. There are a number of forums that Ministers attend, where bilateral as well as formal or informal collegiate discussions take place. At the United Nations Environment Assembly, which I attended, that was very much a topic that we talked about, as were the European Councils and the contribution of the European Union and the states of the EU towards those negotiations. We were very much a part of that, as you would expect us to be. We are in discussions with NGOs as well. A lot of that work is going on and I am sure we will come to explore a little bit more what that might mean and the areas that our Department covers. We are determined to make sure that that is very much there within the final framework.

Q139 Chair: Okay, and just finally, what role have DEFRA Ministers played in international negotiations on biodiversity?

Dan Rogerson: Well, that may be a reference to the recent comments to the parties.

Q140 Chair: I was going to come on to that. Tell us why you weren't there.

Dan Rogerson: Before you get to Ministers, there is a sort of discussion with other member states and the approach they are taking about who will be there. As I said, a lot of these discussions happen bilaterally and in the margins of the formal discussions. Only 40 member states of the parties were sending Ministers, so we did the same. However, the size of the delegation we sent was very similar to that which had been sent before. In terms of the connection with biodiversity, we are into a phase of implementation rather than negotiation, so it was felt that that was the appropriate way to do it. Obviously, if things change, we can go.

Q141 Chair: I am still not clear on why there was no Minister there.

Dan Rogerson: Well, other member states were not sending them. Part of the value of sending Ministers is that you are there, engaging with your opposite numbers from other member states and having meaningful discussions. If fewer of them are going to be there, the excellent officials we have who are dealing with these things day to day are very much able to represent the UK Government position, and they did so.

Q142 Mrs Spelman: We are still trying to get to the bottom of who is driving and shaping the UK position on sustainable development goals. We heard from Justine Greening that in January DFID wrote to all Departments to suggest regular monthly meetings between officials. We would like to hear from you—two other Departments—about how satisfied you are with the co-ordination between Departments. How is that working?

James Hughes: From a DEFRA perspective, there have been regular meetings with the working group, which DFID has chaired. My colleagues who lead on the SDG work in DECC have gone regularly to those meetings and feel that they have been consulted and had the opportunity to put in their views, and that progress has been made very much along the lines that they expected. They are grateful for DFID's support.

Amber Rudd: Baroness Verma has attended on behalf of DECC two ministerial meetings that have been chaired by the Secretary of State, Justine Greening.

Q143 Mrs Spelman: We are pressing on this issue because DEFRA has overall responsibility for sustainable development across Government. On a day-to-day level, how is DEFRA engaging with the process of shaping the UK position on the sustainable development goals?

Dan Rogerson: At ministerial level, it is part of my role to do that. On a day-to-day basis there are obviously constant official contacts about all the negotiations and discussions that are going on. James can discuss how that process is taken forward.

James Jansen: At official level, we have a number of meetings across Whitehall on a regular basis to cover the whole range of post-2015 issues and forums, including the EU and the UN. Of course, in Brussels we have a joint working group process that brings together representatives from environment and development working groups. The culmination of that is a product that then goes to both Environment and Development Councils. So from our side we are very much bound into the process.

Q144 Mrs Spelman: So DEFRA has responsibility for sustainable development across Government, but you are quite content for another Department to chair the sustainable development goal process in Government. What representations have you both made to DFID, and have they been taken on board?

Dan Rogerson: Do you mean representations with regard to aspects of policy or about the process?

Q145 Mrs Spelman: Do they take on board your view about what the UK's position should be? You both have different emphases.

Dan Rogerson: Yes, but I think that that sort of implies that the Government operate in complete isolation anyway. We sit within a framework in which the Prime Minister has been very much engaged, and the Deputy Prime Minister has been engaged in it, too. It is not something that happens in a vacuum; there is a Government direction of travel that is around ensuring that we embed sustainability in its truest sense across the goals, and also that we seek to have a framework that is deliverable, which we believe means, if possible, fewer than are currently there.

Amber Rudd: Of course the sustainable development goals are primarily international. Although there will be a UK application, it is right that DFID leads because it is the leader on international development, which is part of what we are trying to develop with the sustainable development goals. My Department interacts on climate change because we enter into climate change commitments that require international action on which to deliver.

Q146 Mrs Spelman: But Mr Jansen just said that DEFRA is the interface with the European Commission, whereas the lead on this is from the Environment DGs—I think that that is what you just said. As far as Europe is concerned, the international dimension is being driven out of DEFRA. That is quite clear. On your point about the domestic implications, surely that is also a DEFRA lead. When this is eventually translated into domestic policy, who will lead?

Dan Rogerson: You are right that domestic application is a DEFRA lead. We are currently in the process of negotiation and setting the framework. We are working towards the thought about domestic delivery, although that is at an earlier stage because that is where we are in the process. We also have contacts with the Cabinet Office and others, given their role more generally in cross-departmental working, but sustainable development is still led by DEFRA, and we would be expected to take that forward.

Q147 Mrs Spelman: Okay. That is helpful. We are getting mixed messages from the NGO community about the process of engagement with Government. We are getting a largely positive reaction from the international development and environmental NGOs about engagement with the UK Government in this process, but we have also received evidence from domestic UK NGOs, which seem to feel that they have not had an adequate opportunity to contribute. Would you like to comment on that?

Amber Rudd: My Department engages with domestic NGOs at some length on the climate change agenda. Our primary focus with that is on the COPs that are coming up, such as the conference of the parties in Lima that is going on now, and also on the Paris target for next year. My external relationships with the NGOs focuses on the element of climate change. I do not lead on the negotiations about the SDGs.

Mrs Spelman: And from DEFRA's perspective?

Q148 Chair: Sorry, could we just establish who in DECC leads on this?

James Hughes: Sorry, just to be clear, within DECC, my colleagues have had meetings with NGOs. I am not sure what your classification is for international and domestic, but certainly my colleagues have met the major NGOs which have an interest in the international agenda—such as WWF and others—as a group at least three times in the last year. They then also meet with individual NGOs on other occasions to talk about the SDGs.

Q149 Mrs Spelman: That is helpful to know. And from DEFRA's point of view?

Dan Rogerson: We engage with civil society all the time on a whole range of issues, as you will be familiar with. We look forward to the report which will come to the Committee, but if it is the view of some NGOs that there are specific issues then we always look to get that sort of feedback. We can take home any specific concerns which

are there, but we have certainly been very clear on our approach to this and have sought feedback from people on it.

I already mentioned the United Nations Environment Assembly, where I was part of a discussion on engagement with NGOs and making sure that we give them every opportunity to be included. That is very much the approach that we take. We want that voice to be there at the table. There were business representatives and civil society representatives at Rio+20. We try to do a thorough job on engagement, but if there are issues which we need to pick up on then we would like to hear more about them.

Q150 Mrs Spelman: Another important stakeholder group in all of this is local government, because of the implications for them of the sustainable development goals. That falls within the domestic jurisdiction, which I think you made clear is DEFRA's responsibility. How is the Department working with local government to consider the implications of the proposed goals?

Dan Rogerson: Well, we work with the Local Government Association, which was the main body for consulting—

Mrs Spelman: Sorry, I can't hear you very well.

Dan Rogerson: We work with the Local Government Association across a range of topics, and you would not be surprised that I have a great deal to do with climate change adaption work. I talk to local authorities about that, and I recently met a panel of local authority representatives on those topics. As I said, some of the domestic applications will be the next stage of the work on this. That will come to the fore as we move beyond the negotiations, but at the moment a lot of our focus is on what that framework will be. That needs to take place before we are able to talk to those partners about how we meet our domestic obligations under it.

Q151 Mrs Spelman: And another important and potent group is of course the devolved Administrations, who sometimes have devolved views about political issues. How is the co-ordination between the UK Government and the devolved Administrations working? How do you deal with divergent views on SDGs which they might have?

Dan Rogerson: We have regular meetings across Government between Ministers of devolved Administrations and ourselves, where there are opportunities to raise a whole range of issues. Given the detail of what we are talking about now, these issues have not been raised with me on a regular basis in conversations I have had with Ministers from devolved Administrations. They have focused on some of the other immediate policy things that we are dealing with, but at the official level that is part of the contact which is had on a regular basis.

James Jansen: Yes, indeed. More broadly, perhaps I might add that we are obviously working very closely across Whitehall to start thinking about the domestic implications of this agenda. When you spoke to the Development Secretary last time, you mentioned that we were doing some work with the Office for National Statistics to get a sense of what some of these goals and targets might mean for the UK and how we might start to think about implementing them domestically.

Q152 Mrs Spelman: You will have to forgive me because I am one of the Committee members who has to fly in a minute, but I have one more question. Mr Jansen, you described how DEFRA is taking the lead on input to the position of the European Commission—the position that might be taken by the 28 member states. What are the points that the UK has been pushing for in those negotiations to reach a common position?

James Jansen: Well, I should clarify that DEFRA is part of this process. It is a joint working group process so we sit very much alongside our Development colleagues. That process is co-ordinated with them and the Cabinet Office, so it is very much a joined-up process. Obviously, those negotiations are ongoing at the moment, but this is something that we hope will be finished by the end of the year. We are looking to pursue those elements that the Development Secretary outlined when she spoke to you a few weeks ago.

Q153 Mrs Spelman: The UK spokespersonship is shared with DECC at that Council meeting, so how does that work to ensure that the DECC angle on SDGs is covered off at any such negotiation?

Dan Rogerson: By that close co-ordination. There have been Councils—whether I have been present, or a Secretary of State or another one of my ministerial colleagues—where Ed Davey or one of my other colleagues have swapped over part way through the Council. A lot of the work is, as you know, not just what happens in those plenary sessions, but in the opportunities for bilateral discussions with colleagues from other member states. We take advantage of the fact that both Departments are represented there to make all those points.

Departments across other member states are divided in all sorts of ways, and have different set ups. In many cases, it is in one Department, but it is not the same in all member states.

Q154 Caroline Lucas: I want to come to some of the substantive things rather than the process. In their response to our report on Rio+20, the Government highlighted initiatives they were undertaking to support the 10-year framework programme on sustainable consumption and production, particularly around waste reduction. What is the state of progress on those initiatives and what impact have they had?

Dan Rogerson: So in terms of international discussions or in terms of the work that we are doing domestically on sustainable consumption?

Q155 Caroline Lucas: Definitely internationally, but if there is anything domestically that you want to add as well, that is cool.

Dan Rogerson: Well, we are very supportive of the integration of SDG principles across the goals that we are discussing here today and as part of that process. It is cross-cutting, so you can't deal with it in isolation, and I don't think you would want to deal with that in isolation. We can make real progress if we integrate it across all the sectors where it has an impact—food, water, energy and anything connected with growth. We need to look at the issues around the sustainability of that growth.

An example might be looking at post-harvest losses. That is an agricultural issue, but has huge potential to ensure that we are not wasting valuable resources and food that is

produced. In our context, we talk about food waste as being something as it gets closer to the consumer, but we know that in the developing world there is a huge amount of food that is wasted earlier on in that process. That is an example where we think that, by working on agriculture, we can ensure that we are looking at those SDG principles.

Q156 Caroline Lucas: In our circular economy report, which was a recent report from the Committee, we welcomed the ambitious goals that the Commission is putting forward, including for improving resource productivity by 30%. In what way are the Government making the case for ambitious action on sustainable consumption in line with this in Europe and, indeed, with the ambitions of the SDGs?

Dan Rogerson: We are very pleased with the way that we are discussing resource efficiency in the European context. As part of that, we have debated and discussed the difference in emphasis and whether we have a target-based approach. Our approach in discussions at the European level is that that is not always the most helpful way of doing things. However, the debate is useful in the European Union, and we will see how that work is taken forward with the new Commission. If we are to deliver on these principles, we have to focus on what we are doing domestically as well as our interaction through development with other member states. We are committed to working to integrate sustainable consumption and production principles into what we are doing on development goals and also what we are able to do in domestic policy and our negotiations at European level about further European legislation that comes forward on targets or aspirations.

Q157 Caroline Lucas: Okay. I wanted to look at waste in particular. To what extent are the Government funding and supporting the waste sector in developing countries, given that there are so many virtuous circles and benefits with regard to resource-efficient infrastructure in those countries?

Dan Rogerson: James, do you have anything on the specific programmes we are funding?

James Jansen: From DEFRA's side, we are supporting in terms of our subscription to the Basel convention on trans-boundary waste. We very much support that. I do not know if there are broader programmes across Government that DFID is also funding from its side.

Q158 Caroline Lucas: I was thinking about the circular economy rather than things as waste. That is about how you can design into the process, so that you do not end up with waste that you are going to have to dispose of. It is how you build that in that we were thinking of rather than trans-boundary waste issues.

James Jansen: There are two things that I might pick up on and they might relate to your previous question about Rio+20. One is about natural capital accounting and one is about corporate sustainability reporting. Both of those are being pursued in the UK, but we are also having those discussions as part of the broader debate about means of implementation of the post-2015 agenda. Potentially, they have quite important implications for delivery of sustainable development goals. That is part of the discussions we are having within the EU and the UN.

Dan Rogerson: As I think we discussed before, we are funding some work looking at supply chains and what we can do with different models of providing services to consumers, rather than products with a fixed life. We are looking at concepts of pre-

manufacture and such things. Any work we do domestically as we move towards a circular economy could be applicable in other contexts. We have British businesses looking for opportunities to bring forward new ways of working. There may well be opportunities for them to take that expertise and work with our colleagues in development to look at that internationally.

Q159 Caroline Lucas: This is just a reflection. Given that the Government in response to our Rio+20 report made a big thing of saying that one thing it was doing proactively was this framework programme on sustainable consumption and production and it was focusing proactively on waste reduction. When trying to probe what that looks like on the ground, that does not sound yet—maybe it's too early—that there is some pioneering new work going on around waste in developing countries. I do not know if that is unfair, but it does not feel that way.

Chair: To add to what Caroline Lucas has just said, in terms of the United Nations, we have all signed up to the 10-year global action for sustainable consumption and production. I do not think we are getting a clear idea of what that means for UK policy. We are trying to flush that out as part and parcel of the way in which the sustainable development goals are being taken forward. Perhaps if we cannot get a clear indication now, one option might be to have the Minister write to us, setting out what that might be.

Dan Rogerson: As we found out with our previous discussions on the domestic implications of the European context, this is work we are taking forward. I said earlier where we are with the new framework for sustainable development goals. We are in that negotiation process about what that framework will be, and implementation is the phase that comes alongside. So both domestically and internationally, that is something where we need to do more work, but we are working on it. I am happy to write to you.

Chair: That would be really helpful and would perhaps answer Caroline's point as well.

Caroline Lucas: I am so sorry, I am one of the people who has to run as well.

Dan Rogerson: Do I need to come and sit round there?

Chair: A good point. It might come to it. We normally have our Committee sessions, as you are aware, on Wednesday afternoons, and because of the Chancellor's Statement we have brought it forward; hence the difficulties. I will move on to Martin Caton, who is here.

Q160 Martin Caton: This is primarily for DECC. Would a stand-alone goal on addressing climate change in the SDGs help to secure a deal on climate in Paris next year?

Amber Rudd: I think that these two negotiations and international ambitions are happening separately but in parallel. We in DECC have a contribution to make to the sustainable development goals, but we are absolutely focused on our climate change negotiations, with a target for Paris for the end of next year. I do not think that one would impact on the other; they are working side by side.

Q161 Martin Caton: Is the current draft SDGs text on climate change sufficiently ambitious, particularly the targets on renewable energy and energy efficiency?

Amber Rudd: Well, it is a start and we are not unhappy with it, but it remains part of the negotiation going forward for the Open Working Group. I do not want to comment on it too much, because it is still being negotiated.

Q162 Martin Caton: The text says “increase substantially the share of renewable energy in the global energy mix by 2030”, and “double the global rate of improvement in energy efficiency by 2030”. Considering the challenge of climate change, that seems quite a long time scale to set a target that is not very substantial, accurate or ambitious.

Amber Rudd: But I suppose you have to look at that in the context of us having very ambitious targets for the end of next year in the conference of the parties in Paris. Perhaps you might be reasonable in making that assumption if it was the only target that we had, in terms of climate change ambition. We actually have a separate stream absolutely focused and working clearly, enthusiastically and ambitiously for delivering a world target by the end of next year. We are optimistic that we can achieve that, and once we do, we will be working, we hope, within the framework of the sustainable development goals to put the framework together. The real focus for the climate change ambition is in the climate change negotiations as part of the conference of the parties, through the UN.

Q163 Martin Caton: I know what you are saying, but I would have thought that the sensible way forward was for both tracks to match each other.

Amber Rudd: Yes.

James Hughes: Yes. I think that is absolutely right: they need to complement each other. Through the UNFCCC negotiations, we are trying to agree a set of commitments from countries; they are going to set targets for emission reductions. What we are looking at through the sustainable development goals is something that is going to help countries to look at what they have signed up for, in terms of their obligations and the direction of travel, but how are they going to deliver on the targets that they have agreed as part of the UNFCCC? We are very keen on having, as we have with the EU 2030 greenhouse gas target, an overarching target that countries can determine how to deliver. That may be at different rates, in terms of their use of renewables, energy efficiency, or other kinds of measures that they might use. We could see something being strengthened here, but we would not need to be very prescriptive, if we have that agreement in Paris next year.

Q164 Martin Caton: The Open Working Group outcome document talks about rationalising inefficient fossil fuel subsidies. I think many people will be asking, “When are the Government going to phase out all fossil fuel subsidies?”

Amber Rudd: Well, that is a question that we will go on debating. We have to make sure that we keep our electricity coming and our lights on. There are various subsidies for various elements of fossil fuels at the moment, but we are focused on renewables as a replacement as far as possible, and will continue to be so.

Q165 Martin Caton: I think we are one of the very few countries that provide tax breaks for North Sea oil exploration. Other countries still manage to explore without providing that kind of tax break. I think that that would send a very strong message.

Amber Rudd: I think it is a moving target. As I say, we are trying to keep the balance between stressing the need for renewables and making sure that we have sufficient energy for the country and for industry.

Q166 Martin Caton: Our Committee's "Green Finance" report identified barriers to community-scale energy projects. To what extent could community energy co-operatives deliver the sustainable energy requirements under SDGs?

Amber Rudd: We think community energy is a vital part of producing and encouraging renewable energy locally, which is why my Department launched its community energy strategy earlier this year. We are very engaged and supportive of local communities, providing them with information and financial guidance about how to set schemes up. Community energy is an essential part of delivering on our targets and on local energy supplies.

Q167 Martin Caton: I am glad to hear that, but in that case, how are the Government responding to the FCA decision to refuse to register some new renewable energy co-ops?

Amber Rudd: I'm afraid I don't know the answer to that.

James Hughes: I don't have the details. I'm sorry.

Amber Rudd: I shall write to you.

Q168 Martin Caton: Thank you very much. How are the Government ensuring that lessons from the UK about supporting community-scale projects are shared internationally and, indeed, vice versa?

Amber Rudd: By being as engaged as possible with our international colleagues. We learn from other people and we often look abroad and see what works successfully, particularly in persuading communities to engage with renewable activity that they might initially not particularly warm to. We now have a shared ownership scheme, whereby we encourage local communities to engage, purchase shares and share the ownership of local renewable initiatives. We hope that that will be successful going forward. We have witnessed that it has been quite successful, for instance, in Germany. We are always looking around at examples of other successes in bringing renewables into the community and will continue to learn from that.

Martin Caton: Thank you very much.

Q169 Chair: Can I just double-check on that? The original question was about a stand-alone goal on addressing climate change in the SDGs. Bearing in mind your opening comments, do you see that red line being a stand-alone goal in terms of addressing climate change?

Amber Rudd: I don't see it as a stand-alone goal because, as Mr Rogerson was saying, I want to leave it open for the negotiations. Bearing in mind my earlier comments, it is essential that the role of climate change is woven into the goals, but I would like to leave how that is implemented to the negotiators.

Q170 Chair: That begs the question: what kind of leadership role is each of the European states taking in the debate going on in Europe? I suppose there are many who would like to think that the UK is playing that leadership role and is trying to make sure that it will be a stand-alone goal.

Amber Rudd: I come back to the fact that our leadership, and our role in delivery on climate change, which is surely the most important thing, is focused on the UNFCCC endeavour to reach an international agreement in Paris next year. That is where our leadership, determination and focus are being played out. There is no question of that, and I would leave DFID to lead on the sustainable development goals, and the climate change role within that, confident that it will form part of this.

Q171 Chair: Let me go back to what you were saying about working with other Departments. In phasing fossil fuel subsidies out and looking at the support that there needs to be for renewables going forward, how is DECC linking with DCLG? We are getting some quite concerned messages that some of the invaluable work that DECC is doing—for example, promoting renewables, onshore wind and solar—is perhaps being undermined by the DCLG practice, now being extended beyond the six-month period, of calling in planning applications. How are you making sure that the overall objective is matched by delivery on the ground, when other Departments, not yours, are partly contributing to the way these policies are taken forward?

Amber Rudd: Well, I suppose that your question reflects the fact that none of us is able to deliver these things in a vacuum. If we want to deliver additional renewable energy and encourage renewable energy to be delivered in appropriate places through subsidy, it still has to engage with the community. It still has to get planning permission. I do not have control over that. As you will know, there is nothing we can do if DCLG has a situation where a community has managed to take a certain view and to influence planning.

Q172 Chair: That comes back to our opening question about the overarching cross-cutting agenda. If DEFRA is taking the lead on taking the whole SDG agenda further forward, but DCLG is, for whatever reasons, non-compliant, for want of a better phrase, there surely there has to be, as Caroline Spelman said, a means by which DEFRA can co-ordinate, so that all the different Government Departments are looking for the sustained outcome from this.

Amber Rudd: Well, I do not really agree with that. It may be my Department's desire to achieve our targets by having x amount, but if it is not wanted on the ground, it cannot be delivered. It is right that there are these checks and balances in place. We cannot have one person instructing that "This can happen, and this is the way forward." It is right that it has to pass different departmental hurdles, which are necessarily different.

Q173 Chair: But what would happen if every single application that was called in by DCLG for onshore wind, for example, was rejected? You would not then be going forward with the most efficient means of taking forward the alternatives to fossil fuel and making progress on the decarbonisation agenda.

Amber Rudd: There would be a debate in the House of Commons on finding out whether planning law was correct, and/or we would have to find a different way of delivering different forms of renewable energy in order to meet our targets.

Chair: Thank you.

Q174 Peter Aldous: I want to spend a little time talking about the effectiveness of Government spending on both climate and the environment. The Government have committed £3.8 billion to the International Climate Fund. Do you do any audits of how effective that spending is and what positive impacts it may be having?

Dan Rogerson: I can talk about some of the projects through the International Climate Fund, which you are referring to, that are forestry-based. That is one of the crucial assets that we want to save and underpin for all sorts of reason, given the carbon benefits and also biodiversity and all the issues there. I can give you examples of projects in which part of that money is being spent on reducing deforestation, particularly in Brazil; that is a £10 million project in partnership with the Brazilian Environment Ministry and the World Bank. The aim there is significantly to reduce the loss of biodiversity in that region by restoring 360,000 hectares of native vegetation and reducing deforestation by 128,000 hectares. That is a practical project that that money is being used for to meet the goals that we set ourselves.

Q175 Peter Aldous: Stopping on that point for a moment; when did that start? Are you actually assessing how effective it has been?

Dan Rogerson: I do not have here the date when it started, but my colleague Lord de Mauley leads on that issue. I am sure that we can give you more information about the parameters of that.

Q176 Peter Aldous: It would be helpful to know that.

Dan Rogerson: I can give you another list, if that is your key concern. We can do that.

Amber Rudd: The ICF does have careful monitoring of all its initiatives. It has an audit that will report shortly, done by ICAI, which does that for a lot of these sorts of organisation. It will be reporting in the next few weeks, and I would be happy to write to the Committee with a copy of that, so that they can be reassured on the good governance within the ICF, which we take very seriously.

Q177 Peter Aldous: That leads me to my next question. That evaluation was expected sooner than it is now being delivered. Is there any particular reason for that delay?

James Hughes: You are quite right; it has been delayed. I think that we were expecting to receive it a number of weeks ago. It has been delayed on a couple of occasions. My understanding is that there is nothing sinister behind the delay. It is simply the volume of work that it has had on. The date that we have been given now is 11 December, so I am hoping that we will get the report by then.

Q178 Peter Aldous: Are you able to give us any sneak previews on what conclusions might be reached?

Amber Rudd: In the privacy of this room?

James Hughes: I fear I am not, because I do not think we are meant to share the results of that before they are officially published.

Dan Rogerson: Coming back to the question you posed, which was far better answered by Amber Rudd than by me, in terms of any investment made by our Department, we have robust policies in place, as you would expect, to make sure that we evaluate and make assessments of that. You are asking for specific dates for those projects, which I don't have to hand, but I can ask James to talk a little bit about how we can be assured that that information comes back into the Department for our assessment of the effectiveness of those programmes.

James Jansen: I briefly add that we obviously have monitoring arrangements in place and, in terms of the specific projects, we are in touch with our delivery partners on the ground, for example in Brazil, to monitor and get feedback on progress. If you would like further elaboration on that, we can perhaps wrap that up in writing to you.

Q179 Peter Aldous: That would be kind. Moving on, the Government recently published an option paper that looked at the potential role of the Green Investment Bank in the International Climate Fund. Do you have any views on whether that is a possibility?

Amber Rudd: We would very much like the Green Investment Bank to have an international role. It has been, we think, a great success in the UK, leading on identifying sound investments within the green sector and, critically, mobilising other sources of finance for investment as well. We are looking into ways of developing that. I am speaking to the Green Investment Bank about the best way to go forward, but I share what I think is your positive view on it, that it would be a good thing to do.

Q180 Peter Aldous: And if that was to happen, obviously it would mean the Green Investment Bank would be widening its remit. Are you going to be recommending that it gets additional funding to be able to do that?

Amber Rudd: That would be under discussion. It may be that we do it externally or through Government, but we will be looking at alternative ways of advancing it.

Q181 Peter Aldous: Moving on, the Government recently announced that they have committed £720 million to the Green Climate Fund. I would be interested to know where this money is coming from. Is it new money or money taken from existing commitments?

Amber Rudd: It is money taken from the International Climate Fund in the proportion that DECC and DFID share it. We have put that money together into the Green Climate Fund, so it is existing funds.

Q182 Peter Aldous: And you have diverted that funding from what?

Amber Rudd: Well, from existing sources of funding—that is, the International Climate Fund, which, as you rightly said, was capitalised with £3.8 billion. Some £720 million of that has now gone into the Green Climate Fund.

James Hughes: Just to add to that, this money will be used to support projects between 2015 and 2018.

Q183 Peter Aldous: Given that £3.8 billion of aid is spent on climate change, the £2 million being spent on Darwin fund projects for biodiversity seems pretty miniscule. To what extent

do you think that the poverty reduction focus of aid is keeping solely biodiversity-related projects overseas artificially low?

Dan Rogerson: There are a number of channels where we take forward work on biodiversity, reflecting our concern to make progress on that. The most recent report, collected in 2011, on UK expenditure both directly and indirectly targeted at international biodiversity showed £110 million across all the investment in programmes involved in that. That is bilateral and multilateral work.

Q184 Peter Aldous: So that's £110 million? Could you just explain where that comes from?

Dan Rogerson: Various programmes.

Chair: I can't hear very well.

Dan Rogerson: I will have to write to you with some of the details about how that was made up.

James Jansen: The £110 million is based on 2011 figures, which is the latest year for which data is available. That is expenditure drawn from ODA spend, including through the ICF, spend through the Global Environment Facility, spend that, for example, Kew Gardens might make, and through the Darwin initiative. I think that perhaps the £2 million is the Darwin plans.

Q185 Peter Aldous: That is just the Darwin initiative; so the Darwin spending is a small component part of a number of other projects that are concentrating on biodiversity challenges.

James Jansen: Yes, I think that is right. Darwin and Darwin Plus for the overseas territories is up to £2 million a year, and Darwin overall is up to £8 million a year.

Q186 Chair: I would like to follow that up with an earlier question, from when we were looking at local government and the devolved Administrations, with reference to the overseas territories. This morning the Committee met with various representatives and delegates from the overseas territories, who are having talks with the Foreign and Commonwealth Office. An issue that is clear to us is that 90%-plus of the UK's biodiversity is in the overseas territories. There is an enormous funding gap. Presumably, the sustainable development goals, when adopted, will apply as much to the overseas territories, which brings me right back to Mr Aldous's point about what is happening to the funding, particularly the Darwin funding, which seems to have reduced or—if it hasn't already, in the past tense—is being reduced. It would be helpful to have set out for us very clearly just what amount of money there is under the Darwin fund and how that will be maintained as far as the overseas territories are concerned, rather than it being shifted from one budget to another to meet some of the newer commitments that we might have. Do you have any comment on that?

Dan Rogerson: Yes. We can talk to you about the funding we invest and what the aspirations are, but it is also about involving the overseas territories in the work we are doing in biodiversity. For example, the convention that we were talking about earlier has been extended to cover four of the territories: the British Virgin Islands, the Cayman Islands, Gibraltar, and Saint Helena, Ascension, and Tristan da Cunha. It has also been extended to cover two of the Crown dependencies: Jersey and the Isle of Man. We are

talking to the other territories that have expressed an interest in extending the convention to cover them. We would like very much to involve them in that work. We can talk to you about how we spend the money that we have available on that.

Chair: I think that is a further conversation that needs to be had, because we got a very clear message, put to us in a very sensitive way by the overseas territories, that perhaps it might be helpful if there were a full-time officer in DEFRA even to deal with and link up with what they are doing. There is a sense that the resource just is not there. If it is isn't there now, how is it going to be reflected in what has been taken forward through the SDGs? Anyway, we will look forward to having more information on that. I will move on to Mark Lazarowicz.

Q187 Mark Lazarowicz: I have a question following up on an issue that came up in the previous discussion. As I understand it, the Green Climate Fund is effectively an international fund, which we are supporting from our own international climate fund. The issue of monitoring funding for the international climate fund was raised. Clearly, once you start having more elaborations, where the funding is going from the international climate fund, the Green Climate Fund and beyond that, the monitoring process can become more complicated and it can become difficult to ensure that it is properly driven, if the Green Climate Fund is the main disburser of funds and so on. I am sure that there will be systems in place, but what reassurance can you give us that the funding that is apparently being managed by the Green Climate Fund is going to have the level of monitoring such that people will be quietly satisfied that the money is going in the right way? I know that obviously you will say, "Yes, it will have that," but can you give an indication of the structure to ensure that that happens?

Amber Rudd: It is in the early stages. The Green Climate Fund has been put together as an international initiative to support the negotiations that we are having to arrive at COP-Paris next year. It will be an essential tool for delivering on that. It is an ambitious target in terms of how much money we are all trying to raise, and it is trying to bridge the gap between the developed and the underdeveloped countries in terms of supporting them with mitigation activity.

So, in terms of governance, there are going to be 24 members. There are already two chairmen in place. The governance is yet to be discussed, but it is certainly on the agenda. I have looked into this so far. I have a background in banking, so I am very interested in the governance. There will be basic levels of financing in terms of different pockets for small, medium and large. There will be negotiations and discussions with local development banks that already exist and that will give advice on how to source projects and how to best monitor them, given that it is going to be based in South Korea, which is explicitly so that it reaches that part of the world. You are right: I would say this. It will be in place. It has not yet been decided fully, but we will be absolutely making that a key part. Do you want to add anything?

James Hughes: Just to say that, as you have probably seen from the announcement that was made on the funding of the Green Climate Fund, it is subject to the board concluding its work, so a lot of that includes accrediting implementing entities and agreeing investment criteria. One level of assurance that we have got is that we do have a UK member on the board, and projects have to be agreed through unanimity, so effectively we have a veto if we think there is a project that is not the right kind of project that requires our support.

Q188 Mark Lazarowicz: On the issue of the other contributors, how much of the remaining funding has been committed so far by other countries? We are committing 12%.

Amber Rudd: We wanted 12%.

Q189 Mark Lazarowicz: Is the other 88% fairly sound now, or are negotiations still taking place?

Amber Rudd: We have had £3 billion committed from the US recently. There are still more pledges to come forward. We were hoping to reach £10 billion by the end of the year, and it may yet reach that target.

James Hughes: We are at £9.6 billion at the moment. It may be that one or two countries at the conference of the parties, which is now taking place in Lima, use that opportunity to come forward.

Amber Rudd: Capitalising the GCF is an important part of persuading the underdeveloped countries that we are serious about assisting them to reach the commitments that we hope they will, in order to bring forward an international commitment by the end of next year.

Q190 Mark Lazarowicz: Turning to the question that I was meant to ask on the sustainable development goals, obviously they are a universal international framework. Many of the goals will have particular applicability to developing countries, but there will be many that apply directly to the UK. What process will the Government follow to set national targets for the UK?

Dan Rogerson: We touched on this earlier. James referred to the work that the Office for National Statistics has done. It has been looking at the current Open Working Group goals and targets as they are proposed to assess whether we have the data available in the UK to be able to monitor and measure our progress against them. We have had indications that there is duplication, so there are issues around measurability and complexity in what is currently proposed. That is an area that we would want to make progress on, so that, as I said earlier, we have goals that are simple and achieve what we want in terms of sustainability, and that we are able to implement across that universal context that you are setting out.

Q191 Mark Lazarowicz: The ONS has said, or we were told, that there will be up to 300 indicators. Does the Government share that view? Does every goal require an indicator, or can there be a more simple procedure?

Amber Rudd: We certainly hope that that number will reduce in due course. The key leading elements of the sustainable development goals will be about poverty, hunger, governance and gender equality. These are things that the UK is doing well on. Of course, we will make it part of our pledges internationally, as part of an international pledge, but on the other hand, these are not things that we are failing on at the moment. We will look carefully at it, after the post-2015 framework; but, bearing in mind what was achieved with the millennium development goals, these are not primarily UK problems.

Q192 Mark Lazarowicz: And climate change as well, of course?

Amber Rudd: And climate change as well.

Q193 Mark Lazarowicz: Finally from me, the Government already have a set of sustainable development indicators. What lessons can you advise from these for the sustainable development goals, in so far as they will be implemented within the UK?

Dan Rogerson: They give us an overview of national progress towards a more sustainable economy, and a more sustainable society and environment, too, which is a key concern of this Committee. While we are at an early stage of looking at these goals and at what implications there might be for us in monitoring them, there is one potential mechanism that we could look at to help track delivery against SDGs here in the UK, although as we have a clearer picture of what that framework will be, we will be able to have that conversation with the Office of National Statistics to make sure that we have the right indicators, so that we can measure our progress.

Q194 Chair: I want to end with a couple of questions about education. It was interesting, just now when you mentioned hunger, poverty, governance and gender equality, it seemed to me that maybe they were the red lines, but I wonder where you would place education in all of this.

Amber Rudd: Education was a great achievement from the millennium development goals as well. I would say that it is an essential part of sustainability. A great difference between these goals and the last goals is that the millennium development goals created such momentum because they were around a millennium. What is so pleasing about these is that they are called the sustainable development goals—so sustainable living and planning is at the core of these development goals, which are so essential.

Q195 Chair: For me, that begs the question of how that will be followed up. I am keen to know what events or initiatives you have planned in the lead-up to September 2015. We do need, surely, to be able to galvanise public support for this.

Dan Rogerson: We talked earlier on about how sustainable development is a concept which DEFRA is responsible for embedding and dealing with across Government and across the public sector now, so there is work under way on that, with a set of tips on sustainability in schools for engaging them with practical ways that schools can become—

Q196 Chair: So, sustainability in schools and—?

Dan Rogerson: It is so that schools can look at ideas on how they can become more sustainable in what they do and save money at the same time. We are working with the Sustainable Schools Alliance to provide a clearer offer of support to all schools in the country about how they can look at this, both in the way that they structure what they do, but also in terms of how they approach education and discussions with young people. As a constituency MP, one of the big gains of this, which we would all talk about, is that if you go into schools, this is one of the areas that they want to talk about. Young people naturally want to hear more about it and are challenging us—just as much as you are today—on how we are going to take this forward.

Q197 Chair: Would that go so far as to extend to the inclusion of sustainable development in the national curriculum of education?

Dan Rogerson: I think there's an opportunity for another session with Ministers for you to talk to colleagues from another Department.

Q198 Chair: Is it that something that DEFRA is doing?

Dan Rogerson: In terms of DEFRA's role, yes, the DFE is part of our discussions on how we take this forward, but I'm afraid I am not in a position where I can dictate the curriculum from the seat in which I sit.

Chair: Yours is a cross-cutting role.

Dan Rogerson: It is, and we can therefore have discussions—there were a lot of discussions around climate science in the curriculum as well, which I know was a debate that was had some time ago—so there are opportunities for us to make that argument, and we can also go direct to schools, in terms of what is provided, so I think we can say there is an appetite for it.

Q199 Chair: Does DECC have a position in terms of wider education and awareness?

Amber Rudd: Yes. In terms of education of young people, we have plans to communicate what is going on. We had a debate recently about climate science and the communication of it, and we are making improvements that the Energy and Climate Change Select Committee put to us.

However, I would also say that as these negotiations on sustainable development are ongoing, with these major and important negotiations on climate change culminating in Paris at the end of next year, everyone will hear more and more about our ambition to ensure that there is no great increase in temperature—that it is kept within the 2° increase. There will more and more on the news and being communicated internationally. The last time, in New York, when we had the UN leaders meeting, there were marches in 40 countries. There were 300,000 people marching in New York. This will continue to be a major issue for people, which will help politicians to deliver the right answer and a permanent target by the end of next year.

Q200 Chair: Can I go back, Mr Rogerson, to your comments about taking education seriously? I think it is fair to say that we have received some concern from people who have given evidence to us that no UK Minister attended the recent UNESCO conference on education for sustainable development. We had concerns earlier about non-attendance at the conference on biological diversity. Does non-attendance of this one represent a low commitment to this agenda?

Dan Rogerson: I understand it was a diary issue that prevented the Secretary of State for Education attending the conference. As we have said, it is a very important topic, and there are other ways we are taking it forward. I would not want you to have the wrong impression. I sought to reassure you when we talked about the convention on biological diversity conference that there was a big DEFRA presence there. The decision was taken on that occasion that, as Ministers from most other member states were not attending, it was appropriate to have an official-led delegation. There are other examples where these issues are debated closely and Ministers will be present. That decision is based on who else is attending.

Q201 Chair: Okay. Thinking back to the whole Rio process and the original Rio conference, there was a huge amount of public awareness, involvement and engagement as a result of Local Agenda 21. That leads us on to some concern that at the moment there do not seem to

be any means of either citizenship engagement or of raising general awareness. I accept that the International Citizen Service has contributed in a constructive way with the £8,000 that is spent per person who is selected for that. Of course, that is due to come to an end in March 2015, just at the time that the sustainable development goals process is starting to get off. Has that been addressed by your respective Departments?

Dan Rogerson: Our focus has so far been on the framework and how that is looking. If we think there are challenges with what we need to achieve in this country and opportunities for us to encourage wider civil society and individuals to be part of that, that would be part of our discussions around how we deliver our obligations.

Amber Rudd: I am afraid I have nothing to add.

Q202 Chair: Some would argue—and I include myself among them—

Dan Rogerson: Sounds like it.

Chair: that the process by which we are going to get wider understanding and engagement with the sustainable development goals is as important as the actual outcome itself. I feel that the whole issue of awareness raising, which can be done in so many ways, is very important. Has there even been a value-for-money comparison of the money spent on the International Citizen Service with the benefits that come from general awareness-raising projects? Is that on your radar?

Dan Rogerson: We would have to write to you about that particular programme.

Q203 Chair: Okay. Finally, a minor point in this set of questions: there seems to be an over-emphasis on London and the south-east in take-up of the International Citizen Service programme. Has that been looked at from the point of view of reaching it out and extending it across the country?

Dan Rogerson: That issue has not been brought to my attention.

Chair: But it is one with a valid concern about distribution of take-up.

Q204 Mark Lazarowicz: To be clear, did an official UK delegation attend the UNESCO conference on education for sustainable development? Was it just Ministers who were not there?

Dan Rogerson: I would have to check what the DFE's participation in that was. The intention would have been for the Secretary of State to attend, but she was not able to on that occasion. We can give you more information about the participation in the run-up to that and also afterwards.

Q205 Mark Lazarowicz: Although I clearly understand that, owing to diary commitments, Ministers cannot attend every single meeting, if the logic is that we do not send people because other countries do not send Ministers, eventually no one will send anyone anywhere.

Dan Rogerson: That is a perfectly fair point, but it was about the phase we were at, which is between the implementation phase and the negotiation phase. I suppose that there are two roles: Ministers can be seen to draw attention to things—this is your point, Chair—from a communications point of view, but the other purpose is to get on with the work that needs

to be done. The officials who we sent made great progress. The UK is actually taking a leading role.

Q206 Mark Lazarowicz: Absolutely, but it is precisely because the UK has such a good record internationally that if we do not go, other countries of our size do not go. Can I make a suggestion that is probably revolutionary in constitutional terms, although it is not meant to be? Given the fact that there are times when the UK represents the devolved Administrations when no devolved Ministers are there, perhaps occasionally, if a UK Government Minister cannot be there, one of the devolved Administrations could send a Minister to lead on behalf of the UK. I think that other countries do that sometimes, albeit rarely. If you cannot get a UK Minister to go, perhaps you could get one from Wales, Northern Ireland or Scotland. I will leave that for you to think about.

Amber Rudd: Thank you for that suggestion.

Chair: With that, I will bring our session to a close. I thank each and every one of you for coming along this afternoon.

Examination of Witness

Witness: **Karl Falkenberg**, Director General, Environment, European Commission, gave evidence.

Astrid Schomaker, Head of the Global Sustainability, Trade and Multilateral Agreements Unit, European Commission, was in attendance.

Q207 Chair: Willkommen. It is a great pleasure to have both of you before us this afternoon in terms of DG Environment. A very big welcome to you, Herr Falkenberg. Astrid, I think we have met previously, but it is very good indeed to have you before our Select Committee on sustainability issues. Thank you for making the effort to come along. I do not know whether you had a chance to hear the previous session, but we are looking at how the whole SDG process is going forward and the role of the European Commission in all of that. I believe that, to start off with, you would like to present a short opening statement to us, which we would be very grateful to receive.

Karl Falkenberg: Thank you very much for receiving me and giving me the opportunity to explain a little bit how we see the post-2015 process, as we normally refer to it.

The European Union, I think, has been very much involved in setting this process in motion. We were extremely active in preparing the Rio+20 conference, where it all started in many ways. What were two separate processes in the beginning—the review of the MDGs and, on the other hand, the Rio+20 process focusing on green growth, environmental issues and sustainable development questions—merged eventually into something that now deals with both SDGs and MDGs in one integrated process. That does show, at this point in time, the developmental, economic and environmental intentions or objectives of the entire process. We are talking here about sustainable global development. Sustainability has three pillars: a social pillar, an environmental pillar and an economic pillar. All three are found in the objectives—the sustainable development goals that are on the table in the New York process as we speak.

These goals are global goals. They are meant to be applicable to all nations participating in this exercise. That is perhaps one of the differences from the MDGs, which were the precursor in many ways. They were looking at development policy and at the development of the developing countries. Sustainable development is also relevant for the developed countries. They also have to try to come on to a sustainable course. These SDGs are therefore truly meant to be global goals for all participating nations. We are still in the process of negotiating those.

We have a longer list of goals on the table for the moment than we might have thought at the outset. But from an EU position, that is not at all a problem. It encompasses the 17 goals that we have on the table for the moment, which really cover all three angles of the sustainable triangle. In that way, we think that they are a useful guidance for the process. We have also tried to argue from the outset for not simply setting goals as such. We have made it very clear that we feel that these goals need to be monitorable. We want not nice language but to make sure that what we set out at the UN process is something that can effectively be implemented and that progress in the direction of those goals could be measured. In order to do that, we have come up with a list—a very long list, I have to admit—of targets. There are some 169 targets supporting the 17 SDGs. They are meant to be more specific, with enough specificity to be measurable, so that once they are adopted, we can see over time whether countries are individually and collectively moving in the right direction.

That is basically where we are at. We are expecting to engage or to continue these negotiations. The next major round is going to focus on the means of implementing these goals, so we are moving into the difficult area of who is going to pay for it. That is traditionally a rather difficult moment in these negotiations. At the EU level we are finalising a position and we hope to be able to play a constructive role in that process.

So much for a starter—I hope there is enough appetite to engage in a good question session.

Q208 Chair: Thank you. Obviously, we are very fortunate to have someone who was so involved in Rio+20 come to our Committee. Astrid, would you like to add anything to what Herr Falkenberg just said?

Astrid Schomaker: No.

Q209 Chair: Okay. That is all very illuminating. The issue then comes down to where we are with the process, how much consensus or dissent there might be with the process and what the negotiations are around. One of the representations that we have had is that the paper that was issued earlier in the summer—I think the Commission put out a paper back in June—was, as our Government said, premature because it came before the Open Working Group had published its report. However, it could be said that that would be seen as, in the interests of transparency, an indicator of the way in which the talks as a whole are progressing. How far have we departed from what was in that document in June?

Karl Falkenberg: I think we have been quite successful in influencing the UN process with our ideas. Even where papers have been used informally in the process we have been quite successful in ensuring that our ideas are adequately reflected in the goals of the key environmental pressures that we have identified. We have been quite successful in getting

that on board in working with our partners in New York, in trying to forge alliances with the African group of countries and with other countries, and in trying to narrow down our own goals.

We have had some different views between member states about whether the European Union should act as a union or whether, in the process leading up to the tabling of the working party documents, we should act rather more individually in different country formations, siding with different countries so as not to trigger a G77 collective reaction.

Q210 Chair: Could you be a little more specific on that and give us a bit of insight into who is stacked up where in terms of, if you like, the competence of the European Union in taking this forward?

Karl Falkenberg: Yes, I can try to elaborate on why we think that the European Union is competent in these areas. There are many issues for which we have very clearly established European competence. For trade issues or for many of the environmental issues that we are trying to deal with there is EU legislation, and EU legislation provides EU competence. So the issue of competence for these areas is not really questioned. What we have seen in the process was more a matter of tactical arguments.

This is also partly dealing with the fact that, as I explained, two processes are coming together. For the former SDG, which relates to the environment, I think there is clearly more European competence than there may be on the previous MDG, the development goals. There the debates are much more about questions on which the EU competence is less obvious. As I said, the whole process was more of a tactical discussion between different member states, and partly the Commission itself, to see whether it was more appropriate to act and to weigh in on the process as the EU. When we act as the EU we are clearly one of the key players in this entire process.

Some perceive the EU as the natural counterpart to the G77, and wanted to avoid G77 solidarity developing against EU positions. I have never quite understood this, because throughout the entire process I have witnessed that the G77 countries were totally aligned and worked perfectly together. I do not think that an EU position, whether formal or informal, could possibly have strengthened the G77 cohesion. I am not sure that I understood the hesitation of some throughout the process to act more clearly and jointly but, again, I think it did not turn out to cause a weakening of our positions. This is because, as I said, for the moment EU positions are very well reflected in the process.

Q211 Chair: How will that EU position be finalised? Where are we now on the timeline? How are you going to resolve what differences there may be?

Karl Falkenberg: We have worked through Council discussions, trying to get EU positions, and for the moment we are in the process of finalising conclusions on a position paper that the Commission has put forward. These conclusions are being worked out. They are not quite there, but we are very optimistic that in the next Council and within the next few days—

Q212 Chair: Few days?

Karl Falkenberg: Two weeks.

Q213 Chair: You couldn't give us an indication of what that final Secretary General synthesis report might say?

Karl Falkenberg: For the moment, I am talking about an EU position, so the Sec Gen paper will be interesting to see, when we actually see it. For the moment, I am talking about preparing an EU position on the further conducting of these discussions.

Q214 Chair: We are trying to understand various representations we have received which suggest to us that the UK is trying to end up with a list which is shorter than the original 17 items. Do you have any indication of the negotiating positions—or the desires, if you like—of the UK Government? What do they absolutely want to have on that list of what should be on the SDG list when it goes forward within the EU?

Karl Falkenberg: You would probably be better off asking the Government that question, with all respect.

Q215 Chair: I am asking you.

Karl Falkenberg: It is true that in our internal Council discussions, the UK seems to be the one member state with less enthusiasm to embrace the 17 goals and to basically feel that the 17 goals that are on the table usefully reflect the EU intentions in this process.

Q216 Chair: So there is a sense of trying to bring down the number of goals?

Karl Falkenberg: The UK position has repeatedly tried to reduce, or at least to keep the option open to reducing the list of goals.

Q217 Chair: We have had rumours suggested to us that a paper is doing the rounds which sets out where some of that change might be, in terms of reducing the number of goals. Are you aware of any paper that is looking to do that?

Karl Falkenberg: I have not seen any papers of that kind.

Q218 Chair: If 17 is going to be too many goals, how many do you think there should be?

Karl Falkenberg: As I said, from an EU position, 17 is not seen to be a problem. We would probably feel for the moment that any attempts to reduce the 17 would end up losing important targets—important goals. Squeezing more of the goals together is likely to end up doing an injustice to one of the three corners of sustainability. We have put two processes together. We have three angles, these three pillars. We want to have goals that deal with the social element, whether it is gender, health or education issues. All those issues are important. We want to make sure that the growth element is properly reflected, and we need to make sure that the environmental pressures in all of this are taken into account. Then you have the overarching goals of peace and prosperity, and so on. For the moment, a combination of the different elements of sustainability is on the table. It is going to be difficult from our perspective to further reduce that without risking doing an injustice to one of the three pillars. I represent DG Environment, so my concern is particularly that in this exercise the environmental side of sustainability might suffer if we tried to reduce the number of goals.

Q219 Chair: Finally, because I am trying to understand the process, am I right in thinking that the next step is the December Council of Ministers meeting on 18 and 19 December? So

if there is going to be any watering down, that would be the place where the watering down through negotiation might take place?

Karl Falkenberg: The December Council meeting sets out the EU position.

Q220 Chair: Forgive me for interrupting, that would be the EU position?

Karl Falkenberg: In the December development Council that you were referring to.

Q221 Chair: That would be the final version?

Karl Falkenberg: Yes, we hope to have conclusions which would be the further positions that the EU would defend in the UN process.

Q222 Chair: So any attempts by any member state to try to water down from the 17 goals would have to have been resolved prior to that date?

Karl Falkenberg: If that was to become an EU position, yes. The way the work in Brussels is proceeding, I would expect that we would have very large support for accepting the 17 as a possible outcome. Then we would have to go on and continue negotiating in New York, obviously.

Chair: Thank you. I am handing over to my colleague Simon Wright.

Q223 Simon Wright: Thank you. What do you think the balance should be between having stand-alone environmental goals and environmental indicators being integrated into other goals? Do you think the Open Working Group outcome document has this balance right?

Karl Falkenberg: I think broadly, yes. I think it is an interesting set of 17 goals, from the very specific environmental considerations of land desertification, agriculture and food production to the importance of oceans, the incomes of many people and our consumption and production patterns. I think basically I would feel that the majority of EU member states feel that the balance is quite right as it has come out for the moment.

Q224 Simon Wright: As part of our Committee's inquiry into growing a circular economy, we heard from the then Environment Commissioner Janez Potočnik about the Commission's circular economy package. There are some reports that it is now under review. I wonder if you could update us on the status of that package.

Karl Falkenberg: The question comes a few days too early. My answer can only be at this point that the Commission is still considering. The Commission is trying to define its work programme for 2015, and within the framework of that decision and the work programme of the Commission for 2015, the Commission is going to come up with ideas of what proposals to withdraw, modify or simply to continue. But that decision is expected for mid-December, and as we speak, the Commission President and his Vice-Presidents are looking at a number of hearings that they have held over the last two weeks and trying to forge their opinion on whether the proposals are sound, properly impact assessed and cost-benefit analysed, and whether they want to continue the work that the previous Commission and Janez Potočnik as Environment Commissioner suggested.

Q225 Simon Wright: Are you able to give us any indication today of what the potential implications could be of that process for ambitious action and green growth?

Karl Falkenberg: I think the circular economy package is a very important package for the European Union and for green growth in Europe. I think it is, probably, in the last five years that I have been in charge of Environment, the most economically important proposal we have made. We have not only evidence that a Europe scarce in raw materials needs to work, for the moment, with the materials we have in the stock of products in our economy, but in looking at waste not as something that we need to dump in landfills but as a valuable resource for the next generation of products that we want to build, we would be creating enormous employment opportunities. Studies that we have conducted are talking of 600,000 jobs created in Europe by implementing circular economy objectives in bringing landfill to an end, recycling up to 70% of waste and at least recovering the energy of the remaining 30%. If we turn to the second element of our proposal—becoming 30% more resource efficient by 2030—our studies are talking of some 2 million jobs that would be added. That is in the perspective of 2030, obviously, so it is not for tomorrow morning. The waste target, recycling and energy recovery targets would be relatively rapid increases in jobs across Europe.

Q226 Simon Wright: Thank you. What is the Commission's view on targets for publishing economic, social and environmental accounts in all Governments and major companies?

Karl Falkenberg: We need to move forward with economic accounting, but we still have a number of problems with defining some of the precise indicators. We are working to make available in environmental accounts, not just domestic resource use, but global resource use; meaning that we don't want to just take what has been used domestically in Europe to produce, but to see how and where those resources were sourced abroad and take a global picture into account. That's one of the elements where we're still working to fine-tune; to make sure that the numbers are readily available, so that those accounts are comparable and sufficiently solid.

Q227 Mrs Spelman: I have a small supplementary question on that. At Rio+20, the UK announced mandatory carbon reporting, having come to a view that it is possible for companies to report uniformly on carbon. Is there any plan afoot within the EU to make that uniform across a single market?

Karl Falkenberg: There is a distinction between resource efficiency, which is in many ways the broader approach that we have been developing in the past five years, and the specific focus on carbon emissions and energy efficiency, which is a cause of climate change. Our policy is still focusing on climate change, still recognising climate change as a major threat and a major challenge for all of us, but we feel that environmental reporting needs to go beyond simply carbon emissions and energy use. We need to become very much aware that our natural resources, from land to water and to minerals, are coming under threat from the way we produce and consume today and that they are simply not sustainable in a perspective of 9 billion people on this planet wanting to have a standard of life that we enjoy here in Europe.

Chair: We will move on to climate change.

Q228 Peter Aldous: To look at climate change for a few minutes, Herr Falkenberg, do you think there should be a separate sustainable development goal for climate change?

Karl Falkenberg: I'm not sure that we need to separate too much. We do have a concern about climate change, but one lesson I have learned is that environmental issues need to be taken holistically. We probably made some mistakes in the past: I am dealing for the moment, in Europe, with air pollution.

Q229 Chair: We will come on to air pollution in a minute.

Karl Falkenberg: Our cities, including London, suffer fine-particle concentrations that are really dangerous for human health. These are, to a large extent, due to overemphasis on diesel engines, out of a concern not to push climate change over the top. They are more energy-efficient and were thought to be the better solution to climate change, but they then produced ambient air problems in our cities that we now have to address. My conclusion is that we need holistic approaches to these environmental challenges.

Q230 Peter Aldous: Moving on, is there a risk of climate change monopolising the sustainability agenda, sidelining biodiversity and other issues in the sustainable development goals?

Karl Falkenberg: I think they are all sufficiently represented in the goals. You do see, in the 17 goals, references to biodiversity, to oceans, to land use. I think we have a wide set of the different elements. No, I don't see for the moment that there would be too much focus on climate change in the UN process.

Q231 Peter Aldous: Do you feel that the sustainable development goals strike the right balance between ending fossil fuel subsidies and making energy available to all?

Karl Falkenberg: There should be energy for all. I was this morning in an event in Paris on an EU-China sustainability debate, and we had a very interesting discussion with Chinese representatives about the fact that China is today the largest investor in renewable energies—that is the good part of the story—but still the largest investor in the classical fossil fuel energies, which is the bad part of the story. So I think we will have to continue to argue for stronger reliance on renewables and on energy forms that risk less climate change effects.

Q232 Peter Aldous: Finally, how is the Commission co-ordinating negotiations for the sustainable development goals with the international climate change negotiations?

Karl Falkenberg: We are seeking to develop joint EU positions, as I explained earlier. We are developing papers for this purpose, and we seek then to have formal Council conclusions on those ideas. Those positions are then the positions that the EU, either through the voice of the Commission or through its member states, introduces into the UN process.

Q233 Mark Lazarowicz: Mr Falkenberg, you mentioned air quality. Can you clarify for us the current status of the air quality package the Commission is proposing? Where is it in the process?

Karl Falkenberg: It's on the table of Council and Parliament. The examination of the package has been separate. On the one hand, the proposal trying to set emission targets for medium-sized combustion plants in Europe is more advanced than the assessment of what we call the national emissions ceiling directive, where, for a number of substances, we set

targets for emissions by member states. This process in Council is moving forward. We have had a number of working parties on these questions. In Parliament, we are still waiting for the rapporteur to come up with their assessment. Then, eventually, this will go through the traditional trilogue negotiations between Parliament and Council.

Q234 Mark Lazarowicz: It has been suggested to us that the process of developing that strategy—these processes are never smooth—is under review or reconsideration. Has it been particularly difficult to come forward with a package?

Karl Falkenberg: It's the question I addressed earlier. The new Commission is looking, as would any national Government, at whether to continue with legislative proposals of the predecessor Commission. That process is, for the moment, open-ended; I cannot tell you where the Commission would come out.

Q235 Mark Lazarowicz: Given some of the recent research that has appeared about the extent of the air quality problem in European cities and elsewhere, should not the air quality package be much stronger than was originally proposed? The suggestion is that it might, if anything, be watered down in this process, but the evidence suggests that, if anything, it needs to be much stronger.

Karl Falkenberg: I participated in developing this package, and therefore you will find me defending it.

Q236 Mark Lazarowicz: You are part of the process; it's not you—

Karl Falkenberg: No, but we had a real challenge, because the air quality legislation applicable in Europe is based on World Health Organisation scientific findings of 25 years ago, and those ceilings that are by law to be respected in the 28 member states are, in many cities of Europe, not being implemented, not being respected, as we speak. Also, when we were developing this package, there was new scientific evidence coming from the World Health Organisation suggesting that for human health reasons, those ceilings need to be substantively stricter in order to reduce premature mortality. We had to find, obviously, a way of addressing this double challenge, and I think we have done that properly by setting a target for 2030, by which time we need to have made sure that stricter air emission ceilings will be imposed, beyond those that we have on the table for 2020 at the moment. We have found a way of reconciling these things, but we still have a real implementation problem with the existing ceilings.

Q237 Mark Lazarowicz: I understand that, and I understand that obviously there is a process that you have to go through. That is the situation, but let me ask this before we move on from air quality; others need to be able to come in as well. I am turning now to the international level, beyond Europe—to the SDGs. Some of the countries that have had the most success in tackling poverty have also been the ones in which air pollution and, in particular, urban air pollution has increasingly become a problem. You mention China as one of them. How far do you think that the SDGs should include a focus on air quality somewhere pretty high up the agenda? Does the European Commission have a position on that?

Karl Falkenberg: We need to pay attention to air pollution and the health problems that it can produce. Air pollution in Europe is the most important cause of premature mortality,

as I said. We have numbers indicating that 400,000 premature deaths occur in Europe due to poor air quality, so it is a major health issue that we need to deal with, but I can tell you that in comparison with what is happening in Europe, my Chinese partners are coming to see us regularly to say, “Yes, we have been producing 8% economic growth, GDP growth, for at least the last 20 years, but we have done that at the price of no longer being able to allow our citizens to leave their apartments in Beijing.” That is because their health is so much at risk from the pollution levels that they have produced in going for the economic growth that they have achieved.

Similar problems occur in many other emerging economies with economic success. At the moment, a lot of environmental problems are rapidly growing, and I think there is also a rapidly growing understanding by the responsible Governments that they need to find answers to these challenges. The SDG process could well begin to show a collective effort to reduce the negative aspects of economic growth, which is definitely needed, particularly in developing countries, because of their demographic growth.

Q238 Mrs Spelman: You have long experience as a trade negotiator, so I want to look at the way in which trade could be important in helping to achieve sustainable development goals. How is the Commission ensuring that issues around poverty and the environment are addressed in bilateral trade deals, of which there are many at the moment in the absence of a Doha round? How do you see that working out?

Karl Falkenberg: There are two aspects to your question. First, trade tends to create incomes. With the opening of world trade, we have seen that a lot of developing countries have discovered substantive economic growth. To the extent that that growth is equally distributed within those countries, it has certainly been a useful element of addressing those concerns. What we do more formally—administratively, if you want—is that within the bilateral agreements that we negotiate we try to include provisions on environmental sustainability objectives.

Those provisions range from forms of dialogue to joint observation, and discussing how we can ensure that the opening of markets and the exchange of goods can respect environmental provisions; how we can ensure that our investors, when they go into those countries, respect existing legislative requirements in the way that we expect investors coming to Europe to respect European legislation; and how we can ensure that, through opening markets, we are not engaging in a downward spiral of competing at the expense of the environment.

Q239 Mrs Spelman: The race to the bottom that you have just described is something that has been signalled to us as a potential challenge to concluding trade deals. Removing some trade barriers can actually harm the poorest countries. I want to raise with you a specific case that was raised with us by the Fairtrade Foundation. Within Europe the quota system has been removed for sugar, and the speed with which those trade barriers have been removed has caused serious difficulties for the developing countries that are traditional long-term suppliers of that commodity to the EU, and the UK in particular—some 50% of our consumption is from developing countries. You might need prior notice, but are you aware of that case? Can anything be done to ease the transition for poor farmers in developing countries?

Karl Falkenberg: My impression is that, historically, Europe and the United States have done a lot of harm by closing their markets. We both have a lot of responsibility for what

happened decades ago in countries such as the Philippines and Caribbean countries, when we both introduced substantive protections for our own markets. In the opening that we have negotiated in the past few years, I feel that we have created more opportunities for developing country farmers to export sugar to Europe and, to a great extent, the United States. We substantially opened our market in Europe in the negotiations with the Lomé countries—our African, Caribbean and Pacific partner countries—and we have done away with all limitations, which is creating opportunities. To some extent, it is at the expense of sugar produced in Europe, but I do not think that one can argue that that opening is at the expense of our developing country partners; I feel that we have created a lot of opportunities there.

As always, it is done on the basis of competition, which does not treat every individual farmer equally. I cannot exclude the possibility that in the ACP countries that are more competitive and have more means of further expanding their exports of sugar, there is suffering here or there. We have tried, in particular with South Africa—the southern part of Africa is the most powerful potential producer of sugar—not to open access immediately in the same way that we opened, for example, Swaziland, Mozambique and our weaker partners' sugar exports to Europe. We still have dampening or control mechanisms in place.

Q240 Mrs Spelman: You will understand why the UK has particular concerns. Historically, we supplied 50% of the market. One of the terms of our accession to the EU was the protections that have just been removed.

Can I bring you on to another very important trade deal that is giving rise to anxiety: the proposed trade deal with the United States, known for short as TTIP? I am sure that you have followed the anxieties that pertain here. As a Select Committee, we are trying to gather evidence and bring out concerns. Can you give us any reassurances about the right of Governments to introduce environmental standards that are safeguarded in trade deals such as TTIP?

Karl Falkenberg: You are certainly right that TTIP is a big concern at the moment. We anticipate an outcome on it, but we don't know the outcome at the moment. The EU's negotiating mandate clearly states that the outcome should not in any way limit or downgrade environmental or social legislation in the respective partners, so TTIP should not lead to a watering down in the United States or the EU, but that is our negotiating mandate, not the outcome of the negotiations. I do not have a crystal ball, so I cannot tell you what the outcome is likely to be, but the EU is going into the negotiations. I know that the US position is equally firm on not watering down environmental or social legislation. The test is going to be in the eating, when we eventually see what outcomes are negotiated, but the intention going into the negotiations has been very clearly announced: there must be no watering down of the respective levels of protection.

Q241 Mrs Spelman: Conversely, do you see the potential, given that Europe and the US together comprise 50% of the world market, for setting some gold standards for environmental protection? Do you think there is that opportunity?

Karl Falkenberg: One of the motivations for TTIP is certainly the fact that if the two largest open markets on the planet could come up with joint norms, they would weigh very solidly on all the world's trade. In many ways, Europe alone has been able to set very high

standards, which many of our partners are taking over. China is following EU norms very closely; for example, it is watching very closely what Europe does about chemical substances through the REACH process, taking over those findings on the toxicity of substances, and ensuring that it learns from our process. If the EU and the US could agree on and set joint standards, that process would certainly be strengthened.

Q242 Mrs Spelman: How could the threat of litigation be better avoided? I know that the EU has been very active in developing greater transparency in the UN's investor-state dispute settlements; do you have any thoughts on that?

Karl Falkenberg: The investor-state dispute settlement is certainly going to be one of the most difficult areas of the negotiation. The reality today is that individual EU member states, the United States and many other countries already have investor-state dispute settlement provisions in existing investment agreements. Some of those are being tested in litigation.

We are trying to negotiate with the United States a more transparent, better framed investor-state dispute settlement system. We need to find ways of accepting that effective expropriation of investment should be duly compensated, and ensuring that effective discrimination against foreign investors is adequately compensated. No one with whom I have discussed this has argued against those two ideas.

Where it begins to be difficult is where we look at not effective discrimination but de facto discrimination, or de facto expropriation. Having to implement air pollution policies—needing an additional filter in a steel plant—cannot, in my understanding, be likened to an expropriation, but every now and then we see attempts through existing ISDS provisions to interpret in that direction.

We must be very careful to ensure that what we negotiate with the United States would set a standard that would recognise real expropriation and discrimination. I cannot imagine that Europe would take legislation that said, “Everyone can invest in Europe except a US company,” but if we were to do this, I think that it would be right to allow the US company to go through an ISDS process and claim compensation, but not to argue that environmental and social legislation that is implemented and applied across the board would lead to any kind of claims for compensation for a non-European company.

Mrs Spelman: Thank you; that was very well explained. Compensation for the law of unintended consequences would be very challenging.

Q243 Peter Aldous: I want to look quickly at the monitoring and measuring of sustainable development goals. Given that SDGs provide a universal framework, what process will the Commission follow for setting appropriate national targets? Will they be looking to negotiate national targets across the EU?

Karl Falkenberg: That is a little premature, as far as I can see. I would think that it would be important first to see what the outcome of the UN process really is. We have these 17 goals on the table; we have 169 targets underneath those goals. I do not think that we will be able to measure—to quantify—all of those 169 targets. We need to still work within the process to find out how we want to measure and what we want to monitor. If we do this, we would have to establish baselines and where we stand as individual countries or as

groups. When we have established all of that, we can begin to look at timelines—whether we are moving in the right or wrong direction. We can find whether the policies that we implement are taking us in the right direction.

I do not expect the SDGs to have a strong, immediate implication for Europe. We tend to lead the world on environmental standards. Even an optimist would not necessarily expect that the UN process would come up with the highest standard; after the negotiation, we normally find some kind of average. My expectation is that Europe, in most situations, would probably find itself above average.

Q244 Peter Aldous: What role has EUROSTAT had in developing the proposals for indicators?

Karl Falkenberg: EUROSTAT is not present in those proposals. We have been working with EUROSTAT over the past three years to think beyond GDP. GDP is, for the moment, the main compass for the economic success of nations, but it does not incorporate at all the environmental cost of this economic success. Therefore, we are convinced that our GDP compass is taking us in the wrong direction; we need to adjust that. I have been discussing extensively with the director general of EUROSTAT to see how one could correct the GDP approach in taking in natural capital. EUROSTAT finds it very difficult to value our natural capital in monetary terms, to potentially have one integrated indicator. Work is ongoing, but it has proven to be a real challenge over the past few years.

Q245 Peter Aldous: Finally, given that there are a very large number of potential indicators, do you feel that the current level of ambition for the extent of disaggregated data is actually realistic?

Karl Falkenberg: We are working on two levels. We are trying to come up with a lead indicator and, underneath that, a dashboard of individual indicators. Ideally I would want to have a single indicator that could be merged with the GDP. That would reflect the best possible outcome, but we are not there. Therefore, having the GDP plus a lead indicator is something that one can still explain to a broad public. It is very difficult to explain to a broad public that Europe grew by 2% but lost 50 billion bees. That does not tell a good story, but perhaps we can show an additional or a single indicator next to GDP that would reflect the overall natural capital. Have we lost more? We are still losing biodiversity year after year. How much have we lost? How is the balance of our economic success at the expense of nature? If we could find that, it would be very useful.

The more we have to go into the dashboard, the more I think we will effectively focus on specific aspects. What air pollution? What water pollution? How are our water accounts? Are we abstracting more water than we can regenerate? How much land are we sealing off? How long can we go on sealing off 1,000 square kilometres in Europe every year, basically taking it off any agricultural or food production use? Those are the kind of dashboard indicators that we have, but they are special indicators and they will not necessarily tell the overall story at the level of GDP.

Q246 Chair: I have one quick question at the end. We will only succeed on this agenda if people understand it in their hearts as well as through the political discourse. Is public engagement and awareness building on your agenda among the nation states as you look to see how it can be taken forward?

Karl Falkenberg: It is very much on our minds. We need to communicate, but at the same time I have the impression that whenever we do Eurobarometers—I do not know if you are familiar with them, but they are basically opinion polls among Europeans about specific European challenges—we regularly see that European citizens seem to attach importance to environment and seem to believe that the environment needs to be dealt with at European level. I have often explained that nature is not sufficiently clever to understand all our man-made borders. Pollution does not tend to stop at a customs office. Hence this is something where it is important to work across administrative borders. I have the impression that the vast majority of Europeans are convinced of this; at least that is what Eurobarometers tend to tell us.

Chair: I very much hope there will be an opportunity to tap into that. I must bring the session to a close. I should explain that we normally have our meetings on a Wednesday afternoon at a set time. Because of our autumn statement we have brought the meeting forward to Tuesday. I do apologise for some Members having to go off and see to other commitments. None the less, we are enormously grateful to you and Astrid Schomaker for coming this afternoon. It has been a very reassuring, frank and authoritative presentation. We are seriously intent to do all we can to get the UK in a leading role in the 17 goals that we need. I thank you both.

Karl Falkenberg: Thank you.