Governance Context Analysis of all transition regions

Work Package 2 - Deliverable 2.3

WP2 “Transition Theory and Knowledge Base”

Task 2.2 “Mapping the governance context of transition regions”
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1. Introduction

As the ARTS research project explores how local transition initiatives can accelerate sustainability transitions in their city-regions, this report concentrates on the embeddedness of these city-regions in a multilevel governance context. This context includes the EU, transnational, national as well as subnational governance level. It especially illustrates the relationship between these governance levels and the city-regions to identify potential drivers and barriers to the acceleration of local sustainability transitions. The report provides a mapping of these governance contexts, outlining the common European and the country-specific institutional and planning settings, policy visions and objectives as well as particular programmes and projects.

In doing so, it follows the notion of governance in contrast to the traditional understanding of government. The term governance developed in social sciences to denote a shifting balance between hierarchical and network forms of political steering and between vertical and horizontal flows of authority (Rosenau 2004, 36). This has been accompanied by an expansion of the agents exercising political authority from public-state agents to private-societal agents as well as a transformation of the structures of governing from formal, hierarchical to informal and horizontal (ibid.). Peters and Pierre summarise this change from government to governance as follows:

“… multi-level governance is assumed to differ from traditional intergovernmental relationships in four respects: it is focused on systems of governance involving transnational, national and subnational institutions and actors; it highlights negotiations and networks, not constitutions and other legal frameworks, as the defining feature of institutional relationships; it emphasizes the role of satellite organizations, such as NGOs and agencies, which are not formally part of the governmental framework; and, it makes no normative pre-judgements about a logical order between different institutional tiers.”

(Peters and Pierre 2004, 77)

In line with this understanding of governance, the report covers the development of both state policy and societal movements and organizations in urban environmental policy. It also sheds light on the vertical and horizontal dynamics between these governance levels.

EU environmental policy has led to an increasing Europeanisation of national policy making (Jordan et al. 2010, 8). In response politicians and societal organizations have redirected their lobbying activities from national to EU politics. Transnational municipal networks have emerged as a new horizontal form of governance in environmental policy, which complement vertical flows of authority between the EU and nation states by direct, horizontal networking between municipalities and NGOs. Yet, in contrast to national governments, the EU and transnational networks cannot revert to ‘hard’, regulatory policy measures vis-à-vis cities. Instead they have to apply ‘soft’, more enabling forms of governance such information sharing and funding schemes (Alber and Kern 2008, 182).

While the EU and transnational level comprise the governance context that is common to all the transition regions, the national and subnational level show ample differences between the country-specific contexts of Brighton, Budapest, Dresden, Genk and Stockholm. This diversity of state structures ranges from federalist to unitary states:
• **Belgium** being characterised by ‘dual federalism’ with distinct competencies and high autonomy of the Flemish and Wallonian governments;

• **Germany** being characterised by ‘cooperative federalism’ with a vertical and horizontal entanglement of authority between the federal government and the Länder;

• **Sweden** being formally a unitary state, albeit with strong decentralisation tendencies and a high autonomy of municipalities;

• **Hungary** being formally a federalist state, albeit with strong centralisation tendencies and vertical, top-down steering from the central government to the regions and municipalities, and

• the United Kingdom being a unitary state with strong centralisation.

This diversity and idiosyncrasies of state structures imply different logics of arguing for the single country reports. While in centralised, unitary states central governments and their government cycles largely define the pattern of environmental policy making for the regions and cities, in decentralised, federalist states national and subnational policy making evolve more independently from each other. Therefore, the former country report gives a chronological overview over the development of environmental policy based on the national government cycles (UK), whereas the latter country reports follow a thematic line of arguing (Germany, Sweden). In Hungary as a Central Eastern European transition country, in which environmental protection had been neglected under communism, environmental policy is strongly Europeanised, which suggests a thematic line of arguing as well. In very complex settings such as the ‘dual federalism’ in Belgium, both logics were combined to be able to account for the autonomous policy making of the Belgian and Flemish government as well as their interlinkages.

The methodology of empirical data collection builds on various sources: the review of academic literature on environmental governance, the analysis of policy documents and country reports, web-based research and interviews with key informants (or so called helicopter people) in the transition regions. It shall provide the transition region leads with background information on the common EU and transnational and the diverse country-specific governance contexts so that it enables them to conduct the in-depth case study analysis and the interviews with the individual transition initiatives under work package 3.

The report first presents the EU governance context, including its environmental, climate, energy and regional policy and an evolving European “Acquis Urbain”, i.e. the emergence of European urban governance (EU Commission 2009, 9). It then discusses the role of transnational networks in urban environmental policy. The third chapter continues with the individual country reports for each transition region, i.e. Brighton, Budapest, Dresden, Genk and Stockholm. The report concludes with a comparison of these five country-specific contexts and the implications of their multi-level dynamics for the acceleration of local sustainability transitions.
2. The common governance context

2.1 The EU level

EU ENVIRONMENTAL POLICY

The turn of the century also gave new impetus to EU sustainability and environmental policy. Against the background of the UN Conference on Environment and Development (UNCED) in 1992 and the negotiations on ratifying the Kyoto Protocol of 1997, the EU emerged as a ‘normative power’ in international environmental governance (Schreurs and Tiberghien 2007, 41). This implied that it had to lead by example with strong environmental policy at home. While the Lisbon Strategy (2000) concentrated on the economic growth agenda, the “EU Sustainable Development Strategy” (SDS), adopted at the Gothenburg European Council in 2001, should counter-balance this by expanding the EU’s environmental policy (Connelly et al. 2012). It highlighted the idea of environmental policy integration (EPI), by which the principle of sustainable development should be incorporated in all domain-specific policies, and obliged the EU Commission to conduct policy impact assessments. Yet, the strategy has also been criticised for being vague and lacking detailed commitments because of its shift towards ‘soft’, non-binding policy instruments (ibid.). This criticism led the EU to revise the strategy in 2006. The new sustainable development strategy now includes specific objectives, indicators and monitoring procedures. It identifies the following key priority areas, which correspond with the environmental and social dimension of sustainability: climate change and clean energy, sustainable transport, sustainable production and consumption, the conservation and management of natural resources, public health (including indoor air quality), global poverty (including multilateral environmental agreements and environmental and social standards in EU trade agreements) and social inclusion, demographic change and migration (ibid.). The 2006 SDS re-emphasises the importance of financial policy instruments and encourages a paradigm shift in taxation away from labour taxation to taxation of resource and energy consumption as well as pollution (ibid.). The new strategy also tries to couple national sustainability strategies with the EU strategy via voluntary peer reviews and progress reports. Accordingly, the EU Commission published a “Sustainable Consumption and Production Action Plan” in 2008 and the first review of the EU SDS in 2009.

Yet, the political atmosphere changed again with the economic crisis in the late-2000s, which caused renewed calls for environmental deregulation. The “Europe 2020 Strategy” (2010), which continued the Lisbon Strategy, followed the ecological modernisation paradigm by emphasising three forms of growth: smart growth, sustainable growth and inclusive growth (Connelly et al. 2012). Smart growth relates to a knowledge- and innovation-based economy, sustainable growth to a resource-efficient and more competitive economy and inclusive growth to an economy with higher job creation (EU Commission 2010a). Especially sustainable growth should be achieved via the ‘flagship initiative’ on resource efficiency, which was one of the seven ‘flagship initiatives’ that accompanied the strategy. It is horizontal in character as it covers climate change, energy, transport, raw materials, agriculture, fisheries, biodiversity as well as regional development (ibid.). Part of the initiative is the “Roadmap to a Resource Efficient Europe” (COM (2011) 571), which envisions a sustainability transformation of the European economy. This should entail an increase in resource productivity and a decoupling of economic growth from resource use. As critics note this ecological modernisation philosophy argues that it should enable economic growth, not encourage de-growth (Connelly et al. 2012).

The EU has had a long tradition of environmental action programmes, which was continued with the “Sixth Environmental Action Programme” of 2001 (covering the period from 2002 to 2012) (Connelly et al. 2012; EU Commission 2010c, 17). Its environmental policy objectives include climate change, biodiversity depletion, environmental health as well as sustainable resource use and management. The programme is complemented by seven cross-cutting environmental strategies, one of them being the
“Thematic Strategy on the Urban Environment” (adopted by the EU Commission in 2006), which focuses especially on the local level. It was drafted in close consultations with stakeholders as well as the EU Expert Group on the Urban Environment, which had been set up in 1991. It shall encourage the exchange of experiences and networking among European cities to address environmental problems such as air quality, traffic congestion, urban sprawl, GHG emissions and waste disposal at the local level (EU Commission 2014). To this effect it proposes several support actions:

- guidance on integrated environmental management and sustainable urban transport
- a community training programme for local authorities, and
- introducing a new European programme to support knowledge dissemination on urban environmental policy under EU Cohesion Policy; to implement this the Commission initiated a pilot network for urban policy, the “European Knowledge Platform” (see the EUKN below).

In line with these recommendations of the “Thematic Strategy on the Urban Environment”, the DG Environment prepared two guidance documents for cities: one on Integrated Environmental Management Plans (IEMP) and one on Sustainable Urban Transport Plans (SUTP).

As the continuation of the programme, the “Seventh Environmental Action Programme” (2014 - 2020), defines nine priority objectives of which number 8 is “to make the Union’s cities more sustainable” (European Union 2013). This especially encourages sustainable urban planning, for example by awarding urban sustainability leaders the European Green Capital Award (http://ec.europa.eu/environment/europeangreencapital/).

As a financing scheme for the Environmental Action Programmes the LIFE programme (Financial Instrument for the Environment; 1992 - 2006) has been introduced in 1992. It has evolved into the main instrument for financing environmental protection and nature conservation projects in the EU. LIFE+1 continues LIFE from 2007 and is now differentiated into three programme streams: LIFE+ Nature and Biodiversity, LIFE+ Environment Policy and Governance and LIFE+ Information and Communication. The programme’s thematic priorities, which directly affect urban policy, are climate change, environment and health and the sustainable use of resources.

EU CLIMATE POLICY

Since climate change had entered the international political agenda in the 1980s, it also began to dominate EU environmental policy making. Yet, studying the EU policy context in the 2000s, Jordan and Rayner conclude that it did not seem to be favourable to such a ‘grand’ transformation as climate policy would imply (Jordan and Rayner 2010, 70). The EU enlargement of 2004 meant that it had to integrate twelve Central Eastern European countries with a lower level of economic welfare and among them strong GHG emitters (ibid.). Also the politicians in the EU Council and the EU Commission seemed to follow the conventional economic philosophy as expressed by the Lisbon Strategy of 2005 (ibid.). However, in the early 2000s the upheaval of the international climate negotiations with the USA’s withdrawal from the Kyoto Protocol in 2001 forced the EU to take a leadership role (ibid. 68).

The EU Commission had initiated the first European Climate Change Programme (ECCP I; lasting from 2000 to 2004) to develop an EU Strategy, which would implement the EU’s commitments under the Kyoto Protocol (Jordan et al. 2010, 10). This ECCP I was drafted in collaboration with the different Directorates General of the Commission, the member states as well as industry and civil society

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groups. In its Communication on the implementation of the ECCP I (COM (2001) 580) the Commission argued that additional policy initiatives were necessary to reach the Kyoto Protocol’s policy objective of 8 per cent GHG emissions reductions (Jordan and Rayner 2010, 68). The Second ECCP II (from 2005) again provided a forum for discussion and involved specialised working groups to give policy advice to the Commission (ibid.).

In response to the USA’s withdrawal from the Kyoto Protocol, the EU decided to ratify the protocol to underline its commitment to climate change mitigation (ibid. 68). A proposal to introduce an emissions trading system (ETS) in the EU followed, which was taken up in the Emissions Trading Directive in 2003 (2003/87/EC). The first pilot phase of the EU ETS began operating in 2005. It is based on the policy objective of a cap on total GHG emissions of 2 billion tonnes by 2013, which translates into annual reductions of 1.74 per cent (ibid.).

From the mid-2000s several dynamics accelerated EU climate policy development (Jordan and Rayner 2010, 71). The Kyoto Protocol entered into force in 2005 with Russia signing the protocol. The first gas crisis occurred between Russia and Ukraine in 2006. Oil prices surged in 2008. The Stern Review was published in 2005 and the IPCC’s Fourth Assessment Report in 2007. Finally, the EU itself plunged into a legitimacy crisis after the referenda with a vote against the EU Constitution in France and the Netherlands in 2005 (Benson and Jordan 2008). This gave new impetus to climate policy, which had the normative standing to become a new driver for the European integration process (Oberthür and Kelly 2008, 43). This neatly fitted with the wider geopolitical strategy of the EU, by which it tried to project itself as a ‘normative power’ since the 1990s. Given its value-laden character, climate policy could serve as a source of political legitimacy and nurture the EU’s identity as a ‘normative power’. However, this remains to be a continuing struggle between environmental and economic thinking, i.e. the EU proposing ambitious policy targets in contrast to the national governments analysing the costs to their domestic economies (Jordan et al. 2010, 11). Against this background, climate policy has been framed as ecological modernisation, i.e. as environmentally sensitive economic and technological development, which is compatible with the economic growth paradigm (Connelly et al. 2012). These various dynamics show that multiple motivations have accompanied the evolution of climate policy: climate change, energy security and technological innovation (Jordan and Rayner 2010, 73).

In an unprecedented move the Environmental Council overruled the EU Commission in 2005 to argue for more ambitious ‘reduction pathways’ of 15 to 30 per cent by 2020 and 60 to 80 per cent by 2050 (Jordan and Rayner 2010, 70). In parallel the EU Council tried to promote an integrated view on climate and energy by its commitment to a combined EU climate and energy policy at the Hampton Court Council in 2005. In 2007 the EU initiated a new climate strategy, whose policy objectives followed from the Commission’s Communication "Limiting Global Climate Change to 2 Degrees Celsius – The Way Ahead for 2020 and Beyond" (COM (2007) 2). It proposed 20 per cent GHG emissions reductions by 2020, which could rise to 30 per cent conditional upon achieving a post-2012 global climate agreement. This 20 per cent target was formally agreed on at the Brussels European Council in 2007 (Connelly et al. 2012). In 2008 the EU Commission started its ‘20-20 by 2020’ initiative, which proposed a new ‘effort sharing’ decision that would also include the non-ETS sectors (i.e. transport, agriculture and waste). These non-ETS sectors account for approximately 60 per cent of EU GHG emissions, which should be reduced by 10 per cent by 2020 (baseline 2005) (Jordan and Rayner 2010, 74). In context of the international climate negotiations the EU’s Climate and Energy Package of 2008 should raise the EU’s international credibility and the prospects for a global agreement at the Copenhagen summit in 2009 (ibid. 74). In addition to the overall GHG emissions reduction target, it introduced mandatory targets of a 20 per cent share of renewable energy in energy consumption and a 10 per cent share of biofuel sources in transport fuels by 2020. By contrast, the target for energy efficiency, suggesting efficiency improvements of 20 per cent by 2020, was only indicative. Yet, the package was also met
with opposition by industrial lobbyists so that the EU had to make several concessions to secure agreement (ibid. 76). This holds for the revision of the Emissions Trading Directive (2009/29/EC), which would now grant more allowances to sectors at risk of carbon leakage and delay full auctioning until 2025. Industrial plants and power stations covered by the EU ETS could now compensate up to 50 per cent of their GHG emissions reductions by buying oversees carbon credits, which might undermine actions to reduce domestic emissions. In an effort to reconcile the climate policy objectives with the development concerns of the CEE countries, a new ‘solidarity fund’ was created, which should support investments in climate policy and be financed from ETS revenue (ibid. 76). Also the effort sharing decision was revised (406/2009/EC) so that it provided more leeway in applying the Kyoto flexible mechanisms instead of undertaking domestic emissions reductions. In contrast to the ETS Directive and effort sharing agreement, in renewable energy policy a strong Renewable Energy Directive (2009/28/EC) and an EU Strategy for Renewable Energy Post 2020 (2012) could be adopted. These policy choices reflect a structural context, which on the one hand was characterised by the economic crisis since 2009 and by people putting economic priorities over environmental ones. On the other hand fossil fuel prices were rising, while the prices of renewable energy technologies were falling, which turned the expansion of renewable energy into an attractive policy option (Jänicke 2014, 45).

As the Copenhagen Accord had for the first time formally acknowledged the 2 degree target, the EU Commission tried to give new impetus to the policy deliberation process by introducing a long term perspective in EU climate and energy policy. First the DG Climate Action published the “Climate Roadmap 2050” and then the DG Energy the “Energy Roadmap 2050” in 2011. Both follow the Leitbild of a decarbonisation of the European energy system and propose the policy objective of reducing GHG emissions by 80 to 95 per cent by 2050. They contribute to political discussions by providing scenarios on how the European energy system could be decarbonised while at the same time safeguarding reliable energy supply, energy security and economic growth and welfare. In so doing, they re-emphasise the importance of the expansion of renewable energy and energy efficiency. The “Climate Roadmap” also proposes a reform of the EU ETS by backloading part of the carbon certificates, yet simultaneously confirms the continuation of the ETS as such.

In the run-up to the global climate summit in Paris in 2015, where a global climate agreement on the post-Kyoto framework is expected, the EU again seeks to show its normative power. It, therefore, developed its own 2030 Climate and Energy Policy Framework, which was agreed on in October 2014. As Jordan and Rayner suggest (2010, 70), the negotiations on the framework were characterised by a West-East-divide with the Central Eastern European (CEE) countries tending to oppose ambitious EU climate policy objectives. Yet, this does not hold uniformly for all CEE countries. Even though Poland had tried to form an alliance with the Visegrad+ group (Romania, Bulgaria, Hungary, the Czech Republic, Slovakia and Croatia) against the Western European countries, this alliance crumbled as some of them indeed supported the 40 per cent policy objective (Evans 2014). Nonetheless Poland used the threat of a veto to obtain more concessions (ibid.). This put several constraints on the ambition and the scope of the framework. The overall GHG emissions reduction target is 40 per cent by 2030 (base year 1990). The renewable energy target is 27 per cent by 2030, yet it is binding only for the entire EU and does not prescribe specific binding commitments to individual member states. This is a step backwards compared with the 20-20-20 agreement of 2008, which still obliged individual member states to achieve national renewable energy targets (Fischer 2014). Similar to the 20-20-20 agreement, the energy efficiency target of 30 per cent improvement by 2030 is again only indicative. In contrast to the Commission’s “Climate Roadmap 2050”, the framework no longer mentions a reform of the EU ETS with a potential backloading of carbon certificates (ZEIT ONLINE 2014a). To accommodate the CEE countries the ‘solidarity fund’ for the CEE countries will be continued. Critics note that the agreement is preliminary and should be reviewed again next year and that specific implementation measures to achieve the policy objectives are dependent upon the approval of the EU Council, which requires
unanimity among the 28 members states (ibid.; ZEIT ONLINE 2014b; ZEIT ONLINE 2014c). This again entails the risk of vetoes and political blockage that might hinder the implementation of the framework in the future. These results indicate a tendency towards a renationalisation of energy and climate policy instead of their further European integration (Fischer 2014).

The evolution of EU climate policy has also led to a re-emergence of energy efficiency on the EU’s political agenda since the mid-2000s (Boasson and Wettestad 2013). The EU Commission published a Green Paper on Energy Efficiency in 2005 and an Action Plan on Energy Efficiency, which should reduce energy consumption by 20 per cent by 2020 (COM (2006) 545), in 2006. In the following years several EU directives on energy conservation followed:

- the EU Directive on Energy End-use Efficiency (2006/32/EG)
- the EU Directive on Eco-Design (2009/125/EG)

With the aim of a long-term transformation of the energy system, they re-emphasise the need for and strive to spur the member states into action on energy conservation and efficiency.

In contrast to climate mitigation, a paradigm shift towards climate change adaptation occurred only in the late-2000s when the IPCC published its Fourth Assessment Report, which warned of the impacts of climate change (Kern and Alber 2008, 174). In response to the report, the EU Commission issued the Green Paper “Adapting to Climate Change in Europe - Options for EU Action” (COM(2007) 354) and the White Paper “Adapting to Climate Change: Towards a European Framework for Action” (COM(2009) 147), which provided the basis for the “EU Adaptation Strategy” agreed on in 2013. With the initiative “EU Cities Adapt” the DG Climate Action tries to encourage European cities to develop and implement local adaptation strategies. Even though it does not provide financial support, it assists cities with capacity building and knowledge exchange on good practices. Yet, despite these initiatives inducing a debate on climate change adaptation, they did not lead to concerted policy making and legally binding EU adaptation policies (Jordan et al. 2010, 11). This reflects the character of climate change impacts, which can greatly vary among regions and, therefore, require a context-specific approach at the regional and local level.

To sum up the 2000s witnessed a range of new climate policy targets and instruments (from traditional regulatory to new market-based, informational and voluntary instruments) that induce member states to expand and refine their traditional policy approaches (Jordan and Rayner 2010, 77). This top-down Europeanisation effect is matched by a bottom-up renationalisation effect, whereby member states increasingly try to upload their policy objectives as well as restrictions to the EU level (conf. Fischer 2014).

EU ENERGY POLICY

Climate and energy policy are tightly intertwined and the expansion of EU climate policy has also left its imprint on EU energy policy. Energy efficiency and renewable energy were gradually integrated in energy policy. Under its research theme “Energy” the “Seventh Framework Programme for Research, Technological Development and Demonstration Activities” (2007 - 2013) supports demonstration projects on energy efficiency and renewable energy. This covers research on energy efficiency and renewable energy technology (“for electricity generation, heating and cooling and transport fuel”), low
CO2 emitting power generation ("CO2 capture and storage and clean coal technologies") as well as smart energy networks (EU Commission 2010c, 33). The research theme “Energy” also funds the “CONCERTO” initiative, which aims at demonstrating the effectiveness of integrated sustainable energy management systems, which combine energy efficiency techniques with renewable energy at the community level. Hence, its focus is less on research, but on gaining and spreading experience with sustainable energy technologies (ibid. 34).

The “Intelligent Energy Europe Programme” (IEE) has been initiated by the EU Commission in 2003 as one of three pillars of the EU’s Competitiveness and Innovation Framework Programme (CIP) and should complement the research activities under the Seventh Framework Programme (EU Commission 2010c, 34). It takes a non-technical approach to energy, concentrating on the socio-economic environment for the development and dispersion of new technologies. This includes the removal of market barriers for energy efficiency and renewable energy technology, encouraging individual behaviour change and boosting the effectiveness of implementing EU energy policies in cities and regions (ibid. 34). The IEE programme strives to engage and assist cities via the networks “Sustainable Energy Communities” and “European Networking for Local Action” or the Clean Urban Transport key actions. It further assists local communities in drafting decentralized renewable energy concepts and in establishing local and regional energy agencies (ibid. 34; Kern and Alber 2008, 183). Yet, these agencies are confronted with the problem that decision making power still rests with the local governments so that they have more of an advisory function with marginal political influence and that their funding - relying on EU support - is insecure in the mid- and long-term (ibid. 183). The IEE programme funds the “ManagEnergy Initiative”, which supports local actors promoting energy efficiency and renewable energy.

EU REGIONAL POLICY

Studying cohesion and regional policy from the perspective of urban environmental governance, two tendencies co-evolve: the emergence of European urban governance and the streamlining of environmental policy into the priorities of the European Territorial Cooperation objective of EU regional policy. The evolution of European urban governance has even enticed the EU Commission to speak of a European “Acquis Urbain” (EU Commission 2009, 9). Even though a legal basis for a European urban policy does not exist in the EU treaties, cities came to the fore of European governance since the late-1980s/early-1990s because of their key role in overcoming structural challenges (EU Commission 2009, 9; Frank 2008, 108). Environmental policy strongly contributed to this process because after the Single European Act (1986) had formally defined environmental protection as a competence of the European Community, EU institutions started to address cities directly in their environmental policy documents. So the DG Environment published the Green Book “Urban Environment” (1990), in which it discussed the potential of sustainable urban development (EU Commission 2010b, 16; Frank 2008, 108). Then the Commission and the EU Council and EU Parliament developed these urban environmental policy activities further, publishing the Communication “Sustainable Urban Development in the European Union: A Framework for Action” in 1998 and the “Community Framework for Cooperation to Promote Sustainable Urban Development” in 2001 respectively (EU Commission 2010c, 16). This community framework shall enable the dissemination and implementation of good sustainable practices in accordance with the Agenda 21 process and particularly addresses transnational city networks.

These emerging fragments of an urban environmental policy also change the character of governance itself. It began to shift from hierarchical steering to more horizontal networking, including civil society actors in political decision making (Frank 2008, 109). Thus, by intervening in local policies and institutions, the EU also changes local traditions of policy formulation and implementation (ibid. 113). Conversely, urban policy modifies the EU multi-level governance system by upgrading the local level to
a fourth governance level in the EU. Cities can now become direct contributors to and addressees of EU policies. However, establishing a direct link between the EU and local communities implies that national governments are bypassed and is, therefore, met by criticism from the member states. They primarily interpret a European urban policy as an intervention in their domestic affairs and a violation of the subsidiarity principle, viewing it with much scepticism (ibid. 109, 112). European urban governance requires different governance mechanisms because in contrast to national governments, the EU has no direct formal authority vis-á-vis municipalities. It can, therefore, not rely on ‘hard’ regulatory governance forms, but needs to resort to ‘soft’ voluntary measures (Kern and Alber 2008, 182). These are mostly enabling in character like funding mechanisms, which also explains why urban environmental policy primarily evolved around the EU Structural Funds.

Against this backdrop, the “Leipzig Charter on Sustainable European Cities” (adopted in 2007) is remarkable as it was initiated by the national governments to define “principles for new urban policy in Europe” (BMVBS 2007, 1). It tried to induce a paradigm shift towards an integrated urban policy. It also intended to provide a counterweight to the Lisbon Strategy with its sole focus on economic growth and job creation by extending European urban policy by a social and ecological dimension (Frank 2008, 112). The charter was launched by the by German Ministry for Transport, Buildings and Urban Development during the German EU Presidency in 2007 with the aim to boost socially inclusive urban development. It highlights that “all dimensions of sustainable development should be taken into account at the same time and with the same weight. These include economic prosperity, social balance and a healthy environment.” (Leipzig Charter 2007, 1). It, therefore, encourages cities and governments to apply horizontal, integrated urban development strategies in contrast to sectoral policies, which might neglect and undermine synergy effects between policy domains (BMVBS 2012, 11). To assist cities in implementing the objectives of the Leipzig Charter the ministers agreed to develop the “Reference Framework for Sustainable European Cities” (RFSC) at the Informal Ministerial Meeting on Urban Development and Territorial Cohesion in Marseille in 2008. It should define a common framework for sustainable urban development, which rests on an integrative urban development approach, and should be a policy instrument available to both state as well as societal actors.

Yet, the Leipzig Charter is an informal policy document, which was agreed by the national ministers for urban development, not the heads of state in the EU Council (ibid. 112). When the EU Commission, the EU Parliament and the European cities attempted to integrate urban policy formally in the guidelines of EU cohesion policy with a share of a minimum of 10 percent of the EU Structural Funds, they were overruled by the national governments, who insisted on their national authority over urban development policy (Adam/Huttenloher 2006, 9; Frank 2008, 114). As a result only the option of supporting urban development entered the final guidelines. This indicates a continuing conflict over urban governance between EU institutions and local communities on the one hand and national governments on the other.

The second entry point for the evolution of European urban governance was the EU’s regional policy. Its basic paradigm is the solidarity with less-developed regions in the EU and the reduction of socio-economic disparities, which is enshrined in the European Territorial Cooperation objective (Bachtler and Turok 2013, 15; EU Commission 2010b, 8). This originates from the Treaty of Rome (1957), which requires the Community to balance regional differences and, in doing so, provides the basis for the EU Commission’s involvement in regional policy (EU Commission 2010b, 16). The EU’s main policy instrument for regional development are the EU Structural and Investment Funds and among those the European Regional Development Funds (ERDF) is most important for environmental protection. These funds were set up in 1975 to boost economic and social cohesion across the Community. With the enlargement of the European Community by Spain, Greece and Portugal in the 1980s, a reform of the Structural Funds became necessary. This 1988 Reform of the Structural Funds refined the principles of the Community’s regional policy, highlighting that structural policy should be compatible with other
domain-specific policies such as environmental policy (Bachtler and Turok 2013, 19). This made the integration of environmental policy objectives into regional policy possible. Figure 1 gives an overview over EU regional policy with a focus on urban environmental policy.

Figure 1: EU regional policy with the European Regional Development Fund (ERDF) being applied as an enabling form of governance for urban environmental policy
In parallel European regional and urban policy evolved through the so-called Community Initiatives (CIs). They originally constituted a separate spending programme, which was co-financed by the Structural Funds, and should strengthen cross-border cooperation (ibid. 25). When a new set of CIs was initiated in the mid-1990s, the INTERREG Community Initiative, facilitating interregional cooperation, and the URBAN Community Initiative, supporting the economic and social regeneration in urban areas, were to become central in paving the way for European urban governance. These initiatives - INTERREG and URBAN - as well as European regional policy in general sought a balance between all three dimensions of sustainable development: economic growth and job creation, social well-being and environmental protection (EU Commission 2010b, 10).

- **URBAN**: Especially the URBAN CI intended to encourage a horizontal, integrated urban development approach to overcome the compartmentalisation of policy issues, i.e. the separation of policy issues according to policy domains without identifying and harnessing the potential linkages and synergies between those domains (EU Commission 2010b, 8). The URBAN Programme originally concentrated on the social dimension of sustainable development by supporting socially disadvantaged city districts. The DG Regional Policy developed the URBACT Programme as an Urban Development Network Programme (2002 - 2013) in the 2000s to enable transnational networking and knowledge transfer between cities. This programme specifically addressed small- and medium-sized cities with fewer resources so that they could benefit from networking. The idea of networking and collaboration on urban development throughout Europe is also at the core of the “European Knowledge Exchange Network” (http://www.eukn.org/), which was initiated by the ministers for urban policy at their informal ministerial conference in 2004. Initially started as a pilot project and developed with the help of the URBACT Programme, it has now evolved into a stable network with 15 member states participating and Eurocities², the URBACT Programme and the EU Commission supporting it. URBACT II (2007 - 2013) continued the original URBACT Programme. It funded the CityRegion.Net network (The role of cities in integrated regional development) and the Land Use Management for Sustainable European Cities working group (LUMASEC) to promote sustainable spatial development and land-use management (EU Commission 2009, 51).

- **INTERREG**: The INTERREG CI focused particularly on interregional cooperation. By 2007 the original INTERREG CI was converted into the European Territorial Cooperation objective (ETC; 2007 - 2013). It is divided according to three types of cooperation: cross-border cooperation (INTERREG A), transnational cooperation (INTERREG B) and interregional cooperation (INTERREG C). The INTERREG cooperation programmes gave rise to several networking projects and initiatives. For instance the pan-European Network Project “Greening Regional Development Programmes” (GRDP), financed by INTERREG IIIC, strives to integrate environmental in policy regional and local planning. It published the “Handbook on Strategic Environment Assessment (SEA) for Cohesion Policy 2007-2013” in 2006 as well as the handbook “Beyond Compliance: How Regions Can Help Build a Sustainable Europe”. The EnercitEE project (2010 – 2014), financed by INTERREG IVC, was develop to implement the EU Climate and Energy Package of 2008 with its 20-20-20 policy goals. It covers climate mitigation, especially addressing energy efficiency and sustainable transport, and encourages cross-regional networking and knowledge exchange between European cities.

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² Eurocities was formed as a bottom-up initiative by European mayors in 1986 and acts as forum for directly communicating between EU institutions and local municipalities and, in so doing, helps to establish cities as a fourth level of governance within the EU.
The priorities of the ERDF’s financial assistance are defined by the ERDF regulation. In the aftermath of the economic crisis this regulation was modified in 2009\(^3\) to widen the number of countries eligible to housing support. While previously expenditures on housing were only eligible to the new member states, i.e. joining the EU from 2004, now all member states should be eligible to receive funding for energy efficiency improvements and renewable energy installations in existing houses (EU Commission 2010b, 22).

2.2 The transnational level

Transnational municipal networks (TMN) exemplify the ‘multi-level’ and ‘network’ character of European governance (Kern and Bulkeley 2009, 309). They represent a new form of horizontal, non-hierarchical self-governance (ibid.; Connelly et al. 2012). Membership is voluntary with cities retaining their autonomy and decisions taken by the network also being implemented directly by the network (ibid.; Kern and Alber 2008). The multi-level governance system of the EU and the dynamics of Europeanisation cannot be narrowed down to political authority being concentrated at EU institutions – as the concept of European integration would suggest –, but must acknowledge that political authority is “dispersed across multiple territorial levels and among a variety of private and public actors” (Rosamond 2007; ibid. 311). This entails both top-down and bottom-up dynamics. As much as the EU is affecting nation states’ domestic politics, TMNs attempt to influence EU institutions and policies (Jordan et al. 2010, 8; Kern and Bulkeley 2009, 312). In this regard, transnational networks emerged as a response to real or perceived inaction by higher levels of authority on environmental threats (Connelly et al. 2012). Local authorities now direct their lobbying activities to national governments as well as the EU. In addition to this vertical Europeanisation, TMNs facilitate horizontal Europeanisation because cities become Europeanized as they cooperate transnationally (ibid. 312).

These horizontal networks began to emerge with changes in the EU governance architecture in the late 1980s. The Single European Act (1986) broadened the scope of the Community’s political competencies so that it now covers almost every aspect of regional and local policy (Woll 2006, 458). Many TMNs on environmental policy were created in context of the UNCED in the early 1990s (Kern and Bulkeley 2009, 316). As a network form of governance these TMNs operate in the absence of hierarchy, i.e. they lack traditional political authority. Instead they have developed new governance forms that rely on ‘soft’ mechanisms (Kern and Alber 2008, 182). Kern and Bulkeley distinguish three such soft mechanisms: information and communication, project funding and cooperation and recognition, benchmarking and certification (Kern and Bulkeley 2009):

- **Information and communication:** As environmental issues confront cities with similar problems transnational policy learning becomes important in spreading new policy concepts (Kern and Bulkeley 2009, 316). Therefore, these strive to encourage the exchange of knowledge and experiences between cities, for instance by providing good practice case studies. Yet, cities also note that lesson-drawing and implementation of good practices require those to be translated to local contexts (i.e. contextualisation) (Bulkeley 2006). Therefore, such lessons frequently function more as a source of inspiration than as a direct policy template.

- **Project funding and cooperation:** EU funding and participation in EU projects is of vital importance for TMNs. This implies that they depend strongly on governmental funding (Kern and Bulkeley 2009, 324). Yet, especially EU funding applications are resource-intensive processes and, therefore, mostly used by the most engaged and established members of TMNs (ibid. 321).

- **Recognition, benchmarking and certification:** In the absence of hierarchy, TMNs seek voluntary commitments from municipalities to reduce GHG emissions. They try to encourage and give advice on developing GHG emission inventories, certification schemes, action plans or monitoring procedures (ibid. 322). They also try to create peer pressure via competitions such as the ‘Climate Star’ awarded by the Climate Alliance or the ‘European Energy Award’ (EEA) as a European scheme.
Beyond their internal governance mechanisms, TMNs try to represent cities at the EU level, directing their lobbying activities especially to the EU Commission and Parliament and the Committee of the Regions (Kern and Bulkeley 2009, 314). They for instance participate in stakeholder consultation process to introduce the local perspective in EU policy-making processes. On the local level the presence of local policy entrepreneurs in environmental policy is crucial to communicate and implement TMNs’ policy ideas on the ground (ibid. 326; Connelly et al. 2012). Despite active and motivated members, TMNs also encounter the problem of passive membership when cities lack the resources to join and contribute to network activities. As insufficient resources and passive membership challenge the effectiveness of TMNs, Kern and Bulkeley highlight that “they appear to be primarily networks of pioneers for pioneers” (Kern and Bulkeley 2009, 311). Yet, even in such situations of scarce resources, transnational networks can be as source of legitimacy and inspiration for policy entrepreneurs to pursue environmental policy efforts (Bulkeley and Betsill 2003; Kern et al. 2005).

Given a structural situation, in which TMNs rely heavily on EU funding, several environmental TMNs have evolved in context of EU projects and supports schemes among them the Covenant of Mayors, Energy Cities or the Climate Alliance of European Cities:

- **The Covenant of Mayors**: In the framework of the EU Climate and Energy Package (2008) the Covenant of Mayors was launched to bring together pioneers in sustainable urban policy. It represents a ‘soft’ form of governance as it is based on voluntary commitments and the provision of financial assistance (Kern and Alber 2008, 187). Members of the Covenant shall pledge to reduce CO2 emissions by 20 percent by 2020 and for that purpose develop Sustainable Energy Action Plans (Connelly et al. 2012; EU Commission 2010c, 32). During the preparations of COP-15 in Copenhagen, cities became especially interested in joining the Covenant to express their commitment to the cause of climate change. As of 2013 more than 5,000 local communities had joined the Covenant (Jänicke 2014, 43). The Covenant also assists cities in implementation processes. It developed a new financial facility, called ELENA, in cooperation with the European Investment Bank to simplify funding of local investments in sustainable energy (ibid. 32; Jänicke 2014, 43). It further cooperates with the Joint Research Centre, the EU Commission’s internal science service, to develop joint methodologies for sustainable energy action plans. It also prepared a ‘benchmark for excellence’ mechanism, which is a database of good practices and shall facilitate communication among cities. The secretariat of the Covenant is funded by the Intelligent Energy Europe programme (EU Commission 2010c, 34).

- **Energy Cities**: Energy Cities was created in 1990 with the aim of promoting sustainable energy transitions in European cities (Connelly et al. 2012). Its work is closely connected to the EU funding mechanisms. For instance, it has participated in the project BELIEF (Building in Europe Local Intelligent Energy Forums), which the EU Commission co-financed under the Intelligent Energy Europe programme (Kern and Bulkeley 2009, 321). It has also conducted the project “IMAGINE - Low Energy Cities with a High Quality of Life for All” (2012 - 2014), in which it prepared the “Low-Energy City Policy Handbook” (2014) to guide municipalities and local stakeholders in their efforts to shift towards sustainable energy systems. In framework of the programme, partner cities shall discuss visions for urban development for 2050, which can provide the basis for drafting Local Energy Roadmaps. The project especially encourages citizen participation in drafting such visions and roadmaps for long term urban development.

- **The Climate Alliance of European Cities**: The Climate Alliance was set up as a bottom-up initiative by municipalities in 1990 and still has characteristics of an NGO. Similarly to the Covenant of Mayors, it requests its members to make ‘soft’, voluntary commitments. So they shall commit to reducing their CO2 emissions by 10 percent every five years and halve their per capita emissions by 2030 at the latest (base year 1990). It, for instance, initiated the project “AMICA” (Adaptation and
Mitigation an Integrated Climate Approach) in 2005 to campaign for a combined approach to climate mitigation and adaptation (an INTERREG IIIC project) (Kern and Alber 2008, 181). This should also encourage European regions and cities to exchange their experiences with climate adaptation strategies. In so doing, it conducted a survey on local climate mitigation and adaptation measures in Central European Cities (www.amica-climate.net), which showed that only extreme weather events have been taken into account in urban planning processes so far (ibid. 239). Moreover, it cooperated with the German Federal Environmental Agency to develop a benchmarking system based on the research project “Local Governments Climate Partnership”.

- **The Board of Sustainable Cities and Towns Campaign**: The EU Commission sponsored the board to encourage and intensify cooperation on urban sustainability issues across Europe. However, it ceased to exist in 2003 when EU funding ended (Kern and Bulkeley 2009, 325).

- **The “Climate Task Force for European Local Governments”**: The Climate Alliance, Energy Cities and the Cities for Climate Protection jointly formed the “Climate Task Force for European Local Governments” in 2003 to create a common forum for lobbying for an urban approach to climate policy. Yet, there is little evidence of continued activity of the task force, which again confirms the importance of EU funding for sustaining cooperation between city networks (Kern and Bulkeley 2009, 326).

- **The Network of European Environment and Sustainable Development Advisory Councils (EEAC)**: This advisory network was founded in 1993 to bring together national advisory councils across Europe. It wants to promote policy deliberation on sustainability and environmental issues through its Annual Plenary Sessions and expert working groups. With the aim to represent the whole of society and enable dialogue across stakeholder groups, it is social-integrative in character, including representatives of academia, civil society, the business sector and public authorities.

Environmental transnational networks have also thrived beyond the EU such as the C40 Cities or ICLEI, uniting cities worldwide:

- **C40 Cities**: This network of the world’s largest cities was initiated by the Clinton Foundation in 2005 in cooperation with the Clinton Climate Initiative (CCI) (Kern and Alber 2008, 184; Connelly et al. 2012). Its C40 Cities Climate Leadership Group unites cities of developed and developing countries and focuses on reducing carbon emissions through improving building energy efficiency and waste management (Connelly et al. 2012). C40 Cities also cooperates with the non-profit Carbon Disclosure Project, which endorses the online disclosure and monitoring of GHG emission data and actions.

- **The International Council for Local Environmental Initiatives – Local Governments for Sustainability (ICLEI)**: ICLEI has its origins in the early 1990s when over 200 local governments representing the International Union of Local Authorities convened at the UN conference in New York in 1990 (Connelly et al. 2012). ICLEI acts on and supports several international environmental initiatives as the Agenda 21, the Millennium Development Goals, the Johannesburg Plan of Implementation and the UNCED agreements (ibid.). Following the UNCED in 1992, ICLEI actively endorsed the Local Agenda 21 and the crucial role of local governments in sustainable development. It, therefore, together with the EU and the City of Aalborg adopted the “Aalborg Charter” in 1994, which highlights the principle of subsidiarity and the importance of local action for implementing the Agenda 21. This process was continued by the “Action Plan of Lisbon” of 1996 and the “Aalborg +10 - Aalborg Commitments” of 2004, which strived to give new impetus to Local Agenda 21 processes and review and revise local

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4 Given its broad membership base, this is a transnational network, yet not a municipal network in the narrow sense.
sustainability strategies. Among its activities on climate change, the “Cities for Climate Protection” campaign (CCP) is one of the most important. It was launched in the aftermath of the UNFCCC agreement signed in Rio and continues the Urban CO2 Reduction Project (ibid.). It has evolved into a global network covering developed as well as developing countries. Its activities include the Local Renewables Project, the partnership in the UNEP Climate Neutral Network, the Bonn Centre for Local Climate Action and Reporting or the Resilient Cities initiative (ibid.). Joining up with other transnational climate networks, ICLEI signed the World Mayors and Local Governments Climate Protection Agreement at the Bali UNFCCC conference in 2007.

2.3 Conclusion

EU environmental policy evolved in the context of the competing agendas of the Lisbon Strategy, giving priority to economic growth and job creation, and the Sustainable Development Strategy, combining all three dimensions of sustainability, i.e. economic growth, social welfare and environmental protection. As a consequence, EU environmental and climate policy are embedded in the frame of ecological modernization as environmentally sensitive economic and technological development, which is compatible with economic growth (Connelly et al. 2012). European urban environmental policy, addressing municipalities directly, originated from two parallel processes: the emergence of European urban governance and the integration of environmental policy objectives in the EU’s regional policy, especially the European Territorial Cooperation Objective and the EU Structural Funds. European urban environmental policy implies that direct links are established between the EU and cities bypassing national governments. It, therefore, conflicts with the authority of national governments, who interpret this as an intervention in their domestic affairs and a violation of the subsidiarity principle. This still remains an unresolved conflict over European governance and national sovereignty between the EU institutions and the cities on the one hand and national governments on the other hand.

Transnational municipal networks in environmental policy emerged from the early 1990s to counterbalance the (perceived) inaction of governmental authorities in the face of growing environmental threats such as climate change (Connelly et al. 2012). They gave rise to a new form of horizontal governance, complementing traditionally established vertical governance mechanisms between the EU and nation states. In the absence of hierarchy, they rely on ‘soft’, voluntary forms of networking. They also give municipalities a more active role and more powerful voice in EU and national decision making processes and, in so doing, help to establish them as a fourth governance level in the European governance architecture. However, as the networking activities of cities depend upon local resources, they often remain “networks of pioneers for pioneers” (Kern and Bulkeley 2009, 311).


BMVBS Bundesministerium für Verkehr, Bau und Stadtentwicklung. 5 Years after the LEIPZIG CHARTER – Integrated Urban Development as a Prerequisite for a Sustainable City: Integrated Urban Development in the EU Member States and Its Candidate Countries. Berlin, 2012.


3. The country-specific governance contexts

3.1 The transition region Brighton

RACHEL DURRANT, FLORIAN KERN AND GORDON MACKERRON

3.1.1 THE BASIC STRUCTURE: THE UK WESTMINSTER MODEL

The UK is commonly described as a centralised and unitary state (Hill, 2005; Lijphart, 1999; Saalfeld, 2003; Schmidt, 2006a) (as opposed to federal states like Germany and Belgium) with no regional, state or provincial units. The ‘first-past-the-post’ electoral system (Lijphart 1999) leads to a concentration of executive power in one-party, bare-majority cabinets while power in coalition governments is naturally more dispersed. Although the UK has a multi-party political system (with the main parties being Conservatives, Labour, Liberal Democrats, Green Party and most recently the UK Independence Party), given the voting system, coalition governments in the UK are rare. Two parties, Labour and the Conservatives, have been dominating Government since the 1920s. However, the current Government consists of a coalition of the Conservatives and the Liberal Democrats which is the first coalition since 1945. Sixteen Conservative and five Liberal Democrat Members of Parliament (MPs) make up the main decision-making body of the Government, which is known as the Cabinet. The current Prime Minister is the Conservative MP, David Cameron. This institutional context matters insofar as the UK’s unitary, majoritarian governance system means that successive governments can create new policies (and abolish others) without too many checks and balances. The opposition is generally weak and does not have many opportunities to scrutinise policy programmes as their ability to generate information is limited, while the government is aided by the civil service (see Saalfeld 2003).

Figure 2. United Kingdom and the Transition Region Brighton.
Legislative power is wielded by the UK Parliament which has two chambers, the House of Commons and the House of Lords. The UK has an uncodified Constitution and the doctrine of parliamentary sovereignty is at its heart: “This doctrine asserts the absolute sovereignty of the Westminster parliament over all issues affecting the realm. In theory, and sometimes in practice, Parliament can do anything it likes with regard to the UK’s territorial governance system” (Loughlin, 2011: 41). Both the UK Parliament and central government departments are based in London, England (in Westminster and Whitehall respectively).

Generally characteristic of the UK is a “highly professionalized, non-partisan civil service with a low level of autonomy […] designed to avoid bureaucratic drift” (Saalfeld 2003: 620). The role of the civil service is to be one of ‘neutral competence’ “in which highly professional civil servants serve the party in power” (Saalfeld 2003: 638). The structure of the civil service changed substantially in the 1990s when a lot of the policy implementation was ‘outsourced’ to executive agencies and the civil service was to focus on the core needs of policy development and relations with Parliament. The main objective behind these changes was managerial efficiency (Saalfeld 2003). Public service agreements and management by objectives were new ideas implemented in the civil service. While the thrust of the reforms was to focus on policy development, the civil servants available for policy development shrank as four-fifths of the nearly 500,000 civil servants became employed in executive agencies and the overall number of civil servants was reduced drastically (Saalfeld 2003: 639).

In total there are currently 46 central government departments, including 24 Ministerial Departments (i.e. headed by a Cabinet Minister) and a further 22 Non-ministerial Departments. There are also 338 agencies and other public bodies, which is a consequence of the public sector reforms discussed above. The UK finance department, known as the Treasury, is by some distance the most powerful central government department, able to exercise close control over the spending of all other departments (as well as local government, discussed in more detail below). The Treasury not only controls direct public expenditure, it also sets a ‘Levy Control Framework’ which limits the ability of other departments to raise revenue from the private (business and household) sources e.g. passing on the costs of a subsidy on renewable energy to consumers. The only other government department to rival the Treasury in political, though not financial, influence is the Cabinet Office, a non-executive department nominally in service of the Cabinet as a whole, but in practice a department that services the needs of the Prime Minister and aims to co-ordinate policies across all other departments. Executive power is shared among the Secretaries of State who lead the various government departments (Ministerial Responsibility), which all have their own ways of working and can be quite resistant to control by the Prime Minister (Daintith and Page, 1999). Policy coordination is therefore difficult to achieve but this is a generic challenge for all Western liberal democracies.

While the UK is often seen as a very centralised, unitary state, Loughlin argues that the UK should be seen as a ‘Union state’ which was created through several Acts on Union between England, Wales, Scotland and Ireland (Loughlin 2011). Relationships between the different constituent parts of the UK (e.g. between England and Scotland and England and Wales) differ and have also clearly changed over time but as a general rules it can be said that most decision-making power has been with the Westminster Parliament and Whitehall government in London. However, when the Labour government was elected in 1997, devolution in the sense of giving more powers to Scotland, Wales and Northern Ireland, formed a central element of their constitutional reform programme (Palmer, 2011). It has been argued that the Labour party saw devolution “as necessary on the light of the general trend towards decentralisation and regionalisms across Europe” (Loughlin 2011: 49).

Devolution initiated a process by which a quasi-federal model emerged in the UK (Winskel, 2007). Labour’s devolution policy created a Scottish Parliament and a Northern Ireland Assembly with
extensive legislative power and a Welsh Assembly with ‘secondary’ legislative discretion in applying UK legislation in the Welsh context (Jeffery, 2000: 10). Accordingly, several former national powers were transferred to the devolved administrations (e.g. environmental protection, local government and planning), whilst others were not. For example in the case of energy, while overall energy policy remained a responsibility of the central government, the promotion of renewable energy and energy efficiency was devolved to the Scottish Executive (Winskel, 2007). In Wales, on the other hand, neither overall energy policy nor promotion of renewables and energy efficiency are devolved responsibilities. However, support for innovation as well as environmental policy competences are devolved to the Welsh Assembly. So in essence HM Government in London and the devolved governments (Scotland, Wales and Northern Ireland) wield executive power, depending on the policy area at stake. Thus, devolution is both incomplete and asymmetrical but has meant that the UK as a whole has gradually moved away from being a clear cut unitary state with a Westminster style government.

More importantly, the devolution process created new policy arenas in which the devolved administrations took certain views that were different to those of the central UK government. The 1998 Scotland Act transferred some aspects of policy to the devolved administrations:

“While a narrow reading of these arrangements may have offered little scope for devolved policy making, in practice, the Scottish Executive and Parliament interpreted their powers widely enough to encourage the development of a distinctive policy arena in energy” (Winskel 2007: 186).

While in the UK the national government had not been in favour of creating industrial sectors, Scotland developed this ambition with regard to marine technologies5 (Winskel 2007: 186). This subsequently also contributed to a change in thinking in central government. In particular, Scotland put pressure on the national Government by setting out ambitious targets for Scottish renewable electricity generation that went well beyond the UK targets (Winskel 2007). The new policy arenas are also loci of alternative discourses. For example “[t]he emerging Welsh Assembly Government policy discourse reproduces some of the economically based ideas of national policy, but also introduces the global environment as a strong driver of their energy strategy” (Stevenson and Richardson, 2003: 111). The Welsh Assembly Economic Development Committee published a consultation report in 2002 with a strong focus on the sustainable energy strategy, with environmental concerns taking precedence over other energy policy goals and a strong focus on economic opportunities in renewable energy technology development and on job creation (Stevenson and Richardson 2003). Winskel talked about the emergence of multi-level governance that adds complexity to the UK political system but also offers space for experimentation (Winskel 2007). Devolution also had as a consequence that the devolved administrations are now much more closely involved in the UK’s domestic EU policy formulation process, similarly to the role of the Länder played in Germany. This followed from the “UK central government acceptance that it was not feasible (or even desirable) to exclude the devolved administrations from that process in areas where they held domestic responsibilities” (Palmer 2011: 163).

The Labour government also planned to hold referendums in the northern regions of England which were thought to have at least some regionalist demands, although these were much weaker than e.g. in Scotland. A referendum was held in the North-East in England in 2004 but “dramatically failed to attract enough votes” (Loughlin 2011: 51). In response to this result, the Labour government put the further regionalisation of England on hold and there are no plans to establish an English Assembly and to devolve similar responsibilities to it as have been transferred to the Scottish Parliament. Such a change in fact would mean a move towards a federal system. Since our case study city-region Brighton is located in England, the devolved administrations in Scotland, Wales and Northern Ireland are less

5 The ambition is for Scotland to become to marine energy what Denmark is to wind power (Winskel 2007).
relevant for our analysis and will not be discussed much more in this report. The main governance level addressed in this report is the national level which is of primary relevance to the Brighton case study as it very directly provides an important context for activities at the local level.

However, there have been some other attempts to develop sub-national governance arrangements within England. Until 1994, there were no identified regions in England. At that point central Government ‘declared’ the existence of nine English regions, including the South East, a ‘region’ that encompasses approximately three quarters of the area roughly 50 miles from London. London is a separate region, while the north-east quadrant of the 50-mile radius is part of the Eastern region. Brighton is located within this South East region. Between 1998 and 2000 a very limited move towards some kind of regional economic development policy was initiated through the setting up of Regional Development Agencies (RDAs) corresponding to the nine regions (SEEDA for the South East). These had limited functions (relating principally to economic development and regeneration, though sustainable development was also one of their five top-level aims) and minimal financial resources. They were closed down in March 2012.

Since 2012, the RDAs have been succeeded by as set of un-resourced Local Economic Partnerships (LEPs), the composition of which needs central Government approval. Aside from the special case of London there are no regional elections or assemblies. There is thus no intermediate political structure between the UK central Government and local government, and national level policy directly affects local level dynamics (for which reason section 2.2 below concentrates on changes in national government and policy). Across the UK there are some areas that have two principal layers of local government (or ‘Local Authorities’), including County Councils as well as district, borough or city councils. Other areas, such as Brighton, only have one layer and are referred to as unitary councils; these include the London boroughs, many other metropolitan boroughs (like Brighton), and a few non-metropolitan (or ‘shire’) areas. In addition to these two principal types of LAs, some areas have a further layer of local government in the form of parish, community and town councils.

In total there are over 350 relevant ‘principal’ LAs, the sizes of most of which are small, containing average populations of a little over 100,000; by comparison, Brighton and Hove is one of the larger LAs, with a population of over 270,000 (Office for National Statistics, 2012). The main responsibilities of LAs relate to education, transport, planning, fire and public safety, social care, libraries, waste management and trading standards (which usually sit within county councils); Council Tax collections, housing and planning applications (which usually sit within district, borough and city councils); and allotments, public clocks, bus shelters, community centres, play areas/play equipment, grants to help local organisations, consultation on neighbourhood planning, litter, graffiti, fly posting and dog offences (Government Digital Service, 2014). However, even in areas where LAs have principal powers like in local planning, the rules of the game are defined nationally through the national planning framework. As a local policy makers in Brighton argued: ‘We are at the mercy of national planning policy’.

In addition, the Treasury has enormous influence over the spending of LAs. LAs in England have no tax-raising powers and the majority of their revenue comes from a centrally-determined Revenue Support Grant, calculated by a Treasury-based formula. LAs do have a small-scale ability to raise revenue via property taxes, known as the Council Tax on households, and rates on business, but even here a large proportion of the revenue is redistributed by central Government, and Government can prevent LAs from increasing Council Tax at a faster rate than it believes desirable. Indeed, there is a common perception that central government power has been expanding at the expense of local power in the UK since the post-war period (House of Commons Communities and Local Government Committee, 2009). But despite these limitations to their power and resources, a few outstanding LAs have recently made important forays into relevant policy areas and had some impact more widely, e.g.
Merton Council on renewable energy (Merton Council, 2008), the Greater London Authority (GLA) on congestion charging (Tonne, Beevers, Armstrong, Kelly, and Wilkinson, 2008), and Bristol as a contemporary leader across the board in sustainability (Sawday, 2012).

In summary, the political system of the UK is highly centralised and concentrates decision making power at the central UK government level in London. There is no devolved English administration or an English assembly, the Regional Development Agencies have been closed, and local authorities are in a relatively weak position (e.g. compared to municipalities in Germany with their own taxation powers). Therefore the following analysis will mainly focus on developments at the national level and how changes in different administrations and their policies have changed the context for local transition dynamics in the Brighton city-region. However, UK national policies are also partly influenced by international or EU policies.

3.2.2 THE SUSTAINABILITY-SPECIFIC GOVERNANCE CONTEXT AT THE UK NATIONAL LEVEL

The governance of urban environmental sustainability in the UK operates through a variety of different institutions and actors that are related to each other in substantively different ways. It is also an ever-changing set of processes that cannot be fully captured through a static picture of the current state of affairs. Thus, in this section an attempt is made to both map the current governance configuration and back this up with an account of the political developments that preceded it. These developments include actions by state and non-state actors, hence governance. Table 1 gives a chronological overview of these developments in environmental governance in the UK.

**Current institutionalisation of sustainability**

In the UK, urban environmental sustainability is institutionalised within central government departments, parliamentary groups and various government agencies and non-public actors like environmental NGOs or business groups. It is also encompassed within a variety of key policy documents and implemented through a range of different policy instruments. However, there is a gap between the policy rhetoric, on the one hand, and the reality of governance-in-action, on the other. What’s more, this is as true today as it has been throughout the time period considered. The ‘rhetoric-reality gap’, whereby formal statements of intent can be far from the true purposes pursued by the actors involved, is most keenly felt within the core institutions of government, such as the central government departments, which are responsible for developing and implementing formal policy. In contrast, other agencies of government, such as parliamentary committees and non-departmental public bodies (or arm’s length bodies), which operate semi-autonomously from ministers and may be responsible for scrutinising government, are able to express opinions that deviate from official positions.

**Central government departments**

Other than climate change mitigation via the Department for Energy and Climate Change (DECC), urban environmental sustainability is currently the main responsibility of the Department for the Environment, Food and Rural Affairs (Defra), in which most related policy-making is centred (Ross, 2012).

Responsibility for the UK’s National Sustainable Development Strategy (NSDS) – a requirement of the United Nations Agenda 21 – rests with Defra. Defra also has overall responsibility for championing sustainable development in Government, which it took on after the Sustainable Development Commission was abolished in 2011, leaving a gap in institutional structures (see below) (Walley, 2013). Thus, Defra is charged to ensure that all Government policies, operations and procurement take account of sustainable development.
Table 1: Chronological overview of the politics, polity and policy relating to environmental governance in the UK

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Credit Crunch

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Acts of Parliament:

| The Planning and Compulsory Purchase Act (2004) |
| The Sustainable Communities Act (2007) |
| The Climate Change Act (2008) |

Instruments:

| The Low Carbon Building Programme (2000) |
| The Climate Change Levy (2001) |
| The Enhanced Capital Allowance scheme (2001) |
| The Aggregates Levy (2002) |
| The Renewables Obligation (2002) |
| The Landfill Allowance Trading Scheme (2003) |
| The CRC Energy Efficiency Scheme (2007) |

Frameworks and Strategies:

<p>| The Sustainable Communities Plan (2003) |
| The UK Strategy for Sustainable Development: |</p>
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- Department for the Environment (DoE)
- Ministry of Agriculture, Fisheries and Food (MAFF)
- Securing the Future (2005)

- 2010-present
- 2011
- 2012
- 2014
(i.e. the Greening Government agenda), with assistance from the Cabinet Office. In practice, this means developing policy appraisal processes that take account of sustainable development; delivering Sustainable Development Action Plans (SDAPs) for all Government operations; ensuring that the Government Buying Standards (GBS) take account of sustainable development; and maintaining and implementing Sustainable Development Indicators (SDIs) to monitor Government’s progress.

Nonetheless, the current leader of the Environmental Industries Commission recently commented in public that Defra’s power and influence has been in a slow but steady decline ever since the department was created (Inglethorpe, 2014). In fact, in the period since the economic recession in 2008, the Treasury has enforced, through successive Spending Reviews, major cut backs to Defra’s funding. Indeed, Defra has suffered deeper cuts than many other Government departments over this period (HM Treasury, 2010), indicating the relatively low recent political priority given to environmental sustainability. These developments have also led to the feeling that Defra “lacks the influence needed” to ensure that other departments (including, crucially, the Treasury) follow its lead on sustainable development (Walley, 2013).

Whilst DECC is also working with Defra and the Cabinet Office to embed certain aspects of the sustainable development agenda across Government, its main responsibility concerns “mitigating climate change and ensuring a low carbon, resource efficient world” (Defra, 2012). All other departments are responsible for “making sure that their own policies and activities contribute to sustainable development”, and the civil service heads of each department have particular responsibility in this area (Defra and The Rt Hon Owen Paterson MP, 2013). For instance, the Treasury and the Department for Business, Innovation and Skills (BIS) are in principle committed to “sustainable, low carbon and green economic growth” (Defra, 2011a), whereas DFT has made commitments to create a “sustainable transport sector”, the Ministry of Defence (MoD) has plans to deliver a “long term sustainable development strategy” (Defra, 2011a), and DCLG has a responsibility to improve the energy efficiency of buildings and use planning to protect the environment (Department for Communities and Local Government, The Rt Hon Eric Pickles MP, Minister of State for Housing, and Stephen Williams MP, 2014). The Department for Communities and Local Government (DCLG), however, which might be expected to play a lead role, has both limited powers relating to environmental sustainability and a general lack of enthusiasm in pursuit of those that it has.

Other agencies of government

In addition to central government departments, a variety of parliamentary groups, government agencies and other key partners have responsibilities that are relevant for the governance of urban environmental sustainability in the UK. Amongst the most significant are the Environment Agency, Natural England, the Sustainable Development Commission (though recently disbanded), the Committee on Climate Change, and the Environmental Audit Committee.

The Environment Agency (EA) is responsible for environmental regulations pertaining to waste, contaminated land, water quality/resources, fisheries, inland rivers, estuaries and harbour navigation, conservation and ecology. According to the EA, its purpose is to
“create better places for people and wildlife, and support sustainable development” (Environment Agency, 2014). The EA’s policy framework is set by Defra and DECC (Taylor, Pollard, Rocks, and Angus, 2012). However, severe budgetary cuts to the EA recently led to public uproar when the Committee on Climate Change suggested that it could no longer deliver adequate flood protection (Hatchwell, 2014).

Defra also sets the policy framework for Natural England (NE), whose responsibilities include providing scientific advice for Government on nature conservation and biodiversity, delivering the Environmental Stewardship (ES) scheme and various other green farming schemes, and managing the National Parks, National Nature Reserves, Areas of Outstanding Natural Beauty (AONBs) and Sites of Special Scientific Interest (SSSIs). According to Natural England, its purpose is “to ensure sustainable stewardship of the land and sea so that people and nature can thrive” (Natural England, 2014). Natural England normally comments on all relevant planning processes where there are environmental impacts (e.g. planning permission for green-field solar projects or wind turbine siting).

Unlike the EA and NE, which are executive agencies operating under Defra, the Sustainable Development Commission (SDC) operated as an ‘independent watchdog’ to Government from 2001 up until 2011 when it was dissolved (Ross, 2012). It was principally funded by Defra and for the majority of its lifetime it was headed by former director of Friends of the Earth, Jonathan Porritt. When it was created, the SDC’s role was defined as threefold: advice, capability-building and scrutiny in relation to sustainable development. However, it developed into quite an ambitious body that took a critical stance towards the government’s record of sustainability-related achievements (e.g. Jackson, 2009), a fact that may have been instrumental in Defra’s choice to eventually withdraw its funding. Since its demise the responsibilities of the SDC have been partly internalised into Defra (ENDS Report 433, 2011), but the role of independent scrutiny has largely been left to other arms-length bodies such as the Committee on Climate Change and the Environmental Audit Committee (Walley, 2013).

The Committee on Climate Change (CCC) is an executive non-departmental public body that is sponsored by DECC. According to the CCC, which was established under the Climate Change Act 2008, its purpose is to both provide advice to government on 5-yearly emissions budgets and to report to Parliament about any progress made towards reducing GHG emissions and adapting/preparing for climate change in line with the Climate Change Act.

The Environmental Audit Committee (EAC), on the other hand, is not attached to any central government department. Rather, it is a cross-party House of Commons committee made up of 16 MPs – including members from the Labour, Conservative, Liberal Democrat and Green Parties – which plays an important role in holding Government to account with respect to environmental sustainability. In its own words:

“The remit of the Environmental Audit Committee is to consider the extent to which the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development, and to audit their performance against sustainable
The EAC was established in 1997, "reflecting a manifesto commitment on the part of the incoming Labour government" (House of Commons Environmental Audit Committee, 2014b). Shortly after it was established the EAC was criticised for lacking political clout; it was initially comprised of inexperienced politicians and was snubbed early on by the Financial Secretary to the Treasury who declined to submit evidence to an EAC enquiry (ENDS Report 276, 1998). Perhaps surprisingly, the EAC has escaped several ‘bonfires of the quangos’ (i.e. mass abolitions of arms-length bodies), including the most recent ‘bonfire’ under the current government.

Non-Governmental Organisations

While many of the bodies discussed above are important for the governance of sustainability in the UK, there are of course also a variety of non-governmental and private organisations which deal with sustainability concerns and influence national and local sustainability-related governance patterns and outcomes. For example an important role is played by a variety of environmental NGOs which have institutionalised environmental concerns and which frequently attempt to shape policy processes, raise public awareness, campaign and engage in monitoring of policy outcomes and agenda setting. Important actors include Greenpeace UK, the Royal Society for the Protection of Birds (RSPB), World Wildlife Fund (WWF-UK), Forum for the Future, the Campaign to Protect Rural England, Campaign for Nuclear Disarmament, and Friends of the Earth (FoE). In addition to such professionalised environmental NGOs, also much more loosely organised, local groups of environmentalists or citizens play an important role in sustainability governance. These include for example the Transitions Towns Network which started in the city of Totnes and has since spread to a large number of cities in the UK and internationally. These groups are mainly trying to build local resilience against future oil shocks and to take local action against climate change. Other groups such as Climate Camp were organising direct protest actions against the building of new coal fired power stations or the expansion of Heathrow airport which created much public controversy around these issues. Local environmental activism was also very visible recently with regard to shale gas drilling in the UK. A very vocal ‘Frack Off’ campaign developed which put enormous public pressure on the companies involved as well as the government.

There are also a number of environment or green think tanks which play an important role in shaping sustainability-related policy initiatives. The Green Alliance for example is a charity and independent think tank which focusses on ambitious leadership for the environment. It was established in 1979 and has been working with a network of leaders in business, NGOs and politics to stimulate new thinking and dialogue on environmental policy. The Institute for Public Policy Research (IPPR) is a think tank which was quite influential, for example, when the first UK climate change programme was developed (Kern, 2010). In the context of the development of the Climate Change Levy, Smith has argued that the IPPR was a “key policy entrepreneur pushing for an energy tax on business” (Smith, 2004: 83). He points out that IPPR was influential in the Labour Party. Stephen Tindale at IPPR was commissioned to present ideas and strategies for environmental tax reforms by the then Shadow Secretary of
the Treasury, Gordon Brown, before the 1997 elections. The Institute also ran seminars advocating a business energy tax, which were attended by civil servants as well as business and environmental groups. After the elections Tindale became a special advisor to the Environment Minister Meacher (Beacroft, 2002). Also other organisations like the progressive think tank New Economics Foundation provide analysis and advice and lobby government with regard to environmental issues.

Also business groups and green industry associations are an important part of sustainability-related governance dynamics. For example the Advisory Committee on Business and the Environment (ACBE) played a key role in establishing the Carbon Trust, a public body set up to help the public and the business sector to reduce their carbon emissions (Kern, 2010). ACBE was set up in 1991 by the Secretary of State for the Environment and the Secretary of State for Trade and Industry. It consisted of a group of senior business leaders who are appointed on a personal basis [and] who are charged with taking a strategic view on some of the key environmental issues of the day. ACBE reported to the Cabinet Office and its membership was appointed by the Secretaries of State for the Environment and for Trade and Industry. While the Confederation of British Industry’s (CBI) environmental committees used to be dominated by the ‘smoke-stack industry’, membership of ACBE was more progressive (Smith 2004). During the process of policy construction around the Climate Change Levy, ACBE published three reports which were of major importance in designing the Carbon Trust (‘Climate Change: A Strategic Issue for Business’, 1998; ‘Carbon Trusts – Exploiting the Potential of Low Carbon Technology’, 1999; ‘ACBE Proposals for Establishment of the Carbon Trust’, 2000). A variety of industry associations have also been established in the area of promoting renewable energy (Renewable Energy Association, RenewableUK) or promoting energy efficiency (Association for the Conservation of Energy) which are all actively trying to shape business practices as well as policy processes in the direction of sustainability.

Recent history of relevant governance dynamics

The governance of urban environmental sustainability in the UK is continuously being shaped by a number of processes, including the comings and goings of different political administrations, the ‘turf wars’ between government departments, the emergence of political controversies and societal crises, and the ongoing repositioning of different actors in response to these processes. In fact, since the 1980s there have been two major recessions, several serious storm and flood events, as well as one major heatwave, in the UK. Moreover, it was during the latter part of this time period that all of the government departments currently responsible for the governance of urban environmental sustainability came into existence (i.e. Defra in 2001, DECC in 2008, BIS in 2009, DFT in 2002 and DCLG in 2006), with the one exception of the Cabinet Office, which was created in 1916. Furthermore, there have been three major changes of government and five different prime ministers in the same period, as follows:

The Conservative-Liberal Democrat Coalition Government – Cameron administration (2010-present)

As this section of the report will go on to show, these changes have profoundly affected the level of prioritisation afforded to environmental sustainability in relation to other policy issues, and hence the amount of resources made available for its governance.

Throughout her administration, Margaret Thatcher sought to improve the efficiency and responsiveness of the public sector using a variety of measures (Ross, 2012). Of particular consequence for the environment, Thatcher’s government privatised many aspects of the public sector, including several major utilities that are important for sustainability, such as gas, electricity, water and waste, as well as bus services and various local authority activities (e.g. street cleaning, cleaning government buildings, vehicle maintenance, refuse collection, grounds maintenance, and catering). Though other European countries also privatised public services during the period studied (Vickers and Wright, 1988), the UK was early in the field, with most services being privatised in the late 1980s amid widespread protests from the unions, the public and the media. Thus, Thatcher’s unpopular policy prevailed despite initially strong resistance, being particularly bolstered by her ‘victory’ over the miners during the mid-1980s.

Privatisation was motivated by a range of different concerns, including the desire to boost public revenue and – eventually – to increase competition, fuelled by the belief that the private sector would make better resource allocation decisions than the public sector (Bishop and Kay, 1990). The environmental sustainability consequences of these privatisations were not well considered by policy-makers at the time, despite increasing attention being drawn to these aspects by environmental NGOs throughout the 1990s. Friends of the Earth, for instance, highlighted the inadequacy of the policy of self-reporting by private utilities companies (especially water and nuclear power) in cases of environmental pollution (Linley-Adams and Verlander, 1994). Most important for Government’s decision framework for sustainability was the fact that large resource allocation decisions were now beyond direct Government influence – there were fewer direct policy levers as large utility sectors were privately owned. Thus, from the 1990s onwards, Government has had to rely on economic incentives via several economic regulators, and environmental incentives via environmental regulators (primarily the Environment Agency), to induce pro-sustainability behaviours in these large areas.

On the other hand, Margaret Thatcher, who had earlier rejected the idea that acid rain and other environmental issues were serious problems, became the first western leader to champion the importance of preventing serious climate change when she addressed the UN General Assembly in 1989 (Ross, 2012: 99) – although she somewhat contradicted herself two days beforehand by blocking a UNFCCC proposal to reduce CO2 emissions (Ross, 2012: 99). Thatcher’s Government also responded positively to the World Conservation Strategy (1983) and the Brundtland Report, producing the first national level endorsement of the latter (1988); a progress report on implementing Sustainable Development, titled ‘Sustaining Our Common Future’ (1989), which led the way for other countries by setting out a range of policy aims and measures; and the UK’s first comprehensive environmental strategy, ‘This Common Inheritance: Britain’s Environmental
Strategy’ (1990). One of the main policy vehicles announced within the environmental strategy was the Energy Saving Trust, a public-private partnership body tasked to promote energy efficiency programmes within the energy industry, as well as encouraging uptake from businesses and households (ENDS Report 208, 1992).

During Thatcher’s ministries the Government also introduced a tax differential on leaded petrol (the Differential Fuel Tax, 1987), and the Fossil Fuel Levy (FFL), a tax on electricity suppliers using non-renewable sources, the proceeds of which were used to subsidise nuclear power.

Thus, more recently, Thatcher has enjoyed retrospective recognition from some commentators who argue that she fundamentally “changed the institutional landscape” of government with regards to the environment (Harrabin, 2013), though credit for Thatcher’s pro-environmental rhetoric is often attributed to her long-term adviser, environmentalist academic Sir Crispin Tickell (Bell, 2013). Other commentators, however, remind their readers of the darker side to Thatcher’s environmental heritage and her neglect of environmental causes in her later ministries, especially her failure to sign up to the UN Convention on Biological Diversity (UN CBD) (Vidal, 2013). Moreover, these actions cannot be rightly seen as originating from within the central state alone, as pressure from academics, activists and environmental NGOs was substantial at the time.

In the early 1990s, John Major’s government continued developing the UK’s environmental sustainability governance arrangements by belatedly signing the UN Convention on Biological Diversity and setting up a cabinet committee to co-ordinate environmental policy across UK Government departments, as well as a network of ‘green’ ministers to provide leadership on environmental issues. Moreover, in 1994 John Major’s government produced the first ever national strategy (globally) for sustainable development – i.e. going beyond ‘This Common Inheritance’, which was an environmental strategy that did not address broader sustainability (Winfield, 2004). The new strategy was applauded for its recognition of environmental issues, but was also criticised for underplaying social issues (Ross, 2012).

One of the first things that Tony Blair’s New Labour government did when it came into power was to introduce a ban on leaded petrol (1998) – in response to citizen-led campaigning against lead in petrol that had been on-going since the 1970s – and banding of the Vehicle Excise Duty (1999), so that smaller cars are cheaper to run. Then, immediately following the introduction of these decisively pro-environmental policies, Blair’s government produced a plan for delivering sustainable development in the UK (‘A Better Quality of Life’, 1998), and a series of headline indicators for measuring progress (Winfield, 2004). This plan shifted the discourse on sustainable development within government away from environmental economics, which had dominated the previous government’s strategy (‘This Common Inheritance’), as the Labour Government were keen to emphasise social concerns. Thus, the new plan was celebrated for addressing social issues, but criticised for watering down the environmental agenda (ENDS Report 292, 1999; Ross, 2012). However, two years later in 2000 the Blair government restored their environmental credentials by introducing/creating the Climate Change Programme, the Waste Strategy, the Waste & Resources Action Programme (WRAP) and the Sustainable Development Commission (SDC), which was introduced in the previous section.
Stemming from agreements made at the 1992 United Nations Conference on Environment and Development (UNCED), the Climate Change Programme (CCP) acknowledged the UK’s poor performance in terms of carbon emissions and argued for greater resource efficiency to be made a political priority. Thus, it paved the way for the introduction of the Climate Change Levy (CCL), a tax applied to industrial energy users to encourage them to use energy more efficiently and cut GHG emissions, and the Enhanced Capital Allowance (ECA) scheme, which provided tax allowances for products with a high energy efficiency rating or those that help save energy. It also set up the Carbon Trust to help run the ECA scheme, deliver a low-carbon technology R&D programme, and offer energy auditing and advice services to industry (ENDS Report 306, 2000), the design of which was strongly influenced by the government’s Advisory Council on Business and the Environment (ACBE) (ENDS Report 362, 2005), a powerful lobby group consisting of major UK businesses.

Other climate change-related developments that followed on from the CCP (between 2000-2007) included (1) the Low Carbon Building Programme (LCBP), which funded the installation of domestic micro-generation technologies and larger scale distributed generation installations for public buildings and businesses, (2) the Code for Sustainable Homes, a voluntary assessment scheme designed to encourage best practice in the environmental performance of new homes which LAs can make into a mandatory requirement for developers, and (3) the CRC Energy Efficiency Scheme (previously known as the Carbon Reduction Commitment), a mandatory scheme to reduce GHG emissions from non-energy-intensive industries which operates through self-assessment and spot-audits, as well as (4) the National Framework for Sustainable Schools (2006), which was developed by the SDC along with several environmental NGOs, including WWF-UK, Global Action Plan, the RSPB, Keep Britain Tidy and Waste Watch.

The creation of the Waste Strategy (and, by implication, WRAP) was mandated within the 1995 Environment Act, which added a requirement to the 1990 Environmental Protection Act. Whilst WRAP – set up as an independent non-profit organisation – was designed to boost recycling and industrial recovery of recyclable materials, the Waste Strategy, on the other hand, contained the widespread adoption of the EU’s ‘waste hierarchy’, which put landfill at the bottom of the pyramid. It also contained national targets to increase recycling and composting rates, which were translated into statutory performance targets for local authorities; the 2005 target of a 250% recycling rate was exceeded with an actual rate of 26.7% (Bulkeley and Askins, 2009). Since then, the updated Waste Strategy 2007 introduced new targets to reduce overall household waste, and provided support for technologies that help address green waste and composting (Bulkeley and Askins, 2009: 254). Then, in 2011, the Government’s review of waste policy in England led to an increase in the Landfill Tax in order to meet EU targets (DEFRA, 2011b), with the result that the target for 2013 was already met in 2010 (ENDS report 428, Sep 2010: 21). Local authorities continue to play the lead role in delivering waste management in the UK, as the responsible waste disposal authorities.

In 2002, following on from the Blair’s government’s initial spate of activities, the Department of Environment, Food and Rural Affairs (Defra) was created, combining the previous Department of the Environment (DoE) and Ministry of Agriculture, Fisheries and Food (MAFF). Also in 2002, Blair’s government produced an Integrated Policy Appraisal (IPA)
tool, which was designed to provide a screening procedure for all new policies, to ensure that they met various requirements, including a requirement relating to sustainability. Both of these moves can be seen as indicative of Blair’s commitment to champion joined-up policymaking and multi-agency responses to ‘wicked issues’ (sustainability being an important case) throughout his ministry (Ross, 2012).

Further actions taken by Blair in this vein included raising the profile and strengthening the remits of the two environmental cabinet committees introduced by John Major (i.e. the then Cabinet Committee on Environment and Sustainable Development and Green Ministers Committee); creating a Sustainable Development Unit (SDU) with a cross-departmental remit, located within Defra; and introducing a requirement, within the Planning and Compulsory Purchase Act (2004), for Local Authorities to develop Local Development Frameworks (LDFs), in the remit of which sustainability appraisals on local development plans could be made mandatory by local authorities and the English regions were required to develop Regional Spatial Strategies (RSSs) to which they could be held accountable.

However, one area in which promising levels of joined-up thinking failed to deliver a durable policy response to concerns about sustainability was food and farming. Shortly after Defra was created, Blair ordered the Curry Commission – a wide-ranging review of food production and consumption in light of concerns around food safety and the environmental integrity of supply chains (Curry Commission, 2002). The commission, which was applauded by business, academics, policy-makers and civil society alike, recommended a raft of measures to modernise the food sector, reconnect food producers and consumers, and increase the efficiency of food supply chains (Lang, Dibb, and Reddy, 2011), to be implemented by Defra. Though Defra had made some headway with this agenda, the food system was still clearly in a crisis of multiple dimensions in 2008 when, amid increasing pressure from civil society, the Brown government commissioned a review of UK food policy since the pre-WW2 era (Cabinet Office Strategy Unit, 2008), and established both the Council of Food Policy Advisors (CFPA) and the Food Policy Unit (FPU) in Defra. But even after all this activity had taken place, neither the Cabinet Office report (‘Food Matters’) nor Defra’s follow-up food strategy (‘Food 2030’) made it to implementation before the change of government in 2010, when they were effectively shelved and the CFPA and FPU were both dissolved, along with the majority of food policy vehicles (Lang et al., 2011).

Also around the time that Defra was created, the Blair government produced the Sustainable Communities Plan (2003), which was a spatial development strategy for England, and introduced further environmental policies, including the (2002) and the Renewables Obligation (2002), as well as the Municipal Waste Management Strategies (MWMSs) and the Landfill Allowance Trading Scheme (LATS, 2004), which were both introduced under the Waste and Emissions Trading (WET) Act of 2003. Especially the Landfill Allowance and Trading Scheme was introduced in response to the EU landfill directive which put limits on the quantity of biodegradable municipal waste going into landfill (Barrow, 2003; Bulkeley and Askins, 2009).

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6 SEEDA produced the South East Regional Spatial Strategy (published as the South East Plan) in 2009, which was later combined with the South East Regional Economic Strategy to form the South East Regional Strategy. This was then revoked by the Coalition Government when regional planning powers were returned to Local Authorities under the Localism Act of 2011.
Then, in 2005, Defra (on behalf of the Blair government) produced a revised strategy for achieving sustainable development (‘The UK Strategy for Sustainable Development: Securing the Future’), which saw a more holistic interpretation of sustainability entering into UK policy rhetoric. Crucially, the strategy required all government departments to produce their own Sustainable Development Action Plans (SDAPs) to report on their progress, which was an activity that had previously been conducted at the national scale only; most departments produced their first SDAPs in 2006 (Ross, 2012). Despite the change of government in 2010, the 2005 strategy – especially its five principles: 1. Living Within Environmental Limits, 2. Ensuring a Strong, Healthy and Just Society, 3. Achieving a Sustainable Economy, 4. Using Sound Science Responsibly, and 5. Promoting Good Governance – is still at the core of Defra’s policies.

Also in 2005, the UK government (including all the devolved administrations) produced another key policy document (‘One future, different paths: The UK’s shared framework for Sustainable Development’). However, due to a “lack of legal or political clout” (Ross, 2012) the framework – which was an overt attempt to coordinate efforts across England, Wales, Scotland and Northern Ireland – was largely ignored. Hence, around the same time the Scottish and Northern Irish administrations released their own sustainable development strategies that were strongly focussed on economic growth, creating a lack of consistency at the UK level. In contrast, the Welsh Assembly Government (WAG) produced ‘One Wales: One Planet: The Sustainable Development Scheme of the Welsh Assembly Government’ (2009), which set out a move towards a much stronger discourse of sustainability than adopted by the UK Government. This discourse – which originated within the environmental NGO, WWF-UK – also shapes the ‘One Planet Living framework’ currently used by Brighton and Hove Council.

Then, in 2008, when the credit crunch was knocking climate change off the headlines, Gordon Brown took over from Tony Blair as prime minister. Nonetheless, it was under Brown’s ministry that the Department for Energy and Climate Change (DECC) was created under the Climate Change Act (2008), in order to bring together energy policy (previously under the business department) and climate change mitigation policy (previously under Defra), in recognition that they could not be addressed separately. In fact, ever since Mrs Thatcher championed the issue, UK policy has given much higher priority to climate change than any other aspect of sustainability. This focus on climate change has largely, at least until recently, represented a cross-party consensus and reflects the influence of climate activism, as manifest by the 2009 march for climate change, as well as ardent campaigning from environmental NGOs including Friends of the Earth, who’s ‘Big Ask’ campaign was instrumental in the creation of the original Climate Change Bill in 2006.

Aside from this, and passing both (1) the Sustainable Communities Act (2007) which was designed “to make provision about promoting the sustainability of local communities” (UK Government, 2007), and (2) the Energy Act (2008), which created a feed-in tarrif for small businesses, residents and communities producing renewable energy that was controversially slashed in 2012/13 despite campaigning from environmental NGOs, Brown’s other notable contribution to the governance of environmental sustainability was to dissolve both environmental cabinet committees set up by Tony Blair (Ross, 2012: 95-96).
The current Conservative-Liberal Democrat Coalition Government under David Cameron (the Con-Lib Coalition government) has become known for its aspiration to be the “greenest government ever” as promised during the election campaign (The Rt Hon David Cameron MP, 2010). However, when they came into office, the Con-Lib Coalition government “failed to include sustainable development amongst the economic priorities set out in its programme for government” (Ross, 2012: 95), and has since been criticised by environmental NGOs – including Greenpeace, Friends of the Earth, Christian Aid, Oxfam and the Royal Society for the Protection of Birds (RSPB) – for losing its way on green issues (Batty, 2011). To ice the cake, David Cameron recently created a media storm by allegedly instructing his staff to “get rid of all the green crap”, referring to environmental policies (Mason, 2013).

Moreover, the appointment of Eric Pickles – who has substantially weakened the pro-sustainability policies of his department on the energy efficiency of buildings – to DCLG, and Owen Patterson – who was recently removed from Government, at which point he declared that he had been trying hard to reverse the influence of environmental NGOs on policy, and that environmentalism was getting in the way of good business (Paterson, 2014) – to Defra, stand as evidence that political enthusiasm for the sustainability agenda has waned under the current government. Furthermore, infighting over environmental policies has been rife within the cabinet, with Conservative backbenchers expressing climate scepticism and arguing against renewable energy subsidies (Edward Davey MP, 2014). In terms of actual performance, the government’s attempts to protect the environment have reportedly been failing in various policy areas, especially air pollution, carbon emissions, sites of special scientific interest (SSSIs), peatland, and water quality and availability (National Audit Office, 2014) – although this cannot, of course, be attributed to the policies of the current government alone.

As indicated above, the Con-Lib Coalition government’s 2011 strategy for sustainable development (‘Mainstreaming Sustainable Development’) – which set out the government’s vision and a package of new measures to deliver it – builds on the five principles from the previous government’s 2005 strategy (Ross, 2012). It does, however, indicate a narrowing of focus around the sustainability of the government’s internal affairs, at the cost of a broader focus on the impacts of its policies throughout the UK economy (Walley, 2013). Outputs from the strategy thus far include (1) a ‘Toolkit for Impact Assessment’ from the UK Better Regulation Executive (BRE), which introduced a sustainability ‘test’ into the impact assessment process for new policies, and (2) the Sustainable Development in Government (SDiG) Framework, which replaces the previous government’s framework7 with tougher outcome-based targets for delivering reduced GHG emissions, resilience to climate change, sustainable procurement, waste reduction, water efficiency, biodiversity enhancement and community engagement (Ross, 2012).

The full package of measures announced in the strategy is as follows:

“Ministerial leadership and oversight:

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7 i.e. the Sustainable Operations on the Government Estate (SOGE) Framework.
The Environment Secretary will sit on the key domestic policy Cabinet committees, including the Economic Affairs Committee, to enforce the Government’s commitment to sustainability across domestic policy making;

A Ministerial Steering Group will oversee delivery of new commitments for greening Government’s operations and procurement;

Leading by example:

- Reducing Government’s waste generation, water use and greenhouse gas emissions. Waste will be cut by 25 per cent (approximately 74,000 tonnes) by the end of this Parliament [May 2015]. Best practice water efficiency methods will be put in place across government, as well as a new stretching commitment on greenhouse gas reduction which builds on the current 10 per cent announced by the Prime Minister in May 2010;

- Ensuring the Government buys more sustainable and efficient products and engages with its suppliers to understand and reduce the impacts of supply chains;

Embedding sustainable development in government policy:

- Defra will take the lead responsibility for reviewing departmental business plans in relation to sustainable development principles. The Minister for Government Policy will then hold departments to account through the quarterly business plan review process;

Transparency and independent scrutiny:

- Developing real and measurable indicators to monitor sustainability across government and report results publicly;

- Independent monitoring of sustainability in Government operations, procurement and policies by the Environmental Audit Committee;

- More frequent and up-to-date publishing of information and statistics online will replace annual reports on sustainability to allow constant scrutiny of progress and performance.”

In the two years after the new strategy was released, the Con-Lib Coalition government also introduced some new external-facing policy instruments including the Renewable Heat Incentive (RHI), which is a system of payment for the generation of heat from renewable energy; the Green Deal, a scheme which provides loans to households for them to invest in domestic energy efficiency (such as insulation) – Green Deal loans are attached to the property rather than the occupant and repaid through the utility bill via a surcharge which is passed on to the loan provider (Rosenow and Eyre, 2013); and the Green Investment Bank (GBI), which is owned by BIS and was created to attract private funds for environmental protection and improvement. The GBI was set up partly in response to sustained calls from environmental NGOs, led by Friends of the Earth. In addition to these, DECC launched a
competition for LAs that saw £46 million worth of funding invested into projects that seek to reduce fuel poverty, boost energy efficiency and encourage collective energy purchasing across the country (Department of Energy and Climate Change, 2011).

However, the most salient item on the Con-Lib Coalition government’s agenda since 2010 has been fiscal austerity, meaning a shrinking of government through the dissolution of various institutions and big spending cuts to the remaining public sector. For instance, Defra’s budget has been cut by over £500m, or around 15%, since 2010, and another £200 million of further cuts are expected before the election in 2015 (Rogers, 2011) – this includes cuts to Defra’s associated agencies including the EA, which led to a public uproar over flood protection, as described above. The other departments that have core responsibilities for the governance of environmental sustainability, including DECC, DCLG, BIS and the Cabinet Office, have also experienced significant cuts since 2010 and are subject to further cuts of between 10-40% between 2015-2016 (Marshall, 2013).

In terms of dissolutions, the most significant was the Sustainable Development Commission (SDC), which Defra decided to withdraw funding for in 2011 (Sustainable Development Commission, 2013). Other notable dissolutions included (1) the Centre of Expertise in Sustainable Procurement (CESP), which was set up by the Labour Government in 2008 with the aim of providing challenge and support for central government departments in their efforts to deliver against their sustainability commitments; some of its responsibilities have been taken over by the Cabinet Office’s Green Government Unit (GGU) (Ethical Consumer, No date); (2) the Sustainable Development Unit (SDU), which was designed to provide an interdepartmental resource to promote the sustainable development agenda and advise departments on issues related to the greening of government (Ross, 2012); and (3) the Ministerial Third Sector Task Force on Climate Change, the Environment and Sustainable Development (aka the Third Sector Task Force), which was originally set up in 2009 to bring together Defra, DECC, DCLG and the Cabinet Office with the Charity Commission and 16 third sector organisations (including the Green Alliance and the National Council for Voluntary Organisations who formed the secretariat for the group) in order to jointly tackle environmental sustainability-related problems.

During its first four-plus years in office, the Con-Lib Coalition government has also become known for its “Big Society” and “Localism” agendas. In Cameron’s own words, Big Society is all about “giving people more power and control to improve their lives and their communities” (The Rt Hon David Cameron MP, 2011). Thus, just prior to the dissolution of the Third Sector Task Force, the Con-Lib Coalition government laid out its vision for the Big Society in the ‘Shaping Our Future’ report (2010), which “explored the capacity of civil society organisations to contribute to tackling major sustainability issues […] [and] set out principles for how government and civil society should work in partnership on this agenda” (HM Government, 2010a). This move, however, has been accompanied by a significant reduction in the level of public funding made available to community and voluntary sector organisations. Thus, a clear ‘talk-action gap’ has opened up in this space.

\[\text{i.e. from a total of around £3 billion in the tax year 2009/10.}\]
Then, in the following year, the Localism Act (2011) was introduced, followed by the publication of the National Planning Policy Framework (NPPF) (2012), with the intention of giving people more power over their local environments through the planning system. However, the changes brought in by the Localism Act and the NPPF have been criticised for actually undermining the ability of communities to exert control over the planning system, and instead “prioritising [commercial] development over the views of local people” (Thraves, 2013). And on a related note, the power of Local Authorities to address environmental sustainability issues has waned in recent years due to substantial reductions in the level of the Revenue Support Grant as a fiscal austerity measure. This has meant that LAs increasingly need to concentrate their spending on functions which are statutory responsibilities, whereas many pro-sustainability actions – e.g. improvement to public transport, and encouraging corridors for nature in pursuit of biodiversity – are not statutory responsibilities.

3.1.3 CONCLUSION

On the basis of the governance context mapping presented above, the following observations can be made. In the current UK governance arrangements, central government is in a very strong position while local government is in a relatively weak position given its limited discretion over raising and spending taxes. Even though local councils have important sustainability-related responsibilities like local planning, the national planning framework determines which powers local authorities have. The national government also often directly provides funding schemes for local sustainability projects/initiatives. Decision making related to sustainability issues is relatively dispersed over a number of different government departments and several changes in responsibilities related to sustainability have happened over recent years. A specific feature of the UK political system generally is the extensive use of non-departmental public (delivery) bodies which introduces challenges regarding coordination in policy formulation.

While there has been some devolution of power from the Whitehall government to devolved administrations in Scotland, Wales and Northern Ireland introducing some elements of a federal system, this has not happened within England where our case study city-region is located. Even the establishment of Regional Development Agencies was undone in 2012.

The political salience of concerns about sustainability clearly has varied over time. Despite the power concentration in strong national majority governments, both the Labour Party and the Conservative Party have predominantly followed

"a strategy of preference-accommodation. They have gradually adopted a greener rhetoric and developed a set of moderate policies to demonstrate that the environment would be safe in their hands, but they have resisted
Carter also points out that Labour “briefly struck an upbeat attitude towards the environment in the immediate aftermath of its 1997 election victory, but failed to sustain this new-found enthusiasm” (Carter 2007: 133). This is claimed to have to do with the experience of the fuel duty escalator and the fuel blockade in 2000. However, the short phase of environmental enthusiasm led to the adoption of the Climate Change Programme and overall the Blair/Brown governments were quite supportive of the environmental agenda generally and climate change in particular. The current Cameron/Clegg government had promised to be the ‘greenest government ever’, but the environmental agenda is also very contested within the right wing of the Conservative Party. Especially in economically difficult times, austerity measures were overshadowing environmental commitments and political attention was focussed on attention to cutting the costs of living rather than sustainability achievements.

Over the whole timeframe of the analysis the UK developed some pioneering national sustainability-related initiatives (e.g. UK developed the first national SD strategy, developed national emissions trading before the EU ETS system was put in place, established the first legally binding Climate Change Act) and in theory there as a comprehensive embedding of SD in many areas of policies and government processes (such as procurement). However, it is difficult to judge the effects of these policies and procedures in practice and to what extent they have contributed to local transition acceleration processes which will need more detailed attention in the case study analysis. The analysis presented above highlights how developments in the polity (e.g. devolution, change in Departmental responsibilities, setting up new public institutions like the Sustainable Development Commission), developments in politics (changes in government, party politics, lobbying by environmental NGOs, public controversies, etc.) and the development of new policies (such as the Sustainable Development Strategy or the Climate Change Act) are very closely intertwined and need to be studied together in order to understand how sustainability-related governance processes unfold in a UK context.

9 A preference-accommodating strategy “seeks out the perceived wants of the voters in the fashion of a brand manager” (Leggett 2005: 551). Leggett argues that ‘New Labour’ has mainly followed this strategy of identifying and chasing supposedly fixed preferences and thus failed to engage in more transformative politics to mould the preferences of the electorate.
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3.2 The transition region Budapest

3.2.2 THE BASIC STATE STRUCTURE

Hungary is a republic, which means that political power is derived from the people. The form of Hungary’s government is parliamentary and, therefore, people exercise political power through elected Members of Parliament. The country functions according to democratic principles and this is reflected in the relationship between the branches of government. There are three main branches of government; the Legislature, the Executive and the Judiciary. These branches operate independently of each other. The separation of power does not allow any one of these branches to appropriate power and arbitrarily dictate the life of the country and its citizens because in addition to operating independently, they mutually monitor each other’s activities (Hungarian Government 2014).

Environmental issues in general have grown in importance since the change of the regime in 1989. After the fall of communism, the former Eastern Bloc transformed from a one-party system, centrally planned economy to a market economy with a multi-party political system. With the collapse of the Soviet Union, the Eastern Bloc countries suffered a significant loss in both markets for goods, and subsidies from the Soviet Union. Even though social differences increased significantly during this time and people lived at a lower level than during communism, the external investments were one of the highest in the region. Between 1990 and 1994 the Antall government began market reforms with price and trade liberation measures, a revamped tax system, and a nascent market-based banking system (Spaller 2004).

In the 1990s Hungary has moved from the first decade of post-socialism into the nation’s first decade as a member state of the European Union. Nonetheless environmentalists continue to fight for participation in the policy making process. In these years hundreds of small, grassroots environmental groups were forming outside the capital city, and groups in Budapest were turning their attention to new problems of consumer waste and suburbanization. Preparation for the EU accession of Hungary has also accelerated environmental developments. Since the 2000s several policies have been made in Hungary that are related to environmental protection, rural development, climate change, waste management etc. (Harper 2006).

In 2003 a referendum on EU-accession was held in Hungary, in which 83.76 per cent of those participating supported Hungary’s accession to the European Union. Hungary became a member of the European Union on 1st May 2004. Besides environmental concerns, the improvement of resource efficiency witnessed in the past decades was partly due to economic restructuring. In the last few years, as a result of new environmental challenges, growing public awareness, and the need for new ways of economic development, sustainable consumption and production, resource efficiency and a green economy have become keywords and, thus, got into the focus of policy making. The issue is addressed in the National Environmental Programme in a comprehensive way. Sectoral plans - in particular the Waste Management Plan - are elaborated in accordance with the thematic programmes of the National Environmental Programme (EEA 2011). The figure below shows the administrative structure of Hungary.
3.2.3 THE SUSTAINABILITY SPECIFIC GOVERNANCE CONTEXT

**Institutional specialization on environmental policy**

In Hungary since 1988 environment and nature protection issues belong to ministerial governance. In 2004 the National Water Bureau and the National Environment and Nature Protection Office were merged, and the Ministry of Environment and Water was founded.

In 1990 water management was separated from environment protection and was transferred to the Ministry of Transport, Communication and Water. For a few months the environment portfolio operated under the name of Ministry for Environmental Protection, and later its scope of authority in environmental and nature protection was increased to include housing and construction, regional development and heritage conservation. It is now known as the Ministry of Environment and Regional Development.

In 2002 the Ministry was transformed again as water affairs were transferred from the Ministry for Transport, Communication and Water to the Ministry of Environment and Water. At the time the ministry was a central governing body for environmental and nature protection and water affairs. The Ministry carried out the expert management and regulatory tasks in the areas of environmental and nature protection, water management and meteorology. The ministry’s responsibilities included policy development, tasks connected to governmental work and the continuation of the far-reaching international collaboration. The ministry’s field institutions – environmental and water authorities, as well as national park
managements – attended to the first degree tasks of the authorities. Second degree tasks of
the authorities in environmental and nature protection are carried out by the National
Environment and Water Authority (Ministry of Environment and Water).

In 2008 the National Council for Sustainable Development was established by the
Hungarian Parliament as a consultative, conciliatory, and advisory body for sustainable
development. The members of the Council are representatives of the parliamentary parties,
chambers of commerce, trade unions, employers’ organisations, science and education,
municipal associations, NGOs, etc. The aim of the Council is to facilitate the inclusion of the
principles of sustainable development into the everyday activities of the government, the
economy and the citizens. It pays attention to the issues of climate and energy, sustainable
rural development, human health and social awareness.

In 2010 the National Environment and Water Authority was integrated into the Ministry of
Rural Development. Since then an environment ministry no longer exists in Hungary.

Nowadays environmental issues are the responsibility of the Ministry of National
has a strategic role in establishing regional co-operation nationally and internationally.
Energy and Climate Policy Under Secretariat (ECPUS) belongs to the Ministry of National
Development, whose primary task is to assess and evaluate which tools are necessary for
launching a sustainable and competitive green economy in the near future. ECPUS has a
range of authorities at the national level. The ministry’s task is to define long-term national
energy and climate policies, and then to arrange tools for their implementation. MND is
responsible for the Environment and Energetics Operational Programme financed by the
European Structural Funds. European Structural Funds also serve to support infrastructural
investments in energy supply. Energy and Climate Policy Under Secretariat plays a
dominant role in forming the institutional and legislative environment that influences the
growth of the demand and supply of renewable energy (CEP-REC; Hungarian Government).

**Funding schemes for environmental sustainability**

This chapter presents the most important funding schemes. In Hungary environmental
sustainability projects can receive funding from several sources such as the European
Cohesion Funds, the Norway Funds, and national sources from the government. Most of
these sources to finance environmental development goals come from abroad, while at the
national level several types of credits are available.

**International level funding schemes**

**EEA and Norway Grants**

The EEA and Norway Grants are financial mechanisms established by Norway, Iceland and
Liechtenstein. The Donor States are not members of the European Union, but are members
of the European Economic Area (EEA). Therefore, they do not contribute financially to the
common policies of the EU, but thinking in terms of solidarity they help reducing the
differences between the countries of the European Economic Area with these separate
Grants. Norway, Iceland and Liechtenstein signed the Memoranda of Understanding with
Hungary on 12 and 14 October 2011 that make 153 million euros available.
Seven Programme Areas supported by the EEA Grants are the following: Energy efficiency, Renewable energy, Adaptation to climate change, Civil society – NGO Fund, Children and youth at risk, Conservation of cultural and natural heritage, Scholarships. Five Programme Areas supported by the Norway Grants are the following: Green industry innovation, Decent work and tripartite dialogue, Bilateral research cooperation, Capacity-building and institutional cooperation, Public health.

According to the Norway Grant for the 2009-2014 financial programming period in total approximately 153 million euros were allocated to Hungary (Figure 4).

*Figure 4: Funding available for Hungary from the Fund (2009-2014)* (Source: EEA and Norway Grants).

For the current period, the funding under the EEA and Norway Grants to Hungary totals EUR 153.3 million (of which EUR 13.5 million have been allocated to the programme area on NGOs). On the 9th of May Norway has suspended payments to Hungary under the Grants scheme. As a result of the suspension, EUR 129.8 million of this amount have been frozen. Since May 2014, the Hungarian Government handles the projects of the Norway Grants. Nowadays the ministry responsible for these projects is the Ministry for the National Economy.

The main tasks of the Ministry for the National Economy are the formulation of Hungarian economic policy and the implementation of the “Strategy for the National Economy”. It deals with fields related to the national economy such as improving competitiveness, preparing the state budget, reducing national debt and stimulating economic growth. This is why they are responsible for the Norwegian Funds’ projects. Until the negotiations between the Hungarian Government and Norway will be concluded, the granted projects will be pre-financed from the Hungarian state budget.
EU level funding schemes

The European Commission has adopted a "Partnership Agreement" with Hungary setting down the strategy for the optimal use of European Structural and Investment Funds throughout the country.

For the period between 2007 and 2013, EUR 24 billion was available from the Structural Funds and together with domestic budgetary resources a total of more than EUR 28 billion was available to finance measures defined in the operational programmes. Between 2007 and 2013 the Second National Development Plan – New Hungary Development Plan and New Széchenyi Plan – focused available resources on two areas: the expansion of employment and promoting long-term growth” (MAG Zrt.).

The following six sectoral priorities were defined for the grants:

- economic development;
- transport development;
- human resources development;
- environmental and energy development;
- regional development;
- public administration.

In 2014-2020, Hungary will manage seven operational programmes under EU Cohesion Policy. Four programmes will receive funding from the European Regional Development Fund (ERDF) and the European Social Fund (ESF). Two programmes will receive funding from the ERDF and the Cohesion Fund. One programme will be funded by the ESF and Cohesion Fund. For 2014-2020, Hungary has been allocated EUR 21.9 billion (current prices) in total Cohesion Policy funding, and from this amount the more developed region, i.e. the Central Hungary Region, receives EUR 463.7 million in this period (EC 2014).

National level funding schemes

Magyar Nemzeti Bank (MNB) (Central Bank of Hungary)

"MNB is the central bank of Hungary, and member of the European System of Central Banks. The MNB and the members of its decision-making bodies shall be independent in carrying out the tasks and meeting their obligations conferred upon them by the MNB Act, and shall neither seek nor take instructions from the Government, the institutions and bodies of the European Union, the governments of its Member States and any other bodies, except from the European Central Bank" (MNB 2014).

The primary objective of MNB is to achieve and maintain price stability. Without prejudice to its primary objective, the Magyar Nemzeti Bank supports the economic policy of the Government, using the monetary policy instruments at its disposal (MNB).

Further tasks of MNB are:
- holding and managing official reserves in foreign currency and gold
- developing and monitoring the payment and settlement systems
- issuing forint banknotes and coins (exclusive right of cash issuance)
- collecting and publishing statistical information
- setting and publishing official exchange rates
- promoting the stability of the financial system.

The Hungarian Development Bank (Hungarian abbreviation MFB)

“MFB is a specialised financial institution, which performs its activities in conformity with relevant Hungarian legislation, and the support policy and competition rules of the European Union. Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions is not applicable to the Bank, therefore part of the prudential rules pertaining to commercial banks are not to be applied to MFB, at the same time the scope of its activities is limited territorially and in some respect functionally as well” (MFB).

The core function of the Bank is to promote economic development, provide funding for small- and medium-sized businesses, to increase the technological level and the rate of employment, to improve the conditions of the development of energy efficiency, environmental protection and infrastructure taking into account sustainability criteria and to reduce regional disparities. In order to ensure the efficient use of EU funding, MFB with its products helps businesses to improve their absorption capacity.

The national development strategies

Since the transition in 1989 several development strategies and plans have been developed. One of the most important plans was the National Development Plan, which was accepted in the year of the accession to the EU (2004). Several other plans followed on the basis of this one. These plans implement the environmental sustainability goals via operational programmes. In this chapter the most significant development plans and strategies will be outlined. Table 2 gives a chronological overview over the development of environmental governance in Hungary.

„Hungarian National Development Plan (2004-2006)”

The National Development Plan has been elaborated taking into account Council Regulation /EC/ No 1260/1999, laying down general provisions of the European Structural Funds, as well as the Vademecum, regulating plans and programming documents related to the European Structural Funds. The plan was in line with the programming guidelines of the EU Commission for the period 2000-2006 (The Structural Funds and their co-ordination with the Cohesion Fund. Guidelines for programmes in the period 2000-2006), which provided guidance for development policies that promote economic competitiveness and job creation. In addition, it took into account the relevant community and national policies and
strategies. The Hungarian National Development Plan relied on the resources of all European Structural Funds.
Table 2: Chronological overview of the politics, polity and policy relating to environmental governance in Hungary

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Consequently, its objectives and priorities had to be in line with the regulations of the EU Parliament and Council governing the European Structural Funds, i.e. the European Regional Development Fund (ERDF) with Regulation /EC/ No 1783/1999, the European Social Fund (ESF) with Regulation /EC/ No 1784/1999, the European Agricultural Guidance and Guarantee Fund (EAGGF) with Regulation /EC/ No1257/1999, and the Financial Instrument for Fisheries Guidance (FIFG) with Regulation /EC/ No 1263/1999. The activities financed by the European Structural Funds were closely connected with the measures financed by the Cohesion Fund at the same time. The development objectives of the Cohesion Fund were reflected in the National Development Plan and were in line with Council Regulations /EC/ No 1264/1999 and 1265/1999 on the Cohesion Fund (NDP 2003).

Relevant parts of the National Development Plan were:

- Economic Competitiveness Operational Programme
- Environmental Protection And Infrastructure Development Operational Programme
- Agricultural and Rural Operational Programme
- Operational Programme for Regional Development


The most important objective of “The “New Hungary Development Plan” was to expand employment and to create the conditions for long term growth. For this purpose, it launched co-ordinated state and European Union developments in six priority areas: the economy, transport, for the renewal of the society, environment and energy, regional development and state reform. The government had approved 15 operational programmes of the “New Hungary Development Plan” (NHDP). Within this framework Hungary was able to invest 7000 billion Hungarian Forints in the development of the country. The highest number of measures was implemented through funding granted within the framework of the Transport Operational Programme (TOP), the Environment and Energy Operational Programme (EEOP) and the Social Renewal Operational Programme (SROP) (New Hungary Development Plan).

The priority of the environment and energy programme was to achieve the sustainability objectives. Regarding environmental protection, Hungary’s commitments as laid down in the Accession Treaty were the starting point for improving the sustainable use of resources through efficient production and consumption structures.

Under the EU’s regional development policy Hungary could use 25.7 billion euros from the Cohesion Funds during the 2007 to 2013 budgetary period. The EU allocated EUR 32.8 billion euros in total funding, including agricultural- and rural development subsidies, to Hungary during the seven-year budgetary cycle. Hungary was able to utilize more than 90 per cent of the EU funding available to the country during the EU’s 2007-2013 budgetary cycle. Most of the public investments - approximately 99.8 per cent of them were financed from EU funds. Preliminary calculations shows that Hungary’s net beneficiary position will be maintained in the new 2014-2020 budgetary cycle as well, again to the tune of around EUR 24 billion (Rácz 2014).
Hungarian Environment and Energy Operational Programme

The aim of the programme was to turn sustainability in a generally accepted way of living, to make ways of applying sustainable alternatives as well as the environmental consequences of consumption more widely known, and to improve the availability of sustainable consumption alternatives via cooperation between different groups in society, for instance, between businesses, NGOs, the education and scientific sectors, consultants and the public. For the period from 2007 to 2013 EUR 77 million were allocated for campaigns that would inform about both the environmental and social impacts of consumption and the benefits of sustainable living (Bankwatch 2014).

EEOP is based on the following strategic considerations:

- Strengthening environmental protection
- More efficient and economical use of natural resources
- Raising awareness about the benefits of sustainable consumption, including disseminating and clarifying the values of sustainability in order to make its benefits comprehensible at an individual level.
- Promoting the acceptance of sustainability as a social norm.
- Facilitating access to sustainable infrastructure alternatives, and increasing awareness of the possible uses for such infrastructure alternatives.

In this period NGOs, local and national authorities as well as companies implemented several successful nationwide projects that reached millions of people living in Hungary.

EEOP includes separate awareness raising programmes for different priorities such as:

- Comprehensive climate change mitigation and adaptation awareness raising campaigns.
- Campaigns aimed at water use, and water saving demonstration projects.
- The promotion of selective waste collection, re-use and recycling.
- Awareness raising activities related to the national Natura 2000 network and the preservation of certain protected species.
- Increasing energy awareness, energy efficiency, and the use of renewable energy through the implementation of complex awareness raising programmes (Bankwatch, 2014).

Environmental Protection and Infrastructure Operational Programme (EIOP)

The EIOP’s total budget for the 2004-2006 programming period was 440.3 million euro, which corresponded to 13.3 per cent of the financial sources of the National Development Plan. Of this, 327.2 million euro stemmed from community support (the European Regional Development Fund), and more than 113 million euro came from the national budget.
The EIOP’s specific objectives were:

- Protection and improvement of the environment:
  - the quality and coverage of environmental services and utilities,
  - nature conservation
  - energy initiatives

- Improvement of the transport network through investments in upgrading the national transport infrastructure.

The New Széchenyi Plan”(2011)

The second Orbán government started the “New Széchenyi Plan” on the 15th of January 2011, which was based on the cooperation between the government, society and private companies. This programme was the new economic development programme of the Hungarian government. In 2010 the Hungarian economy was facing several challenges, so that financial stability had to be secured, and disadvantages in competitiveness had to be quickly eliminated. In response to these challenges the government aimed at improving Hungary’s competitiveness, creating one million new jobs within ten years. Thus, it prepared the economy development programme, should ensure a growth scenario that could be sustained over the long term.

Seven break-out points of the “New Széchenyi Plan” had been defined as a result of broad consultations with other players from the economic sphere. They focused on main strategic directions such as the development of enterprises, health industry, green economy, employment, home-making, transport and science-innovation. This plan was a platform, which various economic organizations, private companies and local governments could join with their ideas, plans, suggestions and competitions. With regard to sustainability, the New Széchenyi Plan had seven break-out points and among them one of the most important was the development of a green economy, and sustainable transport systems.

„Several operative programmes were financed through the New Széchenyi Plan. In this regard it was an important “umbrella” policy for all other relevant strategies, including the Energy Strategy, Transport Strategy, Energy Efficiency Action Plan, etc.” (NSZP 2011).

Energy policy

- Energy policy is to serve economic growth and job creation, together with security of supply, resource diversification, and the reduction of the dependence on imports.
- Production and utilisation of renewable energy is to be encouraged.

Transport

- Raising the financial resources necessary for a sustainable transport system.
- Encouraging intermodal transports.
Enforcing environmental and climate policy considerations

- Increasing environmental awareness,
- Transforming the primary energy mix – a greater proportion of renewable energy is necessary.

Széchenyi 2020

Hungarian Government signed a partnership document with the EC for the next seven years, on 11th September 2014. In doing so, the new development period was opened for 2014-2020. The supported budget is 116.5 billion forint for the nine new announcements.

Horizontal sustainability and environmental policies

In Hungary four “National Programmes for Environmental Protection” has been adopted since 1997. All of them cover relevant policies, action plans and programmes on environmental sustainability. The basis for the first environmental protection programme was the “Environment Protection Act” of 1995 and the “Nature Protection Act” OF 1996. The act of 1995 consisted of the National Environmental Protection Programme, which was to be renewed every six years, and the tasks to be implemented by the state and the local governments in this field. The key elements of the “Nature Protection Act” were the principles of sustainable development and biodiversity preservation. The other “National Programmes for Environmental Protection” followed the principles of the first one.


The Programme was adopted by the Hungarian Parliament in 1997. The NEP I covered a six-year period, and it focused on decreasing the most harmful impacts on the environment and preserving natural values. It was dealing with issues in general terms such stabilising greenhouse gases emissions or by means of enhancing the climate change related research and development work. The NEP I took into account relevant international environmental policy action plans and programmes. It introduced concepts, plans and action programmes for economic sectors like energy, industry, agriculture, transport, etc (OECD 2000). The NEP I was the basis for the following national programmes in Hungary.


The NEP II emphasised the preservation of environmental values by accurately defining the governmental targets. The NEP II followed the most important Hungarian and international environmental policy principles, which were classified into the following categories:

- Traditional environmental protection principles (principles of precaution, prevention, reconstruction).
- Additional principles for Hungary on the basis of the environmental government activities of developed countries such as shared responsibility, transparency in planning, decision-making, financing, etc.
“National Programme for Environmental Protection II promoted the establishment of social, economic and environmental conditions required for the transition towards sustainable development. During the implementation of NEP-II, apart from environmental interests, non-quantifiable ethical considerations were also taken into account. Environmental protection focusing on ethical considerations recognised the need to preserve values, which superseded any economic interests” (NEP II).

National Environment Programme - NEP III (2009-2014)

The National Environment Programme III integrated existing and future strategies and plans on sustainable development. It covered nine thematic action programmes and focused on the improvement of resource efficiency and energy, biodiversity, sustainable management of genetic resources, sustainable land use, sustainable water management, sustainable production and consumption, food safety, waste management (NEP III).

The National Environmental Programme 2009-2014 included as appendices:

- The National Basic Plan for Nature Protection,

With regard to energy and resource efficiency, the programme intended to continue with the steps aiming at improving the efficiency of production and technology development in different sectors. National Environmental Programme 2009-2014 sets as an objective the widespread application of principles and methods helping the prevention and/or reduction of environmental pressure related to production. It focused on cleaner production, eco-efficiency; principle of prevention, environmentally-centred management systems, environmentally conscious product planning, and eco products. The National Environment Programme III established that energy intensity has decreased by 13 per cent between 2000 and 2006 (EEA, 2011).

National Framework Programme on Sustainable Consumption and Production 2006

The structure of production and consumption in Hungary has changed during recent decades and while some favourable trends had appeared in the environmental load of production, inequalities between social groups in terms of the qualitative and quantitative parameters of consumption had increased rapidly.

The document was elaborated in 2006 through a stakeholder dialogue by Hungarian Network, coordinated by the Regional Environmental Centre for Central and Eastern Europe, Country Office Hungary, based on the concept proposal of the Hungarian Cleaner Production Centre (United Nations, Report of Hungary).

The general targets of the ten-year framework programme were the followings:

- definition of requirements for sustainable development,
- welfare in a broader economic, social and environmental sense;
- decoupling economic development from environmental deterioration;
- increase in production efficiency and by this means reduction of environmental load caused by companies,
- reduction of natural resources use;
- making consumers’ behaviour and habits sustainable, avoiding traps of consumer society;
- enforcement of rights of future generations during decision making on sustainability.

**National Framework Strategy on Sustainable Development**

In 2007 the sustainable development strategy was first introduced with the cooperation of the Hungarian Government. In 2009, the National Assembly decided that the sustainable development strategy should be renewed under the auspices of the National Council for Sustainable Development. In 2011, the Secretariat prepared the first version of the National Framework Strategy on Sustainable Development, and a broad public debate was launched this time. The Hungarian Parliament adopted the new National Framework Strategy on Sustainable Development in Hungary 2012-2014, called the “National Concept on the Transition towards Sustainability” based on the National Council for Sustainable Development report “In Search for the Future”, which had been adopted by the National Assembly on March 25, 2013. The main goal of the framework strategy is to provide a long-term direction, uniting the whole nation, for individual and collective actions. „The sustainability strategy provides a reference, not to forget about the aspects of future generations while solving the current short term problems, and so that the resources of tomorrow and of the day after tomorrow are not sacrificed for the prosperity of today” (NCSD, 2013).

**National Sustainable Development Strategy (2007-2025/2050)**

It has been approved in June 2007 by the Government Resolution No. 1054 of 2007. Sustainable consumption and production is one of its horizontal priorities.

The main objective of the National Sustainable Development Strategy was to help shift domestic social, economic, and environmental processes, i.e. Hungary’s development on to a path that is sustainable in medium and long term, taking into account both domestic realities and external and global processes and conditions (National Sustainable Development Strategy 2007).
Climate policies

Hungarian programmes on climate change from 2001

Since the political transition in 1989 several actions have been taken on climate change and climate protection in Hungary. International negotiations on various components of the future climate change convention were conducted in the period of 1991-1992. Concerning the formulation of the Hungarian position for the climate negotiations, the Climate Change Sub-Committee of the Hungarian National UNCED Preparatory Committee was established, which was composed of representatives of all interested national organizations, and was engaged in the general coordination of the national preparations for the Rio Summit (UNCED). The United Nations Framework Convention on Climate Change was adopted and signed in 1992. In this agreement the developed countries committed themselves to stabilise their emissions by 2000 at the level of these emissions in 1990 (Faragó et al, 1992). Such countries with economies in transition such as Hungary, gave flexibility in this regard, since the level of their emissions in 1990 could not be considered as an adequate reference level due to the deep economic recession.

In the meantime, the IPCC continued its activities and had a substantial role in providing scientific support for the international climate policy cooperation. The second assessment report of the IPCC was issued in 1995 and was followed by the third one in 2001. The fourth report was finalized and published in 2007. These reports provided increasingly unambiguous evidence, scenarios and evaluation of the global climate change hazard and its implications (VAHAVA 2010).

In June 2003 the Hungarian Ministry for Environment and Water and the Hungarian Academy of Sciences launched a joint research project (Láng et al 2006). The title of the project was „VAHAVA Report“. The project’s title was “Global climate change, Hungarian impacts and responses”. The VAHAVA Report was conducted between 2003 and 2006 and finished in 2007. The primary purpose of this endeavour was to consolidate the scientific basis for policy making in context of the climate change hazards.

The development of the international cooperation in the field of global climate change was a crucial motivating factor regarding the above mentioned research programme and more generally, all the relevant national sectoral and cross-sectoral policy development activities of the past two decades with the participation of government institutions and non-governmental organizations (Faragó 2008).

The Emission Trading Scheme (ETS) of the EU gained the most attention. The transposition and implementation of this system in Hungary was a very complex task both from regulatory and institutional perspectives. Along with developing the relevant national legal framework, including the respective act, the Act XV of 2005 on the greenhouse gas emission trading. More than 200 Hungarian industrial installations were subject to permitting, reporting and quota allocation procedures for the pilot period of 2005-2007. It was followed by a basically similar procedure for the period of 2008-2012, which is actually coincides with the first commitment period under the Kyoto Protocol (VAHAVA 2010).

In Hungary the Climate Policy Department of the Ministry of National Development is responsible for climate change adaptation within the current public administration structure.
The Hungarian Working Group of Climate Change is an interministerial body, the role of which is to provide advice, analysis, information and other assistance in the implementation of the Climate Change Act 2007. (Hungarian Government, Climate Department).

Green Investment Scheme (GIS) (2007)

The legal background for the GIS is provided by the amended Act LX of 2007 on the implementation framework for the United Nations Framework Convention on Climate Change and its Kyoto Protocol, whereas the details of its operation are regulated by Government Decree 323/2007 (XII. 11.) on the implementation rules of Act LX of 2007.

The latter unambiguously stated that all revenues of the GIS, including interests could only be used to support in form of grant, interest support, loan or other payments the following GHG mitigation efforts:

- Improvement of building energy efficiency;
- Increasing the utilisation of renewable energies;
- Improvement of efficiency of district heating systems;
- Promotion of the construction of low-energy consumption buildings;
- Energy efficient modernisation of indoor and outdoor lighting systems;
- Promotion of creating carbon sinks;
- Emission reduction in the transport sector;
- Replacement of old inefficient household appliances and electronic devices with new certified low energy consumption equipment;
- Other emission reduction.

National Climate Change Strategy 2008-2025

The National Climate Change Strategy 2008-2025 (NCCS) was adopted by the Parliament unanimously in early 2008 (Parliamentary resolution 29/2008. (III. 20. OGY). It has not been changed since, although its review is currently under way. The NCCS was presented in detail in the previous National Communication (6th National Communication of Hungary to the UNFCCC). It had two pillars: mitigation and adaptation measures, making an inventory of the effects exerted on the natural flora and fauna, the human environment, as well as on human health, water management, agriculture, forest management and the built environment (KVVM). The document defined all the important areas of action such as, the requirements to meet our obligations under the international agreements, measures to control the anthropogenic processes contributing to the climate change hazard, mitigation of greenhouse gases emissions and preparation for the environmental and socio-economic impacts.

Some of its key points are summarised here:
- The GHG emission reduction target was 16-25 per cent of the 1991 levels by 2025.

- The responsibility of the government was to create the necessary regulatory-legal framework; to review and adjust the subsidy systems; to raise the awareness of the society by giving priority to sustainability and providing good example.

- The residential sector is a key field of change: peoples’ lifestyle needs to be changed; a large scale reduction of demands for energy and materials must be achieved (by subsidised energy efficiency projects, among others);

- Industry and other enterprises also need to reduce their energy consumption, adopt emission reduction measures, to "green" their profile, products and services.

- NGOs, civil organisations shall have increased role in the dissemination of information, awareness raising and civil control.

Main areas of intervention were:

- Energy efficiency in buildings
- Renewable energy utilisation
- Transport (road tolls, other economic incentives, modal split change)
- Afforestation

**National Energy Strategy 2030**

The aim of the document is to ensure the long-term sustainability, security and economic competitiveness of energy supply in Hungary. Hungarian Parliamentary Decision 77/2011 (X. 14) granted a mandate for the implementation of the National Energy Strategy, including the development of the action plans fitting into its framework.

In order to preserve a healthy environment and ensure the requirements of future generations, an urgent change of approach is called for. By the development of the National Energy Strategy, the Government has aimed to:

- align energy and climate policies while taking into account the criteria of economic development and environmental sustainability,

- determine the future directions of energy projects, and

- prepare the required economic policy decisions

In order to achieve the objectives set in the Strategy, five significant efforts are drawn up: increasing energy savings and energy efficiency, increasing the share of renewable energies, integrating the Central European grid network and constructing the required
cross-border capacities, maintaining the existing nuclear capacities and utilising the
domestic coal and lignite resources in an eco-friendly manner for power generation.

The combination of the issues of the environment and development can ensure continuous
social well-being, the satisfaction of the needs of future generations and the preservation of
our natural, social and cultural heritage. To achieve the sustainable energy future:

- energy management must seek the balance between environmental (resource-
efficient, climate-neutral), social (secure, accessible, non-harmful to health) and
economic (cost-effective) dimensions of sustainability;

- all efforts must be made to reduce the energy consumption;

- the required energy must be produced and transmitted in the most efficient manner
  possible, preferably from renewable sources, under strict sustainability criteria;

- critical review of consumption patterns is required and their changing through a wide
  range of awareness-raising programmes to create the future and environmental
  conscious society;

- low CO2-emission technologies must be supported, the spreading of smart grids
  and meters be encouraged,

- the application, as soon as possible, of available green innovations must be
  fostered;

- the externalities related to the modes of energy production, particularly the use of
  fossil fuels must be quantified.

These efforts may enable the achievement of sustainable development and a living

**Domain-specific environmental policies**

**Waste management policies in Hungary**

The Hungarian waste management regime is being developed continuously, especially from
the beginning of the EU accession procedure in the late 1990s. The framework legislation
has been established by the Act No. 53 of 2000 on Waste Management in conformity with
the EU Directive 2006/12/EC on waste. The mid-term waste management strategy of
Hungary is defined in National Waste Management Plans (NWMP), which are prepared for
six-year periods. The new NWMP for 2009-2014 was under elaboration parallel to the
upgrading of the “Waste Management Act” in order to harmonise national legislation targets
and implementation tools with the new EU Waste Framework Directive 2008/98/EC.

In line with the overall goals of the first NWMP, two strategy papers (relevant to this
assessment) have been prepared: the Strategy for the Management of Biodegradable
Waste in Municipal Solid Waste Management 2004-2016 and the Development Strategy for
Municipal Solid Waste Management, 2007-2016. These documents served as the basis of future developments for the treatment of MSW (Herczeg 2013).

Sustainable development is one of the basic elements of Hungarian waste management policy and of the NWMP. The main principle is to follow and enforce the classic waste management hierarchy: prevention – recovery - disposal. In order to ensure the sustainable use of natural resources it supports the use of technologies generating minimum amount of waste with economical material and energy consumption, thereby preventing the pile-up of waste; utilization of materials producing less hazardous waste, representing lower risk; as well as recovery the generated waste materials and energy to the fullest extent by substitution of non-renewable natural resources with secondary raw materials; and finally disposal of non-recoverable waste in an environmentally friendly manner, that does not cause hazards to human health and to the environment and - as part of this - reduction to the minimum of waste landfill (United Nations).

„Hungarian Transport Policy 2003-2015”

Transport is a fundamental condition for economic growth, and a token of freedom and a better life for people. At the same time, transport damages the environment and presents risks to life and health. On average, Hungarian households spend nearly one fifth of their total income on transportation and related expenses. Transport, while enabling the free movement of people and goods, exerts a stressful influence on the environment by means of accidents, energy consumption, air pollution, and noise, and its sheer demand for space.

Hungarian transport policy has identified the objective of creating a transport system that is economically efficient, modern, safe, and easy on the environment. Social and economic changes, recent experiences, and the European Union’s transport policy, issued in 2001 for the period ending in 2010, made it necessary to overhaul Hungary’s transport policy that has been in effect since 1996 (Hungarian Transport Policy, 2003).

The general objectives of Hungarian transport policy determined in Hungarian Transport Policy:

- improvement of the quality of life, preservation of health, reduction of regional disparities, increasing the safety of transportation, protection of built-in and natural environment;
- improvement and extension of connection to the neighbouring countries,
- promotion of the implementation of regional development objectives,
- creating the conditions for efficient operation and maintenance by regulated competition.

The UTDS elaborated in 2007 specified a more efficient cooperation of sub-sectors and uniform set of objectives of services (Hungarian Transport Policy, 2003).
Societal agents

The new Hungarian Constitution entered into force on 1 January 2012. Since this time Hungary is a parliamentary republic. The legislative power is exercised by the unicameral National Assembly, which consists of 199 members. Members of the National Assembly are elected for four years. The increased range of laws that will require a supermajority to pass under this new constitutional framework will likely have an impact on the effectiveness of future governments. In Hungary there are now five parties. LMP (Politics Can Be Different) has the “greenest profile” among them. They are the most interested in environmental questions. The recent governing party, Fidesz (Fidesz Hungarian Civic Alliance) prepared the Széchenyi programmes, which cover environmental issues as well, but they primarily emphasise topics such as economic growth, unemployment, etc. In the past decade green questions had only a marginal role in the programmes of the political parties.

The most important Hungarian parties 2014

1. **Fidesz**- Magyar Polgári Szövetség- Fidesz Hungarian Civic Alliance. The party was founded in 1988, named simply Fidesz (Alliance of Young Democrats). Fidesz was founded by young democrats, mainly students, who were persecuted by the communist party and had to meet in small, clandestine groups. Fidesz and the Christian Democratic People’s Party have two-thirds majority in the Parliament, which received in both the 2010 and the 2014 elections.

2. **MSZP**- was a rather successful electoral party until around 2006. The party governed Hungary between 1994 and 1998 and again from 2002 to 2010.

3. **Jobbik** – Movement for a Better Hungary formed as a party in October, 2003 from the movement of the same name. The creators of the movement were primarily conservative university students and there are still many young among its supporters.

4. **KDNP**- Keresztyén demokrata Néppárt- Christian Democratic People’s Party, is a political party in Hungary. It is officially a coalition partner of ruling party Fidesz. The party was founded under the name of KDNP on 13 October 1944 by Hungarian catholic statesmen, intellectuals and clergy.

5. **LMP**- Lehet Más a Politika- Politics Can Be Different. The party was founded in 2009. It was one of four parties to win seats in the National Assembly in the 2010 parliamentary election.

With regard to civil society in Hungary, it largely depends on government funds. The central body was created by the Fidesz government in 2011 and was responsible for distributing the resources, is structurally prone to political influence. Decisions on grants are not transparent, and further evidence emerged during 2012 to substantiate the perception that public funds are being used primarily to support civic groups linked to the government by shared ideology or direct personal ties. Hungary’s civil society rating worsens from 2.00 to 2.25 on the democracy score of the World Bank (Freedom House, 2013).

The analytical capacity of non-economic interest associations has suffered from the government’s control of the sector. The National Civil Fund (NCA), a body in charge of
monitoring and supporting civic organizations and NGOs, was taken over by the Orbán government and transformed into the National Cooperation Fund (NEA). As the latter has financed only associations loyal to the government, independent associations have struggled with a lack of funding. However, there have been some small, but very important NGOs with substantial policy expertise (SGI Report 2014).

The Sub-National Level

In order to advance the adjustment to the regional policy of the EU, the system of planning-statistical regions had been introduced. It was enforced by Act XCII of 1999 and LXXV of 2003 modifying Act XXI of 1996 on Regional Development and Regional Planning. These regions represent the second level of NUTS (Nomenclature of Territorial Units for Statistics). The total area of the Central Hungary Region comprising Budapest and the Pest County is 6,918 km².

The most developed part of Hungary is the region of Central Hungary, comprising the capital city Budapest. This part of the country has the smallest area comparing to the others, but it has the highest population. About 30 per cent of the population is concentrated in this region. Based on gross domestic product per capita, the indicator used for the spatial comparison of the level of economic development, we can say that the most developed region of Hungary is Central Hungary (KSH).

Between 2004 and 2006 two main development programmes with a focus on environmental sustainability were prepared, but this time there was no specific programme for Central-Hungary. Before 2007 there has not been a unique programme for this region, but there were two operational programmes, which can be mentioned as a sub national level development programme. From 2007 the Environmental Protection and Infrastructure Operational Programme (EIOP) offered the possibility to get sources for environmental sustainability projects.

The Central Hungary Region Operational Programme was launched in 2007. This programme was drawn up on the basis of the Region’s strategic plan for the 2007-2013 period and the related sectoral development programmes (CHROP). Table 2 summarises these policy developments in Central Hungary.

Table 3: Chronological overview of the politics, polity and policy relating to environmental governance in the Central Hungary Region.
## Central Hungary Region

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Politics</th>
<th>Polity</th>
<th>Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td></td>
<td></td>
<td>Operational Programme for Regional Development (OPRD)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Environmental Protection and Infrastructure Operational Programme (EIOP)</td>
</tr>
</tbody>
</table>

### Central Hungary Region Operational Programme (2007-2013)

The Central Hungary Region Operational Programme is linked to the New Hungary Development Plan, which comprises projects co-financed by the European Regional Development Fund (ERDF). The financial framework of the operational programme was determined by the fact that from the structural funds (ERDF, EDF) a maximum co-financing of EUR 2 031 million could be used in the Central Hungary Region (at current prices), which, together with the 15 per cent national contribution financing (calculating with 85 per cent co-financing) meant a total of EUR 2 389.5 million (CHROP).

In addition five operational programmes are linked to the Central Hungary Region Operational Programme:

- The Electronic Public Administration Operational Programme is the framework for some of the Region's developments funded by the ERDF;
- The Social Renewal Operational Programme
- State Reform Operational Programme cover the Region's developments funded by the ESF;
- The Transport Operational Programme
- Environment & Energy Operational Programme provide the framework for the transport and environmental protection related projects of the Region financed from the Cohesion Fund.

### 3.2.3 Conclusion

Since Hungary has entered the European Union in 2004 as well as EU and global markets, environmentalist networks have developed a lot. Hungarian activists could provide new perspectives on environmental politics in the last decades. With regard to environmental questions, comprehensive environmental regulations are in place in Hungary. Furthermore,
the European Union was an important push factor in this field. During the past decade the enforcement of environmental standards has suffered from the country’s tight budgetary situation. Moreover, the integration of the former Ministry of the Environment and of Water into the Ministry of Rural Development has reduced the political weight and independence of environmental policy. Analysing the future perspectives, the Central Hungarian Region is in a special situation. It is important to note that based on gross domestic product per capita, the indicator used for the spatial comparison of the level of economic development, the most developed region of Hungary is Central Hungary, with almost 50 per cent of the total GDP (2011) of the country. The outstanding performance of the central region is due to the economic potential of the capital, with Budapest providing 38 per cent of the gross domestic product of Hungary. Regional differences in economic development are indicated by the fact that the value for the capital is five times that of Nógrád County, which is in the last position in the rankings. The most developed region of Hungary is Central Hungary, which is only on the 105.9 per cent (2011) of the average level of GDP in the EU. Because of this economic background, the Hungarian economic development actions are based on different EU funds and subsidies. In the past years the central government has used the different EU sources for the innovation of public transport in Budapest and suburb region and for development of public and environmental services. Studying these development processes, the basic problem was the disagreements between the different decision makers and their concepts. In the future the biggest challenge for innovators could be finding a social-economic and political balance in the EU funded development programmes.
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APPENDIX

The table 4 shows the Governments, Parties, the Political Ideologies from 1998 to 2014.

**Table 4: Governments in Hungary from 1990 to 2014**

<table>
<thead>
<tr>
<th>Period</th>
<th>Prime Minister (Party)</th>
<th>Government Party</th>
<th>Government</th>
<th>Political Ideology</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990–1993</td>
<td>József Antall (MDF)</td>
<td>MDF-FKGP-KDNP</td>
<td>Antall-Goverment</td>
<td>right-wing party</td>
</tr>
<tr>
<td>1994–1998</td>
<td>Gyula Horn (MSZP)</td>
<td>MSZP-SZDSZ</td>
<td>Horn Government</td>
<td>left-wing party</td>
</tr>
<tr>
<td></td>
<td>Ferenc Gyurcsány (MSZP) 2004-2006</td>
<td>MSZP-SZDSZ</td>
<td>First Gyurcsány Government</td>
<td>left-wing party</td>
</tr>
<tr>
<td></td>
<td>Gordon Bajnai (non-party) 2009-2010</td>
<td>MSZP (with an external support from SZDSZ)</td>
<td>Bajnai Government</td>
<td>left-wing party</td>
</tr>
<tr>
<td>2010–2014</td>
<td>Viktor Orbán (Fidesz)</td>
<td>Fidesz-KDNP</td>
<td>Second Orbán Government</td>
<td>right-wing party</td>
</tr>
</tbody>
</table>

Source: Own compilation
3.3 The transition region Dresden

3.3.1 THE BASIC STRUCTURE: GERMAN FEDERALISM

The constitution of German ‘cooperative federalism’ with the federal government, sixteen semi-autonomous states (henceforth the Länder) and strong local autonomy of the municipalities entices Manfred G. Schmidt to write “German federalism, or where the ‘princes of the states’ congregate” (Schmidt 2003). Each of these Länder has its own government with a minister-president and administration, an elected parliament, its own constitution and some of them also a constitutional court of their own (ibid. 56). This creates a “polycentric multilevel system” of governance, which is characterised by the intergovernmental entanglement between the federal government and the Länder. The administration and implementation of federal legislation belongs mainly to the jurisdiction of the Länder. As most federal ministries lack the resources to implement and monitor federal legislation, the Länder have a powerful position (ibid. 61). In this context non-majoritarian modes of conflict resolution – such as unanimous consensus and supermajorities – prevail over majoritarian decisions and hierarchical steering (ibid. 65). The underlying principles of this intergovernmental entanglement are the ones of subsidiarity and solidarity. Therefore, it is expected that both top-down as well as bottom-up dynamics will characterise the relationship between the federal government, the Länder and the City of Dresden. The following map shows the administrative structure of the Federal Republic of Germany.

The historical evolution of German federalism shows the parallel tendencies of centralisation and decentralisation. An expansion of national legislative competencies and a centralisation of fiscal relations in post-war Germany of the 1950s and 1960s were followed by a shift towards more decentralisation since the mid-1960s (Scharpf 2005). A system of ‘cooperative federalism’ with integrated fiscal relations and high consensus requirements for federal legislation was institutionalised, which resulted in the intergovernmental entanglement of the federal government and Länder. This again led to criticism of ‘cooperative federalism’ as a ‘joint decision trap’, which causes political stalemate and the gridlock of reforms, and renewed calls for the disentanglement and separation of competencies since the 1990s (ibid.). Reform efforts started in the 2000s when the federal parliament (the Bundestag) and the Bundesrat – the second chamber – established the bicameral “Commission for the Modernisation of the Federal Constitution” (Kommission des Bundestages und Bundesrates zur Modernisierung der bundesstaatlichen Ordnung) in 2003. Political deliberations in the commission were guided by the idea of reforming federalism by clearly separating federal and Länder competencies. It was exactly this ‘principle of separation’ which led the initial failure of the commission in 2005 because it misinterpreted some core characteristics of German federalism and could not accommodate for the diversity among the German Länder (Benz 2008; von Beyme 2004, 365; Reutter 2006, 1268; Scharpf 2005).
The early centralisation tendencies of German federalism were corrected by institutionalising a ‘cooperative federalism’ with both more expanded co-decision rights for the Länder in federal legislation and more tightly integrated fiscal relations (Scharpf 2005). The co-decision rights make federal legislation liable to the consent of the Länder in the Bundesrat if the federal government introduces regulations on the administrative procedures and agencies for implementing federal legislation in the Länder (Art. 84 German Basic Law). This consent refers not only to the procedural regulations of implementation, but covers the entire substance of federal laws. This constrains the steering function of the federal government considerably and makes it dependent on bargaining and finding consensus with the Länder in the Bundesrat (Schmidt 2003, 59). In so doing, it ended the centralisation process and instead established a ‘cooperative federalism’ with a joint decision-making of the federal government and the Länder on federal legislation. However, the conflicts arising from this did not only follow the logic of federalism – that is of the federal government versus the Länder –, but also the logic of party politics – that is of the governing versus the opposition parties in the German parliament (von Beyme 2004, 343 et seq.; Schmidt 2003, 59). If the opposition parties hold a majority in the Bundesrat, they can now block governmental proposals and create a situation of ‘divided government’ (Laver and
Shepsle 1991). This became known in academic discussions as the ‘joint decision trap’ of German federalism (Scharpf 2005)\(^\text{10}\).

The tight integration of fiscal relations originated from a reform of federal-Länder fiscal relations in 1969. The tax revenue is divided between the federal government and the Länder (as well as the municipalities) and the federal government provides special subsidies to the Länder to finance the tasks and responsibilities that federal legislation imposes on them. The fiscal reform of 1969 followed the Leitbild of social equality and solidarity, which is enshrined in the constitutional principle of ‘uniform’ or at least ‘equivalent living conditions’ among the Länder (Art. 106 and Art. 72 German Basic Law). This is a unique feature of German federalism, which distinguishes it from the federal systems of other countries (von Beyme 2004, 349 et seq.; Rudzio 2003, 383 et seq.; Scharpf 2005). The reform introduced a system of horizontal fiscal redistribution (horizontaler Finanzausgleich) between the Länder (Art. 72 German Basic Law) in addition to the vertical redistribution from the federal government to the Länder to balance economic disparities and unequal tax revenues between poorer and richer Länder (ibid.). The reform also introduced the so-called ‘joint tasks’, which are planned and financed jointly by the federal government and the Länder (Art. 91a and 91b German Basic Law) such as support for regional economic development and research funding. It further instituted aid schemes of the federal government for certain investments of the Länder and municipalities (‘Finanzhilfen’ according to Art. 104a German Basic Law and ‘Ergänzungszuweisungen’ according to Art. 107 German Basic Law). This system of horizontal and vertical fiscal redistribution (Finanzausgleich) and the regulation of taxation policy by federal legislation led to a loss of fiscal autonomy of the Länder as well as continuing financial conflicts between the richer and the poorer Länder (Rudzio 2003, 386 et seq.; Scharpf 2005).

According to critics, who became particularly vocal since the 1990s, ‘cooperative federalism’ proved to be a ‘joint decision trap’ that only caused political stalemated and ineffectiveness. Consequently, the calls for a clear-cut separation of competencies between the federal government and the Länder grew (Scharpf 2005; Schmidt 2003, 65). In an effort to reform federalism the Bundestag and the Bundesrat established the bicameral “Commission for the Modernisation of the Federal Constitution” (“Kommission des Bundestages und Bundesrates zur Modernisierung der bundesstaatlichen Ordnung”) in 2003. The reform intended to expand the legislative competences of the Länder, reduce the opportunities for vetos in the Bundesrat and disentangle fiscal relations (Scharpf 2005). Yet, during the negotiation process also the Länder could not present a uniform position vis-à-vis the federal government. Instead they were divided by the internal conflict between the richer and poorer Länder on the Leitbild of social equality and solidarity, meaning precisely the horizontal fiscal transfers. While the poorer Länder took a very defensive stance, trying to prevent any deterioration of their fiscal status quo, the richer Länder demanded more autonomy with more legal competencies for the Länder (ibid.). In 2005 the commission failed due to a wrong conception of the reform. Given that the problem definition was the entanglement of legal competencies and fiscal relations, the problem solution should ergo

\(^{10}\) See also the discussion on the implications of this ‘joint decision trap’ for democratic legitimacy in Reutter 2006, 1251 et seq. and Scharpf 2005.
be the disentanglement of the same. However, this ‘principle of separation’ entailed some blind spots (Reutter 2006, 1268; Scharpf 2005). The causes for the entanglement were mainly the multi-level governance character and the functional interdependence of policy domains as well as the unequal structural situations, interests and capacities of the Länder (Benz 2008, 190). The norm of solidarity, which is deeply rooted in the German constitution and political culture, gives rise to ‘cooperative federalism’ and its entanglement of political decision-making endogenously (von Beyme 2004, 349 et seq.; Reutter 2006, 1268; Scharpf 2005). In such a system only cooperation and consensus can guide decision-making. The reform of federalism, which was finally agreed on in 2006, rather continued the status quo of ‘cooperative federalism’ with the legal and fiscal entanglement between the federal government and the Länder, entailing only minor, incremental changes in competencies (Scharpf 2005)11. Yet, despite its weaknesses analysts also point to the strengths of ‘cooperative federalism’, which empowers the regional and local governance levels (logic of federalism) and integrates the opposition parties (logic of party politics) (Schmidt 2001).

Table 4 summarises the types of legislative competences of the federal government and the Länder in German ‘cooperative federalism’ – the exclusive legislation of the federal government, the so-called “concurrent” legislation, the framework legislation of the federal government, the joint tasks and the exclusive legislation of the Länder - and how each of them implements the subsidiarity principle.

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11 A second reform of federalism was introduced in 2009, which mainly focused on fiscal relations and put tighter constraints on public debts of the Länder (the so-called ‘Schuldenbremse’) (Bundeszentrale für politische Bildung 2009).
Table 4: The types of legislative competences of the federal government and the Länder in German ‘cooperative federalism’.

<table>
<thead>
<tr>
<th>Type of Legislation</th>
<th>Examples</th>
<th>Implementation of the subsidiarity principle</th>
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<tbody>
<tr>
<td>Exclusive legislation of the federal government (auschließliche Bundesgesetzgebung)</td>
<td>• Foreign and defence policy, monetary policy, railway, mail and air traffic, regulation of secret service cooperation between the federal government and the Länder</td>
<td>Logic of uniform regulation</td>
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<td>“Concurrent” legislation (konkurrierende Gesetzgebung):</td>
<td>• Environmental policy (introduced during Reform of Federalism in 2006), spatial planning</td>
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<td></td>
<td>• Combined with the right to non-conformity of the Länder</td>
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<tr>
<td>Framework legislation of the federal government (Rahmengesetzgebung):</td>
<td>• Environmental policy including nature conservation, spatial planning and water policy (prior to the Reform of Federalism in 2006)</td>
<td>Logic of entanglement across multi-levels of governance</td>
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<tr>
<td>Joint tasks (Gemeinschaftsaufgaben):</td>
<td>• Education, financial planning, regional economic development, science and research and environmental policy</td>
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<tr>
<td>Exclusive legislation of the Länder (ausschließliche Ländergesetzgebung)</td>
<td>• Policy, education, cultural affairs and local government</td>
<td>Logic of autonomy of the Länder</td>
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Source: Adapted from Rudzio 2003, 377 and Eppler 2010

The reform of federalism also changed the institutional framework for environmental policy, albeit only incrementally as critics note (Köck and Ziehm 2006, 337). With the evolution of EU environmental policy a misfit emerged between the EU and the German approach to
environmental politics, which delayed Germany’s transposition of EU directives and led to infringement proceedings by the European Court (Aden 2012, 71; Eppler 2010, 220). While the EU followed a process-oriented and cross-media approach, Germany followed a media-centred approach with competencies being dispersed across governance levels. The EU highlighted citizen participation, giving citizens the chance to participate in the licensing process. It defined qualitative policy objectives instead of regulatory limits and given the horizontal character of environmental policy, it covered all or several environmental media in one policy (Eppler 2010, 220).

By contrast, Germany had not developed an integrated environmental policy. It rather separated policies according to individual environmental media (e.g. water, air, etc.) (Wurzel 2004, 103). Prior to the first reform of federalism in 2006 the legislative competencies for those environmental media were allocated to different governance levels (Eppler 2010, 221; Aden 2012, 65). They belonged to either ‘concurrent’ legislation or the framework legislation of the federal government. This media-centred approach was rooted in the history of German federalism and the subsidiarity principle, which implied that the implementation of federal policies fell under the jurisdiction of the Länder (Art. 30 German Basic Law). This created problems for transposing EU environmental directives because in the context of German federalism they had to be separated according to individual environmental media.

As in ‘cooperative federalism’ federal laws that defined administrative procedures for the Länder were also subject to the consent of the Länder in the Bundesrat (Art. 84 German Basic Law), decisions were delayed further. Therefore, also the competencies for environmental policy entered the reform agenda. The federal government’s proposal to shift environmental policy to ‘concurrent legislation’, giving the federal government wider legislative powers, was met with opposition by the Länder (ibid. 224). This controversy could be resolved by the compromise that environmental policy now became part of ‘concurrent legislation’ and was excluded from framework legislation entirely (Art. 74 German Basic Law without being subject to consent by the Bundesrat according to Art. 72 German Basic Law), but the Länder received a ‘right of non-conformity’ (Abweichungsrecht), which allowed them to adopt individual environmental regulations (Art. 72 German Basic Law; enacted in 2010). This introduced a form of asymmetric federalism (Watts 1999, 63 et seq.) in German environmental policy, which tolerates different legal regulations of the Länder (Eppler 2010, 225).

Now the Länder themselves are held accountable for violations of EU law if they transpose EU directives belatedly (Art. 104 German Basic Law). Consequently, the reform of federalism could resolve the misfit between the EU’s cross-media approach to environmental policy and German federalism. However, attempts to introduce a unified Federal Environmental Code (Bundesumweltgesetzbuch) failed repeatedly due to the Länder’s opposition in 2008, which continues entanglement and diversity between the federal government and the Länder.
3.3.2 THE SUSTAINABILITY-SPECIFIC GOVERNANCE CONTEXT

The National Level – The Federal Republic of Germany

As this chapter covers the development of environmental governance in Germany, table 5 summarises this in a chronological overview.

Policy discourses – the concepts of sustainable development and ecological modernisation

During the 1980s both the Brundtland report published in 1987 and the debate on climate change drew attention to environmental policy. Here, the German parliamentary tradition of appointing Enquete commissions to debate scientifically complex and socially controversial issues was invoked. In 1987 and 1991 the federal parliament (the Bundestag) convened the Enquete commissions “Prevention to Protect the Earth’s Atmosphere” (1987) and “Protection of the Earth’s Atmosphere” (1991) to discuss the scientific evidence on climate change. They reached a consensus on the anthropogenic causes of climate change and the need for political action (Engels 2003, 160; Jänicke 2011; Ulbert 1997, 32; Weidner and Mez 2008, 363). The political discourse on climate policy evolved mainly around the concept of ecological modernisation, which German social scientists had introduced in the 1980s (Weidner 2005, 12). It assumes that both the environment and the economy benefit from climate policy.

In the 1980s and 1990s the conservative-liberal government coalition (Christian Democratic Union (CDU-CSU) and Free Democratic Party (FDP); 1982 - 1998) made the first attempts to change the social market economy into a ‘social and ecological market economy’ (Wurzel 2010). The red-green coalition government (Social Democratic Party (SPD) and Green Party (Die GRÜNEN); 1998 - 2005) strived even more to develop an intellectual leadership role on ecological modernisation (Jänicke 2011, 133). The Grand Coalition between the Christian-conservative and the social-democratic party (2005 - 2009) then revised and extended the concept into ecological industrial policy to gain support among both the conventional and the green industry (Jänicke 2011, 134; Wurzel 2010, 475). It applied concepts such as a ‘Green New Deal’ or a ‘Third Industrial Revolution’ to express the idea that economy and ecology could be linked in a synergetic way (ibid.). After the change in government in 2009, the liberal-conservative government coalition continued this understanding of climate policy as ecological industrial policy (Jänicke 2011, 135).

However, in contrast to ecological modernisation Germany was not a pioneer in promoting sustainable development, which it took up rather belatedly under the red-green coalition government (Wurzel 2008, 180). This was when the federal parliament convened the first Enquete commission “Sustainable Energy” (1998 - 2002). The second one - “Growth, Welfare, Quality of Life - Pathways to a Sustainable Economy and Societal Progress in a Social Market Economy” - followed in 2010.
Table 5: Chronological Overview of the politics, polity and policy relating to environmental governance in Germany

<table>
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<th>Timeline</th>
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<tr>
<td>1990 German re-unification</td>
<td>Environmental movement developing from a protest activist to a professional environmental advocate during the 1980s</td>
<td>Federal Office for Radiation Protection (Bundesamt für Strahlenschutz) (1989)</td>
<td>“Environmental Impact Assessment Act” (Gesetz über die Umweltverträglichkeitsprüfung) (1990)</td>
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<td>Green Party (Die GRÜNEN) established in 1980 and entering the federal parliament in 1983</td>
<td>“Interministerial Committee on CO₂ Reduction” (1990)</td>
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<td>German Federal Environmental Foundation (Deutsche Bundesstiftung Umwelt) (1990)</td>
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<td>German “Advisory Council on Global Change” (Wissenschaftlicher Beirat der Bundesregierung Globale Umweltveränderungen – WBGU) (1992)</td>
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<tr>
<td>1998 - 2005</td>
<td><strong>Environmental movement undergoing institutionalisation, differentiation, professionalisation and internationalisation during 1990s</strong></td>
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<tr>
<td><strong>Emergence of a green industry since the 1990s</strong></td>
<td><strong>Scientification of environmental policy-making since the 1990s</strong></td>
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<td>‘green cabinet’ on sustainable development (2001)</td>
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<td>German Energy Agency (Deutsche Energie-Agentur - dena) (2000)</td>
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<td>Responsibility for renewable energy moved to the Ministry of Environment (2002)</td>
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<td>Enquete commission “Sustainable Energy”</td>
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<td><strong>Concept of ecological modernization</strong></td>
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<td>National Climate Protection Programme (Nationales Klimaschutzprogramm) (2000)</td>
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<td>“CO₂-Building Renovation Programme” (CO₂-Gebäudesanierungsprogramm) (2001)</td>
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<td>National Sustainability Strategy “Perspectives for Germany” (Nationale Nachhaltigkeitsstrategie “Perspektiven für Deutschland”) (2001)</td>
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<td>Concept of ecological industrial policy: ‘Green New Deal’ or a ‘Third Industrial Revolution’</td>
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<td>Federal Spatial Planning Framework</td>
<td>(Rahmenordnung Raumplanung) (reformed in 2006) – defining guiding principles (Leitbilder) for sustainable spatial development</td>
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<td>‘climate chancellorship’ (Klimakanzlerschaft)</td>
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<td>“National Climate Initiative” (Nationale Klimaschutzinitiative) (2008)</td>
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<td>“German Climate Adaptation Strategy” (Deutsche Strategie zur Anpassung an den Klimawandel) (2008)</td>
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<td>Enquete commission “Growth, Welfare, Quality of Life - Pathways to a Sustainable Economy and Societal Progress in a Social Market Economy” (2010)</td>
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<th>“Market Incentive Programme” (Marktanreizprogramm) (2008)</th>
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<th>Concept of ecological industrial policy</th>
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<td>“Energy Concept” (Energiekonzept für eine umweltschonende, zuverlässige und bezahlbare Energieversorgung) (2010)</td>
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<td>Resource Strategy (Rohstoffstrategie) (2010)</td>
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<td>KfW “Energy Efficient Urban Rehabilitation Programme” (Energetische Stadtsanierung) (2011)</td>
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<td>KfW “Energy Efficiency Programme” (Energieeffizienzprogramm) (2012)</td>
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<td>KfW “Environment Programme” (Umweltprogramm) (2012)</td>
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German Council for Sustainable Development:
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<tr>
<th>Grand Coalition between Ministry of Economic Affairs and Energy the Christian-conservative and the social-democratic party (from 2013)</th>
<th>German Sustainability Codex (Deutscher Nachhaltigkeitskodex) (2011)</th>
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<tr>
<td>German Resource Efficiency Programme (Deutsches Ressourceneffizienzprogramm - ProgRess) (2012)</td>
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</table>
In parallel to the Enquete commissions the government had established scientific advisory councils, which sustained the political and societal debate on sustainable development and environmental protection and acted as a critical watchdog vis-à-vis the government. The German “Advisory Council on the Environment” (Sachverständigenrat für Umweltfragen – SRU), which had been introduced by the Ministry of the Interior in 1972, outlined possibilities for a complete transformation of the German energy system towards renewable energy in its special report “Pathways towards a 100 per cent renewable electricity system” (“Wege zur 100 % erneuerbaren Stromversorgung”) published in 2011. The German “Advisory Council on Global Change” (Wissenschaftlicher Beirat der Bundesregierung Globale Umweltveränderungen – WBGU), which had been set up in the run up to the UN Conference “Environment and Development” in 1992, also drew public attention to both sustainability with its flagship report “The World in Transition: A Social Contract for a Great Transformation” (“Welt im Wandel: Gesellschaftsvertrag für eine Große Transformation”) of 2011 and the role of civil society for climate protection with its special report “Climate Protection as a World Citizen Movement” (Klimaschutz als Weltbürgerbewegung) of 2014.

In contrast to the SRU and WBGU, the German Council for Sustainable Development (Rat für Nachhaltige Entwicklung), which was established as an advisory body by the red-green government in 2001, is both scientific-technocratic and social-inclusive in character because it consists of scientists as well as representatives of civil society organisations. This shall ensure a continued, critical debate on sustainability with the federal government as well as actors from politics, public administration, economy, science and civil society to scrutinise and refine the German Strategy for Sustainable Development.
The institutional specialisation on environmental policy

When environmental policy entered the political agenda in the 1970s and the government prepared the first environmental protection programme in 1971, it was still under the jurisdiction of the Ministry of Interior. Only after the nuclear explosion in Chernobyl in 1986 did the federal government establish an independent ministry for environmental policy, the Ministry for Environment, Nuclear Safety and Nature Conservation (Ministerium für Umwelt, Reaktorsicherheit und Naturschutz). While previously environmental policy had belonged to a traditionally powerful ministry, the new ministry had to still establish itself “in the unwritten hierarchy and ranking” of the federal ministries (Müller 2002, 66). In parallel the federal parliament created the new parliamentary committee “Environment, Nuclear Safety and Nature Conservation” to reflect the ministerial structure in its own organisation.

Conversely, parliamentary activities also affected the ministerial administration. Politicians and public officials created several interministerial committees on environmental policy since the 1970s to induce stronger interministerial coordination and environmental policy integration. This constituted a break with the traditional independence of German ministries (Jänicke 2011, 133). An example would be the “Interministerial Committee on CO₂ Reduction” (1990), which emerged in response to the parliamentary Enquete commissions on climate change. Having a ‘green’ profile, the red-green coalition government introduced several institutional changes to anchor its environmental policy objectives in the governmental institutions. It allocated the responsibility for coordinating sustainable development issue to the Federal Chancellery (Wurzel 2008, 192). It also created a “Committee of State Secretaries for Sustainable Development” (Staatssekretärsausschuss für Nachhaltige Entwicklung), the so-called “green cabinet” in 2000. This committee has provided a discussion forum for the German sustainability strategy as well as indicators for sustainable development. It further monitors the adherence of sectoral ministries’ policies to the principle of sustainability. Following these administrative changes, the federal parliament set up the “Parliamentary Advisory Council for Sustainable Development” (Parlamentarischer Beirat für Nachhaltige Entwicklung) in 2004. In 2002 the coalition government moved the responsibility for renewable energy from the Federal Ministry of Economic Affairs and Technology to the Ministry of Environment after it had adopted the Renewable Energy Act. This enabled the environment ministry to turn into a strong advocate for renewable energy. In 2013 this shift was reversed when the Grand Coalition re-united all competences for energy policy – conventional energy as well as renewable energy – under the Ministry of Economic Affairs and Energy. With the new priority given to climate policy under the ‘climate chancellorship’ (Klimakanzlerschaft) in 2007, the Energy Concept of 2010 and the ‘Energiewende’ of 2011 several more interministerial committees on climate and energy policy were introduced (Wurzel 2010, 467).

In the German political system with high ministerial independence and underdeveloped interministerial coordination, those interministerial bodies as well as the environment ministry’s attempts to integrate environmental requirements into other policy domains – as intended by the EU’s Cardiff process – reopened the debate on the independence of ministries, which would not tolerate the interference by other ministries, and proved to be an obstacle for environmental policy integration (Wurzel 2004, 108).
With regard to the federal agencies, the federal government had set up the Federal Environment Agency (Umweltbundesamt) in 1974, shortly after adopting its first environmental programme. In the context of German federalism, this federal agency has very few administrative responsibilities, but more importantly acts as a policy advisor and mediator between politics and academia in environmental policy. Additionally, the government established the Federal Office for Radiation Protection (Bundesamt für Strahlenschutz) in 1989 and the Federal Office for Nature Protection (Bundesamt für Naturschutz) as a research institute under the jurisdiction of the Ministry of Environment (Ressortforschungseinrichtung) in 1993. The red-green coalition government set up the German Energy Agency (Deutsche Energie-Agentur - dena) in 2000, which promotes energy conservation and energy efficiency. It provides an online web-portal on energy efficiency designed specifically for municipalities to support local activities and information exchange (www.energieeffiziente-kommune.de). The Federal Office for Building and Regional Planning (Bundesamt für Bauwesen und Raumordnung), established in 1998, strives for integrating the Leitbild of sustainability in the development of urban settlement structures (Weiland and Wohlleber-Feller 2007, 76).

German federalism has also induced the creation of a specific forum for the vertical and horizontal coordination between the federal government and the Länder, the “Conference of the Ministers of Environment of the Federal Government and the Länder” (Umweltministerkonferenz) (Weidner and Mez 2008, 372). In parallel to the ‘climate chancellorship’, the conference introduced the new working group “Climate, Energy, Mobility - Sustainability” (Bund/Länder-Arbeitsgemeinschaft Klima, Energie, Mobilität – Nachhaltigkeit - BLAG KliNa) in 2007. In contrast to the other federal ministers, the environment minister is required to coordinate the conference agenda as well as his political position with the other federal ministries prior to the conference. This constraints the environment minister’s room of manoeuvre vis-à-vis the other federal ministers, who can form direct vertical alliances with the Länder (Müller 2002, 67).

The National Strategy for Sustainable Development (adopted in 2002)

The normative concept of sustainable development, which guides local sustainability transitions, found international recognition in the 1980s when the “World Commission on Environment and Development” published its report “Our Common Future” (also known as the Brundtland Report) in 1987. It has entered policy agendas and inspired activities at all governance levels since. Informed by the UN Conference on Environment and Development in 1992, German policy-makers anchored the principle of sustainable development in article 20a of German Basic Law in 1994. Further, the Agenda 21, which was also agreed on at the UN conference, prescribes in its chapter 38 that nation states should develop their own national sustainability strategies, which was made obligatory at the UN Conference in 1997 (to be adopted by 2002). Accordingly, the EU Commission adopted the first EU Sustainable Development Strategy in 2001 (revised in 2006) and integrated the principle of sustainability in its Sixth Environment Action Programme (2002 - 2012).

During the 1990s the German conservative-liberal government postponed action on the Agenda 21. Only with the change to a red-green coalition government in 1998, this environmentally-oriented government adopted the first National Sustainability Strategy
“Perspectives for Germany” (Nationale Nachhaltigkeitsstrategie “Perspektiven für Deutschland”) in 2002. It is understood as a holistic, horizontal strategy, which shall combine domain-specific policies and address synergies between them (Aden 2012, 11). Those range from climate protection and energy policy to biological diversity, sustainable transport and alternative transport fuels, health, food and land-use. It defines 21 indicators for evaluating sustainability in Germany combined with quantifiable policy targets. Examples would be the reduction of land-use from 130 hectares to 30 hectares annually by 2020 or an increase in the share of rail cargo by 25 per cent by 2015 (German Federal Government 2002). The federal government together with the German Council for Sustainable Development regularly monitors the state of sustainable development in Germany and published the so-called “Progress Reports” in 2004, 2008 and 2012. The red-green coalition government complemented the 2004 Progress Report by the “Guide to Sustainability 2005” (“Wegweiser Nachhaltigkeit 2005”), which elaborates future perspectives for sustainability in national and international politics. As of 2014 an update and revision of the German sustainability strategy is being discussed, which is again coordinated by the “green cabinet”.

Additionally, the German Council for Sustainable Development took the initiative to develop a German Sustainability Codex (Deutscher Nachhaltigkeitskodex; 2011) to promote sustainable business practices. This codex is based on the criteria formulated by the Global Reporting Initiative (GRI) and the Environment Social Governance (ESC) indicators of the “European Federation of Financial Analysts Societies” (EFFAS). The code is a voluntary instrument, which applies to enterprises of all sizes.

The ‘grand’ climate strategies

Transposing the Kyoto-Protocol into German policy, the red-green coalition government introduced the first National Climate Protection Programme (Nationales Klimaschutzprogramm) in 2000. It defined the following policy goals for domestic GHG emission reductions (Federal Government 2000):

- Overall GHG emissions should be reduced by 21 per cent between 2008 and 2012 as indicated by the Kyoto- Protocol and agreed on under EU effort sharing.
- Specifically CO₂ emissions shall be reduced by 25 per cent by 2005 (base year 1990).
- The share of renewable energy should be doubled between 2000 and 2010 and increased thereafter.
- Combined heat and power production (CHP) should be expanded based on a quota-system to reduce CO₂ emissions by an additional 10 million tonnes until 2002 and 23 million tonnes until 2010.
- German energy productivity shall be increased.

This initial climate protection programme of 2000 paved the way for the climate strategies that the German governments developed from 2007. The usual obstacles to bold decisions in climate policy inherent in the German political system - a high independence of individual
ministries, underdeveloped interdepartmental coordination, coalition governments and ‘cooperative federalism’ – could be overcome in 2007 due to the foreign and domestic political constellation (Wurzel 2010, 467). In 2007 Germany held both the EU and the G8 presidencies and this provided a ‘window of opportunity’ to demonstrate German leadership in climate policy (ibid. 475; Jänicke 2011, 135). The international political context was favourable for climate change negotiations because an international agreement was expected in Copenhagen in 2009 and the IPCC had published its Fourth Assessment Report in 2007, warning against the potential impacts of climate change (Jänicke 2011, 135). Domestic media paid high attention to climate change and the term ‘Umweltkatastrophe’ (environmental catastrophe) was voted the German word of the year in 2007. Further, the success of the German climate protection industry illustrated the economic benefits of a move towards a green economy (Wurzel 2010, 475). In this context, the “Interministerial Working Group Climate and Energy” (2007) could forge an agreement between the Ministry of Environment and the Ministry of Economic Affairs and Technology and overcome the opposition from the car and the fossil-fuel-based power industry (ibid. 467). In so doing, the federal government could adopt the “Integrated Energy and Climate Programme” (Integriertes Energie- und Klimaprogramm - IEKP; 2007), which was also intended to symbolise the ‘climate chancellorship’ (Klimakanzlerschaft) of chancellor Angela Merkel. The programme formulates the objective of reducing German GHG emissions by 34 per cent by 2020.

In addition to the IEKP, the Ministry of Environment initiated the “National Climate Initiative” (Nationale Klimaschutzinitiative) in 2008, which re-invests the revenue from the EU ETS. It assists municipalities in developing local climate mitigation concepts, which define policy goals and measures for the next 10 to 15 years, in the framework of its “Local Directive: Directive for Promoting Climate Protection Projects in Social, Cultural and Public Institutions through the National Climate Protection Initiative” (Kommunalrichtlinie: Richtlinie zur Förderung von Klimaschutzprojekten in sozialen, kulturellen und öffentlichen Einrichtungen im Rahmen der Nationalen Klimaschutzinitiative). These shall translate national policy goals into local policy action. The initiative also provides a special support scheme to fund local climate managers (Klimaschutzmanager), who should support the municipalities in developing these climate mitigation concepts and in improving the interdepartmental coordination in climate and energy policy in their public administrations (Burger 2012, 106). The federal government established a “Service and Competence Centre: Local Climate Mitigation” (Service- und Kompetenzzentrum: Kommunaler Klimaschutz) to extend networking and knowledge dissemination between the municipalities. The initiative also covers education and information, promoting the introduction of energy conservation models in schools and kindergartens, and encourages the use of new funding instruments. It, thus, supports public-private partnerships, for instance in energy contracting, which provide new funding opportunities for renewable energy and CHP projects and are especially important for small municipalities with lower budgets.

In response to the IPCC’s Fourth Assessment Report (2007), which highlighted the potential impacts of climate change and the need for climate adaptation, the German government developed the “German Climate Adaptation Strategy” (Deutsche Strategie zur Anpassung an den Klimawandel) in 2008. However, the drafting process has been criticised for being
non-participatory because the municipalities, which are the actual locus of climate change impacts and ergo adaptation measures, have not been included in the policy formulation process (Korndörfer 2008, 248). To complement the climate adaptation strategy and boost the implementation of adaptation measures the federal government introduced the “Climate Adaption Action Plan” (Aktionsplan Anpassung) and a funding programme for climate adaptation measures in 2011.

With the change in government from the Grand Coalition government to the conservative-liberal government in 2009, a reorientation of climate and energy policy occurred. The new coalition government intended to reverse the nuclear phase-out, agreed on under the red-green coalition government in 2000 (“Agreement between the Federal Government and the Energy Providers of 14 June 2000”). Yet, revising the nuclear phase-out implied that the government had to show some additional effort in climate policy to secure political acceptance. Hence, the “Energy Concept” of 2010 (Energiekonzept für eine umweltschonende, zuverlässige und bezahlbare Energieversorgung) became the first long-term climate and energy strategy, envisioning a transformation of the Germany energy system until 2050. It defined the overall policy objective of reducing GHG by 80 to 95 per cent by 2050 (base year 1990) and increasing the share of renewable energy in electricity consumption by 50 per cent by 2030 and by 80 per cent by 2050. Yet, it also extended the operation times of nuclear power stations by an additional 12 years.

The long-term perspective applied in the Energy Concept showed how important it was to improve energy conservation and energy efficiency – and not solely focus on renewable energy - to achieve the long-term GHG emissions reduction targets by 2050. According to estimates, approximately three quarters of the reductions in CO₂ emissions can be achieved through lowering energy consumption (Burger 2012, 106). Therefore, energy efficiency was defined as a key question in the Energy Concept and special attention paid to lowering energy consumption in the building sector (Energy Concept 2010, 22). As a new funding mechanism for energy and climate policy measures, that would be independent of the state budget and, thus, a more stable source of financing, the Ministry of Finance suggested to introduce an Energy and Climate Funds, which should be financed through the revenue from the EU emissions trading scheme. Yet, due to the low carbon prize of the emissions trading scheme this revenue turned out to be a low and quite unstable source of financing.

After the Energy Concept had been adopted in September 2010, the Fukushima crisis in February 2011 again led to a reversal of the nuclear phase-in. Given the traditionally strong environmental and anti-nuclear movements in Germany, the explosion of the nuclear power station in Fukushima stirred up public protests against nuclear energy in Germany. In response to this public criticism the government convened the “Ethics Commission for Secure Energy Provision” (Ethikkommission für eine sichere Energieversorgung) in April 2011 to debate the future development of the German energy system and specifically the question if energy production from nuclear power should be continued or abandoned. The commission concluded that the high risks of nuclear energy would be no longer justified in light of alternative technologies for energy production being available, especially renewable energy, and having a higher potential for future economic development (Ethics Commission 2011). It thus paved the way for reinstating the nuclear phase-out by 2022 (as suggested by
the nuclear phase-out agreement under the red-green coalition government in 2000 in June 2011. This (re-)turn in energy policy became publicly known as the German ‘Energiewende’.

Domain-specific environmental policies

As part of its environmental policy agenda the red-green coalition government adopted the Renewable Energy Act (Erneuerbare Energien Gesetz) in 2000, which introduced a feed-in tariff system for renewable energy in electricity generation (Jänicke 2011, 133). As a 12.5 per cent share of renewable energy in electricity production, which the act envisioned to be reached in 2012, was already achieved in 2007, the policy target for 2020 was readjusted from a 20 per cent to a 30 per cent share of renewables. It was supported by the “Market Incentive Programme” (Marktanreizprogramm; 2008) of the Ministry of Environment as a mechanism to enable the market entry and expansion of renewable energy. The Renewable Energy Act triggered an increase of renewable energy, which broke the oligopoly of the so-called ‘big four’, i.e. the four energy corporations RWE, E.ON, Vattenfall and EnBW that had traditionally dominated German energy production. In doing so, it paved the way for decentralised energy production, which gave the municipalities a much more important role in the energy domain. The expansion of renewable energy attracted attention both at home and abroad, where Germany developed a leadership role on renewable energy and its feed-in tariff system was emulated by many other countries (Weidner and Mez 2008, 369). The Renewable Energy Act was complemented by the Renewable Energy Heat Supply Act (Erneuerbare-Energien-Wärmegesetz) in 2009, which made a share of renewable energy in the heat supply of new buildings compulsory. The Renewable Energy Act has been amended in 2004, 2009, 2011 and 2014 as the feed-in tariff has been criticised repeatedly by the opponents of environmental policy. This criticism firstly refers to higher electricity prices, which increase the economic burden put on final consumers. It secondly refers to its interaction with other policy instruments, most importantly the EU ETS. An expansion of renewable energy is seen as counter-productive in combination with the EU ETS because a higher supply of renewable energy leads to lower carbon prices, which again make emission-intensive fossil fuels such as hard and brown coal cheaper. They are thus more likely to enter the electricity market than less emission-intensive fossil fuels such as natural gas, which results in higher GHG emissions and environmental harm caused by energy production. Politicians have reacted to these criticisms by repeatedly readjusting the level and the duration of the feed-in tariff.

The red-green coalition government also introduced the Combined Heat and Power Production Act (Gesetz für die Erhaltung, die Modernisierung und den Ausbau der Kraft-Wärme-Kopplung) in 2002, which favours small-scale cogeneration plants that can be set up in municipalities and individual buildings (Herter 2012, 97).

With regard to energy efficiency and energy conservation the EU became an agenda setter for German policy in the second half of the 2000s. Energy efficiency had regained importance on the EU’s political agenda since the mid-2000s (Boasson and Wettestad 2013) and the transposition of the EU directives also induced Germany to refocus on energy efficiency. This can be understood as an instance of Europeanisation. Germany prepared three National Energy Efficiency Action Plans (Nationaler Energieeffizienz Aktionsplan), which cover policy measures in several policy domains, in 2007, 2011 and 2014 to
transpose the EU Energy Services Directive (2006/32/EC). Another focus area of energy conservation has been the buildings sector. Here however, Germany had traditionally developed comparatively high standards. Energy conservation in buildings dates back to the beginnings of environmental policy in Germany in the 1970s. In 1977 the first Heat Conservation Ordinance (Wärmeschutzverordnung) came into force. It has been revised in 1984 and in 1995. In 2002 the red-green coalition government replaced it with the Energy Conservation Ordinance (Energieeinsparverordnung - EnEV), which introduced the energy certification of buildings and defined minimum standards for the energy efficiency of new buildings as well as the renovation of old buildings. It has been revised in 2004, in 2007 (transposing the EPBD 2002/91/EG) and in 2013 (transposing the EPBD 2010/31/EU and Energy Efficiency Directive 2012/27/EU) to define higher standards especially for new buildings. An amendment of tenancy law should further facilitate the funding of energy renovation measures for private owners of buildings (Burger 2012, 105).

As another aspect of conservation a reorientation towards a sustainable use of resources is occurring, albeit rather slowly. The federal government adopted the Resource Strategy (Rohstoffstrategie) in 2010, which provided for the development of the German Resource Efficiency Programme (Deutsches Ressourceneffizienzprogramm - ProgRess; 2012). It promotes a sustainable use of resources that gives sufficient time for the regeneration cycles of nature.

In an attempt to enable the evaluation and comparison of the implementation of climate policy measures in municipalities, the Ministry of Environment initiated the development of a common evaluation tool, which is now being designed by the ifeu-Institute Heidelberg.

Public funding schemes

a) The German Bank for Reconstruction and Development

The German Bank for Reconstruction and Development, which originates from the Marshall-Plan (1948) of the post-war era and was established to administer the European Recovery Programme (ERP) in Germany, evolved into an important funding agency for environmental policy measures based on the Environmental Protection and Energy Efficiency Programme of the ERP.

In 2001 the red-green coalition government (Social democratic party (SPD) and Green Party) introduced the “CO₂-Building Renovation Programme” (CO₂-Gebäudesanierungsprogramm) to implement the policy goals of its “National Climate Protection Programme” (Nationales Klimaschutzprogramm, 2000). The KfW also implements the CO₂-Building Renovation Programme. Given the success of this building renovation programme, it grew into a group of funding schemes to support the energy efficient renovation of buildings and cities. In context of the long-term German climate and energy strategies such as the Integrated Energy and Climate Package (2007), the Energy Concept (2010) and the decision on the ‘Energiewende’ 2011 the programme has been continued and extended. However, its institutional funding structure proved to be problematic. It depends on the annual state budget and is, thus, subject to the annual budget negotiations, leading to an instable financing situation with repeated budget cuts. The Energy Concept (2010) intended to tackle this problem by creating a funding scheme independent of the
state budget – the Energy and Climate Funds, which however proved to be an insufficient source of financing (see above). As critics, particularly the Association of German Cities, further note, the loans provided by the KfW cannot substitute for the direct funding from the “Urban Development Promotion Programme” (Städtebauförderung), whose volume has been reduced to 455 million € in 2012 (Burger 2012, 105).

In addition to the initial building renovation programme and to implement the policy goals set out in the Energy Concept of 2010, the KfW launched several new programmes in cooperation with the then Federal Ministry for Transport, Building and Urban Development (1998 - 2013) in 2011. The “Energy Efficient Urban Rehabilitation Programme” (Energetische Stadtsanierung) supports the development of integrated city district concepts (integriertes Quartierskonzept), defining the energy saving potentials across several domains. It originates from the idea that synergies in energy savings should be fostered by renovating entire districts instead of focusing on single buildings. It addresses municipalities and especially local, publicly owned housing companies, local energy providers (Stadtwerke), individual owners of property or ownership cooperatives (Genossenschaften). It finances a renovation manager for developing the integrated city district concepts to overcome the collective action problem of financing the management process between several individual owners of a district. Further, it includes a module “Efficient Energy Provision for Districts” (Energieeffiziente Quartiersversorgung), which focuses on heat supply (e.g. combined heat and power plants) as well as water supply and disposal (e.g. heat recovery installations and biogas plants). The KfW programme „Energy Efficient Renovation - Municipalities“ (Energieeffizient Sanieren - Kommunen) provides funds for the renovation of public buildings, which are owned by the municipalities, and applies to buildings that have been built before 1995.

The KfW “Energy Efficiency Programme” (Energieeffizienzprogramm) and the KfW “Environment Programme” (Umweltprogramm) were introduced in 2012 to replace the former ERP programme. They support private enterprises in investing in environmental protection and energy saving measures. As compared with the previous ERP programme and in line with the Resource Strategy, it also covers and encourages improvements of resource efficiency and material savings.

b) The German Federal Environmental Foundation (Deutsche Bundesstiftung Umwelt – DBU)

In 1990 the federal parliament decided to dedicate the revenue from privatising the formerly public ‘Salzgitter AG’ to an environmental foundation and, therefore, formed the German Federal Environmental Foundation in 1990. It has become one of the biggest public foundations in Europe and has funded projects on environmental technology, research and nature conservation as well as public communication.

National spatial planning policies and sustainable development

Due to its horizontal character, spatial planning is also understood as an instrument, which can contribute to interministerial coordination and environmental policy integration (Weiland and Wohlleber-Feller 2007, 34). Based on the precautionary principle a political trend has evolved to integrate environmental concerns in spatial planning a priori. Accordingly, the
Federal Spatial Planning Act (Raumplanungsgesetz der Bundesregierung) includes the principle of sustainability (§ 1), whereby it envisions a balance between all three components of sustainable development: economic growth, environmental protection and social welfare (ibid. 50). It was amended in 2004 to integrate strategic environmental assessment (SEA) in the drafting phase of spatial plans based on the EU SEA Directive (2001/42/EG), which was transposed into German law via the ‘Europaanpassungsgesetz Bau’ of 2004. SEA evaluates spatial plans, which are elaborated at the national, regional or local level, across various policy domains, i.e. it provides for a horizontal environmental assessment, whereas environmental impact assessment (EIA) concentrates on the direct and indirect environmental impacts of one particular project (Weiland and Wohlleber-Feller 2007, 39). EIA is a policy-domain-specific evaluation, which follows the ‘polluter pays principle’ so that the polluter is obliged to avoid environmental impacts or compensate for them in spatial proximity. It follows from the EU EIA Directive (85/337/EEC), which had been transposed into German law by the “Environmental Impact Assessment Act” (Gesetz über die Umweltverträglichkeitsprüfung) in 1990.

Since the late 1990s the Federal Office for Building and Regional Planning (Bundesamt für Bauwesen und Raumordnung) has strived to promote sustainability by preparing concepts on sustainable urban development (ibid. 76). Its activities include projects on sustainable urban settlement structures, a re-emphasis of integrated urban planning based on city districts, the reduction of land-use in urban development or climate change mitigation in cities.

- The Federal Spatial Planning Guidelines (Leitbilder der Raumentwicklung) were updated in 2006 (revising the previous frameworks of 1993 and 1995). Corresponding with the subsidiarity principle, this reform was developed jointly by the federal government and the Länder at the Standing Conference of Ministers of Spatial Planning (Ministerkonferenz für Raumordnung) in 2006. It intended to improve the long-term protection of natural resources and prevent environmental harm (ibid. 72). Based on its second of three guiding principles (Leitbilder) - i.e. the conservation of natural resources -, the Federal Office for Building and Regional Planning launched several initiatives and demonstration projects (MORO) addressing for example: The preservation of free spaces surrounding urban, conglomerate areas.

- A proactive management of space and resources, which should reduce the demand for space and create a macro-ecological space. The conservation of urban centres and regional parks for recreation.

Societal agents

a) The environmental movement

The origins of the German environmental movement date back to the 1960s when civic initiatives began to criticise the inaction of politics and established societal organisations despite growing environmental problems (Bammerlin 1998, 61 in Brand and Rink 2007, 500). The oil crisis in 1973 drew further attention to the conflict between economic growth and environmental protection so that different strands of the movement from environmental
to anti-nuclear protest began to develop a common identity (Brand and Rink 2007, 504). In the 1980s the movement entered a phase of developing from a protest activist to a professional environmental advocate. This was accompanied by a reorientation from preserving flora and fauna to protecting human living conditions against the destruction by industrialisation and economic growth (Brand and Rink 2007, 502). In this context traditional environmental NGOs such as the Nature and Biodiversity Conservation Union (Naturschutzbund Deutschland – NABU 1899), the German League for Nature, Animal Protection and Environment (Deutscher Naturschutzring - DNR 1950), the World Wide Fund For Nature (WWF 1963), the Federal Union of Citizens’ Initiatives for Environmental Protection (Bundesverband Bürgerinitiativen Umweltschutz – BBU 1972), Friends of the Earth Germany (Bund für Umwelt und Naturschutz in Deutschland – BUND 1975) or German Environmental Protection (Deutsche Umwelthilfe - 1975) regained influence and new ones such as Greenpeace Germany (Greenpeace Deutschland - 1980) and Robin Wood (1982) were being established. The movement also formed its own political party, the Green Party (Die GRÜNEN; 1980), which entered the federal parliament in 1983. This implies that the German electoral system with proportional representation proved to be sufficiently open to integrate new societal movements in existing political institutions (Weidner and Mez 2008, 359). Following their entry in the parliament, the Greens considerably raised the number of environmental laws adopted by the legislative (Brand and Rink 2007, 504). The nuclear accident in Chernobyl in 1986 additionally accelerated the politicization of environmental issues (Engels 2003, 160). Now the Green Party also gained political influence in the Länder and the municipalities and local civic initiatives began to spread. Towards the end of the 1980s the movement began to institutionalise so that the green movement scene and networks of autonomous initiatives lost importance as compared with new, professionalised environmental organisations. This change of the environmental movement led to an intense conflict between the more principled fundamentalists (Fundis), which emphasised the opposition towards the established institutions, and the more pragmatist realists (Realos), which cooperated with those institutions.

Similar to the Federal Republic of Germany, environmentalism also grew in the GDR during the 1980s, where it had a mobilising effect on the democratic protest movement (Rink 2002b in Brand and Rink 2007, 504). Yet, the democratic agenda soon replaced the environmental agenda. After German re-unification in 1990 a political debate on the social and ecological consequences of re-unification emerged (Standort Deutschland Debatte), which gave higher priority to economic growth. Against this background, international developments such as the UN Conference on Environment and Development in 1992 helped to sustain environmentalism in Germany by introducing the concept of sustainable development in political discussions and inspiring the local agenda 21 processes (Brand and Rink 2007, 505). Yet, adopting the concept of sustainability came with opportunities as well as pitfalls. As the term was also applied by economic enterprises, environmental organisations risked to be usurped (and corrupted) by them. In the face of those challenges, the movement underwent several changes during the 1990s that can be characterised as institutionalisation, differentiation, professionalisation and internationalisation (ibid. 505). In so doing, it thus transformed from a fundamental opposition movement to a negotiation and cooperation partner of state entities (ibid. 500).
**Institutionalisation:** The movement gained access to political decision-making arenas (Roose 2006a in Brand and Rink 2007, 505). Most importantly, the Green Party entered the coalition government in 1998 and, thus, joined the political elite. As a collation partner it strived for opening governmental institutions, especially the Ministry of Environment and the environmental agencies, as well as political consultations to environmental NGOs (Brand and Rink 2007, 508; Wurzel 2004, 112).

**Differentiation:** The movement’s domains and forms of action diversified, ranging from public protest, lobbyism, the cooperation with administrative agencies and economic enterprises, the participation in Enquete Commissions or the Council for Sustainable Development to information campaigns and local, autonomous initiatives.

**Professionalisation:** It professionalised as scientific expertise gained in importance and environmental organisations specialised on ‘core’ themes (Brand and Rink 2007, 510). This expert status enabled the NGOs to better challenge and criticise the government (Aden 2012, 88).

**Internationalisation:** Europeanisation and internationalisation of environmental politics led to an internationalisation of the movement because environmental NGOs developed joint lobbyism networks and umbrella organisations at the EU level, contributed to international conferences and negotiations processes as well as became engaged in transnational campaigning and lobbyism networks (Roose 2003 in Brand and Rink 2007, 506).

The movement has changed German political culture substantially so that civic action and public protest are now accepted as normal (ibid. 511). It keeps changing continuously because the competition with other civil societal movements and modern telecommunications technology bring challenges as well as chances. During the 2000s the anti-globalisation movement proved to be more attractive for the younger generation than the environmental movement (ibid. 509). At the same time modern telecommunications technology widened the scope of communication strategies, now including new social media and internet platforms, which facilitate the mobilisation of people and the creation of public awareness. It also opened up new opportunities for fund-raising such as crowd-funding, increasing the financial sources available to environmental activists.

### b) Academia – sustainability studies

In parallel to the professionalisation of the environmental movement academic research on sustainable development and environmental protection expanded. Examples for this re-orientation of academia towards environmentalism in Germany are the Wuppertal Institute for Climate, Environment and Energy (Wuppertal Institut für Klima, Umwelt, Energy), the Environmental Policy Research Centre of the Free University Berlin (Forschungszentrum für Umweltpolitik), the Potsdam Institute for Climate Impact Research (Potsdam-Institut für Klimafolgenforschung), the Institute for Ecological Economy Research (Institut für ökologische Wirtschaftsforschung), the Oeko-Institute (Öko-Institut e.V.), Ecologic Institute or the Institute for Energy and Environmental Research (Institut für Energie- und Umweltforschung Heidelberg - ifeu). They have contributed to a scientification of
environmental policy debates, in which scientific knowledge and expertise became more and more important. However, scientific evidence is not only referred to for policy arguing, but also used selectively for policy bargaining.

c) **The emergence of a green industry**

Especially climate policy led to a booming ‘green industry’ in renewable energy production and energy conservation, which economically benefited from and in turn supported and stabilised environmental policy (Jänicke 2011, 129; Weidner and Mez 2008, 374; Müller 2002, 63; Wurzel 2004, 103; Wurzel 2010, 475). Therefore, German industry can no longer be understood as unitary actor, but rather as a ‘multi-faceted actor’ with both opponents as well as advocates of environmental policy (conf. Boasson and Wettestad 2013). Entrepreneurs have established new initiatives such as the 2° Foundation – German Entrepreneurs for Climate Protection (Stiftung 2° - Deutsche Unternehmer für Klimaschutz; 2011) and the German Association of Environmental Management e.V. (Bundesdeutscher Arbeitskreis für Umweltbewusstes Management - BAUM) or they have cooperated with traditional industry associations such as the Umbrella Association of German Industry (Bundesverband Deutscher Industrie) to lobby for environmental protection.

Environmentalism and the concern for sustainability also led to the emergence of a green niche in the financial sector with banks that follow the principles of sustainability in their business models and provide loans exclusively for socio-ecological projects. Examples are the GLS Bank (“community bank for loans and gifts”; founded in 1974), the UmweltBank (“environmental bank”; founded in 1995) or the Triodos Bank (founded in 1980 in the Netherlands).

**The Subnational Level – The Free State of Saxony**

Belonging to the former GDR, Saxony regained the status of a free state after the democratic transition and German re-unification in 1990. Since 1990 it has been governed continuously by the Christian-conservative CDU, which formed a single party government from 1990 till 2004, entered a Grand Coalition with the social-democratic SPD between 2004 and 2009 and formed a conservative-liberal coalition with the liberal FDP between 2009 and 2014. In contrast to the prevalent position of the Christian conservatives, the Saxon Green Party, which originated from the East German environmental and civil rights’ movements of the 1980s and formed as a political party in 1991, struggled to enter the Saxon parliament. While they were represented in the Saxon parliament between 1990 and 1994, they lost their political mandate in the elections of 1994. Ten years passed before they re-entered the Saxon parliament in 2004, which indicates that environmentalism receives less political support among Saxon citizens. Table 6 provides a chronological overview over the development of environmental governance in Saxony.
Table 6: Chronological Overview of the politics, polity and policy relating to environmental governance in Saxony

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<td>“Saxon Spatial Planning Act” (Sächsisches Landesplanungsgesetz) (2001) – including SEA</td>
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| | | | Saxon Bank for Reconstruction: funding directive “Energy and Climate Protection” (Förderrichtlinie
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<th>Event/Programme</th>
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<td>“Energy and Climate Programme Saxony” (Energie- und Klimaprogramm Sachsen) (2012)</td>
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<td>Participation in EU EnercitEE project (2010 – 2014; INTERREG IVC project)</td>
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<td>“Land-use Development Plan” (Landesentwicklungsplan) (2013)</td>
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The institutional specialisation on environmental policy in Saxony

German ‘cooperative federalism’ gives high autonomy to the Länder with regard to policy implementation (Aden 2012, 65). Saxony’s environmental administration is based on a three-tire administrative structure, which is constituted by the Saxon State Ministry for Environment and Agriculture (Sächsisches Staatsministerium für Umwelt und Landwirtschaft), the Saxon State Agency for Environment, Agriculture and Geology (Landesamt für Umwelt, Landwirtschaft und Geologie) and the three regional councils Dresden, Leipzig and Chemnitz (Regierungspräsidium). This three-tire structure resulted from an administrative reform in 2005. This reform dissolved the central, specialised environmental offices (Fachbehörde) and instead integrated those offices in the regional, cross-domain councils (Regierungspräsidium). This reform process was mainly motivated by budget constraints because the Ministry of Interior sought personnel and financial cuts in environment, agriculture and social policy (Aden 2012, 68; Bauer et al. 2007, 152). It was also mainly driven by political motives such as party politics, financial savings and electoral support for local politicians than expertise-based arguments (Bauer et al. 2007, 153). This is why the reform has been criticised for diminishing environmental expertise and weakening the cooperation between the State Ministry and the regional-level councils. This has several causes. If the responsibility for environmental policy is communalised, then the specialists from the Environmental Office (Fachbehörde) meet the generalists from the regional, cross-domain councils (Regierungspräsidium) so that environmental protection might be subordinated under other political priorities (ibid. 206). While previously the State Ministry could directly contact the Environmental Office via the environment agency, the procedure is now more hierarchical. The State Ministry now has to issue special ordinances to receive information from the regional councils so that the cooperation with the environmental experts is now possible only indirectly via several administrative levels (ibid. 147). This might result in a loss of information and professional expertise in environmentalism.

Reflecting the structure of the ministries, the Saxon parliament has created an “Environment and Agriculture Committee” (Ausschuss für Umwelt und Landwirtschaft). Within the ministerial administration the Saxon government convened the interministerial working group “Climate and Energy” (IMAG Klima und Energie), which is led by the Ministry for Environment and Agriculture and the Ministry for Economic Affairs, Employment and Transport, when it introduced the “Climate and Energy Action Plan” (Aktionsplan Klima und Energie) in 2008. This working group should contribute to interministerial coordination and cooperation in climate policy.

The Ministry for Environment and Agriculture is also responsible for the “Saxon State Foundation Nature and Environment” (Sächsische Landesstiftung Natur und Umwelt - LaNU), which the Free State of Saxony established in 1992 to administer the “Saxon Nature Conservation Funds” (Sächsischer Naturschutzfonds). The foundation also acts as coordinator for the “Saxon Agenda21-Cities Network” (Netzwerk sächsischer Agenda21-Kommunen). Another horizontal network of cities in Saxony, the “Saxon Association of Cities and Municipalities” (Sächsischer Städte- und Gemeindetag), seeks to improve local climate policy. It considers strengthening its own competency on climate mitigation and adaptation so that it can act as an intermediary, which facilitates lesson-drawing among the municipalities (Kornährfer 2008, 249).
Saxon Spatial planning policies and sustainable development

In response to the UN Conference Environment and Development the Saxon government included the principle of sustainable development in the “Development Plan for the Free State of Saxony” (Landesentwicklungsplan) of 1993 (Meyer-Steinbrenner 2007, 10)\(^{12}\). The *Leitbild* of sustainable regional development has also been integrated in the “Saxon Spatial Planning Act” (Sächsisches Landesplanungsgesetz) of 2001 as it had been in the Federal Spatial Planning Act (§ 1). This amendment transposed the EU SEA Directive (2001/42/EG), which prescribes that the potential environmental impacts of a development plan should be explored already during its drafting phase and be avoided and compensated for as much as possible (Weiland and Wohlleber-Feller 2007, 90). This was further elaborated in the “Development Plan for the Free State of Saxony” of 2003, which covers climate mitigation and adaptation, particularly renewable energy sources and flood prevention, and land-use (Weiland and Wohlleber-Feller 2007, 93). Particularly land-use shall be decreased by concentrating settlement structures in urban centres. The updated “State Development Plan” of 2013 already integrated the findings of a climate change vulnerability assessment of Saxony, which had been conducted on behalf of the State Administration for the Environment, Agriculture and Geology, as well as recommendations from the REGKLAM-project (Regional Climate Adaptation Programme - Model Region Dresden; 2008 - 2013), which had been coordinated by the Leibnitz-Institute for Ecological Urban and Regional Development (IOER).

The Saxon Strategy for Sustainable Development

While the preparations of the Saxon Strategy for Sustainable Development (Nachhaltigkeitsstrategie für den Freistaat Sachsen) began already in 2006, it was adopted only in 2013. This delayed transposition of the federal strategy of 2002 reflects the hesitant attitude of the Saxon conservative-liberal government (2009 - 2014) towards sustainability and environmental protection. Similarly to the German sustainability strategy, the Saxon strategy shall be a horizontal policy that combines sectoral policies and provides a *Leitbild* – a guiding frame - for the future development of Saxony (Meyer-Steinbrenner 2007, 11). It shall thus establish the principle of sustainable development as evaluation criterion for all sectoral policies. It intends to integrate the local communities via the “Initiative Local Agenda 21” (Initiative Lokale Agenda 21) and the economic enterprises via the “Environmental Alliance for Saxony” (Umweltallianz für Sachsen). Hence, one can observe a bottom-up dynamic. Local agenda 21 initiatives have thrived in Saxony – the Local Agenda 21 in Dresden having been established in 1998 – without a Saxon sustainability strategy being in place.

The strategy adopted in 2013 had been formulated without the participation and consultation with civil society initiatives and, therefore, was met with strong criticism. Attempts of civil society to receive public funding to develop an ‘Alternative Saxon Sustainability Strategy’ from the point of view of civil society and to continuously evaluate

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12 In Saxony the responsibility for spatial planning resides with the Ministry of Interior.
the formulation and implementation of a sustainability strategy by the government failed in 2013 (Dresden im Wandel 2013).

Environmental policies

Environmental policy-making in Saxony reflects multi-level governance dynamics because Saxon environmental policies have been induced by EU and national legislation. Based on the Aarhus-Convention of 1998 on public access to environmental information and the EU Directive 2003/4/EG the government introduced the “Saxon Environmental Information Act” (Sächsische Umweltinformationsgesetz) in 2006. Saxony also followed the National Climate Protection Programme by publishing the “Saxon Climate Protection Programme” (Sächsisches Klimaschutzprogramm) in 2001. The report “Climate Change in Saxony” (2005), in which the Ministry for Environment and Agriculture systematically reviewed past developments of climate change in Saxony and studied future perspectives, provided the basis for the “Climate and Energy Action Plan of the Free State of Saxony” (Aktionsplan Klima und Energie des Freistaates Sachsen; 2008). The most recent “Energy and Climate Programme Saxony” (Energie- und Klimaprogramm Sachsen) of 2012 had been initiated by the Ministry for Environment and Agriculture and the Ministry for Economic Affairs. It prescribes a reduction of GHG emissions by 10 per cent every five years until 2030. Broken down into individual categories, this implies that:

- GHG emissions in the non-EU-emission-certificates-trading sector should be lowered to 11.7 million tonnes by 2020 (compared to 15.7 million tonnes in 2009).
- Heat energy consumption should be reduced by 25 per cent by 2020.
- Energy consumption in the transport sector should decrease by 22 per cent by 2020.

Energy efficiency shall be improved by expanding combined heat and power production (CHP) and energy production turned more sustainable by raising the share of renewable energy to approximately 30 per cent of final electricity consumption by 2021. Moreover, the government intends to boost the development of innovative energy technologies and an ecological reorganisation of the transport sector.

Since the mid-1990s Saxony has endowed the “Saxon Environment Prize” (Sächsischer Umweltpreis; being awarded since 1996) to honour environmental activism. This competition as well as the programme “People Practice Sustainability” (Menschen gestalten Nachhaltigkeit), which shall encourage citizens to become change agents, has been initiated by the Agency for Environment, Agriculture and Geology.

Saxon environmental policy evolved also driven by EU funds and projects. The Saxon Operational Programme for the European Funds for Regional Development (EFRE) (2007 - 2013), which was developed by the Saxon Ministry for Economic Affairs in 2010, supported the “Sustainable Urban Development Network Saxony” (Netzwerk Nachhaltige Stadtentwicklung Sachsen) and funded the “Sustainable Development of Cities Programme”, which concentrated on 23 economically deprived cities. Saxony also participated in the EU EnercitEE project (2010 – 2014; INTERREG IVC project), which was initiated to implement the 20-20-20 goals of the EU Climate and Energy Package. It focuses
on climate mitigation, especially on energy efficiency and an environmentally-friendly transport system, and shall facilitate cross-regional networking and knowledge exchange. The Saxon Ministry for Environment and Agriculture has been the lead partner, while the Saxon Agency for Environment, Agriculture and Geology took care of the financial and regional management of EnercitEE in Saxony. Yet, the support provided by EU projects entails chances as well as challenges. On the one hand these transnational partnerships encourage lesson-drawing between European regions. On the other hand the planning and implementation process of EU projects has proved to be challenging, especially for small municipalities due to the high administrative burden and the complexity of such transnational networks (Mante 2012, 121).

Public funding schemes of the Saxon Bank for Reconstruction (Sächsische AufbauBank)

The “Saxon Bank for Reconstruction” (Sächsische AufbauBank) is the mediator of the KfW in Saxony and provides KfW investment loans for local enterprises. Based on its funding directive “Energy and Climate Protection” (Förderrichtlinie Energie und Klimaschutz) of 2007 the bank subsidises energy saving and renewable energy projects in municipalities. This includes the funding programme “Energy Efficiency and Climate Protection”, which is financed through the European Fund for Regional Development (EFRE). The bank closely cooperates with the Saxon Energy Agency (Sächsische Energieagentur GmbH – SAENA), which was created as a public company in 2007 and is jointly owned by the Saxon state government and the Saxon Bank for Reconstruction. It replaces the previous “Saxon Energy Efficiency Centre” (Sächsisches Energieeffizienzcentrum - EEZ), which existed from 2002 to 2007, and administers the funding scheme “Energy and Climate Protection” (RLEuK 2007).

The bank also acts as an advisor to the municipalities. It supports them in developing local energy and climate protection concepts as well as provides information on financial support schemes and application procedures of the federal government and Saxony. It further helps them with developing and implementing local energy and CO₂ monitoring systems (Energie- und CO₂ Bilanzierung). With regard to education, it offers education and training measures for local civil servants and develops education materials on energy saving and renewable energy sources for schools. It also promotes knowledge exchange via the online Saxon energy information portal (www.energieportal-sachsen.de). By honouring climate protection measures of municipalities with the “European Energy Award” (EEA) and awarding the “Saxon Energy Certificate for Businesses” (Sächsischer Gewerbeenergiepass), it gives public and private entities incentives to improve environmental protection. Further programmes, which should expand energy production from renewable energy, are “Energy from the Countryside”, “Investment Credit Agriculture and Environment”, the “Climate Credit” and “Sustainability and Growth & Competitiveness”.

Societal agents

The transition to democracy encouraged civic commitment and triggered a proliferation of civil society initiatives in the 1990s. Amongst other environmental NGOs NABU and BUND established branch organisations in Saxony. The “Nature and Biodiversity Conservation Union Saxony” (Naturschutzbund Landesverband Sachsen e.V. - NABU) formed in 1990 and the Saxon section of Friends of the Earth Germany (BUND Landesverband Sachsen) was created in 1989. The sustainable development discourse has also led to a rediscovery
of the writings of Hans Carl von Carlowitz, who developed the principle of sustainable forestry in Saxony in the 17th century (“Sylvicultura oeconomica” 1713). Thus, the “Saxon Hans-Carl-von-Carlowitz-Society Promoting Sustainability” and reminding of the Saxon origin of the concept of sustainable development (Sächsische Hans-Carl-von-Carlowitz-Gesellschaft zur Förderung der Nachhaltigkeit e. V.) was established in 2011.

“Saxony in Climate Change” (Sachsen im Klimawandel) is an environmental education project organised by the “House of Congresses for Environment, Building and Transport” (Haus der Kongresse für Umwelt - Bau - Verkehr Dresden e. V.), which strives to spread knowledge on nature conservation and the preservation of human living conditions. It offers numerous seminars and workshops for schools and teachers as well as organises public lectures and panel discussions.

Analysing the structure of Saxon industry, the share of the environmental technology industry in the Saxon GDP is still small with 3.5 per cent in 2011 according to statistical data of the Free State of Saxony (PwC 2014). Yet, as a study conducted by PricewaterhouseCoopers claims, it is one of the most innovative and high-technology industries in Saxony (ibid.). Within environmental technology industry climate mitigation constitutes the most important industry branch, followed by sewage management and air pollution control. In parallel to the development of this green industry, environmental business networks have emerged. Those are the “Energy Efficiency Network Saxony” (Energieeffizienz Netzwerk Sachsen), uniting mostly small and medium size enterprises, and the “Saxon Environmental Alliance” (Umweltallianz Sachsen), which was formed in 1998 as a voluntary association between the Saxon State Government and Saxon businesses. It shall boost regional environmental protection and economic development and funds the ECOPROFIT®-projects in municipalities.

3.3.3 CONCLUSION

To sum up, while Germany could harvest the initial ‘low-hanging fruits’ in environmental policy in the 1970s and 1980s and be an environmental policy leader in the EU, it fell back in the 2000s when it began to face the more complicated and cost-intensive policy measures, which created a ‘mismatch’ between German and EU environmental policy (Weidner and Mez 2008, 374; Wurzel 2004). Now international and EU environmental policy became important to surmount domestic bottlenecks as well as prevent domestic backlashes in German environmental policy (Jänicke 2011, 142; Müller 2002, 60). While global equity concerns are discussed (as a form of intragenerational justice between developing and developed countries), domestic equity concerns are still neglected by politicians, societal groups and academic circles (Weidner and Mez 2008, 374). Such a national discourse on the social-distributional effects of environmental policy, benefiting some stakeholders and adversely affecting others, would be essential for creating political acceptance for a more proactive and ambitious approach to environmental protection.

The Saxon government has rather been a follower or a ‘policy taker’ of EU and national environmental legislation. This is why it could be expected that top-down pressure from the
EU and the federal government as well as bottom-up societal dynamics are essential to trigger change towards sustainability in Saxony.
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Environmental Policy


3.4 The transition region Genk

Leen Gorissen

3.4.1 THE BASIC STATE STRUCTURE: BELGIAN FEDERALISM

Belgium is a federal state composed of communities and regions since 1993. It is built on a complex architecture that has two types of subnational governments (or ‘federated entities’), three Regions (Flanders, Wallonia and Brussels) and three Communities (Flemish, French and German-speaking). The Regions have competences in ‘territorial’ matters such as spatial planning, energy policy, environment, agriculture, industry and transport. The Communities have competences in ‘personal’ matters such as health, education, culture or sports. The Federal State holds competences in the areas of foreign affairs, national defence, justice, finance, social security, important parts of national health and domestic affairs. The government of the country is thus shared between the Federal State, the Communities and the Regions, which are equal from a legal point of view, but who independently exercise their authority within their domains. The following map shows the administrative structure of Belgium.

Figure 6: The administrative structure of Belgium.
In contrast to examples of ‘cooperative federalism’ such as is the case in Germany, the Belgian system is built on principles of ‘dual federalism’. This means that competences are divided in such a way that each level has a distinct set of responsibilities and can operate (semi-) autonomously from the other. Three of these dual principles make the Belgian federal system rather unique:

- the competences in Belgium are divided on a strictly exclusive basis, meaning that all aspects (i.e. legislative and executive) of each competence can only belong to one level of government;
- the exclusivity of competences extends to Belgium’s foreign policy;
- unlike many other federal states, Belgium federalism is characterised by the ‘principle of no hierarchy’ between federal and subnational laws, which implies that the federal government cannot impose anything on the subnational governments, and the latter cannot be bound by federal legislation.

This means that everything that transcends one level of government - and that could thus be considered as ‘national’ - requires a consensus among the federal and all the subnational governments. Belgium can thus be regarded as a consensus democracy (Lijphart 1984). Due to this architecture, coordination of climate policy is always negotiated and never hierarchical. Such negotiations therefore take place among equal partners and are based on consensus-seeking.

In practice, governance in Belgium is dependent on a high degree of cooperation between the different levels because the division of competences is not clear-cut, but rather fragmented within policy domains. For instance, the federal government controls nuclear energy and off-shore wind in the energy domain while the Regions have the competence over renewable energy policy and rational energy use. In addition, while the Regions are largely responsible for environmental policy, minor responsibilities such as product standardisation are held by the federal government. In transport and mobility policy, federal responsibilities include rail transport and the national airport while the Regions are responsible for road transport, seaports, regional airports and public transport (FOD VVVL, 2008). More importantly the federal level retains the control over taxation, giving it the power of the purse, which all policies depend on (Swenden and Jans 2006: 885). Yet, this has been changed in the last state reform, by which some taxation instruments such as tax breaks for energy-saving investments were transferred from the federal to the regional level (Happaert 2013). As another feature of Belgian multi-level governance all decisions that transcend single competences - which is the case in many domains - require the approval of all involved governments. Therefore, interministerial conferences are organised to bring together federal and subnational ministers of a certain policy area. Eighteen of such interministerial conferences are currently operational (FOD Kanselarij 2008). A consequence of the ‘no hierarchy principle’ is that persuasion and voluntary cooperation are the only leverage points to align intergovernmental ambition and action because no one can be forced to participate in intergovernmental negotiations (Jans and Tombeur 2000: 144).

Furthermore, two other aspects are relevant in terms of multi-level governance in Belgium: the first is the politicised character of the multi-level interactions and the second is the
nature of a ‘divided government’, meaning that different government coalitions are possible on the federal and subnational level which can oppose each other’s policies. Happaert (2013) writes: “All major decisions are taken by political officials, at the expense of the administration. The country is often labelled a ‘particracy’ (Peters, 2006: 1081), because policy and decision-making are monopolised by the political parties. Ministerial cabinets, composed of the personal advisors of each federal and subnational Minister, are traditionally the main actors in Belgian policy-making (Brans et al., 2005: 218), and they are omnipresent in all cooperation mechanisms. The political parties are organised on a linguistic basis. In Belgian politics, therefore, there are no nation-wide parties 13, but only Flemish or Francophone parties, which each cater to their own electorate only. The formation of coalitions for subnational governments is therefore much more straightforward than for a federal government, which is always an amalgam of two party systems […] after the subnational elections in 2004, coalitions were installed at the subnational level that for the first time did not mirror the ruling federal coalition. Since then, several political parties have been in power at one level of government, while being in opposition at the other level. Parties in that situation are less willing to ‘save’ the stability of a government of which they form no part. That political incongruence gravely complicates the resolution of intergovernmental conflicts or policy coherence among different governments.” Party politicization thus profoundly influences governance in Belgium.

A good example to illustrate this complex architecture and division of responsibilities is the fact that Belgium does not have a national climate policy. The federal government and the three Regions each conduct their own climate policies within the realm of their respective competences. For instance, since the Regions are responsible for industry regulation (EU ETS), the Kyoto targets had to be divided within Belgium, which was not an easy task because these burdens relate to sensitive socio-economical issues between the regions.

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13 This changed recently when the PVDA/PTB which operates as a Belgian party, joined the federal parliament
3.4.2 THE SUSTAINABILITY SPECIFIC GOVERNANCE CONTEXT OF BELGIUM

The National Level
A recent history of federal political developments in environmental sustainability policy

Table 7 gives an overview of the main political developments and the dominating dynamics influencing environmental sustainability policies between 1999 and 2014.
### Table 7: Chronological Overview of the politics, polity and policy relating to environmental governance in Belgium

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Politics</th>
<th>Polity</th>
<th>Policies</th>
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<tbody>
<tr>
<td>Before 2000</td>
<td>The dioxin crisis of May 1999 altered the political landscape considerably. It enabled a new political coalition that has been described as the green-purple coalition (Government Verhofstadt I).</td>
<td>The Federal Council for Sustainable Development (1997)</td>
<td>The law of May 1997 on the coordination of the federal policy for sustainable development</td>
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<td></td>
<td>After the federal elections of 2003, the coalition continued without the green party and is known as the purple coalition (Verhofstadt II)</td>
<td>National Climate Commission (established in 2003)</td>
<td>Energy Fund (August 2001)</td>
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<td></td>
<td>Important phase of professionalization and internationalisation of environmental movement</td>
<td>Task Force on Sustainable Development And the Federal Council for Sustainable Development</td>
<td>The first Federal Plan for Sustainable Development for the period 2000-2004</td>
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<td>The Interdepartmental Commission for Sustainable Development</td>
<td>Belgian Law on the progressive phase out of nuclear energy (2003)</td>
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<td>Federal Council for Sustainable Development</td>
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<td>Interministerial Conference on the Environment</td>
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<td>Year</td>
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<tr>
<td>2004-2008</td>
<td>A reshuffle of the government occurred in 2004 due to regional/European elections (Verhofstadt IIbis)</td>
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<td></td>
<td>For the first time the ruling federal coalition is not mirrored in the subnational level</td>
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<td></td>
<td>Interim government Verhofstadt III rules from 2007-2008. This is an asymmetrical coalition between Flemish (CD&amp;V, Open VLD) and Francophone region (MR, PS, cdH)</td>
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<td></td>
<td>Interim government is finally replaced by Government Leterme I which is again an asymmetrical coalition between Flemish (CD&amp;V, Open VLD) and Francophone region (MR, PS, cdH)</td>
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<td></td>
<td>Financial crisis destabilizes government</td>
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<td>Intra-Belgian burden sharing agreement of 2004</td>
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<td>Institutional agreement for a new Belgian state reform</td>
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<td>The second FPSD for 2004-08 The action plan on Corporate Social Sustainability (2006)</td>
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<td>“Spring of the Environment” initiative (2008)</td>
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<td></td>
<td>General Policy Statement outlining federal policies for the following four years in the areas of energy, climate change and air quality (2008)</td>
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<td></td>
<td>National Allocation Plan to Promote Renewable Energy and Energy Efficiency Measures</td>
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<td>Green Certificate (GC) and CHP certificate system</td>
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<tr>
<td>Year</td>
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<td>2009-2010</td>
<td>Fallen government Leterme is replaced by Van Rompuy: Asymmetrical coalition between Flemish (CD&amp;V, Open VLD) and Francophone region (MR, PS, cdH) New government Leterme II is again an asymmetrical coalition between Flemish (CD&amp;V, Open VLD) and Francophone region (MR, PS, cdH)</td>
<td>Federal action plan for sustainable governmental procurement Federal Act on Sustainable Development; 2010</td>
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<td>2010-2012</td>
<td>The federal Elections of June 2010 triggered an 18-month long political impasse in Belgium until a new federal coalition was finally installed in December 2011 New government Di Rupo rules from 2011-2014. It is called the Purple-orange coalition: Christian-democrats (CD&amp;V-cdH), Socialists (Sp.a-PS), Liberals (Open VLD-MR)</td>
<td>Sixth state reform (Oct 2011) which transferred a number of climate relevant responsibilities from the federal to the regional level Inter-Ministerial Sustainable Development Conference; set up since April 2012 Towards 100% renewable energy in Belgium by 2050</td>
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<td>2013</td>
<td>Establishment of the Federal Institute for SD</td>
<td>Strategic long-term vision 2050 for sustainable development; adopted on</td>
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<td>Establishent of the units for SD</td>
<td>May 17th 2013</td>
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<tr>
<td>Royal Decree and Royal decision to establish a federal institute for sustainable development</td>
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</table>
A turning point in the political landscape in Belgium is the dioxin crisis of May 1999. It enabled a new political coalition to govern Belgium, which has been described as the green-purple coalition (Government Verhofstadt I), i.e. a coalition between the liberal, social and green party. The concept of sustainable development was included in the coalition agreement and the green party appointed the federal environment minister (Happaerts 2011). “Under the influence of the Green Parties14, the new environmental health discourses were put on the political agenda.” (Stassen 2012). After the federal elections of 2003, the coalition continued without the green party and is known as the purple coalition (Verhofstadt II). Sustainable development was for the first time part of the Federal Ministerial portfolio of the Minister of Environment, which was held by the socialist party.

The political landscape changed again significantly after the subnational elections in 2004, which led to a situation of a divided government. For the first time the ruling federal coalition (i.e., the purple coalition of Verhofstadt II including the socialist and liberal parties) differed from the Flemish government coalition. Cartel formation between several mainstream parties (CD&V and N-VA, SPA-Spirit, VLD-vivant) and an agreement between these mainstream parties - called cordon sanitaire - to not allow the ultra right-wing Vlaams Belang party to enter the Flemish government - led to the formation of a coalition of the three largest cartels.

Five parties were thus part of the ruling Flemish government (Leterme) in the period 2004-2007. This induced a new level of complexity that affected alignment of governance across the different levels. As Happaerts (2013) writes: “The politised character of the relations facilitated policy coherence and intergovernmental cooperation until 2004, when the federal government and all subnational governments were controlled by the same coalitions. Yet after the subnational elections in 2004, coalitions were installed at the subnational level that for the first time did not mirror the ruling federal coalition. Parties in that situation are less willing to ‘save’ the stability of a government of which they form no part.” In addition, Swenden and Jans (2006) state: “Such political incongruence gravely complicates the resolution of intergovernmental conflicts or policy coherence among different governments.”

The period 2007-2009 was a turbulent period for federal governance. In Flanders (subnational level), the electoral victory of the alliance of the Christian Democrats (CD&V) and the New Flemish Alliance (N-VA), who supported a wide-reaching state reform, intensified the already tense communal relations between the regions, which impeded the coalition-building process on the federal level. It took 194 days before the parties finally succeeded in forming a new government. This new government (Leterme I) was – for the first time - an asymmetrical government containing representatives from Liberals (Open VLD), Flemish Christian Democrats (CD&V) at the Flemish side and the Francophone Socialists (PS), the Francophone Liberals (MR) and Francophone Christian Democrats (cdH) at the Walloon side. In December 2008 the financial crisis also impacted one of the largest Belgian banks (Fortis). This induced another crisis that destabilized the country and resulted in the resignation of Belgian Prime Minister Yves Leterme. This financial crisis reflected an important turning point in the sustainability discourse. It invoked a response in favour of the prevailing economic paradigm ‘growth as usual’, which pushed the topic of

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14 Green parties include AGALEV in the Flemish and Ecolo in the Francophone region
environmental sustainability into the margins of dominant governance (Interviewee 2). SD is thus not anchored in the heart of economic development.

While issues such as climate change and SD did not receive a lot of attention from the governing coalition, the green party (being part of the opposition) decided to develop a first draft of a federal climate law in an attempt to overcome the fragmented and divided responsibilities for this theme in the present government structure. This was aligned closely with the societal dynamics of this period illustrated by the launch of the campaign ‘The big Ask’ from Friends of the Earth to increase societal support for a strong climate law for Belgium and Europe in February 2008 and by the establishment of the transition town movement in Belgium also in 2008 (FOTE 2008, Kenis and Mathijs 2014). This ‘The big ask – SOS climate’ campaign hoped to influence politicians to take leadership and develop action on the climate front and mobilised many environmental movements in Belgium to raise their support. In Flanders for instance, a clip figuring 6000 volunteers was recorded in Ostend to raise awareness for the pressing problem of climate change. In this period, 60 different environmental, social, social-cultural and N-S organisations decided to join forces and established a climate coalition that coordinated and organised joint activities to increase public awareness (Klimaatcoalitie 2012). Although being part of the opposition, the green party was the first to develop a draft of a Belgian climate law. The current federal Minister of Environment was in favour of such a law and submitted a draft to the Council of Ministers in 2010, which refused to take this up for further development (Interviewee 1).

The political instability continued in the following period 2010 – 2011 and was characterized by an 18-month long political impasse in Belgium that was triggered by the federal Elections of June 2010 (Happaerts 2013). Finally, a new federal coalition was installed in December 2011. The coalition agreement was accompanied by an institutional agreement for a new Belgian state reform aiming to shift a number of responsibilities to the Regional level, impacting sustainability policy in several ways. For instance in energy policy, taxation instruments such as tax breaks for energy-saving investments were to be transferred to the regional level, strengthening the regional competence for decarbonisation strategies. However, this also marked an important turning point. Happaert (2013) describes this as follows: “Under the denominator of the state reform, but also pushed by the need for budget cuts, many of the measures that the federal government had previously undertaken for climate change were abruptly abolished by the coalition agreement, and after the state reform they will become impossible for the federal government to pursue. That shifts the core of Belgian climate governance even more to the Regions. To underscore that evolution, the federal Environment, Energy and Transport portfolios are now no longer held by a Minister, but by a lower-ranked State Secretary.” This dominant focus towards a state reform paralysed federal climate action. Therefore, the interplay between the economic crisis and the state reform pushed environmental topics such as climate change and sustainable development from the political agenda.

Consequently, it appeared that during the Di Rupo government (2011-2014), environmental sustainability would regain importance because SD was part of the ministerial portfolio. However, the Minister in charge had to resign and the topic of sustainable development was placed under the State Secretary, who was also responsible for the state reform. Due to the magnitude of the latter topic, little time was left to develop the SD strategy further. Progress
in these last years has thus been modest (Interviewee 4): the establishment of policy units for SD within each Federal department that are responsible for the coordination and implementation of the Federal plan for SD 2014-2019 is in preparation (Federal Institute for SD 2014). Also interesting in this regard is the fact that energy governance in Belgium so far has been dominated by short term thinking, while its effectiveness has been hindered by its complicated institutional and political structure (IEA 2009). This complex architecture has not been beneficial for maintaining a consistent policy needed to attract investments in energy infrastructure. The absence of a long term vision on energy and climate policy further contributed to this inconsistency (Vandaele 2014). This is painfully illustrated by the current situation, in which the unforeseen problems with nuclear power may endanger electricity security in the winter of 2014.

In the meantime, societal action on the climate front peeked again in 2012 when the climate coalition organised the ‘Sing for the climate’ campaign. This campaign mobilized more than 70,000 people in many different cities and was supported by many organisations amongst which 11.11.11., CNCD-11.11.11. ABVV/FGTB, IEW, Greenpeace, Oxfam Solidariteit, Les Scouts, Fédération des scouts pluralistes Belgique, AGL, Solidarité Mondiale, Centre Placet, MOC, Maison du développement Durable, l’Ancienne Belgique, MATM, Plateforme du développement durable de Louvain-La-Neuve, Café citoyen Altérez-vous, IHECS, ICHEC, BEA, Mundo-B, Associations 21, Quinoa, les 24h à pied d’Ath, Tempo Color (Klimaatcoalië 2012). Also relevant is the fact that the number of civil society transition initiatives related to the transition town movement grew rapidly since their establishment in 2008 (Kenis and Mathijs 2014). In 2013, 80 different (informal) initiatives were active in cities and rural communities across Flanders. While societal engagement and action increased, an institutional crisis paralysed effective action on SD on all levels of Belgian governance (Interviewee 3). Illustrative of this is the fact that a third federal plan for SD has not been developed and that the cooperation agreements on environment with the local governments – of which SD was part - have been stopped. So for the moment, there is no frame for local governments to embed strategy and action on SD (Interviewee 3). In addition, interviewee 3 points out that “We are now entering a period beyond SD: taking into account megatrends such as material scarcity, population growth etc broadens the debate from environmental to social and economic welfare. […] SD can no longer be an add on, it needs to be the centre of new economic models; e.g. circular economy for instance. However, mainstream political thinking is still based on the old model where economic efficiency (competitiveness) is central. […] We need a new governance system if we are serious about putting SD into practice. For now, all efforts on SD remain in the margins of governance.” This latter fact has been confirmed by all interviewees. The current political discourse is thus heavily dominated by the market-driven and growth-oriented economic logic that is underpinned by the desire that things remain the same, reinforcing the current ‘eco-efficiency’ paradigm. Blühhorn (2007) calls this ‘the management of unsustainability’ which reflects the attempt to sustain the unsustainable characteristics of current society. The new Federal government established in 2014 is even more asymmetric than the previous one: only one Francophone party, the conservative liberal MR, joined the centre-right coalition of New Flemish Alliance (N-VA), the Christian Democrats (CD&V), and the liberal party Open Vld. It is nicknamed

15 Summarised and translated by the author
‘Swedish coalition’ due to the colours yellow (N-VA), blue (liberal) and the cross (CD&V). Environment, energy and sustainable development are combined into one minister post, which is held by the MR. Central in the newly published coalition agreement is the typical focus on economic growth including ‘employment and competitiveness’ (Federaal Regeerakkoord 2014). To tackle the thorny issue of energy production, the new coalition agreement states that this government will take first steps in preparing a transition towards a new energy system. Therefore, the government intends to develop an inter-federal vision and energy pact during this legislature. In society, initiatives and platforms inspired by SD (repairing, sharing, local production etc) are increasing rapidly in number and size (see 2.2.1 for examples) and international initiatives such as the people’s climate march resonate locally and mobilized approximately 2000 Belgians.

A concise overview and description of important milestones of environmental sustainability at the federal level

The first federal activities related to environmental sustainability started in the late 1990’s. In October 1997, National Council for sustainable development (SD) was established by law. The law of May 1997 replaced the National Council by the “Federal Council for Sustainable Development”, as the stakeholders advisory council, to coordinate and organize the participation of major groups to SD policy-making. The “Interdepartmental Commission for Sustainable Development” was established by the law of May 1997 on the coordination of the federal policy for sustainable development and started its activities later that year (ESDN 2014).

In the aftermath of the dioxin crisis, the political discourse changed significantly. It induced a momentum towards a more integral approach and stimulated policy and institutional innovation at the Federal level. The integrated policy document "Environment and Health" (2001) for instance, marked an effort to institutionalize environmental health into the governance structures (Stassen 2012) and the “Federal Public Service Health, Food Chain Safety and Environment” was set up. At the same time, the Göthenborg strategy of 2001 called “A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development” (COM 2001) was an important impetus to prompt attention and action for the topic of SD in Belgium (Interviewee 2). The “Task Force on Sustainable Development” of the Federal Planning Bureau was an important driving force and catalyst in the SD discourse. They developed the first” Federal Plan for Sustainable Development" for the period 2000-2004, which was further elaborated by the “Interdepartmental Commission for Sustainable Development”. The “Federal Council for Sustainable Development”, which advises the Federal government on sustainability issues, represents the different stakeholders (e.g. scientists, NGOs, federations of employers and employees etc).

Because of the exclusivity of competences, a national climate policy for Belgium does not exist. To coordinate the climate policies across all entities, a “National Climate Commission” was established in 2003 building on several cooperation agreements between the federal state and the regions. This commission is in charge for the development, implementation

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16 Translation by the author
and evaluation of the national climate plan\textsuperscript{17} (Belgisch Staatsblad 2003). In addition, the Kyoto targets needed to be divided within Belgium since the Regions are competent for industry, meaning that they are responsible for the allocation of greenhouse gas (GHG) emission allowances to companies under the EU Emissions Trading System. This debate on burden-sharing between the Francophone and Flemish Region was difficult because it touched upon sensitive socio-economic topics (Interviewee 1 and 3). The “Interministerial Conference on the Environment” provided a platform for the negotiations on burden-sharing between the regions. Finally, Prime Minister Verhofstadt was able to announce an agreement in March 2004, in which Flanders committed itself to a reduction of 5.2 per cent, Wallonia pledged to reduce its GHG emissions by 7.5 per cent per cent and Brussels could increase its emissions by 3.475 per cent per cent for the period of 2008-2012 compared to the base year 1990\textsuperscript{18} (FOD VVVL 2009). However, these pledges did not suffice to fulfil the Belgian Kyoto targets as Happaert (2013) explains: “As the sum of the three Regions’ proposed targets did not result in the 7.5 per cent Belgian target, the federal government committed to implement supporting measures that would reduce 4.8 Mt of CO\textsubscript{2}-equivalents per year, and to the purchase of carbon credits equivalent to 2.46 Mt per year through flexible mechanisms. A driver for those measures at the federal level was the Green party.”

While Belgium’s nuclear phase-out legislation was agreed on in July 1999 by the liberal, the socialist and the green parties, the gradual phase-out of the use of nuclear energy for the industrial production of electricity in Belgium is governed by the “Belgian Law on the progressive phase out of nuclear energy” of 31 January 2003 (FOD Economy 2014). This law calls for each of Belgium’s seven reactors to close after 40 years of operation with no new reactors allowed to be built subsequently. Two other developments, namely the “liberalization of the European electricity and gas market” and “international agreements related to the reduction of greenhouse gas emissions” (including the Kyoto Protocol), gave rise to new decree legislation:

- the Decree of 17 July 2000 on the organization of the electricity market (“Electricity Decree”);
- the Decree of 6 July 2001 on the organization of the gas market (“Gas Decree”).

This was a major milestone in the re-organisation of the energy market since it opened up space for new actors and a renewed focus on renewable energy. At the Flemish level for instance, Ecopower, an energy cooperative that had been established already in 1991, started to deliver green electricity to its members in 2003.

The “Interdepartmental Commission for Sustainable Development” prepared the second “Federal Plan for Sustainable Development” (FPSD) for the period 2004-2008. This second FPSD has been extended due to the revision of the Parliamentary Act of May 1997 and still is the current federal SD Plan because the third FPSD still not has been developed (Interviewee 3). Both plans cover all three dimensions of SD and include governance as an additional dimension (ESDN 2014). In 2007, political recognition of the importance of SD led

\textsuperscript{17} Translation by the author

\textsuperscript{18} Translation by the author
to the anchorage of SD in federal Belgian law (Spillemaeckers and Bachus 2009). As part of the FPSD the “Action Plan on Corporate Social Sustainability” was launched in 2006. This action plan was updated in 2010, but not adopted by the federal government due to the change in the political context. The “Federal Plan on Sustainable Development” 2004-2008 also includes a specific action point on ‘protecting biodiversity’ by developing specific action plans. Therefore, public consultations were held in December 2008 to discuss those action plans (EC 2008).

In June 2008, the Federal Minister of Energy and Climate launched the “Spring of the Environment” initiative to bring together federal and regional stakeholders. This indicated another step in making political decision processes more participatory, a trend that was also becoming more established internationally. In this initiative, “A political consensus was reached on a number of energy and environment issues and commitments were taken to pursue further action regarding energy efficiency, green certificates, green taxation, offshore wind, biomass and transport. On November 2008, Minister of Climate and Energy released a “General Policy Statement” outlining federal policies for the following four years in the areas of energy, climate change and air quality. This policy document reconfirms the government’s commitments and outlines several social energy measures for reducing energy bills for disadvantaged households” (IEA 2009). In 2010, the same minister proposed a first draft of a federal climate law to coordinate and organise climate action more efficiently for the Council of Ministers (FRDO 2010). The Council of Ministers, however, decided not to develop this further, which has been attributed to the dominance of the state reform discourse (Interviewee 1).

In this period, all levels of the Belgian administration promoted new measures to deal with the challenges of climate change and energy, ranging from the approval of the “National Allocation Plan to the promotion of renewable energy and energy efficiency measures by means of a Green Certificate (GC) and CHP certificate system”. For instance, the federal government offered a tax reduction on 40 per cent of invoiced expenses, ranging from double-glazing to solar panels, with a certain maximum amount per year and per home. Additionally, the regions have set up supplementary subsidy schemes for promoting energy efficiency and have adapted their legislation in line with the EU Energy Performance of Buildings Directive (2002). In Flanders for example, properties put up for sale must have an energy label certificate since November 2008, which applies to rental properties as of January 2009 (EC 2008). Furthermore, following the adoption of the climate and energy package in December 2008, Belgium agreed to reduce greenhouse gas emissions by 15 per cent by 2020 (compared to the levels of 2005) in sectors not covered by the EU ETS such as road transport, buildings and farming. In addition, Belgium committed to achieve a share of energy from renewable sources in gross final energy consumption of 13 per cent by 2020 (up from 2 per cent in 2005).

In the meantime, several institutions collaborated to formulate and implement a joint SD strategy:

- The Interdepartmental Commission for Sustainable Development: in charge of planning and monitoring of the process; supported since 2002 by the Federal Public Service for SD.
• The Task Force on Sustainable Development of the Federal Planning Bureau: in charge of reporting, including policy evaluations and forecasting.

• The Federal Council for Sustainable Development: in charge of organising participatory processes, which ensure the participation of major stakeholders in SD policy making.

Since the Federal Plan is only binding for the federal level, it imposes no obligations on the sub-national levels. Instead, the federal government is required to sign so called “cooperation agreements” with the subnational governments for those issues that relate to subnational competencies. This is a mandatory process provided for in the constitution. The 2010 “Federal Act on SD”, which is a revision of the original Act, aims to strengthen the cooperation between the different regional and federal authorities. The revised act also calls for the development of a long-term vision for SD, which should inspire a new discourse that is deemed necessary to achieve the long-term objectives. For this reason an “Interministerial Conference for Sustainable Development” has been established. The Interdepartmental Commission on Sustainable Development is the leading institution for vertical policy coordination (ESDN 2014). However, the federal report on SD of 2011, which covers the previous 20 years of political engagement with sustainable development, states that although progress has been made on advancing SD, SD efforts still only play a marginal role as compared with the primary activities of the government.

In 2012, the governing federal and regional Ministers for Energy initiated a consortium together with the Federal Planning Bureau, VITO and ICEDD to explore the future of Belgium’s renewable resources. The study was called “Towards 100 per cent renewable energy in Belgium by 2050”. Findings of this study point out that it is technically possible that Belgium could run on 100 per cent renewable energy by 2050 and that this could result in 20,000 to 60,000 new jobs (Federal Planning Bureau 2013). It would, however, require serious investments. The study is a significant turning point for energy governance in Belgium because it is a first step towards long term thinking in the energy domain. It has, however, received severe criticisms, e.g. from the Federation of Enterprises in Belgium (VBO/FEB) since the study does not address ‘competitiveness issues in the economy.’

In May 2013, a federal “Strategic long term Vision 2050 for Sustainable Development” was adopted. This long-term vision encompassed goals for 2050, intermediary goals by decennia and indicators for monitoring progress of implementation. For instance, following the low carbon roadmap outlined by the EU, the Belgian vision adopted the goal of 80-95 per cent GHG emissions reduction in 2050 compared to the level of 1990. The elements of the vision have been agreed on by the federal government and are endorsed through a “Royal Decree,” as an implementation of Article 7bis of the Belgian Constitution and in view of Belgium’s international commitments to SD. This was followed by a “Royal Decision” to establish a “Federal Institute for Sustainable Development” which will be placed under the minister in charge of SD19 (Federal Institute for SD 2014). However, the Minister in charge had to resign and the topic of sustainable development was placed under the State Secretary who was also in charge of the state reform. Due to the magnitude of the latter

19 Translation by the author
topic, little time was left to develop the SD strategy further. Progress in these last years has thus been modest: the establishment of the policy units for SD within each federal department that is responsible for the coordination and implementation of the Federal Plan for SD 2014-2019 is in preparation (Federal Institute for SD 2014).

Subnational Level: Flanders

A recent history of Flemish political development in environmental sustainability policy

Table 8 summarises the development of environmental governance in Flanders between 2001 and 2014.

In 1999, the concept of SD was for the first time included in the coalition agreement of the new Flemish government which was composed of Liberals, Socialists, Greens and Nationalists (Vlaamse Regering 1999). “That happened especially under the impulse of the Green party (Agalev), which was in office for the first time in Belgium and which delivered the Environment Minister. The Greens attached particular importance to the sustainable development agenda. For instance, they invested much political capital in the preparation of the Johannesburg Summit” (Happaert 2011). A consequence of being closely involved in the Johannesburg Summit was that officials from within the environment department seized this opportunity to create an interdepartmental cross domain working group for SD (Happaert 2011).

From 1999-2003, the Flemish government was in the hands of Government Dewael, a coalition of the liberals, socialists, greens and Flemish nationalist party, also referred to as the purple-green-yellow coalition. The green party appointed the Minister of Environment. In the aftermath of the dioxin crisis, the Flemish environmental movement went through a significant phase of professionalisation and internationalisation (Interviewee 2 and 4). They became more adequate in securing resources and started forming associations both within the regions as well as on an international level. In this period, the environmental umbrella organisation Bond Beter Leefmilieu gained influence and the anti-nuclear campaign of Greenpeace fuelled the local debates on the nuclear phase out. Also illustrative of that time is the establishment of a new advisory organisation for technology assessment viWTA (Vlaams Instituut voor Wetenschappelijk en Technologisch Aspectononderzoek) connected to the Flemish parliament in 2001. The purpose of this organisation was to stimulate research, communication and societal debates on the interplay between science, technology and society. Another interesting dynamic that originated from this period, were the first experiments with innovative governance forms inspired by transition management. Transition management processes were set up in two domains: sustainable material use and sustainable housing and living. However, according to Paredis (2008) these processes operated for years without any reference to the Flemish sustainable development agenda. The changing societal dynamics of the aftermath of the dioxin crisis also influenced the political agenda and led to the Vilvoorde Pact, which was signed by the Flemish government together with social partners and environmental movements in 2001 (Vlaamse Overheid 2001). It contains the first steps towards a long term and cross cutting Flemish
strategy on environmental, economic and social themes that are in line with the concept of but not explicitly defined as SD (Van Humbeeck et al. 2004).

After the subnational elections in 2004, the Flemish political landscape changed significantly. Cartel formation between several mainstream parties (CD&V and N-VA, SPA-Spirit, VLD-vivant) and an agreement between these mainstream parties - called cordon sanitaire - to not allow the ultra right-wing Vlaams Belang party to enter the Flemish government led to the formation of a coalition of the three largest cartels.
Table 8: Chronological Overview of the politics, polity and policy relating to environmental governance in Flanders

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<tr>
<th>Timeline</th>
<th>Politics</th>
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<td>From 1999-2003, the Flemish government was in the hands of</td>
<td>Interdepartmental working group on SD</td>
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<td>Government Dewael, a coalition of the liberals, socialists, greens and</td>
<td>Vilvoorde Pact (2001)</td>
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<td>Flemish nationalist party, also referred to as the purple-green-yellow</td>
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<td>2004-2007</td>
<td>After the subnational elections in 2004, coalitions were installed at</td>
<td>‘Better Administrative Policy’ reform project</td>
<td>The decree of 2 April 2004 to reduce greenhouse gas emissions in the</td>
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<td></td>
<td>the subnational level that for the first time did not mirror the ruling</td>
<td>For the first time a Minister is competent for SD</td>
<td>Flemish Region by promoting the rational use of energy, the use of</td>
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<td></td>
<td>federal coalition. Cartel formation between several mainstream parties</td>
<td>Flemish Regulator for the Electricity and Gas Market (Establishment Decree VREG). (Decree of 30 April 2004)</td>
<td>renewable energy and the use of the flexibility mechanisms of the Kyoto</td>
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<td></td>
<td>(CD&amp;V and N-VA, SPA-Spirit, VLD-vivant) and an agreement between these</td>
<td>Coordination cell Sustainable development (DAR, 2005)</td>
<td>Protocol (REG decree).</td>
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<td>mainstream parties - called cordon sanitaire - to not</td>
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<td>Energy decree (2004)</td>
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<td>Second Flemish Climate Policy Plan that was issued in 2006</td>
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allow the ultra right-wing Vlaams Belang party to enter the Flemish government - led to the formation of a coalition of the three largest cartels. Five parties were thus part of the ruling Flemish government (Leterme) in the period 2004-2007.

<table>
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<tr>
<th>2008-2009</th>
<th>After the elections of 2009, a coalition was formed between the Christen-democrats (CD-V), that appointed the Prime Minister Peeters, the social-democrats (Sp.a) and the New Flemish Alliance (N-VA).</th>
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| 2009-2014 | Establishism of a platfom for cleantech innovation  
New Government Michel that will rule from 2014-2019 is composed of Christen-Democrats, Liberals and Flemish nationalists |

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<td>2009-2014</td>
<td>The Energy Renovation 2020 program of the Flemish government</td>
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<td>2009-2014</td>
<td>The Flemish Implementation Plan for Education for Sustainable Development</td>
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<td>2009-2014</td>
<td>Flemish action plan for sustainable public procurement</td>
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<td>2009-2014</td>
<td>Flemish Decree for the promotion of SD (2008)</td>
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<td>2009-2014</td>
<td>Energy Decree (2009)</td>
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<td>2009-2014</td>
<td>Establishment of policy research centre on SD (2009)</td>
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<td>2009-2014</td>
<td>Establishment of socio-economic innovation programme Flanders in Action</td>
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<tr>
<td>2009-2014</td>
<td>Both the Energy Decree as the Energy Decision came into force in 2011.</td>
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<td>2009-2014</td>
<td>Second Flemish strategy for SD adopted (2011)</td>
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<td>2009-2014</td>
<td>Flemish climate programme 2013-2020</td>
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(1 Feb 2013); yet final plan is not yet approved

Third Flemish Climate Policy Plan (2012)

Energy policy document 2009-2014

New strategy for SD approved in 2011 and complemented by an extensive long term vision ‘Visie 2050’

Roadmap for the realisation of a circular economy
Five parties were thus part of the ruling Flemish government (Leterme) in the period 2004-2007 and this government did not mirror the federal coalition, which is termed divided government (see basic structure of Belgium). The interdepartmental cross domain working group for SD induced the government to develop the first Flemish SD strategy in 2004. This process also coincided with the final phase of the “Better Administrative Policy” reform project of the government. This resulted in the decision that transversal themes such as SD should reside under the responsibility of the Minister-President and so Minister-President Leterme was the first to have SD in his official portfolio (Happaert 2011). A small team within his administration took over the lead of the interdepartmental working group and his cabinet formulated the first Flemish SD strategy, which was adopted in 2006.

However, the Minister-President responsible for SD refrained from launching new initiatives while building as much as possible on previous engagements and existing plans (Vlaams Parlement 2006; Vlaamse Regering 2006; Happaert 2011). The residing government chose to follow what they call an ‘inclusive transversal policy’ for environmental sustainability, meaning that each minister was responsible to incorporate the concept of SD in his or her domain (Vlaams Parlement 2008). This approach is referred to as the holistic governance model by Spillemaeckers & Bachus (2009). This meant that in practice, all departments shall integrate sustainable development ‘as they see fit’ while the prime minister provided minimal coordination only (Bachus and Spillemaeckers 2010; Happaert 2011). Of course, such an approach heavily depended on the knowledge of and support for SD by each individual minister. This leads Bachus and Spillemaeckers (2010) to conclude that “Flanders chose to frame its sustainable development policy in a holistic governance model, but its application of the model is minimalist. It prefers to make as little changes as possible to existing policy-making practices, which is in contradiction with the spirit of the holistic governance model.”

Happaert (2011) supports this conclusion: “Before the institutionalization of the Flemish sustainable development policy, many different interpretations of the concept were used, some of them having not much in common with what sustainable development is really about. Now, the Flemish sustainable development policy promotes a relatively strong definition of sustainable development, which echoes the Brundtland formulation, stresses the synergy of the three pillars and emphasises the attention for the rest of the world and for future generations. Yet in specific policy domains and in the policy discourse of political officials, the institutionalisation has not produced many effects up to now. Different, often incomplete and sometimes incorrect interpretations are still used. The situation is not put right by the government’s hollow application of the holistic governance model, which implies minimal coordination by the prime minister and maximum freedom of movement (and framing) by the individual ministers.”

In 2007, Minister-President Leterme left the Flemish government to join the Federal coalition negotiations. He was superseded by the Government Peeters I that ruled until the elections of 2009. In this period, the ‘second generation’ of policy research centres was established (steunpunten voor beleidsrelevant onderzoek) in Flanders and SD was among the fourteen themes selected. Policy research centres are consortia of knowledge institutes that

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20 Translation by the author
collaborate on specific themes relevant for Flemish policy. While this manifested a ‘recognition’ of SD by the Flemish government, it was also the smallest of all fourteen centres, with only 4.5 full-time equivalents fulfilled by 8 different researchers (Happaert 2011).

Since the ratification of the Flemish Parliament Act on the promotion of SD in 2008, Flanders had a legal basis - just like the federal government - to guarantee institutional continuity in SD policy. 12 thematic projects were selected to be carried out in the next years to concretise the Flemish strategy for SD. However, as Spillemaeckers and Bachus (2009), who conducted interviews with several relevant actors in Flanders, show, both the Social-Economical Council of Flanders (SERV) and the Environmental and Nature Council of Flanders (Minaraad) criticised that commitment to actually implement the decree is lacking (Mina and SERV 2005). In addition, these interviewees highlight that even though SD is institutionally anchored within the administration of the Minister-President, it received little attention of the latter (it was not even mentioned on the website of the Flemish government) and a strategy to draw attention to SD has been absent. Several of the interviewees also point to the lack of political support for SD. This is in line with the findings of Happaert (2011), who concludes that although SD ambitions are high on paper, political action on SD is much weaker in reality. Except for the Green Party, who tried to amend the Decree on SD, proposing strong institutional instruments for SD. These have not been accepted and so the Green Party voted against the decree because it considered it to be not ambitious enough (Happaert 2011).

After the elections of 2009, a coalition was formed between the Christen-democrats (CD-V), who appointed Prime Minister Peeters, the social-democrats (Sp.a) and the New Flemish Alliance (N-VA). Given that the previous government had tackled most institutional goals concerning SD, the new Minister-President now gave more attention to substantive goals. An illustration of this is the link that was made to make SD part of the socio-economical innovation programme ViA to become one of Europe’s top regions in innovation. The team working for the Prime Minister was officially granted the title “Team Sustainable Development” and was in charge of awareness raising and capacity-building for SD. They also started to revise the Flemish strategy for SD. Focusing more on content related goals, the new Flemish SD strategy translated the strategic policy goals into seven priority themes: poverty and social exclusion; ageing society; climate change and clean energy; transport; land-use management; management of natural resources; and public health (Happaert 2011). During this time, it was acknowledged that both (methodological) process aspects as well as a long-term vision are indispensable for a successful SD strategy. Successful examples of process design and participation approaches inspired a turning point in SD politics. One of these examples was the successful transition from waste management to materials management initiated by the Public Waste Agency of Flanders (OVAM). OVAM pioneered the transition management approach in Flanders and a thoughtful approach to smart process design rendered this transformation project very successful since it was able to shift legislation from the Waste Decree into the Materials Decree in 2011.

On climate policy, little progress has been made in Flanders. The complex multi-level architecture of responsibilities, heavily depending on cooperation between the different partners in Belgium, has hitherto sustained a status-quo in climate governance. Or, in the
words of Happaert (2013): “The policymaking opportunities of federalism are constrained by the low ambitions on climate change of political actors at all levels, and the system at the same time allows them to maintain those low ambitions.” The ineffectiveness of climate action in Belgium thus results from the incoherence across partners. This is also confirmed by Dreblow et al. (2013) who write: “In Belgium, energy and climate change policy is foremost a regional competence which leads to an unclear division of competences within the regions and between the federal and the regional authorities (e.g., lack of coherence between the different relevant administrative bodies responsible for the implementation of renewable energy policies). Accordingly, the regions of Flanders and Wallonia and the Brussels-Capital Region pursue different adaptation and mitigation policies.” Illustrative of this incoherence and discontinuity are the frequent revisions of the certificate system for renewable energy that have resulted in an unstable investment climate. The lack of a shared and supported long-term vision for energy and climate policy has contributed to this as well. To overcome this lack, Argus - the environment cell of the KBC and cera bank in Flanders active in information raising and sensitising about environmental topics - initiated a stakeholder process to develop a long-term vision on energy that was published in 2014 (Argus 2014). As far as we know, this vision was not able to disperse into the political discourse while Argus will receive less funding for future activities and will be downsized into an online platform.

In the meantime, a number of low carbon innovation projects and platforms have been set up. For instance, a collaboration has been started between the Flemish economy, environment and research policy departments to jointly develop a “roadmap for the realisation of a circular economy” in Flanders21 (Vlaamse Regering 2013). The transition network platform Plan C plays a catalysing role in this regard. In this period the environmental movement in Flanders became more active in the public domain. This was catalysed by the campaign ‘The big Ask – Climate SOS’ of Friends of the Earth which mobilized support from civil society and the ‘climate book’ published by a collaboration of a researcher in SD with someone from the Green Party. This latter publication set in motion a series of seminars in cities and municipalities to sensitize the local population on this subject.

Also in this period, the transition town movement migrated from the UK to Flanders and set up the first local (informal) initiatives (Kenis and Mathijs 2014). These dynamics enforced the uptake of climate ambitions on the local level: cities and villages adhered to the Covenant of Mayors (COM) initiative and started preparing climate neutral action plans (e.g., Gent climate coalition, Leuven climate neutral). An important in-between are the provinces. For instance, the first to declare its ambitious climate neutral vision was the province of Limburg, who inspired all 44 municipalities to sign the COM (Limburg 2011). Shortly after, other cities and provinces followed this example. However, the provinces are expected to lose political influence because more autonomy and the right of initiative will be transferred to the local level according to the new Flemish government agreement of 201422 (Vlaams Regeerakkoord 2014). This thus is the result of a devolution process that was inspired by

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21 Translation by the author

22 Translation by the author
parties pushing a state reform. In order to organise and coordinate cleantech research and innovation, a new innovation platform i-Cleantech Flanders was established in 2009. The platform brings together all actors involved in cleantech innovation to stimulate cooperation, communication and networking and to develop cleantech innovation projects (i-Cleantech Flanders 2014). Some established organisations such as the umbrella organisation ODE Flanders (Organisation Sustainable Energy Vlaanderen) founded in 1996, became more influential in this period.

The lack of a long term energy vision in Flanders (and Belgium) is painfully illustrated by the current situation, in which unforeseen problems with nuclear power in Belgium may endanger electricity security in the winter of 2014. Still the current debates predominantly focus on ‘energy security’ remediating short term problems through the development of a black-out plan while very little attention is given to long term decarbonisation. The new Flemish government of 2014 is composed of Christen-Democrats, Liberals and Flemish nationalists and their coalition agreement states that they will prepare a transition towards a new energy system. A new inter-federal energy pact, which provides a vision for energy policy for the coming 20-25 years, will have to be developed to achieve this23 (Federaal Regeerakkoord 2014). The current political discourse in Flanders mainly builds further on the dominant economic model of market-driven growth, which heavily inspired the coalition agreement24 (Vlaams Regeerakkoord). Aspects of sustainability are mentioned in the agreement (e.g. in terms of working towards a circular economy) but many SD-related platforms and activities will be stopped (e.g. policy research center on SD, Team SD etc). In contrast, SD related activities and platforms initiated by civil society is increasing in number and size. Examples include local food teams (165 active in Flanders), Community supported agriculture initiatives (19 active in Flanders), repair cafés (more then 100), local exchange and trade system (LETS) groups in Flanders more than 50 active in Flanders), the cultural transition network “Pulse” etc.

A concise overview and description of important milestones of environmental sustainability at the Flemish level

Policy planning for climate change in Flanders started around 2001-2002. In this period, Belgium held the EU presidency and two topics stood high on the political agenda: the preparation for the Johannesburg summit and the ratification of the Kyoto Protocol. Another factor contributing to policy planning for climate change was the fact that the Green party was present in both the Flemish and the Federal coalition (Happaerts 2013). In this period, SD was anchored as a horizontal issue in the new administrative structure and the “First Flemish Climate Policy Plan” was developed in 2002 (Ministerie van de Vlaamse Gemeenschap 2003). This climate policy plan was a first step to institutionalise climate policy in Flanders. However, at that time, it was not yet clear how the commitments to the Kyoto Protocol would be divided within Belgium. The argument that Flanders should not bear unreasonable burdens with regard to GHG emission reductions became a central axiom in the Flemish climate policy debate (see Happaert 2013). After intense negotiations,

23 Translation by the author

24 Translation by the author
Flanders finally committed to emission reductions of 5.2 per cent. Consequently, new legislation came into force: the “decree of 2 April 2004 to reduce greenhouse gas emissions in the Flemish Region” by promoting the rational use of energy, the use of renewable energy sources and the use of the flexibility mechanisms of the Kyoto Protocol (REG decree). In addition, the liberalization of the European electricity and gas market resulted in the Establishment Decree of the VREG (30 April 2004), the “Flemish Regulator for the Electricity and Gas Market” which is a public externally autonomous agency. Even though the climate policy plan had aimed to stabilize GHG emissions to 1990 levels by 2005, this target was not reached, partly because of the low involvement of sectoral ministers (Happaert 2011).

In the period before 2004, Flanders had no established policy or agreed vision on sustainable development (Happaerts 2011). Policy planning for SD before 2004 was in the hands of Amina, the government institution for nature, environment, water and land (which is now the department LNE). Yet, in 2004 a few well-connected policy entrepreneurs in the government were able to convince the politicians of that time that a more horizontal approach towards SD (Interviewee 4), steered from within the services for general government policy (DAR) of the Minister-President, would be beneficial for Flanders (Spillemaeckers and Bachus 2009). As a result the Flemish region got a “Minister competent for SD” for the first time in 2004, leading to the first Flemish policy note on SD. This note provides a number of strategic pathways for policy planning, but does provide neither content related commitments nor a long-term vision for SD policy in Flanders. Prompted by the administrative reform “Better Administrative Policy” (Beter bestuurlijk beleid), a small “SD coordination unit” was established (Spillemaeckers and Bachus 2009). Yet, The SD coordination unit has been criticized for being too small to have any weight in the Flemish administration, which reflects the minimalist interpretation of the holistic governance model by the ruling government (Happaert 2011).

In the following years, environmental policy planning in Flanders intensified considerably. The focus on administrative reforms (Beter bestuurlijk beleid) dominated political decision making and induced more horizontal policy integration. For example, the “Environment, Nature and Energy Department” (LNE), which is the environmental administration of the Flemish government, was established in April 2006 to increase integration and efficiency in environmental policy. The Flemish Ministry of Environment, Nature and Energy includes of the department of environment, nature and energy, the agency of nature and forests, the institute for nature and forest research and the Flemish energy agency. This was the result of the administrative modernisation process (Beter bestuurlijk beleid), which was a large-scale innovation project of the Flemish government to increase transparency and effectiveness. LNE is in charge of preparing, following up and evaluating the Flemish environmental policy (see Fig 1). In practice however, energy and environment are usually in the portfolios of different ministers - often from different parties -, which hampers effective policy planning and cross-domain strategies.
In 2005, the Public Waste Agency OVAM introduced ‘transition management’ to inspire and fuel the internal change process on its own accord. OVAM realised that a more systemic approach is needed to effectively deal with the unsustainable aspects of waste, shifting the focus from waste management to materials management. OVAM also realised that a shift was required from a more executive role to a role of catalysing innovation (OVAM 2011). In 2005, they developed the first vision on Plan C, i.e. the transition network of sustainable materials management in Flanders.

The first “Flemish Sustainable Development Strategy Pushing back the borders together” (VSDO) was developed in 2005 as recommended by the SERV and Mina Counsel. The Flemish Government adopted it in 2006. Twelve civil society organisations, the Association of Flemish Cities and Municipalities and the Flemish Association of Provinces signed it in September 2006. The VSDO came into being after extensive consultations with the local and provincial authorities and five civil society organisations. The seven priorities of the VSDO are: poverty and social exclusion, the greying of the population, climate change and clean energy, mobility, town and country planning, management of natural resources and public health. The Flemish government considered SD to be an inclusive policy, meaning
that each policy area must implement the VSDO. The VSDO is coordinated by the SD coordination team of the services for general government policy (DAR). The Framework “Decree for the promotion of Sustainable Development”, adopted in July 2008, provides a legal framework for the Flemish sustainable development strategy, which guarantees continuity in sustainable development policy (18th UN Commission on SD 2010). This decree guarantees the continuation of a horizontal approach to SD policy and the development of a strategy for SD during every legislature. In so doing, SD is structurally and legally anchored in Flanders. In other words, every new government needs to develop a strategy for SD (called VSDO) and allocate finances to SD policy in its budget. However, the decree does not include any content related policy goals, so politicians merely supported the continuity of SD policy as such (Happaert 2011).

The Flemish government, in collaboration with businesses and civil society, has set up the project “Flanders in Action” (ViA) in 2006. ViA specified a socio-economic vision for Flanders to become one of the five top regions in Europe by 2020 (Vlaamse Overheid 2006). The plan stipulated six challenges: (1) stimulate talents, (2) creativity and innovation as culture and entrepreneurship, (3) Flanders as a gateway for Europe, (4) an active government, (5) more internationalisation and (6) utilising SD as an opportunity. Both internationalisation and SD are seen as basic principles that need to be embedded in all projects. In this sense, ViA is aligned with the SD policy strategy of the Flemish region (Spillemaeckers and Bachus 2009). Another plan developed in 2006, was the “Second Flemish Climate Policy Plan” that was now tailored to the Flemish reduction target of 5.2 per cent, which was decided at the federal level in 2004 (Vlaamse Overheid 2006; see section 2.1.2). “The plan focused especially on measures in renewable energy, agriculture and forestry, on rational energy use in buildings, and on stimulating measures for the transport sector. It also stipulated that about 20 per cent of the efforts should be reached through the use of flexible mechanisms” (Happaert 2013). For instance, to reduce energy consumption of households, the Flemish government developed an “Energy Renovation Programme 2020” in 2007. The Flemish coalition agreement of 2009 explicitly states that the Flemish energy renovation program 2020 will continue and will be expanded with tailored measures so that every citizen will be enabled to have an energy efficient home by 2020.

A milestone in education on SD was the “Flemish Implementation Plan for Education for Sustainable Development”, which the Flemish government adopted in May 2009. Flanders supports a multi-stakeholder steering committee for the implementation of the strategy for Education for sustainable development (ESD). Two examples are:

- 68 per cent of all schools take part in the project ‘environment at school’ (http://www.milieuzorgopschool.be);
- Education for Sustainable Development in formal, informal and non-formal education. (http://edo.lne.be/).

However, one of the biggest constraints reported here is the insufficient budgetary certitude for financing the actions of the implementation plan (18th UN Commission on SD 2010).

The “Energy Decree” of May 2009 was also an important milestone because it integrated a number of other energy decrees that had been amended several times and implemented by
dozens of fragmented decisions, thereby losing accessibility, legislative quality and substance. The decree was implemented by one decision, the “Energy Decision of November 2010”\textsuperscript{25} (Vlaamse Overheid 2010). Both the Energy Decree as well as the Energy Decision came into force on January 2011. The above mentioned decrees offer a regulatory basis for imposing public service obligations on energy consumption (encouraging rational energy use) and mechanisms to support investments in renewable energy and cogeneration. They contain provisions to support energy efficiency measures and environmentally friendly forms of energy production as well as improve the energy performance of buildings. As a result several (financial) support measures are taken by the Flemish government and the grid operators to encourage investments of households, companies, schools, associations and local authorities in renewable energy production and rational energy use such as premiums for roof insulation or roof insulation projects, floor insulation, external or cavity wall insulation, high efficiency glass, solar boilers or heat pumps. The Energy Decree of 8 May 2009 was implemented by one decision, The Energy Decision of 19 November 2010 (Vlaamse Overheid 2009). Both the Energy Decree as the Energy Decision came into force on 1 January 2011. Another milestone in 2009 is the adoption of a “Flemish action plan for sustainable public procurement” in order to promote the ‘exemplary role of the public sector’. Therefore, the Flemish Government committed to achieving 100 per cent Sustainable Public Procurement by 2020\textsuperscript{26} (Vlaamse Overheid 2009).

The “Energy policy document 2009-2014” presents the major strategic choices and options for the period 2009 - 2014. The Policy Letter Energy 2013-2014 provides an overview of the implementation of the budget for the current financial year and a forecast for policy implementation during the following year. Priorities set in the Energy policy document 2009 – 2014 are:

- increasing energy efficiency of buildings, vehicles, appliances, processes, products and services;
- ongoing decoupling between economic growth and energy consumption;
- closing material and energy cycles and increasing the share of local energy production;
- ensuring reliable electricity and gas supply and service performance at competitive energy prices and socially acceptable network tariffs and charges;
- monitoring the availability and affordability of energy for socially disadvantaged groups.

The energy policy is put forward to make these changes in energy production and consumption possible. The Coalition Agreement 2009-2014, the Pact 2020, the Energy Renovation Programme 2020, the EU policy goals (as formulated in the EU Energy and Climate Package) and the implementation of EU Directives (on renewable energy, energy

\textsuperscript{25} Translation by the author

\textsuperscript{26} Translation by the author
efficiency, CO$_2$ reduction, energy performance of electric appliances, energy performance of buildings) are the reference framework for the strategic and operational goals set in this document. In September 2012 Flanders submitted its “nearly zero-energy buildings plan” that also describes measures to stimulate nearly zero energy building practices already today$^{27}$ (Vlaamse overheid 2014). However, the effectiveness of energy governance at the regional and federal level in Belgium has been hindered by the complex multi-level architecture of responsibilities: “The complex partition of competences between federal and regional levels continues to reduce rationality of policies; e.g. different systems of green and CHP certificates, a bewildering array of subsidies for the same investment in energy efficiency and various mechanisms supporting R&D for the same technologies all hamper the cost-effectiveness of measures. Potential investors in energy infrastructure may be wary in such an incoherent environment. The existence of four energy regulators adds complexity to the Belgian energy market thus creating an additional barrier to entry.” (IEA 2009)

Increased political interest in the transition management approach inspired the “new strategy for SD” that was approved in 2011 and complemented by an extensive long term vision “Visie 2050”, which preceded the federal vision that was adopted in 2013. This vision has been developed after broad stakeholder consultations and is in line with international goals. It departs from the acknowledgement that SD requires system change, encompassing culture, practice and technology. Therefore, transitions are put forward in six socio-technical systems: energy, transport, food, housing, health and materials. The strategic goals need to be set along six dimensions that are regarded intrinsic to each system: the economic, social, ecological, knowledge, institutional and international dimension$^{28}$ (Vlaamse Regering 2011). Transition management thus became the guiding principle of the second sustainable development strategy and transition managers were appointed for each of the 13 selected themes of ViA: Flanders’ Care, Everyone Participates, Everyone is Active, Smart Mobility, Child Poverty, Accelerating Investment Projects, Gazelle Leap for Enterprise & Growth, Renewable Energy and Smart Grid, Streamlining of Targeted Innovation Policy, Sustainable Materials Management, Towards a Sustainable and Creative City, Sustainable Living and Building, Space for Tomorrow and New Industrial Policy (Vlaamse Regering 2011).

Guided by the negotiations in the international climate regime, the “third Flemish Climate Policy Plan” specifically focused on the non-ETS sector (because of the increase of emissions from buildings and transport) and encompasses a mitigation and an adaptation plan$^{29}$ (LNE 2013). It has been endorsed in June 2013. However, the policy formulation process was seriously delayed because the intergovernmental negotiations anno 2013 still had not reached an agreement on the intra-Belgian division of the EU’s effort sharing deal. In the end, Flanders decided to adopt a provisional target of 15 per cent for 2020 compared to 2005 levels (Vlaamse Overheid 2013). “Differences with the previous period concern mostly the implementation and the financing. This time, the implementation accords a major

$^{27}$ Translation by the author

$^{28}$ Translation by the author

$^{29}$ Translation by the author
role to the other sectoral ministers, too. That is necessary to guide the reduction strategies of each of the non-ETS sectors. The new plan, however, proposes few new measures to mitigate reduction in those sectors, but relies mainly on existing policies and on intentions for new measures that have not been approved yet by the Flemish government. As for the financing of the new plan, the government conceived a new form of central funding, the “Flemish Climate Fund”, that is fed by the sales of emission rights to industrial installations and aviation companies. But the repartition of the proceeds of those sales, which is a national affair, is still subject to intergovernmental negotiations. One of the main critiques that stakeholders continuously utter with regard to the Flemish climate policy, is precisely its lack of a long term vision (Happaert 2013).

3.4.3 CONCLUSION

For the sustainable development, climate and energy policy debate in Belgium and Flanders, the EU context has been decisive to trigger action. Environmental policy at both the federal and Flemish level is predominantly triggered by EU requirements, which again reflect global negotiation processes. Recent developments to downplay environmental ambitions at the EU level are mirrored at the federal and regional level (Interviewee 2 and 3) enforcing the low ambitions of political actors at all levels. For instance, Belgium does not have a national climate policy due to the exclusivity of competences. The complex multi-level architecture of responsibilities, heavily depending on cooperation between the different partners in Belgium, sustains a status quo in climate governance. Or, in the words of Happaert (2013): "The policymaking opportunities of federalism are constrained by the low ambitions on climate change of political actors at all levels, and the system at the same time allows them to maintain those low ambitions." In fact, the multi-level governance context hinders effective climate action (Happaert 2013) or is conducive to policy failures (Maesschalck and Van De Walle 2006).

In the period of 1999-2008 consciousness around environmental sustainability raised significantly both in societal and political midst at both levels and important steps have been undertaken to institutionalise SD first at the federal level and later at the Flemish level. Both the federal and Flemish governments thus acknowledged the importance of sustainable development and have developed a strategy for SD. Both strategies build upon a long-term vision for 2050 underpinned by respect for planetary boundaries. Although significant progress has been made in institutionalising SD, little progress has been made in implementing SD policy so far (Interviewees 1, 2, 3 and 4). For Flanders specifically, the decree on the promotion of SD does not specify policy instruments. "As a consequence, they are hardly enforceable, they do not have a permanent character and their political weight is reduced. That is manifested for instance, in the non-compliance by most Ministers to report on their SD initiatives in their yearly policy briefs, or in the low profile and dynamism of the working group. Most of the instruments are in fact very weak" (Happaert 2011). Higher ambitions and commitment of Ministers and stronger anchorage of policy instruments and compliance tools are thus needed to shift the SD discourse from theory to practice.

The most important factor influencing the low ambitions and actions for SD is the fact that decision making processes are still heavily dominated by ‘business as usual’ economic
thinking (Interviewees 2, 3 and 4). The current prevailing economic logic of market-driven, industrial and growth-oriented development is indeed deeply embedded in the governance logic; leading to the reproduction of unsustainable solutions. This is in line with what Blühhorn (2007) calls ‘the management of unsustainability’ of current eco-political discourses in which they try to answer environmental concerns in a way that guarantees that life as usual can go on, that things remain the same (Cook & Swyngedouw 2012). The current shift in democratic politics has been described to support this eco-political discourse since democratic values and innovative methods of decentralised, participatory governments are transforming into tools for managing the condition of sustained ecological and social unsustainability (Blühdom 2013).

Another factor hindering effective action on climate and SD governance is the discontinuity in policy, which is caused by frequent changes in coalition governments. Especially the political state reform discourse of the last years, shifting competences from the federal to the regional level, together with the politicisation of decision making bodies has obstructed progress on these topics.

We thus conclude that governance as usual is no longer appropriate to effectively deal with the grand challenges society faces. Sustainable development is predominantly an organizational challenge for which the existing models are not adequate. In the same logic, environmental crises reflect - in fact - social crises. Or, to put it in other words: just like many of the current business models are no longer appropriate in a resource constraint world, the current governance model is unfit to deal with the multitude of grand challenges. New organizational transaction and value creation models for governance thus need to be developed and new cooperative frames of collective, multiple and shared value creation and stewardship need to be designed and tested to escape the management of unsustainability lock-in that we are currently in.
LIST OF INTERVIEWEES

Interviewee 1: Federal Government Official; telephone interview; 17/10/2014

Interviewee 2: Former Federal Minister of Environment; telephone interview; 21/10/2014

Interviewee 3: SD expert of the University of Ghent; telephone interview; 03/11/2014

Interviewee 4: Former Flemish Government Official; interview in Mol; 14/10/2014

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3.5 The transition region Stockholm

Sara Borgstrom and Maria Schewenius

3.5.1 THE BASIC STRUCTURE

Sweden is a unitary state, a constitutional monarchy with a parliament elected by the people by a four years mandate. Sweden became a member state of the European Union in 1994. The country has three political levels elected by the people: the Parliament, 21 County Councils and 290 Municipalities. The map below shows the administrative structure of Sweden.

*Figure 9: The administrative structure of Sweden.*
The Government Office (Regeringskansliet) delegates the governmental tasks to 11 ministries divided into sectors, e.g. the Ministry of the Environment (Miljödepartementet). Implementation of policies and directives are performed by a number of agencies/boards also organised based on different sectors, e.g. the Swedish Environmental Protection Agency (Naturvårdsverket).

The 21 County Administrative Boards (Länsstyrelser) are responsible for the national policies at regional level. Depending on the region, the tasks handled by the County Councils differ. Sweden has a long and strong tradition of urban planning and public participation is mandatory at municipal level. The federation of County Administrative Boards is a national level network to address joint issues and the County Councils and municipalities are at a national level represented by the Swedish Association of Local Authorities and Regions (SKL web site, 2014-11-24).

Sweden has a decentralised political system with a high degree of decision-making power and dependence on local fiscal revenues, encourages municipalities to expand their populations. The 290 municipalities in Sweden can be described as mirrors of the state administration. The City Council (Kommunfullmäktige) represents the local parliament of elected politicians, while the City Board (Kommunstyrelsen) represents the local government. The municipal administration is divided among several sectors run by a Political Board (politisk nämnd) and Operational Unit (kommunalförvaltning).

3.5.2 NATIONAL LEVEL ENVIRONMENTAL GOVERNANCE

Sweden has built a strong environmental legislative framework over several decades, today defined in sixteen objectives with the overarching goal of sustainability for the future generations. The country does, however, lack a comprehensive binding sustainability framework and the responsibilities for reaching the goals are dispersed over a fragmented structure of actors on national, regional and local levels. Table 8 presents a chronological overview of the development of this environmental governance framework in Sweden.
Table 8: Chronological Overview of the politics, polity and policy relating to environmental governance in Sweden

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<td>Adding a 16\textsuperscript{th} NEQO (2005)</td>
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Milestones in Swedish environmental governance

Swedish environmental work was, as in many other countries, initiated in the 1960s with the establishment of several legislations (e.g. natural resources, nature conservation acts and planning and building acts) and governmental agencies (e.g. the Swedish EPA). The first major environmental issue on the Swedish political agenda was energy: in the aftermath of the oil crisis in the 1970s and the Harrisburg accident in 1979, a referendum on the future of nuclear power was arranged in 1980. The result was an infamous ambiguous “no-yes” to continued use of nuclear power, but the referendum illustrates an emerging questioning of established infrastructural systems.

The following 10 year period was characterised by economic prosperity, but also a number of large scale visible environmental problems: the death of large parts of the seal populations due to a virus (1988), large scale forest damages due to acidification from air pollution (late 1970s and early 1980s), and the Chernobyl accident in 1984. These events helped environmental NGOs increase their membership numbers tremendously during the 1980s (e.g. the Swedish Association for Nature Conservation, Greenpeace, and WWF).

Even if all Swedish parties have a sustainability programme, only one left wing and one right wing party have a strong focus on environmental issues. The Swedish Green Party (Miljöpartiet), established in 1981, was elected to the Swedish Parliament the first time in 1988; a result, some argue, of environmental issues making an entry into the Swedish political agenda. For the first time, in 2014 the Swedish Green Party became part of a Swedish government in coalition with the Social Democrats. The Swedish Green Party identify themselves as left wing. Within the right wing coalition of four parties, the Centerpartiet has environmental issues as a focus area. The party has traditionally been a political representative of land-owners (farmers and foresters) and is nowadays promoting rural development and entrepreneurship.

The 1992 Rio conference had a great impact on Swedish politics and became publicly well known in Sweden, not the least because of the financial governmental support for local Agenda 21 activities, which were assigned as municipal responsibility (1994-1996), and became a local transition movement (Swedish EPA). One important impact was the initiation of recycling of groups of waste in many municipalities, which today is common practice.

Social Democratic environmental politics (1994-2006)

Between 1994 and 2006 Sweden had a Social Democratic government and Mr Göran Persson as prime minister (1996-2006). This period of continuous political majority in the parliament meant that environmental politics developed under the same ideological frame for more than 10 years, and environmental issues were relatively high on the political agenda. In 2001 Sweden held the Presidency of the Council of the European Union for the first time and the government programme highlighted enlargement, employment and environment (EU2001). The ambition was strong to move EU environmental policy forward.

In 2002 the present Minister of Environment Mrs Lena Sommestad launched the concept of the Green Swedish Welfare State (Det gröna folkhemmet) connecting the political goals of general welfare (employment, housing, economic development) with sustainable development, e.g. the programme for creating “green jobs”. In 2003 the government
presented a Swedish strategy for sustainable development for 2002-2006 (Swedish Government 2003). The four core areas in the strategy were environmentally driven growth and welfare, good health, coherent policies for sustainable community planning and viable child and youth policy. There was also a governmental office for co-ordination of the sustainability work. However the structures established were closed due to the shift of government in 2006 (see below). The governmental inquiry in 2005 about sustainable consumption suggested a number of interventions to move towards a more sustainable society (Swedish government 2005).

Two large governmental financial programmes supported the political environmental ambitions: LIP (Local Investment Programmes for Ecological Sustainability), of 6.2 billion SEK for the period of 1998-2002, and KLIMP (Klimatinvesteringsprogram, Climate Investment Programmes) of 1.2 billion SEK for the period of 2003-2012 (Swedish EPA, 2009). LIP aimed to advance overall societal sustainability through co-financing of local initiatives between municipalities, businesses and organisations. Besides practical measurements, the LIP projects to various degrees also included information, research and planning activities. Examples of activities were enhanced energy efficiency and recycling, increased biological diversity, but also promotion of employment and development of environmentally efficient infrastructure. In order to obtain LIP funding, the municipality was required to make a comprehensive sustainability plan (Baker and Eckerberg, 2007). KLIMP aimed at a decrease the GHG emissions, a transition to renewable energy sources and a decreased use of energy and also at being a platform for sharing of knowledge and good examples. KLIMP has generated collaboration between actors and the development of environmentally friendly technologies. In 2005 a governmental inquiry regarding climate change impacts and vulnerability was launched (Swedish government, 2007). The inquiry concluded that Sweden will be severely impacted by climate change, among other thing increase in yearly rainfall and a higher frequency in extreme weather events. Therefore climate adaptation is urgent. It also suggested extended responsibility of municipalities (local level) and counties (regional level) in identifying strategies and measures to meet these challenges.

An important part of Swedish environmental politics has since the 1960s been nature conservation – especially by protection of nature. Swedish nature conservation has by tradition a strong link to outdoor recreation and civic associations. In 2002 the government revised the nature conservation politics in order to adapt it to international frameworks (CBD, EU legislation) and to the NEQOs, to link nature conservation to sustainable development, as well as to social aspects of welfare and public participation, and to ensure efficient use of the financial priorities towards nature conservation (Swedish Government, 2002). A specific governmental funding programme was launched, LONA (Local nature conservation investments, 2004-2006, 300 million SEK), where local actors could apply for funding for knowledge generation, planning, protection of areas, management of biotopes and species (including measures for outdoor recreation), restoration of areas, biotopes and species communities, and information and education. In 2003 the government assigned the three largest urban regions (County Administrative Boards and municipalities) to formulate long-term programmes for nature conservation by establishing nature reserves in and around cities, a result of the recognition of the importance of urban green areas. These
programmes are now at the end of their implementation and have been successful in terms of increasing the area of urban protected land.

Right wing coalition environmental politics (2006-2014)

In 2006-2014, the Swedish political majority was held by a right wing coalition of four parties (Moderata samlingspartiet, Centerpartiet, Folkepartiet liberalerna och Kristdemokraterna). The environmental issues in focus during this period were: climate change and the Baltic Sea. During Sweden's second Presidency of the Council of the European Union in 2009, climate was one of two overarching focus areas. Promoting the collaboration between the Baltic Sea states to develop the Baltic Sea as a macro-region was also on the programme of the presidency.

In 2009, the parliament decided on a political directive regarding climate and energy stating that the emissions by 2020 should be reduced by 40 per cent compared to levels in 1990 (Swedish Government, 2009). The directive included that the use of renewable energy should be 50 per cent by 2020 and the energy use should be 20 per cent more effective compared to 2008. By 2030 Sweden should have a vehicle stock that is independent of fossil fuels. A progress review related to the targets will be performed in 2015.

From the initially strong focus on climate change and the Baltic Sea during the first term-of-office (2006-2010), the next period (2010-2014) meant more focus on biodiversity and ecosystem services, based on a governmental proposition regarding sustainable protection of biodiversity accepted by the Parliament in 2009 (Swedish Government, 2009). Since the LONA programme (2004-2006) proved to be such a success in assisting the municipalities in achieving the NEQO (Swedish EPA, 2006, 2009b), the government decided to re-launch the programme in 2010, which is still ongoing in 2014, investing 50 million SEK per year. In 2010, the process of revising the NEQO was initiated by forming the All Party Committee on Environmental Objectives (Miljömålsberedningen). The concept of ecosystem services was incorporated in the generation goal as well as several of the milestone targets (Swedish EPA website – b, 2014-11-24; Environmental Objectives web site, 2014-11-24). This has resulted in a number of governmental assignments and inquiries about; sustainable land use (Swedish Government, 2014), ecosystem services knowledge (Swedish EPA, 2013), valuation (Swedish government 2013), and green infrastructure (Swedish EPA, 2012), with the main purpose to form a knowledge base and enhance general awareness and understanding. This focus of the government led to the proposition of “A Swedish Strategy for Biological Diversity and Ecosystem Services”, accepted by the parliament in 2014 (Swedish Government, 2014).

The government launched several initiatives to address urban sustainable development aspects. In 2008 the government launched a specific bid for sustainable urban development The Delegation for Sustainable Cities (Delegationen för hållbara städer 2008-2012) (Delegationen för hållbara städer web site, 2014-11-24). In total 98 projects received 357 million SEK. The initiative continues in the form of a website Sustainable City presenting good examples (Hållbar stad web site, 2014-11-24). Besides supporting projects the delegation also identified and reported 15 barriers to sustainable urban development in Sweden (Box 1, Delegationen för hållbara städer 2011). In 2011 the National Board of Housing, Building and Planning was assigned to develop a vision for Sweden 2025 and
identify national goals, policies, programmes and plans of importance for spatial planning (Boverket, 2011) as well as to formulate focus areas and relate those to the identified megatrends (Boverket 2012).

Figure 2: Barriers to Swedish Urban Sustainable Development

BOX 1: Fifteen barriers to Swedish Urban Sustainable Development

1. VISIONS OF SUSTAINABLE DEVELOPMENT HAVE NOT BEEN INTEGRATED INTO THE DIFFERENT AREAS OF POLITICS
2. VALUES RELATED TO HUMAN QUALITY OF LIFE AND THE CITY ATTRACTIVENESS ARE NOT GIVEN ENOUGH PRIORITY
3. UNSUSTAINABLE LIFESTYLES AND BEHAVIOURS CONTRIBUTE TO HIGH CO2 EMISSIONS
4. INCREASED SOCIAL AND SPATIAL SEGREGATION IN THE CITIES
5. INSUFFICIENT DIALOGUE WITH THE CITIZENS REGARDING URBAN DEVELOPMENT
6. SECTORAL THINKING AGGRAVATE HOLISTIC SOLUTIONS
7. LACK OF COORDINATION WITHIN AND BETWEEN DIFFERENT LEVELS OF ADMINISTRATION
8. SINGULAR AND SHORT TERM FOCUS ON PROJECTS PROHIBIT LONG TERM STRATEGIES
9. LACK OF CAPACITY AND COMPETENCE IN LEADERSHIP FOR COMPLEX AND TRANS-SECTORAL PROCESSES
10. LACK OF INCENTIVES FOR LONG TERM SUSTAINABLE DECISIONS
11. LOCKED IN ROBUST AND EXPENSIVE STRUCTURES
12. INSUFFICIENT EFFORTS IN ESSENTIAL INFRASTRUCTURE RELATED TO URBAN NEEDS AND DEVELOPMENT
13. INSUFFICIENT EFFORTS IN KNOWLEDGE GENERATION AND PILOT PROJECTS
14. LACK OF FUNCTIONAL BUSINESS MODELS
15. CONSERVATIVE REGULATIONS FOR PUBLIC PROCUREMENTS

Current Swedish environmental governance

The National Environmental Quality Objectives frame Swedish environmental policy

The main legislations that steer environmental decision-making in Sweden are: the “Environmental Act” – Miljöbalken (Swedish Parliament, 1998), the “Forestry Act” – Skogsvårdslagen (Swedish Parliament, 1979), the “Planning and Building Act” (Swedish Parliament, 1987) and the “EU Water Framework Directive” (European Commission, 2000).

In the context of urban environmental governance, the application of both the “Planning and Building Act” and the “Environmental Act” are perceived as especially challenging and confusing.

The Environmental Act is an umbrella legislation that incorporated a number of environmental legislations into one frame. This new, holistic legal frame of the Swedish environmental governance has since been realised under the framework of the National Environmental Quality Objectives, NEQO (decided in 1999, and extended in 2005, Environmental Objectives web site 2014-11-24). The NEQO’s Generation goal is overarching the twenty-four milestone targets and the sixteen environmental quality
objectives (ibid). Out of the sixteen objectives, fourteen are perceived by the Swedish EPA as impossible to reach by 2020.

The Swedish Government is responsible for background document preparation, decision implementation and revision of the NEQO system. The parliament and the government decide over the sixteen environmental objectives through the All Party Committee on Environmental Objectives (Miljömålsberedningen), consisting of members of parliament, who advise the government on strategies, instruments and actions for reaching the environmental objectives. Eight authorities, including the Swedish EPA, are responsible for the environmental quality objectives, working together with organisations and companies to reach and follow up on the objectives. The Swedish EPA (Naturvårdsverket) coordinates follow-up, provision of information and the use of economic impact assessments within the environmental objectives system. It works on a national level together with other authorities divided by sectors (Appendix 2). On a regional level, the County Administrative Boards (Länsstyrelsen) and the Swedish Forest Agency (Skogsstyrelsen) have the overarching responsibility to follow up on the progress to reaching the environmental objectives.

Sustainable development is the overarching aim but the strategy is not itself binding (Regeringskansliet, 2001). Furthermore, there is no comprehensive binding plan for sustainable urban development. The more detailed politics and policies, and binding goals, are instead integrated in many other political areas, for example energy, transport and urban development, and do not constitute a political area on their own. The fragmented structure with few obvious linkages between the different sectors, is seen as contributing to the problems in reaching the NEQOs.

**Urban development**

The National Board of Housing, Building and Planning (Boverket) has the main responsibility for the NEQO ‘A good built environment’. Sweden has a long history of formal land use planning of which many different planning ideals are still present due to the fact that Swedish cities were not destroyed by the 20th century world wars (Åström, 1993). The Swedish municipalities have a land use planning monopoly. The regional or national authorities can only act regarding national interests and guide the planning process. In the larger urban regions there is regional level planning of land use and infrastructure – however only for guidance in local decision-making. According to the Planning and Building Act each municipality must have a comprehensive plan (Översiktsplan) presenting the intentions regarding land use development in the whole municipality. The use of built up land must also be decided in a specified plan (Detaljplan). Most municipalities also formulate meso-level plans when developing new city districts (Fördjupad översiktsplan/Områdesprogram). In addition there are usually several thematic programmes such as environmental programmes, green structure plans (which is an interim target within the NEQO), nature conservation plans and water programmes. There are no legislative requirements to have a climate change mitigation and/or adaptation plan and only a few municipalities have one. Recent policy changes are the revision of the Planning and Building Act that means that the planning process is to be speeded up and that the municipalities are not allowed to have specific demands in detailed planning to steer the construction companies (Boverket web site, 2014-11-24).
Observed urbanisation trends:

- An increasing number of new developments since the 1990s are explicitly focused on sustainability and support of the environment and ecological functions. Examples Hammarby Sjöstad and Norra Djurgårdsstaden (in Stockholm) and Västra hamnen (in Malmö).

- Initiatives to renovate the so called Million Program Housing areas from 1960s-70s, quickly constructed concrete apartment complexes built to accommodate the then-influx of workers to the urban areas. Strategies focus on making the buildings more sustainable, for example through enhancing their energy efficiency. One example is Järvalyftet in Stockholm.

- Many Swedish cities have adopted a densification strategy in order to decrease urban sprawl and enhance energy/transportation efficiency. One example is urbanisation on former industrial and dockland sites.

- Strong market forces impact the power balance between private interests and municipalities in land use decision-making processes. This is one reason for the large increase in the establishment of shopping and entertainment centres in the peripheral zone of the cities since the 1990s that contradicts the general densification strategy.

Environmental sustainability – ecology

Water: In 2004 the implementation of the European Water Framework Directive (WFD) initiated a radical re-organisation of water management dividing Sweden into five water regional districts, where water management is to be coordinated in terms of knowledge generation, monitoring, practical measures and reporting to EU (Vattenmyndigheterna web site, 2014-11-24; Hammer et al 2011). These new districts were delimited by watershed boundaries and hence cut across many regional level administrative boundaries. With the WFD focus on practical measures at the local level, municipalities are to a larger part responsible for water issues. Furthermore, in order to ensure local participation in water body or catchment scale water governance process the WFD introduced Water Councils (“Vattenråd” and “Vattenvårdsförbund”). It is to be noted that Sweden already before the Water Framework Directive had a strong local participation through earlier forms of Water Councils with a tradition since 1950s (Lundqvist 2004, Andersson et al 2012).

Nature conservation and restoration: Nature conservation is the responsibility of the Swedish EPA. The main strategies for nature conservation concern setting aside land as protected in forms of nature reserves, Natura2000 areas and national parks. About 11 per cent of the Swedish land is protected. Restoration is focusing on water environments, wetlands, lakes and streams and the majority of restoration is taking place in the southern third of the country (Borgström et al. forthcoming). Of relevance to urban landscapes is the Swedish law of a general protection of the shorelines to ensure public access to these environments especially in urban areas (Swedish EPA web site – a, 2014-11-24). The law was recently revised after a long heated debate, which meant that the power of deciding on any exceptions to this regulation was moved from the regional level to the local level. Within
the EU Common Agricultural Policy, land-owners can apply for funding for nature conservation measures within active forestry or agriculture. Nature conservation in agricultural or forested lands is relevant to Swedish cities because a large part of the urban nature constitute remains of these land uses. It is particularly important that the land uses near cities allow for outdoor recreation according to the Swedish Right of Public Access – Allemansrätten (Swedish EPA website – c, 2014-11-24). There is a long term and strong tradition in Sweden that nature conservation and protection of biodiversity is accompanied by protection of outdoor recreation values (Borgström et al. 2013).

**Food:** Issues regarding food is the responsibility of the National Food Agency (Livsmedelsverket) and Swedish Board of Agriculture (Jordbruksverket). Several of the NEQO are related to food production (Appendix 2) and in 2005 a political goal was formulated of increasing the share of the agricultural land used for organic farming to 20 per cent until 2013 and to increase the consumption of organically produced products, especially within the public sector to 25 per cent by 2010 (Swedish government web site, 2014-11-24). None of the goals were reached even if there has been progress. The main reasons are difficulties in communicating the added values, lack of knowledge in the public sector, lack of monitoring, lack of interest in the food processing industry, insufficient innovation lines, too slow conversion process, too low returns and lack of educational programs (Ekologisk forum, 2010). The demand for organic food has increased from 2 per cent in 2004 to 4 per cent in 2010 (Jordbruksverket, 2012). Since 1985 KRAV is an association labelling organic food in Sweden. There is presently a boom in recreational gardening and food production especially in the urban areas. Guerrilla gardening and collective gardening now accompany allotment gardens, a tradition since more than 100 years, in Swedish cities (Björkman, 2012). Another important issue that is starting to gain recognition is urban food security and in relation to that a critical discussion about urbanisation on arable land in the urban proximity (KSLA, 2012).

**Environmental sustainability – technology**

**Climate change and energy:** Sweden has no national level authority primarily targeting climate change (Nilsson et al. 2012). For long the focus has been on climate change mitigation and less on adaptation to climate change impacts. There are presently very few incentives for decision-makers to adapt to climate change. However, a number of national agencies recently launched a joint web-based platform for knowledge sharing on climate change adaptation (Klimatanpassning web site, 2014-11-24). The Swedish Energy Agency (Energimyndigheten) is working with the promotion of energy efficiency measures towards individual households, companies and authorities as well as investments in renewable energy technologies. EU directives regulate several of the policy measures. The Swedish Civil Contingencies Agency (Myndigheten för samhällsskydd och beredskap) is responsible for issues concerning civil protection, public safety, emergency management and civil defence as long as no other authority has responsibility. This includes work regarding prevention, risk assessments and crisis management in relation to climate change. The Swedish Meteorological and Hydrological Institute (SMHI) is responsible for knowledge
generation regarding climate change. There is also a web-platform for sharing information specifically about climate change adaptation (Klimatanpassning web site, 2014-11-24).

**Transport and mobility:** The Swedish Transport Agency (Transportstyrelsen) on the other hand is responsible for drawing up regulations and make sure actors abide them (railroads, shipping, aviation, roads) including environmental targets. Long-term infrastructure development and management (both roads and railroads) are the responsibilities of the Swedish Transport Administration (Trafikverket). Some recent projects of relevance hosted by the Trafikverket: Green corridors – a governmental assignment\(^{30}\), Transport efficient society\(^{31}\), The good city (cooperation with Boverket, SKL and three municipalities)\(^{32}\), Bikes in physical planning\(^{33}\), Commuter transportation is generally planned, directed and operationalized by the County Councils. Also some municipalities are frontrunners in terms of alternative ways of transportation, e.g. car pools, biofuels, bike services etc.

**Resource management and recycling:** The Swedish EPA has the responsibility for waste management in Sweden and there is a new waste management plan from 2012 following the European Union directive of waste prevention. The work is supported by the Waste council – an expert group with representation of all major actors in within the waste management sector (Swedish EPA web site – d, 2014-11-24). Recycling of waste by sources was initiated in the 1980s in Sweden. The separation of organic waste from other household waste is presently on the agenda in many regions and municipalities. Part of a more over-arching transition towards sustainability, a number of circular economy initiatives are emerging, especially in the cities, e.g. clothing and tool libraries, collective workshops for sharing tools and knowledge in reparations (e.g. bikes).


\(^{31}\) [http://www.trafikverket.se/Foretag/Planera-och-utreda/Samhallsplanering/Transportsnalt-samhalle/](http://www.trafikverket.se/Foretag/Planera-och-utreda/Samhallsplanering/Transportsnalt-samhalle/)


\(^{33}\) [http://www.trafikverket.se/Foretag/Planera-och-utreda/Samhallsplanering/Cykel-i-samhallsplaneringen/](http://www.trafikverket.se/Foretag/Planera-och-utreda/Samhallsplanering/Cykel-i-samhallsplaneringen/)
Long tradition of organised civic engagement

Sweden also has a strong tradition in local public associations (föreningssliv) for creating public opinion, education or recreation as well as for adult public education (folkbildning). Hence beside formal actors, these long term NGOs are often counted on as partners in network organisations and as representatives for public interests in different processes lead by the authorities. With no ambitions of being comprehensive table 9 lists the major associations in Swedish environmental governance.

Table 9: Main civic associations and multi-actor consortia in relation to environmental sustainability domain.

<table>
<thead>
<tr>
<th>Domain</th>
<th>Association</th>
<th>Web site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban development</td>
<td>Transition movement (Omsällning.net)</td>
<td><a href="http://www.omsallning.net">www.omsallning.net</a></td>
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<td></td>
<td>Eco municipalities (Ekokommunerna)</td>
<td><a href="http://www.sekom.se/index.php/in-english">www.sekom.se/index.php/in-english</a></td>
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<tr>
<td></td>
<td>The natural step (Det Naturliga steget)</td>
<td><a href="http://www.thenaturalstep.org/sweden">www.thenaturalstep.org/sweden</a></td>
</tr>
<tr>
<td></td>
<td>Swedish green building council</td>
<td><a href="http://www.sgbc.se/in-english-2">http://www.sgbc.se/in-english-2</a></td>
</tr>
<tr>
<td>Water</td>
<td>Swedish water (Svenskt vatten) Fish conservation associations (Fiskevårdsföreningar)</td>
<td><a href="http://www.svensktvatten.se/">www.svensktvatten.se/</a></td>
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<tr>
<td></td>
<td>Fishers associations (professional and recreational fishing)</td>
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<td></td>
<td>Local water Councils (Lokala vattenråd)</td>
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<td></td>
<td>Boating clubs (Båtklubbar)</td>
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<td></td>
<td>Swedish Tourism Association (Svenska turistföreningen)</td>
<td><a href="http://www.svenskaturistforeningen.se/en/About-Us/">www.svenskaturistforeningen.se/en/About-Us/</a></td>
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<td></td>
<td>Swedish Outdoor Association (Friluftsfrämjandet)</td>
<td><a href="http://www.friluftsframjandet.se/guest/49">www.friluftsframjandet.se/guest/49</a></td>
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<tr>
<td></td>
<td>Swedish Outdoor recreation (Svenskt friluftsliv),</td>
<td>svenskfriluftsliv.se/</td>
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<tr>
<td></td>
<td>Swedish association of ornithologists (Svenska ornitologiska föreningen)</td>
<td><a href="http://www.sofnet.org/">www.sofnet.org/</a></td>
</tr>
<tr>
<td></td>
<td>Sterf – sustainable golf courses (Hållbara goldbanor)</td>
<td><a href="http://sterf.golf.se/extra/pod/?module_instance=1">http://sterf.golf.se/extra/pod/?module_instance=1</a></td>
</tr>
<tr>
<td>Food</td>
<td>Organic food forum (Ekologiskt forum)</td>
<td><a href="http://www.ekologisktforum.se/">www.ekologisktforum.se/</a></td>
</tr>
<tr>
<td></td>
<td>Organic farming labelling organisation</td>
<td><a href="http://www.krav.se/english">www.krav.se/english</a></td>
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<tr>
<td>(KRAV)</td>
<td><a href="http://www.lrf.se/In-English/">www.lrf.se/In-English/</a></td>
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<tr>
<td>Swedish farmers association (LRF)</td>
<td><a href="http://www.lantmannen.se/">www.lantmannen.se/</a></td>
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<tr>
<td>Lantmännen</td>
<td><a href="http://www.kolonitr%C3%A4dgardsf%C3%B6rbundet.se/">www.koloniträdgardsförbundet.se/</a></td>
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<tr>
<td>The allotment garden union (Koloniträdgårdsförbundet)</td>
<td><a href="http://www.for.se/">www.for.se/</a></td>
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<tr>
<td>Recreational gardening association (Fritidsodlingens riksorganisation)</td>
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<thead>
<tr>
<th>Climate change and energy</th>
<th>The climate municipalities (Klimatkommunerna)</th>
<th><a href="http://www.klimatkommunerna.se/sv/Om-klimatkommunerna/">www.klimatkommunerna.se/sv/Om-klimatkommunerna/</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish sun energy (Svensk solenergi)</td>
<td><a href="http://www.svensksolenergi.se/">www.svensksolenergi.se/</a></td>
<td></td>
</tr>
<tr>
<td>Swedish wind power association (Svensk vindkraftförening)</td>
<td><a href="http://ny.svenskvindkraft.org/engelsk-startsida/">http://ny.svenskvindkraft.org/engelsk-startsida/</a></td>
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<tr>
<th>Transport and mobility</th>
<th>Bike assocation (Cykelfrämjandet)</th>
<th><a href="http://www.cykelframjandet.se/">www.cykelframjandet.se/</a></th>
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<tr>
<td>Svensk kollektivtrafik</td>
<td><a href="http://www.svenskkollektivtrafik.se/">www.svenskkollektivtrafik.se/</a></td>
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<tr>
<td>Swedish association of green motorists (Gröna bilister)</td>
<td><a href="http://www.gronabilister.se/in-english">http://www.gronabilister.se/in-english</a></td>
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<tr>
<th>Resource management and recycling</th>
<th>Förpacknings- och tidningsinsamlingen (recycling)</th>
<th><a href="http://www.ftiab.se/148.html">www.ftiab.se/148.html</a></th>
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</thead>
<tbody>
<tr>
<td>Returpack (recycling)</td>
<td><a href="http://www.pantamera.nu/sv/sv">www.pantamera.nu/sv/sv</a> per centC3 per centA4lkommen-till-returpack</td>
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<tr>
<td>Håll Sverige Rent (waste management)</td>
<td><a href="http://www.hsr.se/om-oss">www.hsr.se/om-oss</a></td>
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<tr>
<td>Waste Sweden (Avfall Sverige)</td>
<td>/www.avfallsverige.se/om-avfall-sverige/</td>
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<th>Adult public education</th>
<th>Studiefråmjandet</th>
<th><a href="http://www.studiefr%C3%A5mjandet.se/Ovrigt/About-Studiefr%C3%A5mjandet/">www.studiefråmjandet.se/Ovrigt/About-Studiefråmjandet/</a></th>
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<td>Medborgarskolan</td>
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<td>Studieförbundet</td>
<td><a href="http://www.sv.se/en/">www.sv.se/en/</a></td>
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<tr>
<td>Vuxenskolan</td>
<td><a href="http://www.abf.se/Om-ABF/About-ABF-in-different-languages/In-English/">www.abf.se/Om-ABF/About-ABF-in-different-languages/In-English/</a></td>
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<tr>
<td>ABF, Arbetarnas bildningsförbund</td>
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3.5.3 SUB-NATIONAL ENVIRONMENTAL GOVERNANCE – STOCKHOLM COUNTY

Table 10 provides a chronological overview over the evolution of environmental governance in the Stockholm County.
Regional authorities to guide local decision-making

The Stockholm metropolitan region is in this context delimited by the Stockholm County border, including Stockholm city proper and the 25 surrounding suburban municipalities. The urbanisation pressure is high throughout the region but the municipalities respond differently depending on their specific characteristics. The municipalities share many characteristics: the physical landscape, the overall urban drivers, i.e. urbanisation by population increase, technical infrastructure, i.e. roads and railroads, market in a broad sense, and the national governance context. They do, however, also all differ from each other and have a high degree of autonomy when it comes to decision-making. The municipal economy is based on tax income and is hence dependent on the number of inhabitants, which in practice means that the municipalities compete to attract inhabitants. The municipalities differ in terms of size, population size and composition, economy, political set up, political priorities, and urbanisation strategy.

The 26 municipalities are in the region represented by the Stockholm county association of local authorities (Kommunförbundet Stockholms län), steered by a board of municipally elected politicians. Their focus issues are: labour market, community development, energy and the environment, health and social services, and education (KSL web site, 2014-11-24). The council for the Mälar region (Mälardalsrådet, including Stockholm) is an association of local and regional authorities in the larger region surrounding lake Mälaren and their current focus areas are infrastructure, benchmarking and education (Mälardalsrådet web site, 2014-11-24).

The Stockholm County Council (SCC, Stockholms Läns Landsting) is the politically elected and controlled authority. SCC is in Stockholm responsible for regional land use planning, i.e. to guide municipal decision-making, public transportation (planning and running) and the health care system. SCC is also one of the largest employers in the region. The SCC has since the 1980s had an environmental programme for improving the environmental performance within their range of operation (SCC, 2012). The first period, 1991-1997, targeted environmental revisions and certification of SCC operations as well as limiting the use of hazardous chemicals within the health care system. In the following period, 1998-2006, focus was on making the commuter buses run on the renewable fuels of ethanol and biogas. During this period, the first environmental policy and goals were also formulated. During 2007-2011, energy efficiency, especially heating systems and social responsibility in public procurements was added to the previous work. In 2011 the latest environmental programme was decided on, focusing on climate efficiency, resource efficiency and promotion of health-oriented environmental work (SCC, 2012). The most holistic sustainable development policy is found in relation to the regional planning (TMR, 2008), where it is stated that the regional plan should support a region that manages capital and resources for future generations, sustains and develops desired qualities and maintains and develops robustness and adaptive capacity.
Table 10: Chronological Overview of the politics, polity and policy relating to environmental governance in the Stockholm County

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Politics</th>
<th>Polity</th>
<th>Policies</th>
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<tbody>
<tr>
<td>1991</td>
<td></td>
<td></td>
<td>Regional development plan (SCC)</td>
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<td>1992</td>
<td>Mälardalsrådet (political network)</td>
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<td>1997</td>
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<td>Rädda Storstockholms gröna kilar (actor network)</td>
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<td>2001</td>
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<td>Regional development plan (SCC)</td>
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<td>2003</td>
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<td></td>
<td>Program for urban nature conservation (SCAB)</td>
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<td>2003</td>
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<td>Project – Metropolitan Stockholm Nature guides (NGO)</td>
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<tr>
<td>2005</td>
<td></td>
<td>VAS-rådet (regional and local actors about water issues)</td>
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<td>2007</td>
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<td>The Stockholm Agreement on transportation (Government and SCC)</td>
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<td>2007</td>
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<td>Sustainable material use in Stockholm region project (Multiple Actors)</td>
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<tr>
<td>2007</td>
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<td>Forest protection strategy (SCAB)</td>
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<td>Year</td>
<td>Event</td>
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<td>------</td>
<td>-------------------------------------------------------------------------------------------</td>
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<tr>
<td>2007</td>
<td>Congestion taxes are introduced on all drives in to Stockholm city</td>
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<tr>
<td>2009</td>
<td>Action program and Management plan for North Baltic Water District (Vattenmyndigheten)</td>
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<tr>
<td>2009</td>
<td>Action program regional urban cores 2009-2013 (SCC)</td>
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<td>2009</td>
<td>Satsa – project for coordination and effectivisation of transportation in Stockholm region, 2009-2013 (SCC)</td>
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<td>2010</td>
<td>Regional Development Plan (RUFS) (SCC)</td>
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<td>2010</td>
<td>Action program Energy and Climate 2010-2050 (SCC)</td>
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<td>2010</td>
<td>Regional plan for transport infrastructure 2010-2021 (SCAB)</td>
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<td>2011</td>
<td>Environmental political program of SCC until 2016</td>
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<td>2012</td>
<td>Regional strategy for zero GHG emissions 2050 (SCAB)</td>
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<tr>
<td>2012?</td>
<td>Transportation investment co-ordination project (Trafiksatsningen) (Multiple actors)</td>
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<td>Year</td>
<td>Event/Strategy Description</td>
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<tr>
<td>2012</td>
<td>Miljömålsdialogen NEQO Dialogue meetings (SCAB)</td>
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<td>2012</td>
<td>Miljömålsnätverket -NEQO Network (SCAB)</td>
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<td>2012</td>
<td>Regionala miljömålsrådet local and regional actors (SCAB)</td>
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<tr>
<td>2013</td>
<td>Action plan for regional urban core areas (SCC)</td>
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<tr>
<td>2013</td>
<td>Action plan for energy and climate (SCC)</td>
<td></td>
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<tr>
<td>2013</td>
<td>Climate and energy strategy (SCAB)</td>
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<tr>
<td>2014</td>
<td>Regional climate change adaptation strategy (SCAB)</td>
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<tr>
<td>2014</td>
<td>Environmental strategy for water (SCC)</td>
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<tr>
<td>2014</td>
<td>Regional bike strategy (SCC)</td>
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</table>
The four focus areas are: equality, diversity, climate and public health. The regional plan is supported by a number of action plans where one targets the transition of the energy system by a decrease of energy use and climate impact. Within this action programme four themes have been identified: biogas, waste as a resource, energy efficient societal planning and district heating (TMR web site -a, 2014-11-24).

The Stockholm County Administrative Board (SCAB, Länsstyrelsen i Stockholms län) is representing the national government in the region. For forest issues there is a regional division of the Swedish Forest Agency (Skogsstyrelsen, Region Mitt) as well as for transportation of the Swedish Transport Administration (Trafikverket web site, 2014-11-24).

NEQO at the regional level
The SCAB is responsible for coordinating and reporting the regional work on the NEQOs. This is presently carried out within the so called regional NEQO dialogue. Initially six of the sixteen NEQO are prioritised (Appendix 2). The dialogue is to be characterised by partnerships, visualization of ongoing environmental work, a realistic level of ambition and a balance between activities and evaluation. The objective of the dialogue is that the actors in the region recognize the NEQO in respective operations and that the actors support the jointly formulated programme of activities to reach the NEQO (SCAB web site - b, 2014-11-24). The dialogue is strategically led by the regional NEQO council consisting of directors from the municipalities, the Swedish Transport Administration, the Stockholm County Association of Local Authorities, the planning division of SCC and environmental departments of SCAB. They have formed the regional NEQO network for inviting all kinds of actors into the dialogue and better link the NEQO work with other environmental activities (SCAB web site - c, 2014-11-24).

Urban growth and planning
The Stockholm County is growing with 30000-40000 inhabitants each year (+500 000 in habitants until 2030). The municipalities have a land use planning monopoly, whereby the regional actors have a guiding role. However, the need for co-ordination has grown over time and the SCC planning division (TMR) produces regional development plans presenting agreed targets and strategies. The latest plan is from 2010 (TMR, 2010) and SCC has just started the evaluation process as the first step of producing a new plan (2014). These plans are developed in close dialogue with the municipalities.

In the present regional plan there is an agreement to move from a centric urban development towards a polycentric urban landscape. The polycentric strategy means that urbanisation is handled by densification of some of the suburban areas surrounding the city centre (TMR web site - b, 2014-11-24). When put into practice, the densification strategy has in many locations caused public arguments for preserving these open spaces in the urban landscape. There is also a continuous discussion on the differences between how the different municipalities take responsibility to handle the regional urban growth because some have strong restrictions for new developments.

Along with a pressure to build houses there is a need to develop the transportation system. Since Stockholm is a large city built on islands all infrastructural projects become complicated by including constructions of tunnels and bridges. The three main strategies to meet the transportation challenges are to enhance the capacity of road traffic, extend the commuter traffic system and, in 2007, introduce congestion taxes. Since the 1980s there has been a discussion about building a new freeway system around the city, an issue that has been used in political debates especially in times of elections. The inner circle is nearly completed (Södra och Norra länken), whilst for the outer circle only the northern part has been built (Norrortsleden) while the others are still debated (Förbifarten, Södertörnsleden). Since Stockholm is the capital of Sweden, infrastructural projects are commonly discussed on the national political level. In comparison to the population increase there has been very few and rather
small-scale developments of the commuter traffic system (e.g. Tvärbanan, Citybanan, and a number of minor metro extensions). Recently the collaboration “Trafiksatsning Stockholm” was launched where a consortium of local, regional and national transportation actors collaborate and jointly invest 100 billion SEK to improve the regional transportation system (Trafiksatsning Stockholm web site, 2014-11-24). In spring 2014 the Swedish Transportation Administration and SCC reported on a new regional bike strategy to promote more transportation by bike (TMR web site - c, 2014-11-24).

**Green structures**

The regional green structure was identified and articulated as ten green wedges by the regional planning office at SCC during the late 1980s (TMR, 1996). The aim was to articulate social and ecological values related to the cross-municipal, regional green structure and thereby support both regional and local planning processes (Palmstierna, 2006). This structure is an unintentional result of the urban planning in the 1940s-1970s, mostly focusing on the areas around the transportation networks from the city center to the peri-urban parts of the region, creating a star shaped built-up area with unexploited land left between the “arms of development”. The original intention was to also develop these in-between locations, but the rate of urbanisation ceased in the 1970s, and over time the un-exploited land became identified as of ecological and social importance both locally and regionally. Very active in the formulation of these values have been a network of NGOs called “Skydda Storstockholms gröna kilar”. Even though these green wedges are mentioned in both regional and local planning documents (TMR web site - d, 2014-11-24), they are not protected from exploitation, and the exact borders of the green wedges remain undefined. It is up to the municipalities to finally decide upon local land use, even if it causes negative impacts on the regional scale. Given the urbanisation pressure, this means that even though there is a general awareness of the regional green structure, its area and the ecological connectivity is continuously decreasing (Erixon et al., 2013). With the new, poly-centric urbanisation strategy, the connectivity of the green wedges is further put at risk, since the more peripheral urban core areas are to be connected to allow commuters to travel without passing the city centre, meaning that the planned and presumed future transportation network will cut across the green wedges.

As a response to the recognition of the importance of urban biodiversity and green areas for outdoor recreation the Swedish government in 2003 assigned the county administrative boards in the three most urbanised counties to develop program for future nature conservation. In Stockholm this program suggested 71 new nature reserves to be established 2003-2013 resulting in a doubling of the area protected land in the region (SCAB, 2003) and more than half of those has been established. In the region is also the unique Royal National City Park\(^34\) located, which is protected by a specific paragraph in the Swedish Environmental Act.

The SCC planning division TMR has for several years worked intensively to articulate the ecological and social values of the green structure of the urban parts of the region. Among other things have they supported the development of a typology for better describing the small green areas within urban built up areas, investigated the so called weak links in the regional green structure and initiated the development of a guide for integrating ecosystem services thinking into urban planning processes. Many of these processes have involved external competence in form of expertise from consultants and academia.

\(^{34}\) [http://www.nationalstadsparken.se/default.aspx?id=1777](http://www.nationalstadsparken.se/default.aspx?id=1777)
Water at risk
Water includes for example provision of safe drinking water, waste-water treatment, nature conservation and outdoor recreation. Any work related to water demands collaboration because hydrology neglects administrative boarders. Climate change impacts are making access to fresh water an imminent issue in the Stockholm region (Länsstyrelserna, 2011). The water in the lake Mälaren, which is the main supplier of fresh water to the region, runs a high risk of salt water intrusion in the future due to a rising sea water table. There are no back-up systems for if the water in Mälaren becomes unusable. The risk of salt-water intrusion is an issue that has only recently entered the political agenda in the region, and it is unclear where the responsibility for different water issues lies. Another important issue is the estimated impact from increase in rainfall due to climate change. Currently several actors try to navigate this situation but with limited co-ordination and fragmentation of information and learning processes (Nykvist et al, forthcoming). Since 2001 two main organisational changes had contributed to the confusion: the implementation of the European Water Framework Directive where the North Baltic Water Districts (Norra Östersjöns vattendistrikt) are to lead the water management in the region (Vattenmyndigheterna web site, 2014-11-24) and the re-organisation of national level water governance by the establishment of the Swedish Agency for Marine and Water Management (Havs- och vattenmyndigheten). The SCC has recently formulated an “Environmental Strategy for Water” in order to elaborate their framing of water issues in the region (SCC, 2013). VAS-rådet is a collaboration network connecting politicians, public officials and local companies working with water and wastewater in the Stockholm region (VAS-rådet web site, 2014-11-24). Of importance for local and regional actor collaborations regarding Lake Mälaren is also the Mälaren Water Council (Mälarens vattenvårdsförbund web site, 2014-11-24).

Climate change
Beside the climate change and energy work by SCC in relation to regional planning (TMR web site, 2014-11-24), SCAB is responsible for coordinating the regional work of decreasing GHG emissions and hence climate change impacts. The NEQO “Reducing climate change impacts” is prioritised in the region. In 2011 SCAB was assigned by the Swedish government to formulate a regional strategy in dialogue with relevant actors about how to achieve the national goal of zero GHG emissions by 2050 (SCAB, 2012). In 2013, SCAB also presented a climate- and energy strategy for the county formulating five quantitative regional goals and six activities to reach those goals (SCAB, 2013). In addition to climate change mitigation, the government assigned SCAB in 2009 to coordinate the regional level work of climate change adaptation, at first until 2011 and then extended until 2015. Focus has since then been on dialogue and knowledge generation (SCAB web site – a, 2014-11-24). SCAB published an action plan for regional climate change adaptation focusing on water, green infrastructure, urban development and innovation in 2014 (SCAB 2014). The implementation has started with the creation of a climate adaptation network, the formulation of recommendations regarding urban development near shorelines and a mapping of sensitive areas (SCAB web site – a, 2014-11-24).

3.5.3 CONCLUSION
The decision making power of Sweden is found at the national level and at local (municipal) level, whereas the regional level (Counties and County Councils) are weaker. Most regional authorities has the role of guiding local decisions based on national priorities and/or co-ordinate local actors.

The National Environmental Quality Objectives framework can be seen as a national policy for environmental sustainable development, however with very unclear links to social and economic sustainable development. The NEQO are not achieved at neither national nor regional level.
Also the Environmental Act including most laws regarding environmental issues can be seen as an overarching policy instrument for environmental governance in Sweden. However, the land use planning is not included in this legal framework, even if this aspect is of key importance for urban sustainable development.

Apart from other countries Sweden has no national level authority handling climate change issues, these issues are spread across multiple actors.

The Swedish municipal planning monopoly is challenging in the larger urban regions, leaving any coordination regarding transportation, energy, green structure, water management etc. to the good will of different municipalities. All municipalities are also very different and hence their commitment to environmental sustainable development.

The long and strong tradition of organised civic engagement is an important part of the politics in Sweden – where the larger NGOs are counted on as representing the public in decision making processes, e.g. spatial planning.

The two division of labour and responsibility regarding environmental issues between SCC and SCAB in Stockholm seems to be unclear. For example have both developed energy strategies. Recently the regional environmental governance seems to become more and more organised in consortia around 3-5 years long projects, where several actors jointly summarise basic knowledge and formulating strategies.
Table 11: The Swedish Environmental Quality Objectives, governmental agency responsibility and relation to ARTS low carbon domains and urban context.* are the NEQO prioritised in Stockholm County.

<table>
<thead>
<tr>
<th>National Objective</th>
<th>Environmental Quality</th>
<th>Main responsibility</th>
<th>Main low carbon domain (as defined in ARTS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced climate impact*</td>
<td>Swedish EPA</td>
<td>Energy, Transport, Built env.</td>
<td></td>
</tr>
<tr>
<td>Clean Air*</td>
<td>Swedish EPA</td>
<td>Energy, Transport</td>
<td></td>
</tr>
<tr>
<td>Natural Acidification Only</td>
<td>Swedish EPA</td>
<td>Transport, Energy</td>
<td></td>
</tr>
<tr>
<td>A protective ozone layer</td>
<td>Swedish EPA</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>A safe radiation environment</td>
<td>Swedish Radiation Safety Authority</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Flourishing lakes and streams</td>
<td>Swedish Agency for Marine and Water management</td>
<td>Nature cons., Water, Food</td>
<td></td>
</tr>
<tr>
<td>Good quality ground water</td>
<td>Geological Survey of Sweden</td>
<td>Water</td>
<td></td>
</tr>
<tr>
<td>Thriving wetlands</td>
<td>Swedish EPA</td>
<td>Nature cons., Water</td>
<td></td>
</tr>
<tr>
<td>Sustainable forests</td>
<td>Swedish Forest Agency</td>
<td>Nature cons., Resource man., Energy</td>
<td></td>
</tr>
<tr>
<td>A varied agricultural landscape</td>
<td>Swedish Board of Agriculture</td>
<td>Food, Resource management, Nature cons.</td>
<td></td>
</tr>
<tr>
<td>A magnificent mountain landscape</td>
<td>Swedish EPA</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>A good built environment*</td>
<td>National Board of Housing, Building and Planning</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>A rich diversity of plant and animal life*</td>
<td>Swedish EPA</td>
<td>Nature cons.</td>
<td></td>
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</table>
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4. Closing remarks

At the beginning of these closing remarks, a methodological note must be made. This report mainly provides a mapping of the governance contexts of the local transition regions. This shall assist in preparing the in-depth case studies to be conducted under work package 3. It is, therefore, very much exploratory in character and its findings still need to be extended and confirmed by empirical evidence that shall be gained via the interviews with the transition initiatives.

As the transition regions are embedded in a multilevel governance context, all of them share a common EU and transnational context.

For EU environmental sustainability policy it can be noted that:

- It evolves in the context of the competing political agendas of the Lisbon Strategy (2000), emphasising economic growth and job creation, and the Sustainable Development Strategy (2001), combining all three dimensions of sustainability, i.e. economic growth, social welfare and environmental protection.

- EU environmental policy generally and climate policy specifically are framed with the concept of ecological modernisation, which sees technological innovation as a major policy solution to environmental threats and is compatible with the economic growth paradigm.

- European urban environmental governance stems from environmental and climate policy as well as the emergence of urban governance, also known as a European ‘Acquis Urbain’ (note especially the Leipzig Charter of 2007). However, European urban governance is marked by an unresolved conflict between the EU institutions and the cities on the one hand and national governments on the other hand because it leads to a bypassing of national governments, which they interpret as a violation of the subsidiarity principle.

- The EU, therefore, has no legal competence on urban policy. Instead such a European ‘Acquis Urbain’ relies on voluntary, enabling forms of governance, most importantly the EU Structural Funds and the European Territorial Cooperation Objective under the EU’s regional policy.

Transnational municipal networks (TMN):

- TMNs provide a new form of horizontal governance in the absence of hierarchy. They are a ‘soft’, voluntary form of networking, establishing direct links between EU institutions and municipalities. Examples are the Climate Alliance of European Cities (1990), Energy Cities (1990), the Covenant of Mayors (2008), ICLEI (1990) or C40 Cities (2005).

- TMNs give municipalities a more active role in EU and national decision making processes, turning them into a fourth level of governance and strengthening bottom-up dynamics.

- Local policy entrepreneurs are central to implementing TMNs’ policy ideas locally.

- Yet, the participation of municipalities in TMNs depends largely on their local resources so that they often remain “networks of pioneers for pioneers” (Kern and Bulkeley 2009, 311).

The transition regions are characterised by very diverse country-specific governance contexts, ranging from federalist to unitary states with varying levels of centralisation or decentralisation.
The transition region Brighton:

- The United Kingdom is a unitary with strong centralisation. It has witnessed tendencies of devolution with more political powers being given to Wales, Scotland and Northern Ireland. Yet, no devolved institutional structure has been established in England, where the transition region Brighton is located, and the tendency of increasing power of the central government has continued.

- The central government’s position rests especially on its power over state revenue and the distribution of finances to the municipalities. Even though local authorities can raise revenue via local property taxes, this remains small scale.

- Due to this centralisation, changes in the national government strongly shape the policy agenda and the financial resources available for environmental policy from the national down to the local level. As a consequence, the UK has seen a cyclical development of environmental sustainability policy with ups and downs depending on the government in office.

- British environmental sustainability policy is characterised by a 'rhetoric-reality-gap' with policy action lacking behind verbal policy commitments.

- The recent “Big Society” and “Localism” agendas under the Cameron administration have led to reduced funding for societal organisations so that civil society activities are becoming harder to pursue.

The transition region Budapest:

- Hungary is a federalist state, albeit with strong centralisation so that a hierarchical steering of urban sustainability policy by the federal government can be expected.

- As a transition country, which regained democracy in 1989, Hungary inherited a void of environmental protection and awareness.

- Against this backdrop, the development of Hungarian environmental sustainability policy is characterised by Europeanisation with the EU being the main agenda setter. This development accelerated remarkably with Hungary’s EU accession in 2004.

- Given Hungary’s transition context, its tight fiscal situation puts severe constraints on the funding for environmental activities. It, therefore, largely depends on external funds such as the Norway Grants or the European Structural Funds.

- The Hungarian environmental movement also strongly depends on governmental funding, which is biased towards groups and organisations loyal to the federal government. This creates an unequal playing field among civil society actors.

The transition region Dresden:

- Germany is characterised by ‘cooperative federalism’ with a strong entanglement of competencies as well as fiscal relations (i.e. a system of vertical and horizontal fiscal transfers) between the federal government and the Länder.

- The semi-autonomous status of the Länder and legal principle of local autonomy lead to a prevalence of consensus-seeking across governance levels.
• German environmental policy making has been guided by an ecological modernisation paradigm (see above).

• The development of German environmental sustainability policy has increasingly faced a ‘mismatch’ between German and EU environmental policy (Weidner and Mez 2008, 374; Wurzel 2004). Therefore, the political pressure created by the internationalisation and Europeanisation of environmental policy is crucial for overcoming domestic obstacles.

• One of the most recent developments in German environmental sustainability policy is the ‘Energiewende’, i.e. the phase-out of nuclear energy and the expansion of renewable energy in response to the Fukushima nuclear accident in 2011.

• Saxony only regained its status as free state after the transition from communism to democracy and German re-unification in 1990. It has been more of a ‘policy taker’ in environmental sustainability policy so that continued top-down pressure from the EU and the federal government as well as bottom-up societal dynamics are expected to be essential for a change towards sustainability.

The transition region Genk:

• Belgium has a system of ‘dual federalism’, which is characterised by an exclusivity of competences and a principle of no hierarchy between the governance levels.

• As a consequence of this ‘dual federalism’, competencies within policy domains are fragmented between the federal government, the three Regions (Flanders, Wallonia and Brussels) and three Communities (Flemish, French and German speaking). Therefore, they require the overall approval by all governments so that Belgium developed a strong consensus-seeking culture.

• This has also led to a situation of ‘divided government’ with different government coalitions at the federal and regional level, which has been accompanied by intergovernmental conflicts and political stagnation in environmental sustainability policy.

• Due to this domestic stagnation, Europeanisation and EU environmental policy have been important agenda setters and pace setters for Belgian environmental sustainability policy.

• In line with this policy fragmentation, no national climate policy exists, but each of the three Regions pursues its own climate policies.

• The financial crisis has caused budget cuts and a state reform, which marginalised environmental and climate policy and instead gave new impetus to the economic growth agenda.

The transition region Stockholm:

• Sweden is a unitary state, albeit with strong decentralisation and a principle of local self-government.

• This high autonomy of the municipalities rests on the right to local taxation and a so called ‘general competence’, i.e. they are independent in defining their political priorities (Peters and Pierre 2005). They also have a monopoly in spatial planning, which however, might impede the coordination of spatial planning between municipalities and across governance levels.
• In context of this decentralisation, a comprehensive and legally binding national sustainability framework does not exist. Instead the responsibilities for environmental sustainability are dispersed across the federal government, the counties and the municipalities.

• Nonetheless national policy has been favourable for local sustainability policy. In 2002, the Swedish government merged the concepts of a welfare state and a green state by proclaiming the ‘Green Swedish Welfare State’ (Det gröna folkhemmet). In addition to local revenues, the federal government provided funding to the municipalities through LIP (Local Investment Programmes for Ecological Sustainability) and KLIMP (Klimatinvesteringsprogram, Climate Investment Programmes).

• Sweden has a long and strong tradition of local civic engagement, of which the Local Agenda 21 as a local transition movement is an example.

It remains a question for future ARTS research to investigate how these diverse national governance contexts contribute to the acceleration (or deceleration) of local sustainability transitions. ARTS research should also shed more light on the question of how these governance contexts shape political-societal dynamics. Are local authorities capable of steering sustainability transitions? Or can societal movements compensate for inaction by local governments? With the in-depth case studies lying ahead, new empirical insights are to be expected.
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