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## Manifesto for Sustainable Investment:

# Investing for a Sustainable Future

The EU and its member states have committed themselves many times over to the goal of sustainable development and to building sustainable societies. Now the time has come to ensure that public and private money really is directed towards sustainable goods and services. For this reason the European Environmental Bureau (EEB), European Trade Union Confederation (ETUC) and the Platform of European Social NGOs (Social Platform) have launched this campaign with the aim of achieving more and better sustainable investment. This manifesto sets out a vision of how this can be achieved by action at local, national and European level, supported by all the undersigned organisations and individuals.

### Background

In 2001 in Gothenburg, European Heads of State and Government committed themselves to a strategy for Sustainable Development – *"to meet the needs of the present generation without compromising those of future generations – a fundamental objective under the Treaties."* They confirmed that this *"requires dealing with economic, social and environmental policies in a mutually reinforcing way."* And warned: *"Failure to reverse trends that threaten future quality of life will steeply increase the costs to society or make those trends irreversible."*

The European Council also agreed to merge this Sustainable Development Strategy with the Lisbon Process adopted in 2000, which aims to give Europe *"the most competitive and dynamic knowledge-based economy in the world by 2010, capable of sustainable growth, with more and better jobs and greater social cohesion"*.

Investing in essential goods and services in a sustainable way is fundamental to achieving these goals. However, as this cannot be achieved through the market alone, public authorities have a key responsibility to ensure that sufficient investment is directed in a sustainable way towards public goods and services such as public transport and social housing, and remove barriers for such investment. The EU and Member States must fulfil their commitments made in Lisbon and Gothenburg by guaranteeing this investment, before launching any new growth initiatives. Furthermore, the necessary incentives and conditions must be created by the EU and Member States to promote private investment in sustainable goods and services. The multiplier effect of government investment is one element of this. Government investment can also act as a multiplier and encourage private funds to be invested sustainably.

### Our Call

***We, the undersigned organisations and individuals, call upon the EU and its Member States to show their sincere commitment to a sustainable future, by launching, at the Spring 2004 Summit, a major programme of public investment in quality public goods and services with combined positive social, environmental, and employment results. In particular we propose the launch of substantial new sustainable investment initiatives, focusing upon housing and transport. We want to see such initiatives to become part of the Spring Summit agreements in 2004 and thereafter.***

## **Promoting Sustainable Investment**

We call for the following measures to be implemented:

1. The EU must create a climate to encourage Member States to invest sustainably, by **ensuring that the Broad Economic Policy Guidelines (BEPGs), as well as other legislation and programmes, promote sustainable investment.**
2. The **EU must ensure that its own budget is invested in order to promote sustainability.** Sustainability Impact Assessments must be carried out on all EU expenditure, including the Common Agricultural Policy, the Structural Funds, and the Research programmes. Such assessments must be carried out in an open and transparent manner, with ample opportunities for citizens' organisations to contribute.
3. The **Stability and Growth Pact** must be brought into line with the Lisbon-Gothenburg sustainable development objectives. The Pact must be intelligently reformed to encourage long-term public investment that brings about the changes required to promote sustainable development. In particular, long-term investment spending geared towards sustainable development should be excluded from the definition of public sector deficit.
4. Member States' commitments under the Lisbon Process should include drawing up **annual sustainable investment plans** and undertaking **ex-post assessments of national investment and financial assistance programmes.** The European Commission should then draw up an **annual synthesis report** on the basis of the national plans and assessments to be submitted to the Spring Summit and discussed there.

Member States' Sustainable Investment Plans should include:

5. Measures to encourage public authorities to give social and environmental factors a prominent place in **public procurement decisions.**
6. The redirection of **Research and Development investments** towards the required technical and socio-economic solutions to the challenge of sustainable development.
7. **Specific programmes and initiatives aimed at promoting investment** in sustainable housing, transport and other goods and services at the national, regional and local level, integrating and implementing concrete social and environmental objectives.
8. A shift **from taxes on labour to taxes on resources** to encourage sustainable investment
9. Measures to ensure sufficient means for effective **implementation and enforcement of social and environmental legislation.**

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In order to encourage sustainable investment and show how this can be done, we are focusing upon two specific areas - **sustainable housing** and **sustainable transport** - and making policy recommendations in each field.

### **Sustainable Investment in Housing and Transport**

Housing and transport are key to quality of life and social cohesion, economic and employment development, and quality of environment. Investment in these areas is key to achieving these goals, but currently much investment in housing and transport does just the opposite. Yet a real commitment from governments to turn around the way in which money is spent in these areas could make a huge difference. Our member organisations are involved all over the EU in initiatives and projects that contribute to such goals and that can show the way forward (see separate publication for examples). **We call on governments and the EU to commit to a number of targets in each area which would constitute a big step towards sustainable development.**

## What is Sustainable Housing?

Truly sustainable housing supports social, environmental and employment goals and promotes cohesive societies. Sustainable investment in housing means ensuring that everyone has access to housing which is in good condition, secure and healthy. It means ensuring that housing developments and urban planning are socially inclusive and cohesive, generate high quality employment, prevent "forced" mobility and ensure that people can easily access their workplace. It also means ensuring that housing is environmentally sound. These goals are mutually supportive.

### Our Demands for Sustainable Investment in Housing

#### *Social cohesion and employment:*

- Support urban and social mix in cities (including generational mix), at local but also at national and European level by allocating specific budget lines.
- Prioritise the affordable renovation of housing in city centres over new developments on the outskirts.
- Aim through urban planning to bring housing, workplaces, services (such as shopping facilities) and public transport facilities closer together.
- Ensure by 2010 that in each city with over 3500 inhabitants, at least 20% of the housing stock will be affordable for people on low income (either social housing or subsidised owner-occupier schemes).
- Increase significantly access to housing for immigrants in all parts of the housing market, including the owner-occupier sector, and monitor policies in this field

#### *Environmental measures:*

- Ensure that by 2010 the price of ecological housing is the same as normal construction, through funding and use of fiscal incentives, focusing particularly on renovation and retro-fitting costs and subsidies to achieve comparable prices, as opposed to new construction.
- Improve the energy efficiency of the European housing stock by 50% in 20 years, particularly in social housing or subsidised schemes, without increasing the cost for tenants and inhabitants; implement specific schemes (including information, loans, and technical assistance) aimed at reducing energy and resource consumption for below average income groups.
- Ensure optimal use of construction materials and the responsible use of natural resources in dwellings by providing guidelines and supporting pilot projects on sustainable housing; these must be supported by awareness-raising campaigns directed at the construction sector, tenants and individuals about resource use and sustainable construction.

#### *Social inclusion:*

- Reduce fuel poverty and inadequate housing by 50% by 2010, paying particular attention to future Member States. EU programmes and specific loans schemes from international financial institutions (such as the European Investment Bank) should support policies and exchange of expertise in this field and the inclusion of sustainable housing pilot projects in the Structural Funds for new member states should be considered.
- Significantly increase efforts to combat homelessness and implement targeted social inclusion policies for homeless people
- Set clear targets for increasing the supply of homes for specific groups in need, taking into account environmental, cultural and social concerns, and develop these housing solutions with the participation of target groups. Health impacts should be taken into account in construction and regeneration activities to reduce the negative effect stemming from poor quality housing, ill-conceived urban planning and poor building materials.

#### *General:*

- Governments should carry out a mapping of economic, environmental and social sustainability on current housing practices and evaluate progress on a regular basis

## What is Sustainable Transport?

Unsustainable transport has extremely high external costs – for example, health, noise and air pollution, congestion, land-take – almost all of which are caused by road transport. Unsustainable transport is the worst climate change performer, and has high social costs in terms of hindering access to goods and services to which people have a right, especially for groups such as disabled and older people and rural communities. Much current investment in transport is thus undermining progress towards EU goals both in terms of reducing emissions and achieving social inclusion.

**Sustainable transport is smart, accessible to all, linked-up (intermodal), clean, and above all, transport should be largely unnecessary to access goods and services.**

Sustainable investment in transport means a number of things. It means ‘sustainability-proofing’ infrastructure investments. But it also means actively seeking out better ways to invest in transport, to ensure the development of socially inclusive and environmentally responsible transport patterns develop - for example, investing in public transport services and systems. It means focusing on smarter use of existing infrastructure rather than developing new infrastructure, such as new roads or regional airports (which tend to provide few new jobs, at a very high cost). It means carefully evaluating the need for new infrastructure – on social, environmental and economic criteria – before building it. It means ensuring that all have access to transport including those living in rural communities and disabled and older people. It also means taking all these considerations into account in urban planning decisions. This translates to a more intelligent use of public money.

### Our Demands for Sustainable Investment in Transport:

- By 2010, at least 50% of EU and national transport investments should be spent on accessible, affordable, safer, and environmentally, socially and economically sensible alternatives to the private car. This will require immediate and progressive re-orienting of transport investments towards this target.
- By 2010, 20% of EU and national transport investment should promote more environmentally-friendly and safer modes of freight transport, and prevention of freight transport by other logistics. This includes the provision of sufficient resources for enforcement of working time legislation for road transport workers.
- Europe’s leaders should immediately call on the Commission to develop a ‘sustainability assessment’ for infrastructure projects. No EU money can be committed for transport projects until a thorough and independent assessment has been conducted of the likely social, economic and environmental impacts of the proposed project.
- Investments which will work against achieving Europe’s transport safety, air quality and Kyoto commitments, as well as investments which lead to more noise, should be discarded or re-thought.
- EU funding rules should be changed immediately to allow money to be used for smaller-scale projects like better spatial planning for sustainable transport, improvement of access by other means than the private car, public transport improvement and inner city walking and cycling infrastructure.
- By 2010, all passenger transport investments with European and national public money must focus on providing citizens with access rather than mobility for its own sake – this means favouring public transport of quality and un-motorised transport over private car transport and ensuring that public transport is fully accessible, paying particular attention to disabled and older people, rural communities, and areas which have a high density of people living on low incomes. In addition, investments should encourage transport prevention by providing access to services within shorter distances or electronically.