

## United Kingdom Case Study

### Analysis of National Strategies for Sustainable Development

This document is one of 19 country case studies that form the knowledge base for a synthesis report entitled “National Strategies for Sustainable Development: Challenges, Approaches, and Innovations Based on a 19-country Analysis.” The synthesis report and country case studies are available electronically at:

<http://www.iisd.org/measure/capacity/sdsip.asp>

<http://www.gtz.de/rioplus/download>

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#### Notice to Reader

Information in the country case studies was obtained primarily from publicly available sources (e.g., Internet and literature sources) and, where possible, was supplemented through interviews with government officials. The information was up-to-date as of May 2004. Every effort was made to ensure that official national sustainable development focal point contacts had the opportunity to provide feedback on the research, but such contacts were not successful in all cases. **This case study is in an unedited, working paper format.**

These case studies are made publicly available to add to the national sustainable development strategy knowledge base. The project’s research partners accept responsibility for any inaccuracies or omissions. The views expressed in this working paper do not necessarily represent the views of the funding partners.

The research partners welcome your comments on this country case study. Please e-mail comments to Darren Swanson at [dswanson@iisd.ca](mailto:dswanson@iisd.ca).

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## 1 Introduction: Country Description

The United Kingdom of Great Britain and Northern Ireland (the UK) is a constitutional monarchy located in northwestern Europe. The UK consists of a cluster of islands in the northeast Atlantic Ocean, and includes the regions of England (the largest and most populous island), Wales, Scotland and Northern Ireland. Although it has maintained its own currency, the UK is a member of the European Union, and has been physically connected with the European continent with the completion of the Channel Tunnel. At 244,110 km<sup>2</sup> (CIA, 2003) the UK is a relatively small country. However, despite its small size, the country boasts a population of over 60 million people, giving it a population density of approximately 246 people per square kilometer (Microsoft Corporation, 2004).

Great Britain was one of the most dominant industrial and maritime forces of the 19<sup>th</sup> century, and played an important role in developing parliamentary democracy and in developing literature and science. The UK's influence on the world has been substantial: the English language extends far beyond its borders, and the British system of parliamentary government has been adopted by numerous other countries. The country is also one of five permanent members of the UN Security Council, and was a founding member of NATO and the Commonwealth (Microsoft Corporation, 2004).

### *Economy*

Despite a decline in GDP growth during 2001-2003, the UK economy is one of the strongest in Europe, as evidenced by the country's GDP of US \$1.528 trillion, (eighth highest in the world). GDP per capita is \$25,500US (24<sup>th</sup> in world rankings) (CIA, 2003).

By sector, the services industry accounts for 73.7% of the country's GDP, followed by industry at 24.9% and agriculture at 1.4%. The primary industries include machine tools; electric power, automation and railroad equipment; shipbuilding; aircraft; motor vehicles and parts; electronics and communications equipment; and metals (CIA, 2003)

The labour force is estimated at 29.7 million, which is distributed among the agriculture (1%), industry (25%) and services (74%) sectors. The Government itself is a major employer (CIA, 2003).

### *Society*

The highest legislative authority in the United Kingdom is Parliament, which consists of the House of Commons, the House of Lords, and the Crown (the monarch). The House of Commons has the greatest influence on public policy, and is elected through popular vote. The Head of Government is the Prime Minister (elected), who is also a member of the House of Commons. Parliament is responsible for passing legislation (with agreement of the House of Commons, the House of Lords, and the Crown), examining the work of Government, controlling finance, safeguarding the public interest, examining European proposals and debating current affairs (Microsoft Corporation, 2004).

The most senior members of the UK Government are known as the Cabinet. Cabinet members are chosen by the Prime Minister, and include members from the House of Commons and the House of Lords. Heads of Government Departments (Secretaries of State) as well as other select senior officials are also included in the Cabinet (Microsoft Corporation, 2004).

In 1999, Constitutional reform in the UK resulted in the establishment of the Scottish Parliament, the National Assembly for Wales, and the Northern Ireland Assembly, each of which presides over local affairs that have been devolved from the central government. Although each elected legislature has the ability to make decisions regarding local affairs – including those related to environmental issues – the UK Parliament maintains control over national defense and security, overall economic policy, employment legislation, and social security.

The official language in the UK is English; other languages spoken include Welsh (spoken by 26% of the population of Wales) and Gaelic (spoken by approximately 60,000 in Scotland) (CIA, 2003).

The UK's Human Development Index is calculated at 0.930, up from 0.840 in 1975, and 0.916 in 1995 (UNDP 2003, pg. 237). The country's HDI score matches that of Denmark, Ireland, Finland and Luxembourg, but is slightly less than world-leading Norway (0.944 HDI). The UK's Human Poverty Index (HPI-2) ranks 15<sup>th</sup> internationally, at 14.8% (UNDP 2003, pg. 248).

The UK has a relatively high life expectancy rate (78.16 years) (CIA, 2003), but is faced with the challenge of an increasing crime rate (England and Wales have the highest crime rate among the world's leading economies, according to a new report by the United Nations) (Bamber, 2002). In addition, the obesity rate is said to have tripled over the past 20 years (BBC News, 2001).

### *Environment*

The UK can be divided into two major natural zones: the mountainous highland zone to the north and west, and the lowland zone of the south and east. The lowland zone experiences a milder climate and better land for agriculture, and is consequently more populous than the northern highlands. The overall climate is strongly influenced by the Gulf Stream, which both moderates temperatures and provides significant levels of rainfall (Microsoft Corporation, 2004).

With a long history of industrial activity, the UK has gained extensive experience in remediating contaminated sites and reducing the impacts of pollution on water, land and air resources. With respect to air quality, some improvements have been achieved through increased substitution of coal used for electricity generation process, but the increasing number of motor vehicles has reduced overall air quality improvements. However, with respect to land resources, the UK has been proactive in protecting its

environment, and has introduced innovative land use policies that restrict urban sprawl. In addition, over 20% of the country is now protected by national parks, regional parks and local protected areas (Microsoft Corporation, 2004).

The UK's Environmental Sustainability Index – a good proxy for the country's overall ecological footprint – ranks poorly compared to other countries. The UK's score of 46.1 ranks it in 91<sup>st</sup> position; in contrast, Finland, Norway, Sweden and Canada all received ESI scores of over 70 (World Economic Forum, 2003).

The discovery of offshore oil and natural gas has made the UK the world's eighth largest producer of crude oil and natural gas. However, although historically important, most of the country's forest and mineral resources have been either exhausted or seriously depleted (Microsoft Corporation, 2004).

The UK is party to the Convention on Biological Diversity as well as the Convention on International Trade of Endangered Species (CITES). The country is also working under the EU to ratify the Kyoto Protocol (CIA, 2003). The country's climate change programme sets out actions that, if successful, will allow the country to reduce emissions to 23 percent below 1990 levels by 2010 (UK Government, 2003). Greenhouse gas emissions fell to 177.22 million tonnes CO<sub>2</sub>e in 2002, down from 208.22 million tonnes CO<sub>2</sub>e in 1990 (UK Government, 2003).

#### *Note on sources*

Most documents referenced in this report have been produced by the UK Government.

#### *Key Indicators for the United Kingdom:*

<b>Indicator</b>	<b>Value</b>
Human Development Index (and ranking)	0.930 (13 <sup>th</sup> )
Human Poverty Index (and ranking)	14.8% (15 <sup>th</sup> )
Environmental Sustainability Index	46.1 (91 <sup>st</sup> )
GHG Emissions	177.22 mt CO <sub>2</sub> e (10.8tonnes CO <sub>2</sub> e per capita) <sup>1</sup>
GDP and GDP per capita	\$1.528 trillion; \$25,000

## **2 Content of the National Sustainable Development Strategy**

The UK has been a leader in the development of sustainable development strategies, introducing its first strategy in 1994, followed by a comprehensive national sustainable development strategy *A better quality of life*<sup>2</sup> (the "Strategy") in 1999. However, the 1999 Strategy was written just before devolution of powers to the new administrations of Wales, Scotland and Northern Ireland. Devolution resulted in many responsibilities, such as those related to health, education, rural affairs and transport being delegated to the new

<sup>1</sup> The Australia Institute (2002), pg.6.

<sup>2</sup> UK Government (1999) [www.sustainable-development.gov.uk/uk\\_strategy/index.htm](http://www.sustainable-development.gov.uk/uk_strategy/index.htm)

devolved administrations (DAs) for Scotland, Wales and Northern Ireland. The DAs were empowered to make their own decisions on all devolved issues and were no longer bound by the Strategy in these particular areas. As a result, the DAs began to develop their own approaches to many elements key to sustainable development. The Scottish Executive now has its own SD strategy *Meeting the Needs*<sup>3</sup>, published in 2002, and the National Assembly of Wales has *Starting to live differently*<sup>4</sup>, published in 2000. The Northern Ireland Assembly launched a process in 1997 to develop a regional sustainable development strategy, and published its first formal Regional Development Strategy, *Shaping Our Future 2025*<sup>5</sup>, in 2001.

In England, eight Regional Development Agencies (RDAs) were launched in 1999, with a ninth - for London – added in July 2000. The RDAs have a statutory purpose to contribute to the achievement of sustainable development in the UK. The RDAs work in partnership with other stakeholders to develop regional sustainable development frameworks (rsdfs), which give high-level visions for sustainable development within their respective regions.

In addition to the national and regional sustainable development strategies, several UK Government departments have published their own departmental sustainable development strategies. For example, on 18 June 2002, Secretary of State Margaret Beckett launched the Department for the Environment, Food and Rural Affairs' (Defra) sustainable development strategy (SDS)- *Foundations for our Future*<sup>6</sup>.

Other UK Government departments that have published an SDS include the Department for Trade and Industry, the Department for Culture, Media and Sport, the Department of Health and the Ministry of Defence.

### *Strategy Content*

The national strategy provides a long-term perspective of the country's key SD challenges, and presents options for addressing priority issue areas. The Strategy is described as a catalyst for change, and provides a framework to guide policy development and decision-making. The overarching goal of the Strategy is to ensure "a better quality of life for everyone, now and for generations to come." (UK Government, 1999).

The Strategy is centred around four main objectives:

#### **Headline Indicators**

- H1: Economic Output
- H2: Investment
- H3: Employment
- H4: Poverty and Social Exclusion
- H5: Education
- H6: Health
- H7: Housing - conditions
- H8: Crime (Robbery; Theft)
- H9: Climate Change
- H10: Air Quality
- H11: Road Traffic
- H12: Rivers Quality
- H13: Wildlife
- H14: Land use
- H15: Waste

<sup>3</sup> Scottish Executive (2002) [www.scotland.gov.uk/library5/rural/mtnsd-00.asp](http://www.scotland.gov.uk/library5/rural/mtnsd-00.asp)

<sup>4</sup> Welsh Assembly (2000) [www.wales.gov.uk/themessustainabledev/content/review/sustainable-dev-e.pdf](http://www.wales.gov.uk/themessustainabledev/content/review/sustainable-dev-e.pdf)

<sup>5</sup> Department for Regional Development, Northern Ireland (2001) [www.drdni.gov.uk/shapingourfuture/](http://www.drdni.gov.uk/shapingourfuture/)

<sup>6</sup> UK Government (2002) [www.defra.gov.uk/corporate/sdstrategy/default.htm](http://www.defra.gov.uk/corporate/sdstrategy/default.htm)

1. social progress which recognizes the needs of everyone;
2. effective protection of the environment;
3. prudent use of natural resources; and
4. maintenance of high and stable levels of economic growth and employment

The objectives are supported by a set of headline indicators and targets, as well as a set of ten guiding principles and approaches (see Appendix A). The Strategy also commits the government to establishing an integrated system of impact assessment and appraisal tools, to be used during the policy development and review process.

The Strategy is comprehensive in its approach, outlining the underlying goals of sustainable development, and committing the Government to establishing new decision-making processes, institutions, instruments, partnerships, and communication processes. The document establishes concrete objectives and targets, and outlines options for achieving desired outcomes. The Strategy is balanced, and applies equal attention to environmental, economic and social challenges.

#### *Coordination and Linkages with Other Strategies or Planning Processes*

The Strategy provides a national focus and serves as a guide to regional and local governments, both in developing their own strategies and in introducing new policies or programs. The “national” sustainable development strategies developed by Scotland, Wales and Northern Ireland are, in some elements, modeled after *A better quality of life*, but are written to address the specific needs of their respective region.

To manage internal operations, the UK Government launched the *Framework for Sustainable Development on the Government Estate*<sup>7</sup> in 2002. The Framework includes targets related to environmental management systems, transport, water, waste, energy, procurement, estate management, biodiversity and social impacts, and serves as the primary vehicle for assessing, managing and reporting on the performance of internal government operations. In addition, as part of the 2002 Spending Review process, each department was required to produce a separate Sustainable Development Report outlining the SD implications of public spending. Sustainable development commitments, including those made at the WSSD, will also be integrated into departmental plans for Service Delivery Agreements.

Sustainable development activities are also guided by the *UK Government Framework for Sustainable Consumption and Production*<sup>8</sup> (SCP), which was jointly developed by Defra and the Department for Trade and Industry (DTI) in 2003. The document outlines the UK Government’s plan to deliver SCP, and provides a definition of sustainable consumption and production. The framework also presents options for monitoring progress toward achieving SCP, and outlines next steps. The Framework was developed in direct response to a commitment made at the 2002 Earth Summit, and is designed to

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<sup>7</sup> UK Government (2002) [www.sustainable-development.gov.uk/sdig/improving/](http://www.sustainable-development.gov.uk/sdig/improving/)

<sup>8</sup> UK Government (2003) [www.defra.gov.uk/environment/business/scp/index.htm](http://www.defra.gov.uk/environment/business/scp/index.htm)

assist regional and local authorities in developing action plans for achieving sustainable consumption and production patterns. The UK Government's *Strategy for Sustainable Farming and Food*<sup>9</sup> (2002) was also developed in response to WSSD commitments.

Within the private sector, Defra and DTI are working closely with the *Pioneers Group* – a group of approximately 20 trade associations or sector groups – to develop sector-based sustainability strategies. To guide the development of these strategies, the Pioneers Group created best practice toolkits, and the Sustainable Development Commission released a self-assessment guide to assist in the assessment of draft strategies. By 2002, six trade associations had established sustainability strategies: motor manufacturing; oil and gas; retail; civil engineering; brick manufacturing; and steel construction. The Food and Drink Federation also released a Sustainable Development Report in 2002.

In addition to national-level strategies, policies and programs, there are numerous regional and local sustainable development initiatives that have been developed in response to *A better quality of life*, and to the commitments made at the World Summit on Sustainable Development. The City of London, for example, has established the *London Principles of Sustainable Finance*<sup>10</sup>; Northern Ireland has established a *Northern Ireland Biodiversity Strategy*<sup>11</sup>; and Wales has published its *Transportation Framework for Wales*.<sup>12</sup>

### *Integration of Sustainable Development Principles*

In its strategy *A better quality of life*, the UK Government announced its commitment to “build sustainable development into policies and decisions, in Government and across society” (UK Government, 1999). Green Ministers are responsible for encouraging the use of environmental appraisals as part of policy-making, and can also draw on the new guidance provided by the *Sustainable Development in Government* initiative, which has introduced an *Integrated Policy Appraisal* (IPA) process. The IPA is designed to assist government departments in assessing the total potential impact of policy proposals, and includes the following assessment categories (UK Government, 2003b):

- Public Expenditure and Economic Impacts
- Regulatory Impacts
- Rural Proofing
- Health Impact Assessment
- Environmental Appraisal
- Policy Appraisal for Equal Treatment
- Climate Change.

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<sup>9</sup> UK Government (2002) [www.defra.gov.uk/farm/sustain/newstrategy/index.htm](http://www.defra.gov.uk/farm/sustain/newstrategy/index.htm)

<sup>10</sup> Corporation of London (2002) [www.forumforthefuture.org.uk/aboutus/default.asp?pageid=205](http://www.forumforthefuture.org.uk/aboutus/default.asp?pageid=205)

<sup>11</sup> Environment & Heritage, Northern Ireland (2002) [www.ehsni.gov.uk/pubs/publications/NIBS2002.pdf](http://www.ehsni.gov.uk/pubs/publications/NIBS2002.pdf)

<sup>12</sup> Welsh Assembly (2001) [www.wales.gov.uk/subitransport/content/policy/framework/index.htm](http://www.wales.gov.uk/subitransport/content/policy/framework/index.htm)

Rather than create new requirements, the integrated policy appraisal process draws on existing appraisal requirements, and assists departments in identifying the links between environmental, social and economic impacts. IPA is to be used at both the policy development and implementation stages, and can also serve as an evaluation framework during the review process. In 2002, seven departments pilot-tested the integrated policy appraisal process (UK Government, 2003b).

With the publication of the Johannesburg Programme of Implementation (JPOI), the UK Government required WSSD commitments to be incorporated into the detailed delivery plans for targets in Departmental Public Service Agreements, as well as the underlying Service Delivery Agreements. However, progress to date has been slow in formalizing their inclusion in PSAs.

### **3 Institutional and Procedural Aspects of the National Sustainable Development Strategy**

#### **3.1 *Development and Institutional Aspects***

##### *Strategy Development*

The process for developing a national sustainable development strategy began in 1994 with the release of a preliminary strategy that responded to the primary commitments established at the first Earth Summit in 1992. In 1995, the multistakeholder *UK Round Table* was established, which brought together a group of individuals that could provide expert advice on the development of a sustainable development action plan.

In 1997, the new government administration began the process of updating the earlier strategy, beginning with the publication of a consultation document in 1998, *Opportunities for Change*. Consultations were held both within government and the general public, and were designed to facilitate identification of key aspects to be included in the new strategy. Consultations were also held on the set of headline indicators that would be used to measure progress and performance against priority objectives.

In addition to broader consultations, the UK established an arms' length *Government Panel* that provided independent advice, identified major problems and opportunities, monitored progress, and considered priorities.

##### *Institutions*

The UK appears to have one of the most well established SD governance systems in the world. At the Cabinet level, sustainable development policy is coordinated by the *Cabinet Committee on the Environment*. In addition, each department designates a Green Minister to sit on the *Cabinet Sub-Committee of Green Ministers*. Each Green Minister is responsible for ensuring that environmental and sustainable development considerations are integrated into their departmental strategies and policies, and must also work collectively to (DETR, 2000):



- Promote the integration of sustainable development goals across government policies and the wider public sector;
- Encourage the use of environmental appraisal as an integral part of policy making;
- Improve the environmental performance of departments in managing their buildings and facilities; and
- Respond to inquiries from Parliament's Green Audit Committee.

Defra has been assigned as the lead UK Government department for sustainable development; Margaret Beckett, the Secretary of State for Defra, is the champion for SD across the UK Government; Elliot Morley, Defra's Minister for the Environment, chairs the Ministerial Sub-committee of Green Ministers ENV(G).

The *Sustainable Development Commission* was established in 2000, and replaces both the *UK Round Table on Sustainable Development* and the *British Government Panel on Sustainable Development*. The *Sustainable Development Commission* is an independent advisory body, and includes 22 members from business, NGOs, local and regional government and academia. The Commission's role is to "advocate sustainable development across all sectors in the UK, review progress towards it, and build consensus on the actions needed if further progress is to be achieved" (UK Government, 2004). More specifically, the Commission's objectives are to:

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

To ensure effective follow-up to WSSD commitments, and to guide the review of *A better quality of life*, the UK Government established a *Sustainable Development Task Force* in 2003. The Task Force is Chaired by the Defra Secretary of State, and includes Ministers from England, Scotland, Wales and Northern Ireland, as well as key stakeholders. The SD Task Force is instrumental in helping to inform the current UK-wide consultation which will result in a new UK Strategic Framework and new UK Government SD Strategy being launched in 2005. The SD Task Force includes stakeholders, and as such does not make binding decisions – these are made by the Cabinet Committee. Guiding Principles for the review can be found in Appendix B.

Each regional government is required to establish institutions and governance systems to manage sustainable development: Scotland established a *Cabinet Sub-Committee on Sustainable Development*; and in Wales, the Minister for Environment, Planning and Countryside is responsible for promoting sustainable development.

### 3.2 *Participation Aspects*

Sustainable development is managed through a complex system of Cabinet-level Committees and Sub-Committees, interdepartmental organizations, and individual departments. Decisions regarding Government operations are managed through the *Cabinet Sub-Committee of Green Ministers*, which includes representatives from each government department and each UK region (England, Wales, Northern Ireland and Scotland).

Stakeholders are given representation on the *Sustainable Development Commission*, as well as in the *Sustainable Development Task Force*. This provides an opportunity for stakeholders to discuss issues, and put forward suggestions and ideas to Government.

Consultations in support of the development of a new UK sustainable development strategy – *Taking it on, developing a UK sustainable development strategy together*<sup>13</sup>, were launched on 21 April 2004. The consultations will solicit ideas and comments from organizations and individual members of the public. Similarly, issue-specific public consultations are held on an ongoing basis.

At the regional level, Scotland has established a *Sustainable Development Forum* – a stakeholder group designed to guide future action on sustainable development – as well as the *Sustainable Scotland Network*, which “assists networking among local practitioners, includes representatives from all local councils and encourages networking and discussion on the implementation monitoring of policies and projects on sustainable development” (Scottish Executive, 2004).

### 3.3 *Monitoring Aspects*

At the heart of the 1999 Strategy is a set of 15 Headline Indicators, and an additional set of 147 national indicators and region-specific regional indicators. The headline indicators were identified through a public consultation process, and have been refined over time (the original Strategy included only 13 Headline Indicators). The UK Government (coordinated by Defra) produces *Achieving a better quality of life* – an annual report that outlines progress made towards the objectives and targets included in *A better quality of life*, and provides performance information related to each set of indicators. Progress is measured against baseline data, and overall trends are identified.

**Role of the Parliamentary Environmental Audit Committee:**

*"to consider to what extent the polices and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House."*

[www.parliament.uk/parliamentary\\_committees/environmental\\_audit\\_committee.cfm](http://www.parliament.uk/parliamentary_committees/environmental_audit_committee.cfm)

<sup>13</sup> UK Government (2004) [www.sustainable-development.gov.uk/taking-it-on/](http://www.sustainable-development.gov.uk/taking-it-on/)

In addition to *Achieving a better quality of life*, the Parliamentary *Environmental Audit Committee* (EAC) reviews the impacts of policies and actions on sustainable development across all departments, and conducts an annual inquiry of the work of Green Ministers. Each annual report provides an overview of government performance with respect to specific themes that have been identified as relevant for the current fiscal year. In 2003, these themes were: waste; greening government; fiscal issues; energy; education for sustainable development; and World Summit follow-up.

The *Sustainable Development Commission* is responsible for identifying any unsustainable trends, and for providing constructive criticism regarding the Government's performance in delivering sustainable development. Finally, the *SD Task Force* is instrumental in informing a review of the current Strategy, and will be making recommendations on the content and design of a new Strategy expected to be launched in 2005.

The 2004 Spending Review will also present an opportunity to assess whether formal delivery targets reflect the breadth of WSSD commitments.

### **3.4 Implementation Aspects and Specific Initiatives**

While many of the aspects of the Strategy are devolved issues (i.e. issues managed by the regional governments), the central government maintains control over taxation and other issues. Both levels of government have developed and implemented a wide range of strategies, policies, programs and regulatory and voluntary instruments in support of its sustainable development agenda. Economic instruments designed by the central government to promote sustainable development include (UK Government, 1999):

- A fuel duty differential in favour of ultra-low sulphur in diesel
- Increased duty on petrol and diesel each year by 6% above inflation to reduce carbon dioxide emissions from road transport, 1% higher than previous Government's commitment
- A levy on business use of energy in 2001, introduced on a revenue neutral basis with offsetting cuts in employers' national insurance contributions
- A long-term, revenue neutral reform of company car taxation to remove the incentive to drive additional business miles and encourage uptake of more fuel efficient vehicles
- Reduction in Vehicle excise duty for small engine vehicles
- Increase in the standard rate of landfill tax of 10£ per tonne; increase by an additional 1£ per tonne each year for at least five years

**Case Study: UK Climate Change Levy**

The U.K. Government launched the Climate Change Levy (CCL) Package in 2001 in support of National Climate Change Programme. The National Climate Change Programme represents the U.K.'s response to international and domestic climate change obligations, and includes a range of measures and policies directed at achieving broad reductions in greenhouse gas and carbon dioxide emissions. At the heart of the CCL package is a levy assessed on the use of electricity (0.46p/kWh), gas (0.15p/kWh) and coal (1.17p/kg). The levy is assessed on commercial and industrial energy use, with exemptions for certified combined heat and power schemes (co-generation), residential energy use, energy used for public transit, and energy from new renewables (e.g. solar and wind energy).

As is the case with many of the European green taxes that have been both politically successful and acceptable, a key feature of the U.K. climate change levy is a rebate. To reduce impacts on competition, revenues from the levy are returned to industry in the form of: funding for energy efficiency and renewable energy research programs; a 3% reduction in the rate of employee National Insurance Contributions (NICs); and enhanced capital allowances to be applied to investments in energy saving technology. However, while the reinvestment scheme is revenue-neutral for industry as a whole, it is not revenue neutral for each facility. Facilities that are able to take advantage of tax breaks provided through the enhanced capital allowances program, and those that are able to make the transition to renewable energy sources or install more efficient technology, will benefit from the CCL scheme; facilities unable to make these adjustments will not recover all costs associated with the levy. (Stratos Inc. 2003, p.11).

To assist with implementation and achievement of sustainable development objectives, the UK Government also established a *Sustainable Development Research Network*<sup>14</sup>. The Network is sponsored by Defra's *Sustainable Development Unit*, and is coordinated by the *Policy Studies Institute* (in association with several academic research institutes). The Network has published a report on gaps and opportunities for policy research related to integrating sustainable development into wider public policy, and is identifying ways in which the Government can efficiently implement SD policies and programmes.

In addition to responding to the objectives of *A better quality of life*, the UK Government is also working to respond to the sustainable development commitments originating from the WSSD. The UK Government's web site provides a list of issues identified in the Plan of Implementation, as well as the key objectives / actions, follow-up processes, responsible departments and progress made towards the achievement of WSSD outcomes (UK

Government, 2003a). As an example of progress, the UK Government will introduce new measures in 2005 as part of the EU's reform of the *Common Agriculture Policy*. The new measures will decouple subsidies from production, and will encourage farmers to "optimize" rather than "maximize" (UK Government, 2003c).

<sup>14</sup>UK Government/Policy Studies Institute (2003) [www.sd-research.org.uk](http://www.sd-research.org.uk)

### 3.5 Summary of National SD Strategy

The table below summarizes the UK's sustainable development strategic initiatives.

**Table 1: Summary of Country's National Sustainable Development Strategy**

Aspects	Summary
<b>Content of SDS</b>	
Typology	- National Sustainable Development Strategy ( <i>A better quality of life</i> ) published in 1999
Content	- The national Strategy includes environmental, social and economic goals, objectives and targets
Linkages with other strategies and planning processes	- National Strategy serves as focal point for the development of regional and local strategies, and provides a framework for integrated decision making and planning processes
<b>Development Aspects</b>	
State of Process	- Initial work led by the UK <i>Round Table</i> , with assistance from the arms-length <i>Government Panel</i> ;
Decisions and Negotiation	- Extensive public consultations related to content of Strategy and headline indicators
Legal Basis	- Regions legally required to establish regional Strategies
<b>Participation</b>	
Coordination, intergovernmental actors, civil society, NGOs	- Consultation during the development process included broad cross-section of stakeholders, and included members from NGOs, industry, academia and the general public
<b>Monitoring, Reporting and Adaptation Aspects</b>	
Responsibility and Mechanisms	- Sustainable Development Commission has primary responsibility for monitoring SD progress and performance across all sectors - Each department required to provide Sustainable Development Report in response to the 2002 Spending Review process - UK Government releases annual reports on progress with respect to the 15 Headline Indicators
Application of Strategic Environmental Assessment	- Government departments encouraged to complete integrated policy appraisals of all policies and programs
Compliance Mechanisms	- Environmental Audit Committee conducts audits of government operations
Learning and Adaptation	- Sustainable Development Task Force, includes both government and stakeholders, and informs the implementation and review of SD initiatives.

***Implementation Aspects***Responsibility and  
Coordination

- The Sustainable Development Commission is adviser and ‘critical friend to the UK Government and the devolved administrations. Its role is to advocate SD UK-wide, and build consensus on actions needed.
- Sustainable development is coordinated at the Cabinet level by the Environment Committee and the Sub-Committee for Green Ministers
- Defra is responsible for coordinating sustainable development in Government, and for increasing awareness among Government and the public

## Communication

- To increase public awareness of sustainable development, the Government initially developed a Sustainable Development Education Panel. The Panel’s mandate expired in 2003, and efforts are now underway between Defra and the Department for Education and Skills to implement a new, revised education strategy that targets public schools, the workplace, the general public, and central and regional government.

***Specific SD Initiatives***

- Fuel duty differential
- Increased duty on petrol
- Levy on business use of energy
- Revenue-neutral reform of car taxation
- Landfill tax

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## Appendix A

### A better quality of life: Guiding Principles and Approaches

- **Putting people at the centre.** Sustainable development must enable people to enjoy a better quality of life, now and in the future. In the words of the *Rio Declaration*, 'human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature.'
- **Taking a long term perspective.** Sustainable development thinking cannot restrict itself to the life of a Parliament, or the next decade. Radical improvements have to begin now to safeguard the interests of future generations. At the same time we must meet today's needs - for example, people need warm homes, which, at present, means using predominantly fossil fuels.
- **Taking account of costs and benefits.** Decisions must take account of a wide range of costs and benefits, including those which cannot easily be valued in money terms. In pursuing any single objective, we should not impose disproportionate costs elsewhere. Public values, the timing of costs and benefits and risks and uncertainties should be taken into account.
- **Creating an open and supportive economic system.** Sustainable development requires a global economic system which supports economic growth in all countries. We need to create conditions in which trade can flourish and competitiveness can act as a stimulus for growth and greater resource efficiency.
- **Combating poverty and social exclusion.** Eradicating poverty is indispensable for sustainable development. We must help developing countries to tackle widespread abject poverty. In this country, everyone should have the opportunity to fulfil their potential, through access to high quality public services, education and employment opportunities, decent housing and good local environments.
- **Respecting environmental limits.** Serious or irreversible damage to some aspects of the environment and resources would pose a severe threat to global society. Examples are major climate change, overuse of freshwater resources, or collapse of globally significant fish stocks. In these cases, there are likely to be limits which should not be breached. Defining such limits is difficult, so precautionary action needs to be considered.
- **The precautionary principle.** The *Rio Declaration* defines the precautionary principle as 'where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation'. Precautionary action requires assessment of the costs and benefits of action, and transparency in decision-making.
- **Using scientific knowledge.** When taking decisions, it is important to anticipate early on where scientific advice or research is needed, and to identify sources of information of high calibre. Where possible, evidence should be reviewed from a wide-ranging set of viewpoints.

- **Transparency, information, participation and access to justice.** Opportunities for access to information, participation in decision-making, and access to justice should be available to all.
- **Making the polluter pay.** Much environmental pollution, resource depletion and social cost occurs because those responsible are not those who bear the consequence. If the polluter, or ultimately the consumer, is made to pay for those costs, that gives incentives to reduce harm, and means that costs do not fall on society at large. At the same time, it may not always be possible for everyone to bear all such costs, particularly for essential goods and services.

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## Appendix B

### Guiding Principles for the Review of *A Better Quality of Life*

The *Sustainable Development Task Force* will use a set of **guiding principles** during the review process. The principles demonstrate that the review process and the new strategy should:

- increase awareness of, and engagement with, sustainable development
- build a sense of common purpose across the UK, but support devolved, regional and local diversity
- embed sustainable development more effectively within government action and policy making
- improve delivery of sustainable development outcomes, and sustain a focus on delivery in the longer term
- build on what has already been done but challenge ourselves and others to do more
- be inclusive, involving stakeholders and those responsible for delivery at all levels, and
- provide leadership, through a clear vision and priorities.

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