tural Funds. For the first time, the Commission is paying heed to the links between forestry and industry. The aim is to improve coordination and the way national and Community policies and schemes complement each other, and for the Member States to retain power in this area out of respect for the subsidiarity principle. The forestry strategy recommended is primarily based on proposals in the Commission’s Agenda 2000. For example:

• **Rural development support measures**, for protecting forests, developing and enhancing the socio-economic potential of forests, preserving and improving the ecological value and restoring damaged forest, promoting new outlets for the use of wood, extending forest areas, and education and training programmes.

• **Pre-accession measures for agriculture and rural development in the application countries of Central and Eastern Europe**: Community aid for the sustainable adaptation of the farm sector and rural areas in the implementation of the EU’s legislative achievements as regards the Common Agricultural Policy and related policies, and help for the management, conservation and sustainable development of forests in Central and Eastern Europe.

The Commission also stresses the need to take account of a number of issues that have a direct bearing on forests, such as the certification of forests that are sustainably managed (assessment criteria and principles to apply in this area), conservation and improvement of biodiversity, creation of protected areas, wood as a source of energy, and forests in the context of climate change (carbon cycle).

The Strategy is in line with general principles such as free movement of goods, no distortion of competition, and the EU’s international obligations. It is also intended to help the competitiveness of the EU’s forestry sector in due course while furthering the principle of integration of sustainable development and environmental protection in forest-related policies.

It is estimated that forest-based industries’ production value amounts to almost ECU 300 billion, representing 10 per cent of the total for all manufacturing. About 2.2 million people are employed in forest-based industries.

One of the main industries concerned, the paper industry, broadly welcomes the Commission’s approach but feels it falls down by continuing to regard forestry as a separate industry.

The issue of Community support for the use of wood as a source of energy is currently being discussed within the framework the Agenda 2000 proposal on rural development, and the proposed strategy will help fuel this debate. (MJ)

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**Environment, Employment and Enlargement**

The European Consultative Forum on the Environment and Sustainable Development is an environmental consultation body under the Fifth Action Programme on the Environment, created by the European Commission in 1997. It covers all issues relevant to sustainable development and has members from the European Economic Area (EEA) and the associated countries of Eastern and Central Europe. It advises the European Commission on policy development.

The Forum adopted in November 1998, a package of principles and recommendations on how environment and employment policies can be integrated so as to lead to positive synergies.

The Forum’s recommendations have been timed to influence the political debate at the moment when both employment and environment strategies are amongst the highest political priorities, both of the EU and individual Member States. The Forum believes that the achievement of joint policy goals can only be attained through an approach built on some key principles:

• Environmental policy cannot be justified on employment grounds; however, environment policy can be refocused to bring about a positive effect on employment and vice versa.

• It is necessary to have a competitive European industry based on efficient industrial and agricultural production to maintain and create new employment.

• Europe’s high environmental standards must be exported to achieve an international environmental playing field.

• Economic instruments are flexible, cost-effective and broaden the range of tools available to policy makers. They do not replace more traditional approaches to environmental management, but they can raise revenue, which can be used to offset reductions in levels of labour taxes and thus reduce labour costs.

• Incentives for technology development can achieve environmental improvement and yield commercial and employment benefits.

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Environmental policies should be closer linked to European and national labour market policies.

The Forum’s paper explores the relationship between environment and employment with reference to four case study sectors:

1) **Transport**, where the demand has to be reduced and a shift to more sustainable transport modes must take place. There are positive employment effects in part of the sector, although they are not evenly distributed and the net effect is not clear.

2) **Tourism**, where linkages, particularly at local level, between the environment and employment are stronger than in most other sectors of the economy. Visitor numbers must not exceed the environmental and social capacities of an area. Where this is the case, visitor numbers must be reduced at peak periods.

3) **Agriculture**, where the introduction of sustainable practices is likely to result in significant changes to labour patterns. Seeking alternative uses for set-aside agricultural land may have positive employment effects.

4) **Energy**, where improving energy efficiency and developing renewable sources are likely to have significant employment effects. Implementing the Kyoto Protocol will require far-reaching promotion campaigns and new sources of funding.

In a related report of December 1998, the Forum made recommendations which directly address the key issues on the accession of Central and Eastern European States to the European Union.

The paper makes strategic recommendations on environment and sustainable development issues in the enlargement process, with a focus on four issues which the Forum considers to be of critical importance:

1. integration of environmental considerations in all relevant areas of policy;
2. institutional development;
3. costs (including the environmental benefits of enlargement); and
4. transparency, information and participation.

The two key messages for the Commission are that:

- enlargement must be understood as one element in a wider process of sustainable development;
- protection of environmental quality should be the overall guiding principle in the enlargement process.

The recommendations also contain two core messages for the accession countries:

- Accession countries should strive for negotiated results which preserve their existing strong points (for example, in relation to environmental assets such as biodiversity and landscape; cultural diversity; environmental quality standards; and which make the most of cost effective approaches to environmental protection.
- Accession countries should place a high value on enhanced investment in environmental elements of their institutional infrastructure.

The Forum noted the principles that new member States must fully adopt existing EU environmental legislation and policies, and shares the Commission’s view that this is not an end in itself. Adopting the EU acquis should not lead to deterioration in the quality of the environment and nature in the candidate countries. It believes that the candidate member states should be represented in existing EU programmes and policy fora on environment, energy and sustainable development.

The report states that the enlargement process might also provide a significant opportunity for the European Union to take another look at its own environmental policy and implementation, for example, reviewing the lack of compliance with environmental directives in the member States.

Endangered Species: Restrictions

The Commission has adopted a Regulation, introducing a new list of species of wild flora and fauna subject to import restrictions in the European Union.

The new Regulation amends Annex B of Council Regulation 228/97/EC on the protection of endangered species through trading restrictions, applying the Convention on the International Trade in Endangered Species (CITES). It abrogates Regulation 2551/97/EC and is directly applicable in all the Member States.

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