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National Sustainable Development Strategies in eight CEE countries: Experiences, challenges and opportunities 10 years after EU accession

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Introduction

In 2014, the Central and Eastern European (CEE) EU Member States celebrate their 10th anniversary of EU Membership. This was reason enough for the ESDN to look into the National Sustainable Development Strategy (NSDS) processes of 8 CEE Member States (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) and what experiences they've made since EU accession. The main purpose of this Quarterly Report is thus to explore the impact of the EU accession on the NSDS processes in the CEE countries. In so doing, a comparative stocktaking of NSDS processes in CEEs is provided, based on up-to date information of the ESDN Country Profiles and telephone interviews with policy-makers from national government ministries of the eight countries.

This report has the following structure: In chapter one, we provide a general overview of the CEE countries' socio-economic and environmental situation by comparing the year of their EU accession with the current situation. The second chapter includes a comparative stocktaking of NSDSs processes in the eight CEE countries, based on up-to-date information provided in the country profiles (September 2014) of the ESDN homepage. The last chapter presents the results of the telephone interviews and gives more in-depth insides of structural and procedural NSDS processes of the respective countries. In the conclusions chapter, we summarize the main findings of this Quarterly Report.

1 The socioeconomic and environmental situation in CEE countries

In this chapter, we provide a general overview of six selected socio-economic and environmental indicators. This should help to understand the status quo of the socio-economic and environmental situation in the CEE countries and compared to the general European Union trend. By comparing the data between the EU accession in 2004 and the most recent data available regarding the selected indicators, we mainly want to highlight the current trend of CEE countries compared to the situation in 2004 (without looking at the temporal development in between). For presenting the indicators, we used recent data from Eurostat as well as from the Resource Efficiency Scoreboard 2014 Highlights. The definition of the individual indicators can be found in Annex 1.

1.1 Socioeconomic situation

1.1.1 Gross Domestic Product

Gross Domestic product (GDP) is a measure for the economic activity and, therefore, an appropriate indicator for the economic development of a country. For the sake of cross-country comparison, the volume index of GDP per capita in Purchasing Power Standards (PPS) is expressed in relation to the European Union (EU28) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per head is higher than the EU average and vice versa. [1] Table 1 below shows, on the left, the figure of the index for each country. On the right side of the table, the growth rate of each country is presented for 2004 and 2013 respectively. This percentage value allows measuring the dynamics of economic development over time since the EU accession[2].

Table 1: GDP per capita in PPS and GDP per capita growth rate

	GDP per capita Index		GDP growth rate
Country	**2004**	**2013**	**2004-2013**
EU-28	100	100	5%
Slovenia	87	83	7%
Czech Republic	78	80	18%
Slovakia	57	76	42%
Lithuania	50	74	47%
Estonia	57	72	26%
Poland	51	68	39%
Hungary	63	67	7%
Latvia	44	67	37%

[1] Eurostat. 2014. GDP per capita in PPS. Available at http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00114)

[2] Eurostat. 2014. GDP growth rate. Available at http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00115)

As Table 1 shows, all CEE countries' GDP is below the EU average in 2004 as well as in 2013. Slovenia and the Czech Republic experienced the highest GDP per capita in 2013 with an index of 83 and 80 respectively. The six remaining countries account to an index ranging from 76 (Slovakia) to 67 (Latvia).

On the other hand, if we look at the differences of growth rate between 2004 and 2013, all countries are far above the EU average. For instance, Lithuania experienced the highest increase of GDP growth with 47%, closely followed by Slovakia with 42%, Poland with 39% and Latvia with 37%. Overall, only two out of eight CEE countries experienced an increase of less than 10% between EU accession and 2013 (Slovenia and Hungary, both 7%). The increase of the GDP growth rate of the other countries ranges from 18% to 47% which expresses the economic development potential of the CEEs on the one hand, but also the difference in economic performance, on the other hand.

1.1.2 Income inequalities

Even if the GDP of a country is growing, this does not necessarily mean that economic growth benefits the whole population. Quite to the contrary, economic growth might benefit only a certain group of society. Therefore, the indicator expressing income inequalities expresses the allocation of economic benefits and is an expression of social equality (or inequality) at the same time.

The figures in Table 2 below express income inequalities by the ratio of total income received by the 20 % of the population with the highest income (top quintile) to that received by the 20 % of the population with the lowest income (lowest quintile). However, it has to be kept in mind that the quintile share ratio focuses on the gap between the poorest and richest strata of society. It does not measure inequalities that occur in the middle segment or within the poorest or richest segments[3]. Overall, the higher the number, the greater is the inequality between the poorest and richest parts of society.

Table 2: Income inequalities expressed by the ratio of income received by the 20% of the population with the highest to that received by the 20% of the population with the lowest income

Country	2005	2012
Latvia	6.7	6.5
Estonia	5.9	5.4
Lithuania	6.9	5.3
EU-27	**5.0**	**5.1**
Poland	6.6	4.9
Hungary	4.0	4.0
Slovakia	3.9	3.7
Czech Republic	3.7	3.5
Slovenia	3.4	3.4

[3] Eurostat. 2014. Income inequality distribution Income quintile share ratio. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdsc260

As the table shows, five out of eight countries lie below the EU-27 index which means that their inequality is lower than the EU average. Slovenia and the Czech Republic were the most equal countries in terms of income distribution, with a ratio of 3.4 and 3.5 respectively. The difference of ratio between 2005 and 2012 is the highest in Poland and Lithuania where inequality decreased dramatically. Generally, in only two countries the ratio in 2005 and 2012 remained the same (Hungary and Slovenia) while in six countries the ratio is decreasing since 2005, implying that inequality in most CEE countries is decreasing.

1.1.3 Unemployment rate

The unemployment rate represents unemployed persons as a percentage of the general labour force between the age of 15 and 74 and serves here as an indicator for the economic, but also social situation of a country. The following table shows the comparison of unemployment rates between 2005 and 2012, therefore, the trends in between those years, like the economic crisis, might be underrepresented.[4]

Table 3: Unemployment rate in %

Country	2005	2012
Slovakia	18.4	14.2
Latvia	11.7	11.9
Lithuania	10.9	11.8
EU-28	**9.3**	**10.8**
Poland	19.1	10.3
Hungary	6.1	10.2
Slovenia	6.3	10.1
Estonia	10.1	8.6
Czech Republic	8.3	7.0

Table 3 shows that the unemployment rate is above the EU28 average (Slovania, Latvia, Lithuania), while in the other five countries it is below the EU average. One can also see in the table that there are large differences between the CEE countries: Unemployment rates range from 14.2% (Slovakia) to 7% (Czech Republic) in 2012, with also large differences in trends between 2005 and 2012. For instance, in four out of eight countries (Slovakia, Poland, Estonia, Czech Republic), unemployment decreased between 2005 and 2012 by 0.1 to 8.8 percentage points, with the sharpest decrease in Poland. It increased, however, in the other four countries (Latvia, Lithuania, Hungary, Slovenia) during the same time, with the highest increase in Hungary (+4.1 percentage points) and Slovenia (+3.8).

However, the general unemployment trend in the EU increased by 1.5% when comparing the figures from 2005 and 2012. According to the Monitoring Report 2013, the EU unemployment rate fell continuously in the period between 2005 and 2008, reaching a low of 7.1 % in 2008. The trend was

[4] Eurostat. 2014. Unemployment rate, by sex, total. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdec450

reversed in 2009 when the economic downturn resulted in a prolonged deterioration of the labour market. Since then, the EU's unemployment rate has been steadily increasing until in 2012 when it reached a record high of 10.8 %[5].

1.1.4 R&D Investment

Research and experimental development investment is expressed with the indicator GERD (Gross domestic expenditure on R&D) as a percentage of GDP. This indicator comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications[6].

Table 4: R&D Investment in % of GDP

Country	2004	2012
Slovenia	1.39	2.8
Estonia	0.85	2.18
EU-28	**1.82**	**2.07**
Czech Republic	1.2	1.88
Hungary	0.88	1.3
Lithuania	0.75	0.9
Poland	0.56	0.9
Slovakia	0.51	0.82
Latvia	0.42	0.66

When looking at the table, one can see that all of the eight CEE countries show an increase of R&D expenditure since the EU accession ranging from 0.24 to 1.41 percentage points. In 2012, two countries out of eight invested more than two percent of their GDP in R&D (Slovenia 2.8% and Estonia 2.18%) and are thus above the EU-28 average of 2.07% in 2012. The Czech Republic and Hungary show an R&D expenditure of more than 1% in 2012. The other four CEE countries spend less than 1% on their GDP, but still have higher R&D expenditure in 2012 compared to 2004.

1.2 Environmental situation

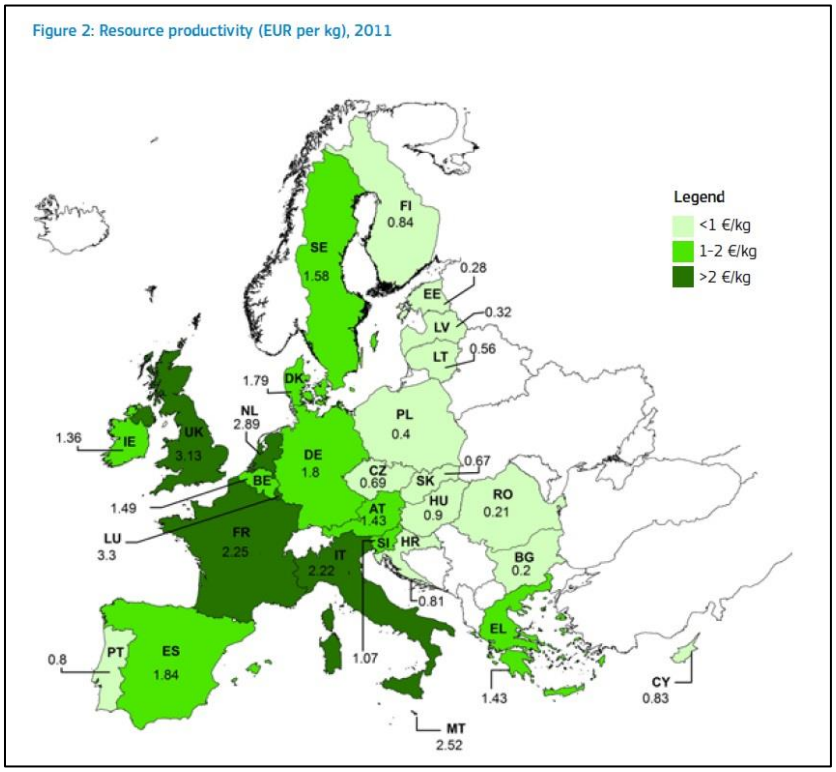
1.2.1 Resource productivity

Resource productivity is a measure of how efficiently the economy uses material resources to produce wealth (gross domestic product (GDP)) and hence, also an indicator of resource efficiency or how efficiently an economy deals with material input. Its development gives an indication of the decoupling

[5] Eurostat. 2013. Sustainable development in the European Union. 2013 monitoring report of the EU sustainable development strategy. p.9 Available at: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-02-13-237/EN/KS-02-13-237-EN.PDF
[6] Eurostat. 2014. Gross expenditure on R&D (GERD) , % of GDP. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=0&language=en&pcode=t2020_20

of the economy from material consumption (i.e. the ability to create wealth while reducing impacts on the environment). It is measured by dividing gross domestic product (GDP) by domestic material consumption (DMC). DMC measures the total amount of materials directly used by an economy. The trend in the development of resource productivity over time is presented as an index, with 2000 as the base year [7].

Graph 1: Resource productivity (EUR per kg), 2011



Source: European Commission. 2014. Resource Efficiency Scoreboard 2014 Highlights. p.9

The graph above shows the contrast in resource productivity between the East and West of Europe. According to the Resource Efficiency Scoreboard 2014 Highlights, this reflects differences in their economies, geography and climate and whether they intensively exploit their natural resources or not. Overall, it is evident form the graph that the resource productivity of Eastern European countries account for less than one Euro per kg and are thus relatively low compared to other EU Member states even though most of the CEE countries experienced a remarkable increase in GDP, such as Lithuania, Slovakia, Poland and Latvia (with a GDP growth rate ranging from 37 to 47%) as mentioned in chaper 1.1.1 above. However, regarding the development of resource productivity, the Monitoring Report of 2013 states that the Eastern European and the Baltic EU Member States experienced the highest

[7] Eurostat. 2014. Resource Productivity. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdpc100&tableSelection=2

increase in domestic material consumption in the past decade (2000 to 2011), with average annual growth rates ranging from 3 % and 12 %[8].

1.2.2 Share of renewable energy

The share of renewable energy in gross final energy consumption is the amount of renewable energy consumed in the EU Member States with actual normalized hydro and wind power generation and the share in the total final energy consumption[9].

Table 5: Share of renewable energy in gross final energy consumption, in %

Country	2004	2012
Latvia	32.8	35.8
Estonia	18.4	25.8
Lithuania	17.2	21.7
Slovenia	16.1	20.2
EU-28	**8.3**	**14.1**
Czech Republic	5.9	11.2
Poland	7.0	11.0
Slovakia	5.3	10.4
Hungary	4.4	9.6

The share of renewable energy in gross final energy consumption shows substantial differences in the CEE countries, ranging from 9.6% to 35.8% in 2012. Latvia, Estonia, Lithuania and Slovenia show a remarkably high share of renewables in 2012 with all above 20% (and thus all above the EU average of 14.1%); Latvia has the highest share of renewable energy with 35.8%. The Czech Republic, Poland and Slovakia reached a share of more than 10% in the same year. Overall, all eight CEE countries experienced an increase of share or renewables since their EU accession, from 3 to 7.4 percentage points (highest in Estonia).

1.2.3 Greenhouse Gas emissions per capita

Greenhouse gas emissions are an indicator for climate change and express decarbonisation which is important in the development of a resource efficient economy. This indicator shows the trends in man-made emissions of the ´Kyotobasket´ of greenhouse gases (GHGs). The chart below shows GHG emissions per capita in tonnes of CO2 equivalent (CO2e). CO2e expresses the global warming potential of these gases converted to that of CO2 (hence CO2e)[10].

[8] Eurostat. 2013. Sustainable development in the European Union. 2013 monitoring report of the EU sustainable development strategy. p.78. Available at: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-02-13-237/EN/KS-02-13-237-EN.PDF
[9] Eurostat. 2014. Share of renewable energy in gross final energ consumption. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=0&language=en&pcode=t2020_31
[10] Eurostat. 2014. Greenhouse gas emissions per capita, tonnes of CO2 equivalent. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_rd300&tableSelection=1

Table 6: Greenhouse gas emissions per capita in tonnes of CO2 equivalent

Country	2004	2012
Estonia	14.00	14.48
Czech Republic	14.45	12.51
Poland	10.42	10.36
Slovenia	10.01	9.20
EU-28	**10.59**	**8.98**
Slovakia	9.48	7.90
Lithuania	6.54	7.20
Hungary	7.82	6.24
Latvia	4.77	5.37

Overall, CEE countries follow the trend of reducing their GHG emissions. In 2012, five of the eight CEE countries (Slovenia, Slovakia, Lithuania, Hungary and Latvia) emitted less than 10 tonnes of GHG emissions accounting for 5.37 to 9.20 tonnes which is, apart from Slovenia, below the EU average. Importantly, five out of eight CEEs show a decrease of GHG emissions (Czech Republic, Poland, Slovenia, Slovakia and Hungary) when comparing their figures of their EU accession and 2012.

According to the Monitoring Report 2013, a large portion of the achieved emissions reduction occurred during the early 1990s as a result of economic restructuring in Eastern Europe. In this period, the region experienced a shift from heavy manufacturing industries to more service-based economies. In the last decade, relatively low emissions reductions were partly driven by a fuel switch in power generation from coal to natural gas and, to a minor extent, renewable energies[11].

[11] Eurostat. 2013. Sustainable development in the European Union. 2013 monitoring report of the EU sustainable development strategy. p. 182f Available at: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-02-13-237/EN/KS-02-13-237-EN.PDF

2 Comparative stock-taking of eight CEE NSDS processes

This chapter provides an overview of NSDSs' policy processes in the CEE countries and is based on up-to-date information (September 2014) from the ESDN Country Profiles. It comprises background information on the adoption of NSDSs, mechanisms of vertical and horizontal integration, evaluation and review, indicators and monitoring as well as stakeholder participation.

2.1 Basic information

On the basis of the renewed EU Sustainable Development Strategy (EC 2006), all EU Member States were requested to develop NSDSs by 2007 and to address linkages between their NSDSs and the EU SDS in future NSDS reviews. As Table 7 below shows, seven out of eight countries already adopted their NSDSs before 2006, with Poland being the pioneer with the adoption of its NSDS already in 2000, closely followed by Slovakia in 2001 and Latvia in 2002. As far as the revisions of the strategies are concerned, only three out of eight countries (Poland, Estonia and Slovenia) have not revised their originally adopted NSDSs. Lithuania is the only country with two revisions and three adopted versions of its NSDS. The other countries (Slovakia, Latvia, Czech Republic and Hungary) have done one revision so far, the latest one occurred in Hungary in 2013.

Table 7: Years of adoption and revisions of NSDSs in CEEs

Country	NSDS current version	Number of revisions	Year of adoption and revisions
Poland	2000	0	2000
Slovakia	2005	1	2001, 2005
Latvia	2010	1	2002, 2010
Lithuania	2011	2	2003, 2009, 2011
Czech Republic	2010	1	2004, 2010
Estonia	2005	0	2005
Slovenia	2005	0	2005
Hungary	2013	1	2007, 2013

As regards the institutional anchoring of the NSDSs, the **main responsibility for NSDS usually lies with the national Ministries of Environment, the Prime Minister's Offices or State Chancelleries**. However, in most of the CEE countries (i.e. Estonia, Latvia, Poland, Slovenia), **NSDS processes employ cooperation mechanisms between several ministries**. For instance, in Estonia, the design of the NSDS was

developed in the Ministry of the Environment. The implementation, however, is coordinated by the Government Office in order to ensure horizontal integration. Similarly, in Poland, the Ministry of Environment, the Ministry of Infrastructure and Development as well as the Chancellery of the Prime Minister deal with SD policies. Interestingly, the Latvian NSDS is in the hands of the Cross-sectoral Coordination Centre, the Hungarian NSDS in the hands of the National Council for SD. Both of these SD units are subordinate to their respective Prime Minister's Offices. In Slovenia, several ministries are involved in the NSDS processes. In the Czech Republic and Slovakia, the Government Office is the main player for NSDS procedures. The Ministry of the Environment plays the lead roles in following countries: Latvia, Lithuania and Poland.

Most of the CEE countries **develop implementation and evaluation documents in addition to the NSDS which are related to the strategy itself or SD issues in general**. In Latvia, for instance, the Cross-sectoral Coordination Centre developed a mid-term report "National Development Plan for 2014-2020 (NDP)" which is oriented towards the implementation of the NSDS and was approved by the Cabinet of Ministers in 2012. However, these complementary documents vary in their form and content among the countries. The majority of the countries have assessment, evaluation or progress reports that are directly linked to the implementation of the NSDS, such as the Czech Republic, Hungary, Slovenia and Latvia.

2.2 Mechanisms of vertical integration

For vertical policy integration mechanisms, we present the way in which countries deal with the challenge of coordinating and integrating SD strategies and policies across different levels of governance, from the European via the national and regional to the local levels. In general, when looking at the country profiles, it becomes evident that there are three different functioning mechanisms within CEE countries. Some countries (i.e. Hungary, Lithuania, Slovakia and Slovenia) make use of **consultation activities** in the form of workshop, seminars or roundtables. Estonia and Latvia, however, focus more on **institutionalised mechanisms,** such as the Commission on SD and Local Self-Government Unions (Estonia) or the Cross-sectoral Coordination Centre (Latvia), that are responsible for coordinating SD strategies across different governance levels. Thirdly, some countries additionally refer **to laws or provisions** to ensure mutual coordination at local, regional and national level (i.e. Latvia, Poland).

The majority of the CEE country makes extensive use of **consultation activities** in order to guarantee the integration of different levels of governance, sometimes more or less supported by a certain commission or group. Mostly, these processes are planned and applied on a regular basis. The consultation activities comprise regional round tables, such as in the Czech Republic and in Hungary. However, countries like Estonia and Lithuania also hold round-table discussions, seminars and workshops for a broad stakeholder involvement. The example of the Czech Republic in the box below shall illustrate how consultation activities work:

In the **Czech Republic**, series of regional round tables play a crucial role and have been organised since 2004. Their main objective is to discuss the NSDS with regional authorities and other regional stakeholders. They don't serve only as platforms for exchanging comments and recommendations for the revision process, but also as a tool for awareness raising for NSDS objectives. Furthermore, there is a bottom-up process based on these consultation events which is mainly driven by the Working Group for LA 21. This group involves various stakeholders and aims to start from the local situation and local activities to develop local strategies. Besides these consultation processes, the Building Act of 2006 aims to implement several NSDS objectives.

Moreover, there are countries following a **"mixed" approach** to vertical integration holding consultation processes and roundtables, but also including an institution responsible for coordination processes. As mentioned in the box above, in the Czech Republic, the Working Group for LA21 is very active on stakeholder involvement. The consultation process in Hungary is carried by round-table discussions and the contribution of the National Council for Sustainable Development, assuring the involvement of several experts and stakeholder groups. One example of a strong **institutionalised body** dealing with coordination is Estonia.

In **Estonia**, local self-governing units representing the local authorities are dealing with monitoring processes and are involved in the overall discussion of defining SD priorities. These units are connected to the monitoring of the strategy through the Estonian Commission on SD (NCSD). The Commission provides a stakeholder forum or SD, the "Joint Commission of Ministerial Bodies (JCMB)" for multi-level cooperation which meets annually and discusses relevant policy topics.

Slovenia follows a rather different approach compared to the rest of the CEE countries because various processes play together in the coordination of the national and sub-national levels: The National Council for Sustainable Development organised discussions with sub-national levels when designing the NSDS. For the implementation phase, ad-hoc involvement of regional bodies is foreseen in order to link objectives of the NSDS and the regional programmes. Furthermore, the multi-level governance is formalised by decrees and articles which refer to policy coherence.

In Poland and Slovakia, no direct or formalised processes between NSDS and sub-national level exist. However, the vertical policy integration is rather addressed by legal acts, such as by regulations, rules or projects in Slovakia and by provisions set out in law in Poland.

Overall, the **majority of countries make use of both consultation processes and institutionalised coordinating bodies for ensuring vertical policy integration**. Some of the countries (Slovakia, Poland and Czech Republic) even refer to LA21. Two out of eight countries (Czech Republic and Lithuania) emphasise the importance of awareness raising and knowledge building in consultation procedures, such as seminars and roundtables. As far as the vertical integration in terms of the European Union is concerned, the EU Strategy for Sustainable Development (EU SDS) of 2006, foresees that Member States bi-annually report about how they address priorities of the EU SDS. However, all CEE countries have

published only one national report on implementing the EU SDS in 2007 so far, with the only exception of Estonia which published a second implementation report in 2009, too. However, the majority of countries focused instead of implementation, progress or evaluation reports which are rather linked to the monitoring and indicator set to the NSDS on the national level.

2.3 Mechanisms of horizontal integration

Horizontal integration refers to the collaboration between the different ministries and administrative bodies on the national level for the delivery of SD policies.

Generally, the CEE countries have developed very similar forms of **inter-ministerial and cross-departmental mechanisms** for coordinating the implementation of NSDSs' objectives. All of them have established a **National Commission or a National Council on Sustainable Development** which support the coordination of policy-making. These Commissions and Councils are inter-ministerial bodies mainly consisting of representatives of the national ministries, but also of other stakeholders. Below some examples in CEE on horizontal policy integration:

In the Czech Republic as well as in Lithuania, the Government Council or Commission for Sustainable Development coordinates SD policy-making among the central administrative authorities on an inter-departmental basis and includes representatives of the various national ministries. In Slovakia, the Government Council for SD was cancelled and currently, the horizontal integration of SD issues is ensured by the Government Office which holds an overall responsibility of SD and will implement a Horizontal Principle Sustainable Development in the forthcoming programming period. In Slovenia, responsibilities for horizontal policy integration have shifted over the years: firstly, the National Council for SD was appointed, in 2012, the Government established an Office of Climate Change that partially undertook the coordinating role in the area of sustainable development and shortly afterwards, the Ministry of Agriculture and the Environment overtook the role of cross-sectoral coordination. In the Czech Republic, the Government Council for SD coordinates Council committees and working groups where representatives of all ministries, NGOs, parliament members, municipalities, industry, agriculture, trade unions, research, academic society and other stakeholders participate.

The two boxes below **highlight two examples of horizontal integration mechanisms** carried out solely by the National Council for Sustainable Development in Hungary and by the National Development Council in cooperation with the Cross-sectoral Coordination Centre (Latvia).

In **Hungary**, the National Council for SD was established as an individual institution of the Hungarian Parliament consisting of politicians, representatives of economic and scientific life, churches, trade unions and civil society. During the development processes of the NSDS, all government ministries were involved in the development of the old and the renewed NSDS and could comment on early drafts. Also, in the renewing processes, all ministries had the opportunity to either delegate a working group or state written comments.

According to **Latvia's** Development Planning System Law, the National Development Council (NDC) is responsible for long-term development planning and assessment of the development. The NDC is chaired by the Prime Minister including several ministers. Its functions are to ensure planning processes of State long-term development, assess implementation of the long-term planning documents, submit recommendations to the Cabinet of Ministers on State long-term development priority direction etc. In addition to the NDC, the Cross-sectoral Coordination Centre is responsible for the NSDS implementation and overall policy coordination and monitoring at the national level. This policy coordination function ensures that Ministries and State Chancellery shall guarantee the compliance of the development planning documents. In this regard, the NSDS and National Development Plan 2014-2020 serve as a reference document to coordinate and ensure cross-compliance of medium-term sectoral policies that will be developed.

Overall, all CEE countries share common functions by implementing mechanisms for horizontal integration. They have all established a certain body, such as a commission, council or committee for coordinating the various levels for the delivery of SD policies.

2.4 Evaluation and review

This section gives an overview of the evaluation and review approaches applied in the context of SD strategies in CEEs. It focuses **on qualitative evaluations and reviews** that assess the quality of SD strategy processes, policy instruments used and stakeholders involved.

All CEE countries make use of internal reviews in the form of progress, development of implementation reports which are **conducted within the government ministries or by an internal body responsible for the review process**. Usually, this depends on the country's institutional setting and on the particular institution charged with SD tasks. These reports are either published bi-annually or once a year.

Several CEE countries (i.e. Czech Republic, Latvia, Estonia, Slovakia) call their evaluation reports 'progress report' or 'implementation reports'. In the Czech Republic, three progress reports have been published so far by the Committee on the SD Strategy which is a body within the Governmental Council for Sustainable Development. In Estonia, an inter-ministerial working group prepares the progress reports of the NSDS once a year, addressing SD issues by also taking other studies and reports by the NCSD into consideration. In Latvia, the latest report on implementing the NSDS and sustainable development was approved in 2012 by the Cabinet of Ministers. Another example is Hungary which plans to set up implementation reports every two years starting in 2015.

Overall, evaluation and review is undertaken by institutions, committees, ministries or councils which are responsible to issues reports that take track of the NSDS updates. This internal review process can be classified according to timing: Latvia and Lithuania have bi-annual review processes; other countries (Estonia, Slovakia and Slovenia) perform annual reviews or annual progress or development reports.

In order to exemplify the review process, Slovenia presents a notable case:

In **Slovenia**, the implementation of the NSDS is monitored through a Development Report that is annually prepared by the Institute of Macroeconomic Analysis and Development and adopted by the Government as a guideline for formulation of national economic and development policy. These development reports mainly contain findings regarding the implementation of strategic guidelines, assessments of the implementation of the strategy over the time, but also comments on the implementation of the Europe 2020 Strategy goals.

In general, all of the countries have developed internal review processes which include the publication of progress or implementation reports. However, the frequency of publications varies from bi-annual to once in a year or every three years.

2.5 Indicators and monitoring

This section presents **monitoring as an assessment activity based on a set of quantitative indicators**. The higher and stronger the link between policy objectives and indicators in the NSDSs, the more measurable are the deliveries of the strategy. The status quo in the development and revision of the set of indicators and their utilization in the NSDS review process will be outlined in the following paragraphs.

All of the CEE countries have developed a set of SD indicators together with the development of their NSDSs. The number of SD indicators ranges from 47 indicators (Czech Republic) to more than 100 indicators (Hungary and Estonia). Slovakia and Slovenia account for 71 indicators.

Even though the indicators cover all areas of SD, their topics differ among the countries: in the Czech Republic, the main areas covered by indicators are i) society, people and health, ii) economy and innovation, iii) spatial development, iv) landscape, ecosystems and biodiversity, and v) a stable and secure society. On the other hand, Estonia's priority areas are cultural space, growth of welfare, social cohesion and ecological balance. In Slovenia, the final set of indicators was grouped together into three sections: well-being, balance and modesty, and intergenerational cooperation.

Usually, the development and assessment of indicators are closely linked to another document in which they are presented, mostly to the progress of development report mentioned in the chapter on evaluation and review above. In Slovakia, the Action Plan for SD (2005-15) outlines the tasks of the creation of a database of basic SD indicators. The majority of CEE countries mention Eurostat in association with their indicator set. Slovenia, for instance, received financial support by Eurostat for an international project in which the Statistical Office expressed the idea of establishing a key set of national sustainable development indicators. The Latvian SD indicators will be included in the yearly Report of the Prime Minister which will be passed to the national Parliament each second year. Furthermore, fiver other countries (Czech Republic, Estonia, Lithuania, Slovakia and Slovenia) have mentioned Eurostat as support in content matters. Poland and Slovenia also refer to the OECD Committee of Environmental Policy and the OECD Environmental Performance Review which interprets data series for several SD indicators.

In several CEE countries (e.g. Estonia, Hungary and Slovenia) the national statistical offices are responsible for the development and monitoring of SD indicators. In Estonia, for instance, the Statistics Estonia published documents on "Indicators of SD" in 2009, 2011 and 2013 which are approved by the Commission for SD, the next publication will be released in 2015. In other countries this responsibility is overtaken by the Commission of Sustainable Development (Poland) and in Latvia, the indicator set is passed to the national parliament.

Overall, all of the CEE countries developed indicator sets for assessing individual strategic goals and monitoring SD. However, the topics covered by the indicators as well as the related processes vary among countries in priority areas, based on timing and on institutional capacities. A notable example is Hungary:

> Since 2006, the **Hungarian** Central Statistical Office (CSO) publishes its data collection on SD issues that was based on an SD indicator set elaborated by Eurostat. CSO also took part on the preparation process for the old NSDS and in the development of the related indicator set. The national Sustainability Basic Indicator System (SBIS) is based on two pillars: i) implementation of the EU sustainability indicator system on a strong and detailed methodological basis, elaborated together with Eurostat and ii) headline indicators to communicate information on SD to the wider public. The latest publication is "Sustainable development indicators in Hungary", published in 2013. The set of indicators (106 indicators all together) was renewed in 2010.

In practice, all CEE countries share the use of SD indicators, even though the number of indicators varies greatly between 47 and 115. Despite the different focus areas among the countries, the implementation of monitoring with the use of the indicators is very similar.

2.6 Participation

Participation refers to the **inclusion of a wide range of societal actors**, including governments, businesses, trade unions, NGOs, academics, etc. It covers participatory and consultation processes, institutions and bodies involved as well as different forms of cooperation between various stakeholder actors and stakeholder groups.

In practice, when implementing participation processes, **the CEE countries share common practice in terms of involvement of stakeholders and responsible institutions drawn in the process of elaborating NSDSs**. Approaches range from discussion, consultation and participatory processes (in the form of seminars, workshops, panel discussions or platforms). The participation mechanisms among the countries are very similar displaying common functions by providing space for debate, consultation and information exchange.

In terms of mechanisms, six out of the eight CEE countries explicitly mention an institution serving as a consultative body in their country profile (Czech Republic, Estonia, Lithuania, Poland, Slovenia and Slovakia). These consultative bodies act as reflection advisory boards, discussion and consultancy bodies

regarding SD issues. For instance, most of the countries have a National Council or Commission for Sustainable Development (Czech Republic, Estonia and Lithuania). Others call it Board of Sustainable Development (Poland) or Steering Committee (Slovakia).

In the **Czech Republic**, for instance, the Government Council for Sustainable Development was established in 2003 as a standing advisory and coordinating body for SD and strategic management and has the main co-ordination role for developing the NSDS, also being responsible for updating and monitoring processes. Moreover, it is also the main platform for public participation. Hence, the Council has developed several managerial communication tools (i.e. communication strategy, communication action plan etc.). In cooperation with the Committee on the SD Strategy, the Council facilitates public discussions, public hearings, thematic workshops, national stakeholder forums, email-based discussions, information campaigns, etc. The Council also annually prepares the Sustainable Development Forum which aims to facilitate broad public discussion and access of the public to information on current SD topics, such as Sustainable and Safe Transport, Sustainable Energy and Sustainable Consumption and Production.

Similarly to the Czech example, Estonia, Lithuania, Poland and Slovenia have a multi-stakeholder mechanism to ensure participation of various stakeholders in policy-making. According to a new regulation, the Estonian Commission on Sustainable Development is comprised of representatives from the non-governmental organisations only. The Strategy Unit in the Government Office acts as the secretariat of the SD Commission and provides links to the government sector and to the Europe 2020 Strategy. Both bodies facilitate regular meetings on crucial SD topics, various events like SD conferences, ad-hoc events and serve as an information exchange platform for stakeholders. Lithuania and Poland display very similar mechanisms: the National Commission for SD in Lithuania includes representatives of the various national ministries, NGOs and the business community and organises meetings. The Board of Sustainable Development in Poland also serves as consultative body, especially to the Prime Minister on all issues related to SD and is chaired by the Ministry of Environment. The functioning of participation mechanisms is slightly different in Slovakia because the Slovak NSDS is the result of a bottom-up process.

The two remaining countries (Hungary and Latvia) make use of a different participation approach by using platforms and consultation mechanisms to involve stakeholders in the NSDS processes. Hungary distributes emails with request of participation to professionals, organisations, governmental and civil spheres who are then meeting up in a series of panel discussions. In Latvia, participation already played a crucial role in the preparation phase of the NSDS where a wide public involvement process was organised. Then, regional forums and a national forum were established involving about 100 participants in order to discuss SD priorities.

In the context of participation mechanisms, the majority of the countries display common functions by having a National SD Commission which serves as consultative body facilitating meetings, events and conferences on SD. Two out of eight countries have a more individual approach to consultative mechanisms and tools.

3 The NSDS processes in CEE countries: experiences since EU accession

In this chapter, we present the results of interviews we conducted with eight SD policy-makers of the CEE countries. The aim of the interviews was to learn more about the NSDSs' processes in CEE countries, how they respond to current socio-economic and environmental challenges, and how European SD policies impact on national SD policy processes. In this context, we portray similarities and differences of the NSDSs' processes and focus on common emerging patterns rather than on individual countries' particularities. In terms of the methodological approach, we undertook qualitative telephone interviews with national SD policy-makers that were based on semi-structural questions and were analysed by comparing selected topics. The interview questionnaire can be found in the Annex 2 of this Case Study. We keep the interview partners' names anonymous, but a list of their institutions and positions can be found in the Annex 3.

3.1 General overview

In September 2014, we conducted seven telephone interviews with national SD policy-makers and experts and of CEE countries who work in national government ministries or government offices. One policy maker chose to fill in the interview questionnaire in written form and sent us the answers by email. The majority of the interview partners are so-called 'coordinators of SD policy processes' in their respective countries. All of them either work in Ministry of Environment, SD units in the Government Office or National SD Councils. Therefore, their responsibilities range from developing to implementing and coordinating National SD Strategy processes. Several interviewees mentioned that their role is to implement SD issues perspectives also into other sectoral policies, strategies and action programmes, and to bring in relevant topics to support strategic decision-making. The experiences of the interviewees with SD policy-making range from 3 years to more than 20 years.

Institutionally, there have been **several changes and shifts of responsibilities for the NSDSs** in the CEE countries which are often due to elections and government changes. However, the **main features of the organization of SD governance remain the same** (see chapter 2.1. on basic information of NSDSs).

The following **6 countries plan revisions of their NSDSs or related SD documents in 2015**: Czech Republic, Estonia, Hungary, Latvia, Slovenia and Slovakia. Lithuania is still considering a revision of its NSDS. They expect amendments in the form of revisions of the NSDS itself or publications of implementation reports or renewed indicator sets. In practice, this means **the work on NSDSs in Central and Eastern Europe has not come to a standstill in the last decade and is perceived as an important subject in current policy processes**.

3.2 Influence of EU SD Policy Framework on NSDS processes

This section is about the EU's influence on NSDS processes and tries to answer the overall question whether the EU has been a driver to steer NSDS processes in the CEE countries. By 'EU SD Policy Framework', we mainly refer to the **renewed EU Sustainable Development Strategy (EU SDS)** from 2006 and the **Europe 2020 Strategy** from 2010. Furthermore, we asked our interview partners if there are any other EU policies that affect SD policies in their countries.

EU SDS influence on NSDS processes

As far as the **EU SDS' influence on NSDS processes** is concerned, most of the NSDSs in CEE were designed before the renewed EU SDS (Czech Republic, Estonia, Latvia, Lithuania, Slovakia and Slovenia). However, all of interview partners pointed out that their NSDSs are brought in line with the EU SDS objectives, even if this was done in later revisions of the original NSDSs.

Several interviewees (i.e. from Estonia and Latvia) stated that the EU SDS's objectives are very generally formulated and, therefore, do not have a major influence on specific national SD issues. The Estonian interview partner mentioned that the EU SDS is too broad and outdated to be included, for instance, in national programming periods or documents which are used to utilise money from the European funds. However, most of the countries refer to it either directly or indirectly in their NSDSs. Others said that the EU SDS was helpful in better evaluating certain goals. In this sense, countries have to elaborate more detailed goals and tasks in their NSDSs in order to address their individual national issues.

In practice, the EU SDS is currently not a major steering document for NSDS processes in CEE countries, since it is an outdated policy document. However, it still serves as justification for NSDS processes. Yet, it has lost its influence over time and was supplemented by other European strategies and processes.

EU 2020 influence on NSDS processes

The influence of the **Europe 2020 Strategy** on NSDSs is **perceived differently among the interview partners who even expressed opposing views**. The differences manifest themselves in their various opinions on the importance of EU 2020 Strategy for their NSDSs.

In some CEE countries (e.g. Czech Republic, Hungary and Lithuania), **the influence of the EU 2020 Strategy on NDSDs is perceived as rather indirect**. In many CEE countries, the Europe 2020 Strategy (and the related National Reform Programme) was adopted later than the NSDSs which were adapted and reconciled accordingly in a later revision (i.e. in Estonia, Latvia, Lithuania).The majority of the policy-makers argues, however, that the topics of the Europe 2020 Strategy and the NSDS go hand in hand. Additionally, the interviewees claimed that the EU 2020 Strategy is more aligned to other national policy documents, such as Partnership Agreements[12] or National Reform Programmes[13]. The interview partner

[12] Partnership Agreements are national authorities' plans on how to use funding from the European Structural and Investment Funds between 2014 and 2020 which are directed to the European Commission.

from the Czech Republic said that EU policy areas of climate change and social inclusion are included in the NSDS, but the EU does not support the institutional setting of SD. Similarly to the EU SDS, the Hungarian interview partners stated that the Europe 2020 has a very general focus and that NSDSs comprise more areas of action and have to focus more on national needs, challenges and tasks.

On the other hand, the interview partners from Slovakia, Slovenia and Latvia **emphasized the importance of the EU 2020 Strategy on their NSDSs**. The Slovak interviewee claimed that the Europe 2020 Strategy is the basic major cross-cutting document influencing all national policies, particularly operational programmes under the Partnership Agreement. Furthermore, he argued that there should be common principles of SD in all EU countries for implementing sectoral policies through all national economies. However, when it comes to concrete measures and objectives, these should be based on concrete national specific conditions. In Latvia, the NSDS was approved earlier than the adoption of the EU 2020 Strategy and the latter is rather influencing the country's medium-term planning. Therefore, it was taken into account in the National Development Plan which is a continuation of the NSDS, but aligned and reconciled with other priorities of the Europe 2020 Strategy. The Slovenian interview partner identified the Europe 2020 Strategy as an influence on the NSDS through the Cohesion Policy.

Overall, the Europe 2020 Strategy is seen as an indirect influence for setting up NSDSs. However, according to all interview partners, its policy areas (like energy, mobility, climate policy) and objectives are generally in line with the NSDSs or are subject to other sectoral policy areas.

Other EU policies influencing NSDS processes

With regard to **other EU policies influencing NSDSs**, the majority of the interview partners mentioned the importance of the **Cohesion Funds** as part of the European Structural and Investment Funds. Additionally, the **Environmental Action Programme** and **specific EU regulations associated with SD issues**, such as energy, waste management and climate change as well. Other **international agreements and SDG goals** were also mentioned in the interviews.

Regarding the **EU Cohesion Policy**, Latvia stressed the strong link to its NSDS. The set priorities of the National SD Plan are very much related to the Cohesion Policy, not only on a national, but also on a regional level. Moreover, the National SD Plan serves as document for the justification for the Partnership Agreement. The Hungarian interview partner stated that, in his opinion, the general goals of the European Structural Funds are often much closer to SD goals than, for instance, the Europe 2020 Strategy. According to our Slovenian interview partner, the EU Cohesion Policy has substantially increased the EU influence on national SD policy issues. The reason for that is expressed by the effectiveness of connecting requirements, such as certain measures to promote renewable energy, to specific funds.

[13] The National Reform Programmes are national documents for implementing the Europe 2020 Strategy objectives on a national level.

General EU influence on NSDS processes

In general, the interview partners have **different views regarding the EU's influence on SD policies in CEE over the last decade**. On the one hand, the Slovenian and Latvian policy-makers share their view that the EU's influence has increased, mainly through the new EU Cohesion Policy. On the other hand, the Hungarian interview partner argued that the EU influence on SD policies has rather decreased over the time, even though they take relevant EU policies into account. The decrease of EU influence was perceived also in the environmental pillar of SD, like in the areas of prevention for better health, and in green economy issues. The interview partners from other countries (e.g. Estonia, Lithuania, Slovakia, Poland) argued, however, that national SD policies and operational pogrammes are shaped and driven by EU policies, especially in policy areas such as climate change and energy. However, they could not judge whether there has been a general change of EU influence on national SD policy over the last decade.

In practice, **all EU policies, ranging from specific regulations to strategies, do have at least indirect impacts on national SD issues**. Most of the interview partners said that national policies streamline their action lines according to the development, cooperation and political priorities of the European level. Furthermore, EU policies on energy, climate change, and renewable energy sources for example, have a very strong crosscutting influence in the national implementation.

3.3 Importance of NSDSs in various policy processes

This section aims to describe how socio-economic and environmental challenges are addressed by NSDS processes. Firstly, national challenges are described and how they can be tackled by SD policies. Secondly, the major role of the NSDSs in steering different national policies is portrayed. Thereby, the cooperation between other policy mechanisms or ministries is described. The overall objective is, therefore, to find out how NSDS processes can tackle national challenges through the lenses of SD by also including other policy processes. For further information on socio-economic and environmental challenges, please see chapter 1 on socio-economic and environmental situation in CEE countries.

Socio-economic challenges

Almost all country representatives mentioned the **economic and financial crisis and the resulting austerity measures** as the major cause for their current socio-economic challenges. The most common problems mentioned are related to **unemployment, income inequalities, social inclusion, national debt household and demographic changes (i.e. low birth rate)**. The following paragraphs provide two examples of countries' socio-economic challenges and how they address them in their NSDSs:

Our **Hungarian** interview partner stated that many politicians have learned sustainability from economic problems and not from environmental problems, as the economic crises taught them. He said that the Hungarian NSDS addresses four types of capitals: human, social, economic and environmental capital. For each capital, general goals are to be found in the NSDS, then specific objectives with one or more tasks are developed in order to target all four national capital types and all major challenges, such as problems in the education system (regards the human capital), low level of trust and rent-seeking (social capital).

In **Latvia**, the economic crises caused migration, a decreasing fertility rate and increasing unemployment. One of the strategic indicators and goals of the NSDS is to maintain the number of the population. Latvian policies try to respond to that by supporting young families. The National Development Plan addresses income inequalities by changing the taxation policy. Action plans for cooperation and communication with Latvian people abroad and the diaspora were developed in order to respond to migration. As far as the low unemployment rate is concerned, vocational training and monitoring of unemployed people are addressed by the government.

Overall, countries face similar socio-economic challenges which are mostly due to the economic crises and consequential austerity measures. General goals are usually set in their NSDSs, however, the government and sectoral policies carry out measures and tasks to tackle these problems.

Environmental challenges

As far as environmental challenges are concerned, **the CEE countries also face similar issues. However, they approach environmental problems differently**. Almost all interview partners identified following most pressing environmental challenges: **decrease in biodiversity, waste management, water management, flooding, droughts and air pollution**. However, there are also country specific challenges due to individual or geographic situations.

There are **two major approaches** country make use of when dealing with national environmental challenges: firstly, they work with indicators which should show how to address objectives of the NSDSs (i.e. Latvia, Estonia); secondly, certain problems are addressed in their NSDSs by defining objectives and are then dealt by specific environmental, operational programmes or action plans (i.e. Slovakia, Hungary, Slovenia, Poland). In order to point out the two different mechanisms of addressing environmental challenges, the following examples are worth mentioning:

The most pressing environmental challenges in **Estonia** are identified in the areas of waste management and GHG emissions because of the oil shale sector. The Estonian NSDS includes broad goals and views on these issues. The mechanism to address the challenges is the SD indicator set which shows how to meet the goals of the strategy. The Statistical Office writes a report in order to monitor the progress. As far as specific issues are concerned, the NSDS is implemented by different sectoral policies and for these processes, reporting cycles for sectoral strategies were established.

Slovakia has a very specific environmental problem with waste water treatment because the sewage system is very old. Therefore, less than 60% of the inhabitants are linked to the public sewage system. A huge amount of European money is spent on the use of waste water. The NSDS mentions this challenge, but the issue is dealt by specific environmental and operational programmes.

Overall, CEE countries face similar environmental challenges related to climate change, waste and water management issues, air pollution and the decline of biodiversity. All of the countries address their challenges in their NSDSs in the form of broad objectives. However, some of them tackle them in specific operational programs or action plans, others rather work with SD indicators to follow up the monitoring and implementation progress of their NSDSs.

Role of NSDSs in steering different policies

The previous section explained how national challenges are translated and followed up in NSDSs. This section aims to outline the major role of NSDSs in steering different policies. All interview partners claimed that their **NSDS serves either as an umbrella strategy or a long-term guiding tool for other national strategic documents and programs.** However, **the extent to which this function is carried out varies from country to country.**

In the Czech Republic, for instance, the major role of the NSDS was to establish a consensual framework for the preparation of other sectoral policies or action programmes. Therefore, it is considered as an important tool for strategic decision making. Similarly, the interview partners from Estonia and Hungary call their NSDSs "umbrella strategies" for different policy sectors and strategies because the NSDS sets broader goals in the various areas of SD: e.g. cultural sustainability, growth for welfare, coherent society and ecological balance (in Estonia), natural, human, social, environmental and economic capital (in Hungary). Therefore, the NSDSs affect and have to be in line with all sectoral policies, like the national transport action plan, national energy strategy, or the national environment plan. The Lithuanian and Latvian interviewees consider their NSDSs as a guiding tool for other, rather medium-term strategic documents. In comparison, the other interview partners from Poland, Slovakia and Slovenia associate their NSDSs as reference document for other strategies with the major role of "greening" them.

In terms of bringing NSDSs ideas in line with different policies, the **cooperation with other policy mechanism and ministries plays a crucial role**. The majority of countries make use of working groups (i.e. Czech Republic, Estonia), specific committees (i.e. Hungary), special task team (Poland) or a National SD Commission in order to communicate SD ideas and implement them to different policies through consultative mechanisms (i.e. seminars, workshops, writing of implementation reports etc.).

However, even though all policy makers from the CEE countries share the view that their **NSDSs should transfer SD perspectives to other national policies, they cannot strongly influence the extent to which these perspectives are integrated**. The Hungarian interview partner stated, for example, that they have lots of good strategies, but when a minister of a government takes a decision, the NSDS might have little

impact on concrete decisions. So, in the end, **it depends on other ministries and other governmental institutions to what extent they pick up and implement the SD perspective**.

3.4 Main added-value of NSDSs

In terms of the added-value of NSDSs for policy processes, the interview partners from the CEE countries brought up **three major issues**: Firstly, most of the interviewees stated that the NSDS is a general frame of thinking and includes general SD objectives which steer the thinking of government institutions when they establish a national strategy on sectoral areas or start legislative processes. That means that the cross-cutting character of NSDSs goes beyond individual strategies by overcoming narrow sectoral framings. Hence, **the main added-value is that the NSDS gives a framework for other strategies by transmitting sectoral policies**.

Secondly, some interview partners identified their NSDS as **awareness raising tool** which launched a nationwide debate about various topics introducing the sustainability dimension by giving challenges an "SD face" and long-term perspective. Finally, another value of the NSDS is that it serves as a **tool for keeping long-term priorities in sight**, implementing them as well as for finding ways to avoid threads and identify possible synergies between social, environmental and economic areas. However, as good as NSDS processes may be perceived, many interviewees and SD experts said that they are trying to further extend the values of the NSDS, but **it is also on sectoral ministers, sectoral ministries and other policy makers in the government to take these up and integrate them in their everyday work**. Therefore, referring to NSDS processes in CEE countries and their importance of the status quo, it has to be pointed out that the implementation of the "SD impact" in all policy sectors still requires major efforts.

4 Conclusions

In this closing chapter, our intention is to briefly reflect on the main points presented in this Quarterly Report. While exploring the development and the status quo of NSDS processes in CEE countries, we firstly investigated the socio-economic and environmental situation in CEEs with respect to the EU average. Thereby, we found out that the geographic area of Central and Eastern European countries shows many similarities in terms of GDP, inequality rate, R&D expenditure and resource productivity. For instance, regarding GDP and resource productivity, all of the CEE countries are below the EU average. However, there are large differences among the CEEs in their unemployment rates which range from 14.2% to 7%, whereas the EU average accounts for 10.8% in 2012. In the areas of R&D expenditure and share of renewable energy, all CEE countries show a substantial improvement over the last decade. More specifically, half of the countries are far above the EU average in their use of renewable energy sources.

In the second chapter, the stock-taking of the CEE NSDSs showed that the majority of countries adopted their NSDS between 2000 and 2005, with Hungary being the latest in 2007. Five out of eight countries have revised their NSDSs since their adoption once or twice, with Hungary having the latest revision adopted in 2013. However, 6 countries plan revisions of their NSDSs or related SD documents in 2015: Czech Republic, Estonia, Hungary, Latvia, Slovenia and Slovakia.

In order to get a more in-depth understanding of structural and procedural issues related to NSDSs, we conducted several telephone interviews. The results of the interviews with SD policy makers show that the EU influence on national SD policies appears to have a rather indirect impact on the NSDS processes. Therefore, the EU SDS is not perceived as a major steering document for the implementation of NSDSs because it is considered as outdated. However, it still serves as justification for NSDS processes. According to the interview partners, the objectives of the Europe 2020 Strategy are covered in every NSDS even though the Europe 2020 Strategy is not perceived as an active driver for setting up NSDS processes. Nevertheless, EU regulations, the Cohesion Policy and the European Investment and Structural Funds do play a major role in national SD policies. In a nutshell, the EU accession was an factor for developing and implementing NSDS processes. Moreover, various EU policies still support the formulation and shaping of national SD objectives and provide inspirations and input for operational programmes and policy areas such as waste, water sector, nature protection, transport, climate change and energy.

As far as the status-quo of NSDSs in CEE countries is concerned, the results of the interviews with SD coordinators point to the fact that CEE countries still make use of NSDS processes. The policy makers considered them as a helpful awareness raising tool, as supporting tool for providing an SD framework for other national policy strategies and as a tool for keeping long-term priorities in sight. However, the extent to which NSDS processes have a long-term impact on tackling socio-economic and environmental national challenges varies among countries. Furthermore, the outreach of NSDSs is also dependent on the extent to which national ministries take up SD perspectives and implement them in their daily work.

Annex 1: Definition of indicators

GDP and GDP PPS

Gross domestic product (GDP PPS) is a measure for the economic activity. It is defined as the value of all goods and services produced less the value of any goods or services used in their creation. The volume index of GDP per capita in Purchasing Power Standards (PPS) is expressed in relation to the European Union (EU28) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per head is higher than the EU average and vice versa. Basic figures are expressed in PPS, i.e. a common currency that eliminates the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries. Please note that the index, calculated from PPS figures and expressed with respect to EU28 = 100, is intended for cross-country comparisons rather than for temporal comparisons.[14]

Real GDP growth rate - volume - [Euro per inhabitant], [%]. Gross domestic product (GDP) is a measure of the economic activity, defined as the value of all goods and services produced less the value of any goods or services used in their creation. The calculation of the annual growth rate of GDP volume is intended to allow comparisons of the dynamics of economic development both over time and between economies of different sizes. For measuring the growth rate of GDP in terms of volumes, the GDP at current prices are valued in the prices of the previous year and the thus computed volume changes are imposed on the level of a reference year; this is called a chain-linked series. Accordingly, price movements will not inflate the growth rate.[15]

Income inequalities

Short Description: The ratio of total income received by the 20 % of the population with the highest income (top quintile) to that received by the 20 % of the population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income.[16]

Explanation of indicator: Five times greater average income earned by the richest 20 % compared to the poorest 20 % in EU countries in 2012. Income inequality has been stable over time. Between 2005 and 2011 the income quintile share ratio fluctuated between 4.9 and 5.0 without showing a clear trend in any direction. In 2012 income inequality increased marginally, yet to a new high of 5.1. This means that the richest 20 % of the EU population earned about five times more than the poorest 20 %. In 2012, low-income earners accounted for slightly less than 8 % of the total national equivalised income, while the high-income earners accounted for more than 38 %.[17]

Unemployment rate

Short Description: Unemployment rates represent unemployed persons as a percentage of the labour force. The labour force is the total number of people employed and unemployed. Unemployed persons comprise persons aged 15 to 74 who were: a. without work during the reference week, b. currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week, c. actively seeking work, i.e. had taken specific steps in the four weeks period ending with the reference week to

[14] Eurostat. 2014. GDP in capita PPS, Index (28=100). Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00114
[15] Eurostat. 2014. Real GDP Growth Rate volume, percentage change on previous year. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00115
[16] Eurostat. 2014. Inequality of income distribution, Income quintile share ratio. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdsc260
[17] Eurostat. 2013. Sustainable development in the European Union. 2013 monitoring report of the EU sustainable development strategy. p. 117. Available at: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-02-13-237/EN/KS-02-13-237-EN.PDF

seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months[18].

R&D Investment

Short Description: The indicator provided is GERD (Gross domestic expenditure on R&D) as a percentage of GDP. "Research and experimental development (R&D) comprise creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications[19].

Resource Productivity

Resource productivity is a measure of how efficiently the economy uses material resources to produce wealth (gross domestic product (GDP)). Its development gives an indication of the decoupling of the economy from material consumption (i.e.the ability to create wealth while reducing impacts on the environment). It is currently calculated by dividing GDP by Domestic Material Consumption (DMC), which is the total amount of materials directly used in an economy. Resource productivity improves with increases in GDP and reductions in material consumption. While the scoreboard currently shows DMC, it is intended that Raw Material Consumption (RMC)will be used in the future when data are available. RMC adds the embodied consumption of imports, providing a more accurate picture of consumption. The average EU-28 resource productivity for 2011was 1.58 and Figure 2 shows the most resource efficient Member States to be Luxembourg, United Kingdom, Netherlands, Malta, France and Italy. This could be explained by the fact that a big share of GDP in these countries comes from the banking and other services sectors. There is a contrast between the countries in the East and West of Europe, with some exceptions. This reflects differences in their economies (for example whether they intensively exploit their natural resources or not), in their geography and climate[20].

Short description: Resource productivity is gross domestic product (GDP) divided by domestic material consumption (DMC). DMC measures the total amount of materials directly used by an economy. It is defined as the annual quantity of raw materials extracted from the domestic territory of the focal economy, plus all physical imports minus all physical exports. It is important to note that the term "consumption" as used in DMC denotes apparent consumption and not final consumption. DMC does not include upstream flows related to imports and exports of raw materials and products originating outside of the focal economy. For the calculation of resource productivity Eurostat uses the GDP in units of Euros in chain-linked volumes to the reference year 2005 at 2005 exchange rates (code: EUR_CLV05_KG). The trend in the development of resource productivity over time is presented as an index, with 2000 as the base year[21].

Share of renewable energy in gross final energy consumption [%]

Short Description: This indicator is calculated on the basis of data covered by Regulation (EC) No 1099/2008 on energy statistics. Reporting countries provide additional information on renewable source not covered by the

[18] Eurostat. 2014. Unemployment rate by sex, %. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdec450
[19] Eurostat. 2014. Gross expenditure on R&D (GERD), % of GDP. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=0&language=en&pcode=t2020_20
[20] European Commission. 2014. Resource Efficiency Scoreboard 2014 Highlights.p.9. Available at: http://ec.europa.eu/environment/resource_efficiency/documents/re_scoreboard.pdf

[21] Eurostat. 2014. Resource Productivity. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdpc100&tableSelection=2

Regulation. This indicator may be considered an estimate of the indicator described in Directive 2009/28/EC because statistical systems in some countries are not yet fully developed to meet all the requirements of this Directive. More information about the renewable energy shares calculation methodology can be found on the Eurostat website. More information on renewable energies can be found on the DG Energy website[22].

Greenhouse gas emissions Tonnes of CO2 equivalent

Decarbonisation is important in the development of are source efficient economy and this indicator shows the trends in man-made emissions of the ´Kyotobasket´ of greenhouse gases (GHGs) which includes carbon dioxide (CO2), methane (CH4), nitrous oxide(N2O), and the so-called F-gases (hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphurhexafluoride (SF6)). The chart shows GHG emissions per capita in tonnes of CO2 equivalent (CO2e). CO2eexpresses the global warming potential of these gases converted to that of CO2 (hence CO2e)[23].

Short Description: This indicator shows trends in man-made emissions of the 'Kyoto basket' of greenhouse gases. The 'Kyoto basket' of greenhouse gases includes: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), and the so-called F-gases (hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride (SF6)). These gases are aggregated into a single unit using gas-specific global warming potential (GWP) factors. The aggregated greenhouse gas emissions are expressed in units of CO2 equivalents. The indicator does not include emissions and removals related to land use, land-use change and forestry (LULUCF); nor does it include emissions from international aviation and international maritime transport. CO2 emissions from biomass with energy recovery are reported as a Memorandum item according to UNFCCC Guidelines and not included in national greenhouse gas totals. The emissions per capita display the differences in the specific emissions of the Member States. Emission targets for the countries are not displayed in emissions per capita but calculated in relation to 'Kyoto base year[24].

[22] Eurostat. 2014. Share of renewable energy in gross final energy consumption, %. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=0&language=en&pcode=t2020_31

[23] European Commission. 2014. Resource Efficiency Scoreboard 2014 Highlights.p.11. Available at: http://ec.europa.eu/environment/resource_efficiency/documents/re_scoreboard.pdf

[24] Eurostat. 2014. Greenhouse gas emissions per capita, Tonnes of CO2 equivalent. Available at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_rd300&tableSelection=1

Annex 2: Questionnaire

1. What is your specific role and responsibility in the NSDS processes?
2. How long have you been responsible for NSDS issues and how long have you been dealing with SD issues in general?
3. How does the EU SDS influence or steer your NSDS objectives and processes? How has this steering changed since the EU accession?
4. How does the Europe 2020 strategy influence or steer your NSDS objectives and process? Did you perceive any impact or change from Europe 2020's adaptation until now? (According to your perception, has the EU influence increased/decreased in the last few years?)
5. Are there any other EU policy strategies that have an impact on your NSDS?
6. What is the major role of the NSDS in steering different policies in your country? (Please provide 2-3 examples, in which areas)
7. Which current socio-economic challenges influence your NSDS work? (Please mention two examples and how you deal with them)
8. What are the most pressing environmental challenges you are facing and how can the NSDS be a tool to address them?
9. What is the main added value of the NSDS in your country? Please provide 2 examples.
10. What are specific needs and requirements for your NSDS work? How could the ESDN support you in meeting these requirements?

Annex 3: List of interview partners

Country	Organisation	Position	Interview date
Czech Republic*	Office of the Government	Director of the Department of Sustainable Development	10.09.2014
Estonia	Government Office	Representative of Strategy Unit	02.09.2014
Hungary*	National Council for Sustainable Development	Secretary General	16.09.2014
Latvia	Cross-sectoral Coordination Centre	Head of Division for Development Assessment and Monitoring	17.09.2014
Lithuania	Ministry of the Environment	Chief Desk Officer Strategic Planing Division	08.09.2014
Poland*	Ministry of the Environment	Head of the Strategy Division in the Department of Strategy and Communication	23.09.2014
Slovakia	Slovak Republic Government Office	Representative of Cross-Cutting Priorities Department	09.09.2014
Slovenia	Ministry of Agriculture and the Environmnent	Secretary of Environment Directorate	15.09.2014

* We would like to thank not only our main interview partner, but all other policy-makers of these countries who were involved in providing information on our interview questionnaire.

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