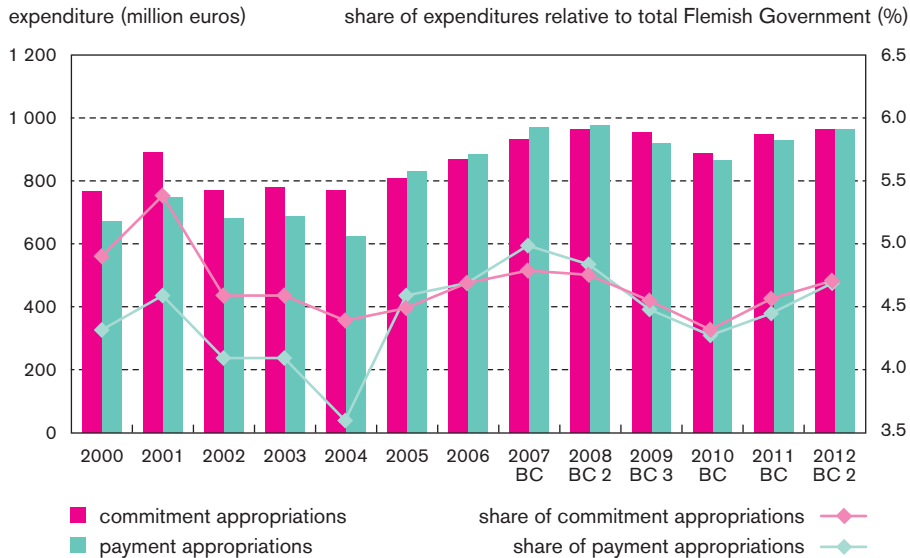


Expenditure of the Flemish Environment Government

DPSIR



The amounts are expressed in constant prices with respect to 2000. Commitment appropriations indicate the room available for policymaking. Payment appropriations give the approval to actually make the payments.
BC = budget control

Source: Budget Unit, LNE Department

Resources for the environment again increasing

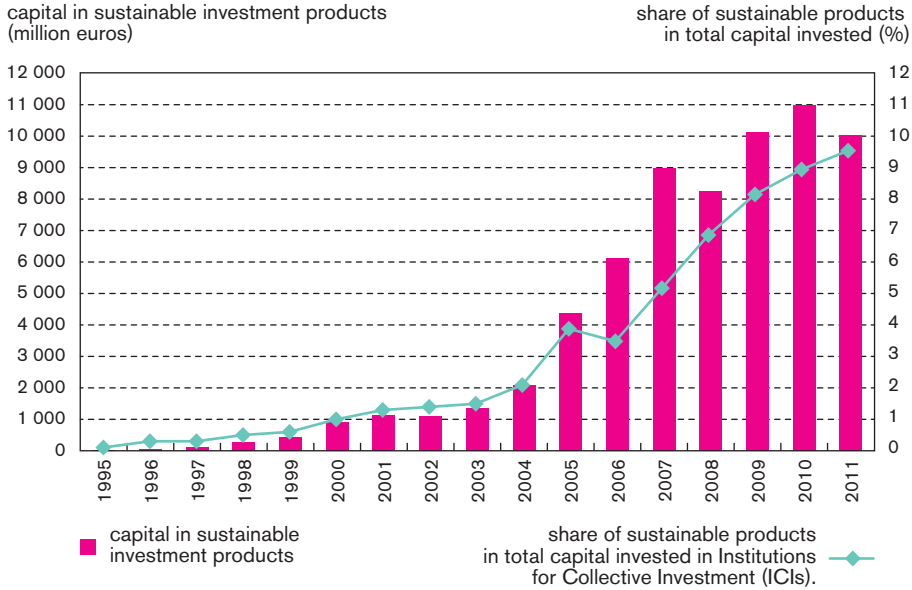
Between 2004 and 2008 the resources of the Flemish Environment Government continued to increase. In 2007 and 2008 the environmental expenditure reached a temporary peak. In 2007 and 2008, the resources amounted to 934 and 963 million euros in commitment appropriations and reached a share of 4.8 % of the total Flemish budget. This peak was, among other reasons, the result of the good total Flemish cash position. As a result, in 2007 the operational allowance for the drinking water companies and the whole historical amount of VAT outstanding of 100 million euros could be paid out. After this, due to the financial-economic crisis, the environment resources experienced a small reduction, which coincided with savings within the Flemish Government. In 2009, a very low level of inflation still masked the decrease in these resources in constant prices, but in 2010 the decrease was clearly visible. In 2011, expenditure increased again. This continued in 2012.

Water and watercourse sediments the largest expenditure item

In 2012, 56.1 % of the resources went to the theme 'water and watercourse sediments'. This expenditure was used for various forms of public waste water treatment in municipalities as well as for the contribution for Aquafin. 10 % of the environmental expenditure went to the theme 'biodiversity'. Nearly all the credits from the Agency of Nature and Forests were included in this. The resources were used, among other things, for the purchase and maintenance of nature reserves. The 'soil remediation' theme received 6.3 % of the expenditure. OVAM used these resources for the clean-up and restoration of areas contaminated as the result of industrial activities.

☺ Sustainable investment in Belgium

DPSIR



Source: Forum ETHIBEL, based on data from BEAMA and financial institutions

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Share of sustainable investments is increasing

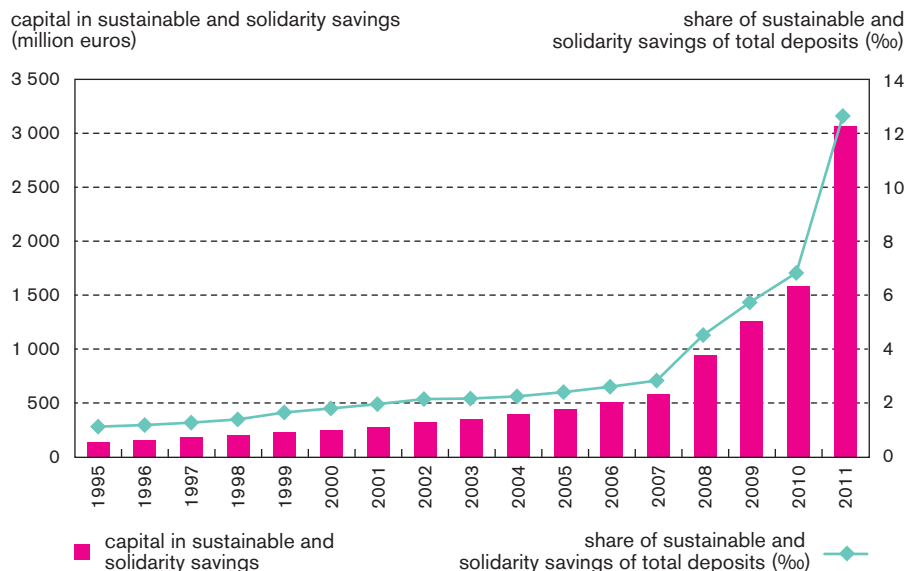
Markets and financial institutions have a major impact on economic and societal developments by steering capital flows. One of the ways in which they can contribute to sustainable development is by participating in or offering sustainable investment products. These investment products may have various financial characteristics, but their sustainable character is the binding factor.

Between 1995 and 2011, the managed capital in sustainable investment products in Belgium increased from 8.9 million euros to nearly 10 billion euros. In 2011 the sustainable investment market fell by 8.8 % compared to 2010. The total Belgian market for publicly traded Institutions for Collective Investment (ICIs) shrank further in the same year by 14.4 %. As a result, the share of sustainable investment products with respect to the total capital invested increased in ICIs from 9.0 % in 2010 to 9.6 % in 2011.

The major financial institutions now offer sustainable investment funds, so these are more or less easily accessible to the general public. A total of 359 sustainable investment vehicles were offered on the Belgian market in 2011. Of these, 318 were specifically for the Belgian market. This is an increase of 8 units compared to 2010.

☺ Sustainable savings in Belgium

DPSIR



Source: Forum ETHIBEL, based on annual reports and data from the financial institutions concerned, from alternative financiers and from the National Bank of Belgium

Sustainable savings are recovering but still marginal

Sustainable savings in Belgium started in 1984. By sustainable saving is meant all savings products from financial institutions that are subject to extra financial criteria and strive for added value for society.

Between 1984 and 2011, sustainable saving in Belgium grew continuously. In 2011, the capital accrued in sustainable savings increased further by 118 % compared to 2010, to 3.06 billion euros. The total deposits in all savings accounts in Belgium increased in the same year by 4.5 %, but still amounted to 240 billion euros. The sharp increase in sustainable savings indicates a considerable growth potential for money invested in sustainable savings products. Nevertheless, after a quarter of a century, sustainable saving remains a marginal phenomenon with a market share of 1.27 % in 2011.

Sustainable saving versus sustainable investment

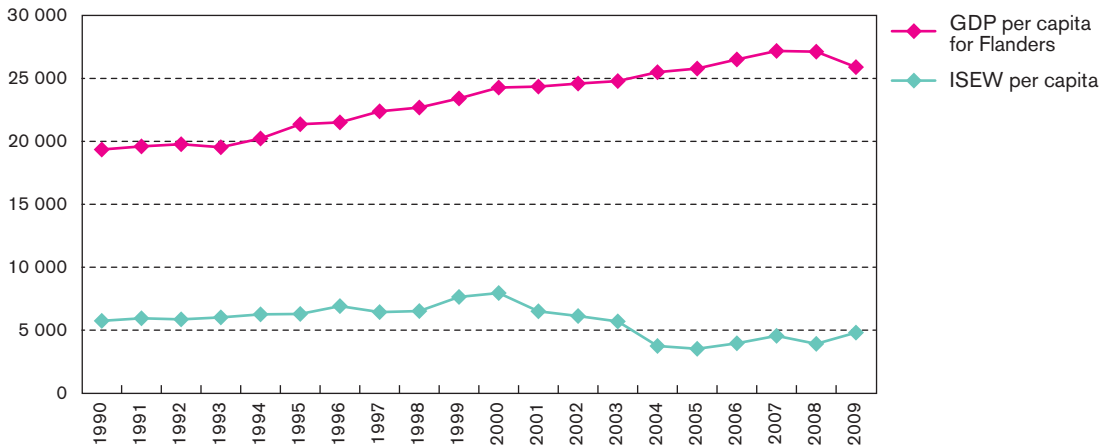
Sustainable savings products are by definition more accessible to the general public than sustainable investment products. This form of building up financial reserves has less risk and greater liquidity. Nevertheless, the market for sustainable saving is more limited in volume and growth rate than the market for sustainable investment.

In absolute terms, sustainable savings in 2011 reached only 30.1 % of the volume of sustainable investments: 3.06 billion euros as against 10.01 billion euros. This difference in success is because the sustainable savings products are not sufficiently known to the general public and are not fervently promoted by most financial institutions.

 Index for Sustainable Economic Welfare for Flanders


DPSIR

euros per capita (2000 prices)



Source: University College Ghent

New welfare indicator for Flanders

The Index for Sustainable Economic Welfare (ISEW) is an alternative measure of welfare. The ISEW was developed in an effort to address the shortcomings of the gross domestic product (GDP). The ISEW provides a better picture of actual economic welfare and also reflects better with the perception of welfare by the population. Through the explicit assessment of benefits and costs, the ISEW represents the contribution made by the economy in a country or region to the well-being of the population.

The economic, social and environmental indicators which form part of the ISEW provide a broad basis of information for policy-makers. The ISEW can give them information on the broader effects of the applied policy and help to create a more effective policy that increases general welfare in a sustainable manner.

Prosperity has not increased in Flanders over the past 10 years

Between 1990 and 2009, the GDP per capita in Flanders grew by 33.8 %. Between 2008 and 2009, the GDP per capita shrank due to the financial-economic crisis.

The ISEW for Flanders showed a different trend. Between 1990 and 2009, the ISEW per capita fell by 16.3 %. Sustainable economic welfare in Flanders increased until 2000, then fell back sharply. Between 2000 and 2005 the ISEW per capita for Flanders fell by more than 50 %. It recovered somewhat between 2005 and 2009.

The sharp decline in the ISEW between 2000 and 2005 was caused by a worsening of the net international investment position of Belgium and an increase in income inequality in Flanders. Between 2006 and 2009, the improvement in the net international investment position of Belgium formed the basis for the recovery of the ISEW for Flanders.