



Position paper



**Friends of
the Earth
Europe**

Resource Efficiency Roadmap: *Real actions to create real change*

A chance to:

- **Set Europe on a sustainable path, by measuring our resource use and setting targets to reduce it.**
- **Create a more innovative and resource efficient European industry, through promoting better products – and getting rid of the worst.**
- **Focus waste policy on getting rid of residual waste – promoting prevention, reuse and recycling.**
- **Promote biodiversity and protection of natural resources, as key resources for our society.**

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1. Introduction

Our current model of economic growth is unsustainable on a planet of finite resources. Europe is already consuming more than its fair share of natural resources, with devastating impacts on ecosystems and communities. The availability of resources is, and will remain, a cause of conflict as the global population increases, middle classes grow and developing nations expand their economies.

As the Commission states in the Flagship Initiative on Resource Efficiency [i]:

“Continuing our current patterns of resource use is not an option”

Europe’s current approach to resource management (extraction, use and disposal) promotes resource dependency and contributes to the continent’s economic vulnerability to price fluctuations and increases. The European Union’s

current policies on resource efficiency are backward-looking and do not present real solutions that member states can adopt.

Resource Efficiency offers the potential for substantial savings for business; a study for the UK government estimated that low cost or no cost investments in material resource efficiency could save €20 billion (£18 billion) per year [ii].

We believe that the EU can lead the way globally in the sustainable use of resources by promoting an overall reduction of resource use, more sustainable use of natural resources and championing resource efficiency policies in Europe. To achieve this, EEB and Friends of the Earth Europe calls for the European Commission to include the following key policies in its *Roadmap for a Resource-Efficient Europe*; there is more detail on these policies later in this document:

- **A set of indicators to measure resource use in order to monitor resource use levels and to develop reduction targets.** This should include immediate adoption of four resource use indicators: *global land footprint; overall material use; water footprint; and carbon footprint*. These indicators are reasonably easy to measure, yet give an important indication of our resource use and its impacts [iii, iv].
- **This set of indicators needs to be part of the EU's overarching policies,** such as the Economic Semester, as well as being incorporated in impact assessment of policy options. The Commission should also provide guidance to facilitate their use by companies and others.
- **The Commission should, by 2013, develop targets to reduce resource use. For example, there should be an immediate commitment to reduce Europe's land footprint, with a more specific target developed within 2 years.** Current levels of land use for food, feed, fuel, transport, goods and services for the EU are unsustainable, and undermine environmental, developmental and human rights objectives.
- **Product policy needs to be strengthened to ensure the way we produce and consume protects our resource base.** Both 'push' (regulatory standards) and 'pull' (procurement rules) instruments should work together to create a real top runner approach.
- **The EU must aim to focus its waste policies on minimising residual waste, and avoiding hazardous waste.** A residual waste target has the major advantage of promoting prevention (including reuse of goods without them becoming waste) as well as recycling.
- **A Resource Efficiency Agency should be created,** which would help member states to reduce their resource use and increase cost savings.
- **The Commission should take action to protect biodiversity.** The *Roadmap* needs to complement the Biodiversity Strategy by proposing the necessary measures to tackle the underlying driver of biodiversity loss: the overconsumption

of our natural resource base. One key measure is the development of effective biodiversity indicators.

- **Promotion of policy coherence across EU policy areas,** including agriculture policy, energy policy and cohesion funding. These policies must be modernised to contribute to resource efficiency objectives.

2. Measuring and reducing resource use

2.1 The indicators

It is widely accepted that our economy and well-being depend on our use of natural resources, yet all of the EU's policies on this issue focus on addressing the environmental impacts, rather than the overall levels, of resource use. In addition, current EU policies have largely failed to address global impacts.

The *Roadmap for a Resource-Efficient Europe* must include a set of indicators to start measuring Europe's resource use. We believe that in order to **have a transparent, straight forward and realistic system of measurement, the following indicators should be adopted:**

- **global land footprint;**
- **water footprint;**
- **carbon footprint; and**
- **overall material** (abiotic and biotic) use.

The indicators can be adopted by the EU and its member states easily and promptly, since they are well developed and have a strong link to the current statistical system [iv].

These indicators have a life-cycle perspective, and therefore take into account the embodied resource use of imported and exported products, which makes it possible to capture possible shifts of environmental pressures related to domestic production or consumption to other countries and world regions. They also permit direct links to be made with social and developmental issues, including resource poverty, and the need for a fair distribution of global resources among the inhabitants of this planet.

In addition to the rapid adoption of these indicators, it is also essential that the EU develops and adopts effective indicators for biodiversity, both within and outside Europe. In order to provide focus for this work, we would propose

that a strict time limit of 2 years should be set for deriving these indicators.

2.2 Use in policymaking

Although it is agreed that resource efficiency is of strategic importance, an assessment of resource use impacts is currently not included in the assessment of economic policies, nor even of environmental policies.

For resource efficiency to be a political and economic priority, it must become an overarching goal for the EU, and be a central element of high-level policies. Specifically:

- The resource use indicators should be part of the Europe 2020 headline indicators used in the Commission's Annual Growth Survey that kicks off the Economic Semester, starting in 2012. This will give a powerful signal to member states and policy makers about how resource-efficiency is interrelated with the overall economic, environmental and social success of the EU.
- The resource use indicators should be part of the impact assessment of policy proposals (including e.g. the programming of agricultural and cohesion funds), so that reducing resource use becomes integral to the policymaking process.
- The Commission should provide guidance and tools to enable Member States, companies and others to use the resource use indicators. The indicators noted above can be used at national, company or individual product level. Spreading their use through supply chains will be an effective tool in encouraging resource efficiency throughout the economy.

2.3 Setting targets

Simply becoming more efficient is not enough in itself. There is a risk that savings achieved by increased efficiency will be eaten up by increasing demand. Therefore, enhancing efficiency only makes sense if it contributes to overall reduction targets. The Commission should work out and adopt resource use targets in all proposed areas by 2013.

Regarding land, many studies have highlighted how increasing demand for agricultural goods, animal feed, biomass and fuel crops is putting immense pressure on our global land

requirements, leading to the expansion of the total cropped area of our planet. This poses particular dangers to land rights and biodiversity, and the delivery of vital ecosystem services, especially in developing countries. The current shift to a bio-based economy will put even more pressure on land, and the services and products it provides for Europe's increasing levels of consumption.

Recent estimates for FoEE, EEB and other NGO's [v] have suggested that if EU countries are to meet their 2020 targets for use of biofuels in transport, this will lead to between 4.7 and 7.9 million hectares of indirect land use change - i.e. an area of land equivalent to approximately twice the size of Belgium turned to cultivated use. This will entail deforestation, large emissions of greenhouse gases, and attendant pollution and water demand. This increasing demand for biofuels is an important driver of land grabbing, particularly in Africa, where local communities are displaced from the land they rely on to make way for biofuel plantations, often forcibly and without compensation. Expansion of Europe's land footprint has human and environmental consequences.

As a result, we believe that the EU must make a serious commitment to reducing its global land footprint. The Commission should also start a short (<2 year) examination of what land footprint Europeans can expect to use in the future, based on equitable global distribution and sustainable use; this study should then be used to create reduction targets.

3. A new focus for waste legislation

In an increasingly resource-constrained world, minimising residual waste and avoiding hazardous waste, by promoting prevention, as well as increasing reuse and recycling, offers clear economic, social and environmental [vi] advantages:

- Around half of all of the key recyclables available in the municipal, commercial and industrial waste streams are being sent for disposal in the EU27, when this material would have had a minimum potential monetary value of €5.25 billion [vii].
- If the EU27 increased recycling rates to 70%, it could create at least 563,000 net new jobs [viii].

Despite this, resources are still being sent to landfill or incinerated, there are no legal drivers to

encourage reuse and repair, and no waste prevention target has been set.

The EU must focus its policies on residual and hazardous waste reduction by setting ambitious binding targets and creating legal and economic drivers towards the top of the waste hierarchy. We want Europe's waste policy to aim for the goal of a Zero Waste society, phasing out residual waste and promoting a circular economy through material closed-loop approaches.

In a transition towards a Zero Waste society, the EU should aim to accelerate the uptake of alternatives to landfill and incineration, by focussing on minimising risks and maximising the regulatory and fiscal incentives to divert waste from the residual (rather than diverting from one residual treatment to another, e.g. landfill to incineration).

4. Strengthened product policy

4.1 A true top runner approach

A top runner approach to product policy means that the most efficient products become the standard new, whilst less efficient products are removed from the market. It has been talked about in Europe for over a decade without much happening to make this a reality.

We need to create such a continuous market dynamic by linking more *push* instruments by removing the worst performing products of the market and *pull* instruments by rewarding the best ones and accelerating their market penetration.

Ecodesign policy is one of the most powerful product policy instruments for the European Union, using the single market, to add value. In fact, setting more stringent ecodesign requirements for products, by considering all environmental aspects and not focusing only on energy consumption, is the most effective way to push the worst performers out of the market.

In addition to ecodesign, the Energy label should act as a basis for extending environmental information on products. This would contribute to inform consumers so that they can differentiate between real green claims and greenwash.

Finally, Green Public Procurement (GPP) must play a greater role as a *pull* instrument by having mandatory targets for national governments and the EU institutions.

4.2 Extended Producer Responsibility

Strengthening product policy through a comprehensive extended producer responsibility (EPR) is needed to internalise all of the product environmental costs, since at the moment, only the end-of-life stage is being taken into account.

EPR will ensure that the life cycle externalities of a product are *all* integrated into the price of a product. This will provide producers with a real incentive to better consider the environmental impacts of their products throughout their whole life cycle.

4.3 Changing consumption patterns

Tackling resource consumption means looking at both the demand management side as well as the consumer side. On the consumption side, the EU should consider the following:

- Developing resource efficiency requirements and a shift of taxation from labour to resources in order to optimise the intermediary consumption of resources to manufacture goods.
- A mandatory extended warranty on products after sales to create the conditions for the seller to design products with a longer life.
- Setting legally binding objectives for retailers to increase the share of ecolabel-awarded products on their shelves. Voucher and fidelity schemes should be linked to sustainable purchasing and overall choice editing strategies should be established.

While consumers are responsible for their purchases, changing consumption patterns is done more effectively indirectly, by influencing the factors that contribute to consumer choice, such as price and convenience. Further education on the consequences of individual consumption choices would make individual consumers more sensitive to their individual choice.

In particular, 'pay as you throw' schemes for waste management should serve as inspiration for developing pricing rewarding policies. Some regions already have water billing, and extending a progressive pricing policy for key resources could help reduce overconsumption and at the same time enabling more equity in access to essential minimum resources. In order to protect those on low incomes, there should be a consumption threshold below which the price is low, with increases beyond this level.

5. Protecting biodiversity and natural resources

Biodiversity and its state are important indicators of how sustainable our resource consumption is. As the basis of all economic activity and human wellbeing, biodiversity can only be protected by being used within safe, sustainable limits.

Pushing our consumption beyond sustainable levels will result in the destruction of our natural resource base. Consequently, we have to ensure that there is no shift from the use of one resource (e.g. atmosphere) to the other (land) but that reduction in all spheres is achieved at the same time. Setting and implementing resource use targets underpinned by the use of indicators will contribute to the implementation of existing policies on biodiversity and natural resources and help to achieve respective policy goals.

The durability and productivity of our natural resources largely depends on effective, sustainable management practices. Therefore the biotic resources such as fertile soils, seas and forests must be protected by a shift to sustainable management practices as well as sustainable levels of exploitation. We cannot achieve this without clear criteria which are monitored with public, reliable certification. Public and private procurement can then demand such certified products.

The EU's *Roadmap for a Resource-Efficient Europe* must complement the Biodiversity Strategy, so that both documents set a clear plan of action on how to meet the objectives of halting the loss of, and restoring, biodiversity, whilst also protecting the resource base. The *Roadmap* will need to ensure that our resource consumption is brought down to a level that can be sustained and which allows for a rapid recovery of the world's biodiversity.

6. A new Resource Efficiency Agency

We believe that a European Resource Efficiency Agency would be an effective way to promote and facilitate the economic and environmental benefits of resource efficiency across all member states.

The aim of this body would be to centralise and disseminate resource-efficiency knowledge by sharing best practices among member states, and maximising the benefits of a circular economy. Part of this role would involve assisting Member States in implementing EU waste legislation, and, where necessary, collecting the information necessary to take enforcement action.

We consider that a Resource Efficiency Agency would be a much more forward-looking and positive body than the proposed 'Waste Implementation Agency', yet it could be designed to include the tasks originally proposed for the Waste Implementation Agency.

7. Policy integration

7.1 Energy efficiency targets

Energy efficiency is a crucial part of resource efficiency.

The Commission has acknowledged in its own Energy Efficiency Plan [ix] that the 20% target for energy efficiency by 2020 is unlikely to be met, yet has not proposed a binding target.

Meeting the 20% target would:

- cut CO2 emissions by 740 million tones
- create up to 2million new jobs
- slash dependence on energy imports
- save over € 1000 per year per household
- avoid the construction of about 1000 coal power plants [x].

Although it will be crucial that energy savings becomes part of the EU 2020 implementation and national reform programmes, this can only happen when a legally binding target and mechanism is agreed at EU level.

7.2 CAP reform

The Commission's proposal for a new and greener CAP should be published in autumn 2011 and be adopted in 2013. In order to ensure that natural resources are protected, all payments, both direct payments (so called pillar 1) but also all measures from the rural development fund (called pillar 2), should be tied to environmental performance.

Under the first pillar this means the introduction of a greening component that will be mandatory at farm level and will ensure the adoption of a set of measures to protect biodiversity, soil and water and achieve higher self-sufficiency in animal feed – reducing Europe's footprint abroad.

Under the second pillar this means a significant increase in the funding for agri and silvi-environmental measures and support for more locally specific objectives.

7.3 Cohesion funds

Cohesion funds should be used to increase resource efficiency, for example through using

financial resources in line with the waste hierarchy [xi].

This would emphasize the prevention of waste production, reuse of waste materials and separate collection, namely through recycling and composting. Such a strategy will bring a double-dividend in reducing the need to extract and process new resources and job creation.

Using EU Structural and Cohesion funds for incineration and landfilling, as is the case today, has proven to be a capital-intensive approach that has not solved waste management issues in new Member States – nor is it a good option from a climate or resource efficiency point of view.

8. Conclusions

Increasing Europe's resource efficiency is an opportunity for the EU, European companies and citizens. Resource efficiency is a win-win, giving savings for consumers and businesses, while lessening the pressure on the world's natural resources.

However, this will only be achieved if the EU leads in this field by launching a *Roadmap for a Resource-Efficient Europe* with concrete actions:

- Measuring our level of resource use.
- Setting resource reduction targets within two years.
- Focusing waste policy in minimising residual waste.
- Creating an expert Resource Efficiency Agency that helps member states and companies to take full advantage of the opportunities that resource efficiency provides.

9. Contacts and web sites

For further information, see the following web sites, or contact us directly:

<http://www.eeb.org/>

<http://www.foeeurope.org/resources>

Pieter de Pous
Policy Director, EEB
pieter.depous@eeb.org

Ariadna Rodrigo,
Resource Use Campaigner,
Friends of the Earth Europe
Ariadna.rodriago@foeeurope.org

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