



Briefing paper



**Friends of
the Earth
Europe**

Resource Efficiency Roadmap

The European Parliament is currently discussing its report on the Commission's "Roadmap to a Resource Efficient Europe".

In Friends of the Earth's and the EEB's view, the Parliament needs to provide leadership on the following issues:

- **Indicators:** Europe must measure its consumption of key natural resources, using effective and workable indicators: land footprint, water footprint, carbon footprint and material use footprint.
- **Targets:** A commitment for Europe to develop targets to reduce its resource consumption, in particular to reduce our global land footprint.
- **Policies:** Strengthen policies to improve Europe's resource efficiency – including product policies that drive resource efficiency through the supply chain, and waste policies that phase out residual waste.
- **Governance:** Use impact assessments as one of the key tools to analyse whether new policies reduce Europe's resource consumption.

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1. Introduction

The era of cheap and abundant resources is over. An ever-increasing global population, the expansion of middle classes and rapidly industrialising nations are putting an increasing amount of pressure on the global resource base.

Europe, as the continent with the highest net imports of resources, is economically dependent on a secure and uninterrupted supply of imports of all types of resources. In the current economic climate, MEPs need to move Europe towards an absolute reduction in resource use, in order to make the most of the substantial economic, environmental and social benefits this will bring:

- **Boosting competitiveness by substantially increasing cost savings.** Numerous studies have highlighted the short- and long- term benefits of improving the resource efficiency of companies. It is estimated that over the

course of one year, low-cost or no-cost strategies can create savings of €27 billion (£23 billion) for UK businesses alone¹. Similar savings could be achieved in the public sector.

- **Creating green jobs through recycling.** If all member states recycled as much as the best EU performers, 560,000 new jobs would be created². In addition, jobs in the recycling sector are better paid than jobs in landfilling and incinerating waste³.
- **Protection of the global resource base.** The overconsumption of resources has reached alarming levels, jeopardising the sustainable functioning of our ecosystems and the services they provide.

Importantly, almost 9 out of 10 EU citizens agree that Europe could be more efficient in its use of resources⁴. This highlights how public opinion overwhelmingly favours a resource efficient Europe.

1.1 Key priorities for the Parliament

After the disappointing Council conclusions in December 2011, MEPs have the opportunity to give a strong signal to the Commission and the member states on how the resource-efficiency agenda should develop. We urge MEPs to:

- **Vote for material footprint, water footprint, land footprint and carbon footprint as indicators for the Roadmap.** We recommend that the EU drops the proposed resource productivity indicator, as it is a weak choice which lacks transparency and will not assist in policy making.
- **Push for these indicators to be part of the impact assessments of all new policies,** underpinning decisions related to funding and subsidies, as well as push for them to be part of overarching economic policies such as Europe 2020.
- **Push for quantitative, binding resource reduction targets by 2013,** on land, water, materials and carbon.
- **Embrace the milestones of the Roadmap and avoid delaying action.** Resource efficiency can bring massive economic benefits to the European economy as well as creating jobs. Delaying action will only make Europe less competitive in the world market.
- **Demand concrete timetables for implementation** to provide the right business incentives and to trigger innovative business models, which require predictable future market conditions.
- **Lead Europe towards an absolute reduction in natural resource use,** in addition to qualitative changes to reduce our environmental impacts.

Through strong political action, the Parliament can provide a message to the EU and national governments, showing how better use of resources is an environmental, economic and social opportunity. The EU and its citizens want to reap the benefits this will bring, and the EU can also provide an example for other countries by demonstrating that sustainable levels of resource consumption can be achieved whilst maintaining a high quality of life.

2. Resource consumption indicators

Friends of the Earth Europe has been working on the development of resource indicators since 2008, in partnership with the Sustainable Europe Research

Institute. Our analysis concluded⁵ that the best indicators for this purpose are:

- Water footprint (in litres);
- Land footprint (in hectares);
- Carbon footprint (in tonnes CO_{2eq}); and
- Material footprint (in tonnes).

These indicators can be used as an effective method of monitoring resource use, not only at the country level, but also at organisation level and for individual products. We believe that these indicators should be standardised and promoted by the EU.

Any metric for measuring resource use must involve a trade-off between the complexity of information gathering and the specificity of results. We believe that these indicators achieve a good balance between these factors.

2.1 Why should the Parliament adopt these indicators over others?

- **The only way to measure the overall quantity of resources that Europe is consuming is by using a consumption-based ‘footprint’ methodology,** which has a life-cycle perspective and therefore includes the embedded or indirect use of resources for the production of an item, wherever it is produced. As the continent is a net importer of resources, any other indicator will not provide a complete picture of the overall scale of the resources consumed by Europe.
- **A set of indicators is essential in order to avoid aggregated indicators** (i.e. where different types of resources are added up into one number). Aggregated indicators cannot measure resources in a robust way, since unreliable assumptions are required in order to transform different types of data (e.g. GHG emissions, land use, water use, material flows, etc) into one common number, resulting in important information being lost in this procedure.
- **This set of indicators is based on real physical quantities,** and so is more transparent than other approaches. It is also strongly linked to the statistical system, making data collection more straightforward.
- **By having a set of indicators, rather than one overall indicator, a clearer picture of the balance of resource use is given, and trade-offs are made more visible.** This makes it possible to monitor shifts in environmental pressure (e.g. from fossil based to bio-based),

and provide a well-founded basis for policy making and target setting.

- **The set of indicators permits direct links to be made with social and developmental issues**, including resource poverty, the debate on land grabbing, and the need for a fair distribution of global resources among the inhabitants of this planet.

2.2 Why not support the resource productivity indicator?

Resource productivity, measured as GDP divided by domestic material consumption, is proposed as the 'lead indicator' by the European Commission. This indicator combines economic and material environmental information, with high productivity interpreted as a sign of a resource-efficient economy⁶.

The main advantage of this indicator is that the data is already available in Eurostat. However, this indicator does not show accurately whether an economy has improved its resource use, and we believe it is therefore not suitable for use. Other weaknesses in this indicator include:

- **This productivity indicator only measures the materials used by an economy (by weight), providing an incomplete picture of the total quantity of resources used.** For example, it might indicate that a move to a bio-based economy will increase productivity, but in reality this move will result in much more land and water being used, and this increase in use will not be made apparent by the indicator.
- **Because it is linked to GDP, the results imply that richer countries are more sustainable**, despite their higher levels of resource use.
- **Taking a productivity approach rewards business as usual (simultaneous economic growth and resource consumption growth).** For example, between 1980 and 2005, the world economy increased its resource productivity, due to the fact it increased the amount of economic value created per unit of material consumption by 30%. Despite this progress, global material extraction has increased by almost 50% since 1980 and is now around 60 billion tonnes⁷.

3. Targets

It is becoming widely accepted that 'business as usual is not an option', and that richer global regions such as Europe must reduce their resource use. Targets are the only way to be sure that this is

happening, as otherwise increased resource efficiency can just lead to a 'rebound' due to increased demand for the resource. They also ensure that the whole economy is aware of the direction policies are taking. We believe that targets can and should be developed by 2013.

When setting targets, special attention should be paid to land, a key resource increasingly under pressure due to many factors, including increased wealth in countries such as India and China (leading to rising demand for agricultural goods, crops for animal feed, biomass etc), and climate related policies such as the push for biofuel and biomass burning (e.g. in the EU Renewable Energy Directive). Land rights, land ownership and land grabbing are now major issues around the world, and land use is closely linked to biodiversity loss (something that is hard to measure).

Until recently, no attempt had been made to measure and monitor Europe's land footprint. However, recent research has shown that in 2004, Europe used 1.5 times its own size in land, and 60% of this area came from outside its boundaries. On a per-capita basis, the average European citizen consumes 1.3 hectares of land per year, whereas countries such as China or India use less than 0.4 hectares per capita⁸.

It is imperative that the EU makes a reduction in Europe's land footprint a political priority. The Commission should also start an examination of what land footprint Europeans can expect to have in the future, based on equitable global distribution and sustainable use. This study should then be used to develop reduction targets by 2013.

4. Policies

4.1 Waste policy

Improving Europe's waste policies could massively improve Europe's use of resources, and the Commission is already planning to review targets and policies in the near future. MEPs should push for the following:

- **Adopt prevention and separate preparation for reuse targets as well as increase recycling targets based on the best-performing EU member states.** The Resource Efficiency Roadmap states that the EU should aim for near-zero residual waste (the waste that is not prevented, reused or recycled). This will require more focus on prevention and reuse, much higher recycling targets, and a new target for residual waste.
- **Make use of economic and regulatory tools to move waste up to the top end of the waste**

hierarchy, such as introducing landfill and incineration bans and taxes, introducing longer legal warranties for products, and requiring staged mandatory separate collection rate for recyclable and compostable waste.

4.2 Product policy

MEPs should call for a new, stronger product policy as part of the Commission's current review of Sustainable Consumption and Production (SCP) policy, in line with the objectives of the Roadmap.

We believe that a new, overarching legislative approach is needed to create an acceleration of resource efficiency through the supply chains of products sold in the EU. This new legislative proposal would lead to the identification of those products and services that contribute the most to the global consumption of water, land, materials and carbon and would then identify measures to reduce this resource use.

This approach can also be used to prioritise and align the resource reduction and impact reduction focus across existing (Ecodesign, GPP, Ecolabel) SCP tools as well as new ones.

In addition, the existing Ecodesign policy should be strengthened in order to better address resource use at the design stage. This can help create the conditions for a circular economy and pave the way to extending the scope beyond energy related products. MEPs should call for:

- **Resource use measurement methods and guidance for products.**
- **Resource efficiency requirements for products**, such as durability, reusability, repairability and upgradability of products.
- **A minimum recyclability and recycled content.**
- **Design for an easy disassembly of critical materials.**
- **A drastic and speedy reduction in the use of toxic substances in products.**

5. Governance

A well-designed strategy for better resource use needs to have the water, carbon, land and material footprints integrated into all EU policies so that the EU can move to an absolute decoupling of resources. To do this, MEPs need to call for:

- **The four indicators to be part of all EU impact assessments**, which will provide a proper analysis of whether any new policy will result in an increase in resource use. Had a proper resource measurement system already

been in place, the impact assessment of the biofuel targets in the Renewable Energy Directive would have highlighted the massive increase in land and water use created by these targets.

- **The indicators should be part of the Europe 2020 headline indicators used in the Commission's Annual Growth Survey.** This would give a powerful signal to member states of the link between resource efficiency and the overall economic, environmental and social success of the EU.
- **The indicators should underpin any decision on subsidies, VAT reductions, etc** so that the right economic tools promote a real reduction in resource use, at the same time as promoting investment in innovative solutions and new business models.

5. Contacts and web sites

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