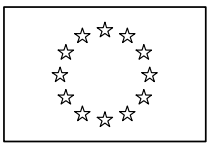

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Thematic Strategy on the sustainable use of natural resources

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Thematic Strategy on the sustainable use of natural resources

1. INTRODUCTION

European economies depend on natural resources, including raw materials such as minerals, biomass and biological resources; environmental media such as air, water and soil; flow resources such as wind, geothermal, tidal and solar energy; and space (land area). Whether the resources are used to make products or as sinks that absorb emissions (soil, air and water), they are crucial to the functioning of the economy and to our quality of life. The way in which both renewable and non-renewable resources are used and the speed at which renewable resources are being exploited are rapidly eroding the planet's capacity to regenerate the resources and environment services on which our prosperity and growth is based. As the recent Millennium Ecosystem Assessment report[1] states, over the past 50 years, humans have changed ecosystems more rapidly and extensively than in any comparable period of time in human history, largely to meet rapidly growing demands for food, fresh water, timber, fibre, and fuel.

If current patterns of resource use are maintained in Europe, environmental degradation and depletion of natural resources will continue. The issue has also a global dimension. The EU is highly dependent on resources coming from outside Europe and the environmental impact of resource use by the EU and other major economies is felt globally. At the same time the growing economies of the developing world such as China, India and Brazil are using natural resources at an accelerating pace. If the world as a whole followed traditional patterns of consumption, it is estimated that global resource use would quadruple within 20 years. The negative impact on the environment would be substantial. The alternative can be to adopt a coordinated approach, anticipating the need to shift to more sustainable use patterns, which can result in environmental and economic benefits in Europe and globally.

The challenge for policymakers is to facilitate and stimulate growth while at the same time ensuring that the state of the environment does not get worse. These are not competing goals. Efficient use of resources contributes to growth. Inefficient use of resources and overexploitation of renewable resources constitute long term brakes on growth.

The sustainable use of resources, involving sustainable production and consumption is hence a key ingredient of long-term prosperity, both within the EU and globally. Indeed, the EU Strategy for Growth and Jobs[2] endorsed by the Spring Summit of 2005 gives high priority to more sustainable use of natural resources. It also calls for

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[1] Millennium Ecosystem Assessment, Ecosystems and Human Well-being: Synthesis, Island Press, Washington, DC, 2005, pp. 1-6 (http://www.millenniumassessment.org/en/index.aspx).

[2] COM(2005) 141.

the EU to take the lead towards more sustainable consumption and production in the global economy. Europe therefore needs a long-term strategy that integrates the environmental impacts of using natural resources, including their external dimension (i.e. impacts outside the EU, including on developing countries) in policymaking. This Thematic Strategy on the sustainable use of natural resources ('the strategy') is a response to that challenge. It has to be seen in context with the recently reviewed Sustainable Development Strategy (SDS)[3] and contributes to it.

The strategy emphasises the importance of integration of environmental concerns into other policies that affect environmental impacts of natural resources use but does not attempt to implement specific initiatives in areas that are already covered by well-established policies. It sets out an analytical framework with a view to allowing the environment impact of resource use to be routinely factored into public policymaking. If applied, this approach will help to move European economies towards a situation in which growth objectives are met by using natural resources more efficiently, without further eroding the natural resource base.

2. EUROPEAN ENVIRONMENT POLICY AND RESOURCE USE – PROBLEMS AND POLICY RESPONSES

Resource use has been an issue in European environment policy discussions over the past 30 years. A major concern in the 1970s, following the first oil crises, was natural resource scarcity and limits to growth. However, as already indicated by the Commission in the 'Towards Communication'[4], scarcity has not proven to be as environmentally problematic as then predicted. The world has not run out of fossil fuels and the market, through the price mechanism, has regulated scarcity. The use of many metals and minerals has declined because of changing technology rather than depletion of reserves. However, rapidly growing demand and bottlenecks in supply can cause acute economic and environmental problems, as the recent price hikes for many raw materials have demonstrated.

Damage to the natural resource base, therefore, was and remains an issue. Initially, environment policies focused on the visible problems due to emissions and waste – reducing pollution from "point sources" like factories and power plants. They have met with success. Air and water quality have improved. A larger part of the waste generated is being recycled, and less of it is going to landfill. An analysis of materials and waste streams in the EU, including imports and exports, showed that, in the last 20 years, overall consumption per inhabitant has remained virtually unchanged in the EU at around 16 tonnes per year, and yet the economy has grown by 50% over that period. This means that Europe has significantly improved material efficiency. Despite these improvements, increased production volumes have often outpaced any overall environmental improvements or efficiency gains and current policies have not been sufficient to reverse fundamentally unsustainable trends either in Europe or globally.

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3 COM(2001) 264 and COM(2005) 658.

4 COM(2003) 572.

To have more of an impact in reversing these unsustainable trends, containing environment degradation and preserving the essential services that natural resources provide, environment policy needs to move beyond emissions and waste control. It is necessary to develop means to identify the negative environmental impacts of the use of materials and energy throughout life cycles (often referred to as the *cradle to grave* approach) and to determine their respective significance. This understanding of global and cumulative impacts along a causal chain is needed in order to target policy measures so that they can be most effective for the environment and more cost-efficient for public authorities and economic operators.

It is also not sufficient to look at life cycles in geographic isolation. In an era of globalisation, in a world economy in which Europe is an active participant, informed policy-making requires knowledge of how resources move through the global economy, what drives this and what the impacts are wherever the resources are extracted and used.

The Sixth Environment Action Programme[5] (Sixth EAP) recognised this, calling for the preparation of *"a thematic strategy on the sustainable use and management of resources…"*. This strategy is based on analysis of resource use within the EU and of existing analytical and policy frameworks. It was prepared in close consultation with stakeholders[6].

The strategy further develops an approach that delivers the best return on effort invested in environmental protection. Focusing the finite means of government and economic players on the major environmental problems will be part of this.

3. MEETING THE CHALLENGE – THE STRATEGY'S OBJECTIVE

The strategic approach to achieving more sustainable use of natural resources should lead over time to improved resource efficiency, together with a reduction in the negative environmental impact of resource use, so that overall improvements in the environment go hand in hand with growth. The overall objective is therefore to **reduce the negative environmental impacts generated by the use of natural resources in a growing economy** – a concept referred to as decoupling[7]. In practical terms, this means reducing the environmental impact of resource use while at the same time improving resource productivity overall across the EU economy. For renewable resources this means also staying below the threshold of overexploitation.

To achieve this objective, the strategy includes actions to:

- improve our understanding and knowledge of European resource use, its negative environmental impact and significance in the EU and globally,

- develop tools to monitor and report progress in the EU, Member States and economic sectors,

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5 Decision No 1600/2002/EC of the European Parliament and of the Council of 22 July 2002 laying down the Sixth Community Environment Action Programme (OJ L 242, 10.9.2002, p. 1).

6 http://www.europa.eu.int/comm/environment/natres/index.htm

7 For an illustrative example of the decoupling process in terms of resource productivity, see Annex 1.

- foster the application of strategic approaches and processes both in economic sectors and in the Member States and encourage them to develop related plans and programmes, and

- raise awareness among stakeholders and citizens of the significant negative environmental impact of resource use.

The strategy will enable knowledge of resource use in the economy to be brought together quicker and more easily. In doing so, it will consider other initiatives, such as INSPIRE[8], and build on them as appropriate. This will allow the most serious environmental impacts of resource use to be identified and measures taken to alleviate them.

Efforts will often need to be made in non-environmental policy areas. The approach advocated will strengthen policymaking at all levels (EU, national, regional and local). A better understanding of the environmental impacts of resources use throughout life cycles will allow policy makers to better prioritise and concentrate on areas where they can really make a difference.

This is a long-term process – a time horizon of 25 years is therefore proposed. It requires a combination of actions to be taken at different levels of governance and by various actors. It entails making current policies work better, *inter alia* by strengthening their resource use dimension as appropriate and by developing a series of new initiatives to ensure that consideration of resource use impacts throughout life cycles is embedded in policy formulation.

At this initial stage, this strategy does not set quantitative targets for "resource efficiency and the diminished use of resources" as prescribed by the Sixth EAP because it is not possible to do so with the current stage of knowledge and state of development of indicators. Neither the data underpinnings nor the indicators allow targets to be set that would clearly serve the purpose of reducing environmental impacts in a growing economy. The strategy does, however, set a process in motion whereby this could be possible over the course of the next five or ten years.

4. CAPITALISING ON THE EXISTING POLICY FRAMEWORK: APPLYING THE LIFE-CYCLE THINKING TO EXISTING POLICIES

The approach set out will be applied through existing and emerging environment policies (see Annex 2). The negative environmental impacts of resource use have already been taken into consideration in many of these policies and will be systematically applied in the future. There is an increasing emphasis in environment policy on integrated approaches and linkages between environment media (air, water, soil) and in developing policies on cross-cutting environment themes that pay more attention to sustainable resource use (e.g. climate change, biodiversity etc.). This life-cycle thinking is reflected in particular in the Thematic Strategy on the Prevention and Recycling of Waste.

[8] SEC(2004) 980; http://www.ec-gis.org/inspire/

Non-legislative approaches, such as the Integrated Product Policy[9] (IPP), have been developed specifically to reduce the negative environmental impacts of products across their life cycle, including production, use and disposal. The Environmental Technology Action Programme[10] (ETAP), likewise, has identified numerous ways in which environmental technologies can reduce the negative environmental impacts of production and consumption.

The life-cycle thinking can be usefully applied across various policy fields. All of these policies affect resource use and therefore need to further integrate resource use issues and their negative impacts in a coordinated way. For example, in the transport field the White Paper on the European Transport Policy[11] fixed as objective the promotion of modal split to environmental friendly modes of transport. In the energy field measures in the main energy consuming sector (in particular buildings and transport) have been taken, whose implementation will result in major improvements in environmental impacts. Recent reforms in certain policy areas, particularly the fisheries and farming sectors, have gone a long way towards taking the environmental impacts of resource use into consideration. Indeed, the Sustainable Development Strategy was adopted in response to this need for consistent, joined-up policy making across economic, social and environment fields.

The Commission intends to develop sectoral initiatives for specific economic sectors in the context, *inter alia*, of the EU Strategy for Growth and Jobs, together with initiatives announced in its recent Communication on industrial policy[12]. This would contribute not only to strengthening competitiveness and overall performance, but as well to reduced negative environmental impacts. Pursuing enhanced eco-efficiency may also act as a driver for innovation, improved productivity and hence competitiveness and growth (see Annex 4).

The Commission's integrated impact assessments, which consider the economic, social and environmental impacts of different policy options for major policy proposals, will be an important means of applying the life-cycle thinking[13]. At the national level, Member States can use the outcomes of environmental impact assessments[14] as well as of strategic environmental assessments[15] to reduce the negative environmental impacts of resource use of individual projects or plans, programmes and policies.

5. NEW INITIATIVES – LAYING THE FOUNDATIONS FOR THE NEXT 25 YEARS

New initiatives are called for at all levels of governance – at EU, national and international level – if this strategy is to be successfully implemented.

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9 COM(2003) 302.
10 COM(2004) 38.
11 COM(2001) 370.
12 COM(2005) 474.
13 COM(2002) 276.
14 Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment, as amended.
15 Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment.

At EU level, this will entail a concerted effort to build the knowledge base, to develop indicators that can be used in policy discussions and to launch sectoral initiatives with economic operators. Given the strong global dimension of EU resource use and the need for EU policymakers to take this into account, an international expert forum will be set up to look at global aspects of resource use and its negative environmental impacts.

5.1. Building the knowledge base – a Data Centre for policy-makers to enhance and improve the knowledge base on resource use and its environmental impacts

In certain cases there is a paucity of information about the complex causal relationships underlying diffuse pollution and resource use. Information is not readily accessible in a usable form for policymakers. Various data and information providers - within the Commission DG Eurostat, the Joint Research Centre (DG JRC) and the Directorate-General for Research (DG RTD), as well as the European Environment Agency (EEA), the Intelligent Energy Executive Agency, national institutes, universities and commercial sources – are involved in analysing resource use. However, the exchange of information is not always optimal.

The gaps and overlaps point to the need for a Data Centre for natural resources, a lead or central service to act as an "information hub" bringing together all available, relevant information, to monitor and analyse it and to provide policy relevant information to decision makers. By pulling together existing basic data, knowledge, scientific expertise and networking capabilities of the aforementioned providers, the Commission will address the Environment Council's call to "improve the quality of information by a strategic European capacity for the gathering and pooling of knowledge about resource use and impacts and related policy assessment, in order to decide which impacts to tackle and to develop options on how they can be reduced in a growing economy"[16].

The information providers will also have a role in other components of the strategy: developing and consolidating suitable indicators for measuring the strategy's progress, assisting Member States in the development of the concrete actions plans needed for delivering on the strategy's objectives, supporting the International Panel in its tasks, and every five years, starting in 2010, drafting a status report on the implementation of the strategy to be fed into the Commission's review process.

Research and development at all levels, including international, European, national and industrial programmes and projects, can play a multiple role in developing and implementing the strategy. The Seventh Research Framework Programme[17] will put greater emphasis on developing tools for assessing environmental, economic and social impacts.

5.2. Measuring progress – developing indicators

Working towards the strategy's objective demands that progress be measured adequately, and that the information be available to policymakers and citizens.

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16 Conclusions adopted by the Council (Environment) at its meeting on 28 June 2004 (doc. 10988/04 of 1.7.2004).

17 COM(2005) 119.

Further development of a set of indicators is needed, building on the substantial work already undertaken in the fields of environmental accounting, material flow accounting and life cycle inventories. By 2008, the Commission will develop:

– indicators to measure progress in efficiency and productivity in the use of natural resources, including energy,

– resource-specific indicators to evaluate how negative environmental impacts have been decoupled from resource use, and

– an overall indicator to measure progress in reducing the ecological stress of resource use by the EU (eco-efficiency indicator).

Ideally, all indicators will be as aggregated as possible, easily understandable and built on existing work at Member State, EU and international level (see Annex 3). In case aggregation fails (for instance due to methodological or technical difficulties) the underlying baskets will be used instead to measure progress towards sustainable use of natural resources[18]. The indicators will also help to identify the uses of natural resources that contribute most to negative environmental impacts. They will also help to prioritise policymaking, in particular in determining the sectors that should be engaged in the development of sectoral initiatives. In an initial phase, the Commission will build on the preliminary results of existing studies.

5.3. The internal dimension – Member States and the High-Level Forum

Many of the actions needed to implement this strategy can be best taken at national level. Aside from agriculture and fisheries, most natural resource policies do not fall under exclusive Community competence. The Member States have certain policy tools at their disposal, such as economic instruments, that are difficult to deploy at Community level. Member States also have responsibility for education and training curricula and are better placed to pursue consumer policies aimed at changing behaviour.

The Commission proposes that each EU Member State develop national measures and programmes on the sustainable use of natural resources to achieve the strategy's objectives. These measures and programmes should focus on resource use which has the most significant environmental impacts. Member States should also include mechanisms to monitor progress and, where possible, develop targets. Annex 5 suggests a certain number of measures that could be considered by Member States.

In order to facilitate the development of these national measures, the Commission will set up a High-Level Forum composed of senior officials responsible for the development of natural resource policy in the Member States, representatives of the Commission and, as appropriate, consumer organisations, environmental NGOs, industry, academia and other stakeholders with specific interest and expertise in the issues at hand.

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[18] Examples of underlying indicators are CO_2, NO_x and SO_2 emissions, increase in built-up land, water pollution, exceedance of critical loads of pollution, etc.

In parallel, the Commission will also identify measures taken in Member States that could be usefully applied EU-wide and will invite Member States to identify environmental problems that they consider could be effectively tackled using market-based instruments, but where lack of coordinated action at EU level is seen as an obstacle to their use. The use of market-based instruments in managing natural resources will be particularly considered by the Commission in the High-Level Forum as well as in the review process for this strategy, presented in Section 7.

5.4. The global dimension – an International Panel on the sustainable use of natural resources

The attention paid to resource use is increasing at international level[19]. In particular, the OECD has set the goal of decoupling environmental pressures from economic growth[20]. The OECD/DAC has also published a joint agency paper[21] on Environmental Fiscal Reform (EFR), which underlines how EFR can contribute to more sustainable use of natural resources, and provides useful guidance for action.

Furthermore, under the DCECI[22], the Commission will propose, as of 2007, a thematic programme for environment and sustainable management of natural resources including energy.

Finally, at the World Summit on Sustainable Development in 2002, all countries committed themselves to changing unsustainable patterns of consumption and production.

To bring together and sustain this focus, this Communication suggests setting up an International Panel on the sustainable use of natural resources in cooperation with UNEP and possibly other international partners and initiatives, e.g. UNIDO and the International Energy Agency (IEA). It will assess and provide information on the global aspects of resource use and environmental impacts. The panel will (see Annex 6):

– provide independent advice to the Commission on the environmental impacts of natural resources use in a global context, also taking into account economic and social impacts;

– contribute to building the knowledge base and monitoring progress;

– develop sustainability benchmarks for extracting, harvesting, transporting and storing materials and products coming from outside the EU, to include not only material quality standards but also production quality standards, taking account of social and environmental issues;

– advise developing countries on how to develop their capacity to assess the environmental impacts of their natural resource use and resource management

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19 For Japan see http://www.env.go.jp/en/pol/wemj/outline.pdf and for China http://eng.cciced.org/cn/company/Tmxxb143/card143.asp?lmid=5209&siteid=1&tmid=320&flbh=143.

20 "Environmental Strategy for the First Decade of the 21st Century", OECD, 16 May 2001.

21 With contributions World Bank, DFID, Commission and a number of other organisations.

22 Development Cooperation and Economic Cooperation Instrument.

policies (which could then be implemented as part of co-operation programmes with third countries);

– advise on the environmental impacts of the use of natural resources in the wider global context, for example as part of the UNEP-led initiatives on sustainable production and consumption.

6. EXPECTED IMPACTS AND RESULTS

The implementation of this strategy will create the conditions for improved eco-efficient resource use and incentives for moving towards more sustainable production and consumption patterns. This will have positive impacts on the economy, particularly since these incentives will help business to innovate and to improve their competitiveness. It will allow policymakers to make more informed choices of policy options and provide the means (indicators, data) to measure progress. The Impact Assessment accompanying this Communication sets out options and assesses the impacts both of the actions set out above and actions that were not deemed appropriate.

7. REVIEW PROCESS

The Commission will review the progress made in achieving the strategy's objective in 2010 and then every five years. This review will feed into the final evaluation of the Sixth EAP.

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Thematic Strategy on the sustainable use of natural resources ('the strategy').

2. ABM / ABB FRAMEWORK

Policy Area: 07 – Environment

Activity: 07 04 – Implementation of environment policy

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B..A lines)) including headings:

07 01 04 01 - Legislation, awareness-raising and other general actions based on the Community action programmes in the field of the environment - Expenditure on administrative management.

07 04 02 – Awareness raising and other general actions based on the Community action programmes in the field of the environment.

07 02 01 – Contribution to international environmental activities

From 2007 onwards, the financial aspects relating to the objectives Data Centre and "indicators" will be included in the "LIFE +" programme. The financial aspects linked with the objective "International Panel" will be covered by the external aid instruments under Heading 4 of the proposed financial framework.

3.2. Duration of the action and of the financial impact:

The strategy has a time span of 25 years (2006-2030). The direct actions foreseen in the Communication will kick-start the process. The present LFS covers the financial aspects relative to the initial six years (2006-2011).

3.3. Budgetary characteristics :

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
07 04 02	Non-comp	Diff[23]	NO	NO	NO	No 3
07 02 01	Non-comp	Diff	NO	NO	NO	No 4

[23] Differentiated appropriations.

4. SUMMARY OF RESOURCES

The needs for human and administrative resources shall be covered within the allocation granted to the managing DGs (DG Environment and others) in the framework of the annual budget procedure.

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		Year 2006	2007	2008	2009	2010	2011 and later	Total
Operational expenditure[24] - 07 04 02									
Commitment Appropriations (CA)	8.1	a	0.200	0.580	0.980	1.780	1.630	1.600	6.7706
Payment Appropriations (PA)		b	0.133	0.427	0.796	1.460	1.573	2.381	6.770
Operational expenditure[25] - 07 04 01									
Commitment Appropriations (CA)	8.1	a	0.240	0.610	0.640	0.750	0.600	0.710	3.550
Payment Appropriations (PA)		b	0.160	0.455	0.581	0.709	0.635	1.010	3.550
Administrative expenditure within reference amount[26]									
Technical & administrative assistance (NDA)	8.2.4	c	0.150	0	0	0	0	0	0.150
TOTAL REFERENCE AMOUNT									
Commitment Appropriations		**a+c**	0.590	1.190	1.620	2.530	2.230	2.310	10.470
Payment Appropriations		**b+c**	0.443	0.881	1.377	2.169	2.209	3.391	10.470
Administrative expenditure <u>not</u> included in reference amount[27]									
Human resources and associated expenditure (NDA)	8.2.5	d	0.783	0.783	0.783	0.783	0.783	0.783	4.698

[24] Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.
[25] Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.
[26] Expenditure within article xx 01 04 of Title xx.
[27] Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e	0.002	0.026	0.056	0.058	0.058	0.060	0.260

Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources		a+c +d+ e	1.375	1.999	2.459	3.371	3.071	3.153	15.428
TOTAL PA including cost of Human Resources		b+c +d+ e	1.228	1.690	2.216	3.010	3.050	4.234	15.428

Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

EUR million (to 3 decimal places)

Co-financing body		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
……	f							
TOTAL CA including co-financing	a+c +d +e +f							

One of the actions foreseen under the strategy (see in the present LFS point (3) in section 5.3) will be run in co-operation with UNEP and will require the setting up of a secretariat. The secretariat's work will be funded via a "trust fund" to which different bodies and organisations may be willing to contribute. However, at this stage it is not possible to predict the level of co-financing by Member States or other bodies.

4.1.2. Compatibility with Financial Programming

X Proposal is compatible with existing financial programming.

☐ Proposal will entail reprogramming of the relevant heading in the financial perspective.

☐ Proposal may require application of the provisions of the Interinstitutional Agreement[28] (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

X Proposal has no financial implications on revenue

☐ Proposal has financial impact – the effect on revenue is as follows:

EUR million (to one decimal place)

		Prior to action	Situation following action					
Budget line	Revenue	[Year n-1]	[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5][29]
	a) Revenue in absolute terms							
	b) Change in revenue	Δ						

4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	Year 2005	2006	2007	2008	2009	2010 and later
Total number of human resources	7.25	7.25	7.25	7.25	7.25	7.25

5. CHARACTERISTICS AND OBJECTIVES

5.1. Need to be met in the short or long term

To address the environmental concerns relative to the use of natural resources (e.g. raw materials and land), the strategy will put in place actions that will track and monitor the use of natural resources through their whole life-cycle – "from cradle to grave" – and develop the actions necessary to reduce their environmental impacts. The focus of the strategy is to identify – during the 25 year timeframe – the most serious environmental impacts related to the use of natural resources and promote solutions and actions to overcome them by increasing knowledge of them and providing easy access to it.

[28] See points 19 and 24 of the Interinstitutional agreement.

[29] Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years.

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

Considering that the driver of resource use in Europe is economic growth, while at the same time economic growth is a major EU policy objective, the only way to achieve a reduction of environmental impacts is to de-link or decouple resource use and associated environmental impacts from its driver: economic growth, and to do so at European level. Trade in resources is significant (with EU competence) and the use of products and services are both shared competence; therefore there is a clear rationale for Community involvement.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The strategy's objective is to set out a series of actions that, in the longer- term, will, if used properly, allow the decoupling of environmental impacts from economic growth.

In order to do that, a number of concrete actions are foreseen:

1) Establishment of a Data Centre for knowledge purposes,
2) Development of strategy-relevant indicators,
3) Establishment of an International Panel on the sustainable use of natural resources.

More details on the expected results and their impacts are in the Communication and in the impact assessment attached to it, respectively.

5.4. Method of Implementation (indicative)

X ***Centralised Management***

- **X** directly by the Commission
- **X** indirectly by delegation to:
  - ☐ executive Agencies
  - **X** bodies set up by the Communities as referred to in art. 185 of the Financial Regulation
  - ☐ national public-sector bodies/bodies with public-service mission

☐ ***Shared or decentralised management***

- ☐ with Member states
- ☐ with Third countries

X ***Joint management with international organisations (please specify)***

Relevant comments: Most of the measures foreseen under the strategy will be directly implemented by the Commission (launch of studies, organisation of meetings, running of service contracts etc).

However, one of the actions foreseen (the International Panel – see in the present LFS point (3) in section 5.3) will be run in co-operation with UNEP. It is initially foreseen that the Commission will give a grant to UNEP to start up the Panel's secretariat, given their knowledge and expertise in managing international secretariats in the past (e.g. the IPCC secretariat in Geneva). In a second phase the running of the secretariat may require the pooling of resources from a number of donors, for which it will not be reasonably possible or appropriate to assign the share contributed by each donor to each type of expenditure.

Another one of the actions foreseen (the Data Centre – see in the present LFS point (1) in section 5.3) will be run in co-operation with the EEA given their knowledge and expertise in natural resources and the setting up networks of experts.

6. MONITORING AND EVALUATION

6.1. Monitoring system

The Commission proposes to review the effectiveness of the strategy every five years following publication of the Communication. For this purpose the Commission will prepare a report which will be published and submitted to the institutions.

6.2. Evaluation

6.2.1. Ex-ante evaluation

The strategy has been the object of an impact assessment that will be published at the same time as adoption of the Communication.

6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

The approach of policy-making using the tool of a Thematic Strategy is a novelty of the Sixth EAP[30]. However, the measures contained in this specific strategy do not go beyond normal administrative practice (launch of studies, organisation of expert meetings, service contracts of relatively small amounts of money) for which appropriate financial safeguard procedures are in place.

6.2.3. Terms and frequency of future evaluation

The Commission proposes to review the effectiveness of the strategy every five years following publication of the Communication. For this purpose the Commission will prepare a report which will be published and submitted to the institutions.

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[30] Decision No 1600/2002/EC of the European Parliament and of the Council of 22 July 2002 laying down the Sixth Community Environment Action Programme (OJ L 242, 10.9.2002, p. 1).

7. ANTI-FRAUD MEASURES

The proposed activities only consist of expenditure on personnel, expert meetings and study contracts. The latter will be subject to the Commission's usual control mechanisms and therefore there is no need for supplementary anti-fraud measures.

In particular, potential beneficiaries and contractors shall comply with the provisions of the Financial Regulation and provide the evidence of their financial and legal soundness. For grants, they are required to supply provisional statements of income and expenditure related to the project/activity for which funding is requested. Payments are made on the basis of the terms and conditions related to the grant agreement and on the basis of expenditure and income statements duly certified by the beneficiary and checked by the relevant service of the Commission. On the spot controls are also possible and beneficiaries are required to keep all details and supporting documents for a period of five years after the completion of the project.

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	Year 2006		Year 2007		Year 2008		Year 2009		Year 2010		Year n 2011 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OBJECTIVE[31]																
Data Centre																
- Expert	Reports	0.040	5	0.200	10	0.400	20	0.800	40	1.600	40	1.600	40	1.600	155	**6.200**
Indicators																
- Expert	Reports	0.030			1	0.030	1	0.030	1	0.030	1	0.030			4	**0.120**
- Land use	Reports	0.150			1	0.150	1	0.150	1	0.150					3	**0.450**
International Panel	Running of IP Secretariat	0.592	1	0.240	1	0.610	1	0.640	1	0.750	1	0.600	1	0.710	1	**3.550**
TOTAL COST			**0.440**			**1.190**		**1.620**		**2.530**		**2.230**		**2.310**		**10.320**

[31] As described under Section 5.3.

8.2. Administrative Expenditure

8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (**number of posts/FTEs**)					
		Year 2006	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011
Officials or temporary staff[32] (XX 01 01)	A*/AD	5.25	5.25	5.25	5.25	5.25	5.25
	B*, C*/AST	2	2	2	2	2	2
Staff financed[33] by art. XX 01 02							
Other staff[34] financed by art. XX 01 04/05							
TOTAL		7.25	7.25	7.25	7.25	7.25	7.25

Included in this Table are the total human resources needed for the implementation of the strategy across different Commission's services (e.g. DG ENV, JRC, Eurostat).[35]

8.2.2. Description of tasks deriving from the action

The tasks to be performed are within normal administrative practice and include launch of studies, organisation of expert meetings, management of service contracts, and the likes.

8.2.3. Sources of human resources (statutory)

X Posts currently allocated to the management of the programme to be replaced or extended

☐ Posts pre-allocated within the APS/PDB exercise for year n

☐ Posts to be requested in the next APS/PDB procedure

☐ Posts to be redeployed using existing resources within the managing service (internal redeployment)

☐ Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

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32 Cost of which is NOT covered by the reference amount.
33 Cost of which is NOT covered by the reference amount.
34 Cost of which is included within the reference amount.
35 DG ENV quota is 2.25 for A*/AD and 1 for B*/AST.

8.2.4. Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)

EUR million (to 3 decimal places)

Budget line (number and heading)	Year 2006	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011 and later	TOTAL
1 Technical and administrative assistance (including related staff costs)							
Executive agencies[36]							
Other technical and administrative assistance							
- *intra muros*							
- *extra muros*	0.150						0.150
Total Technical and administrative assistance	0.150						0.150

8.2.5. Financial cost of human resources and associated costs <u>not</u> included in the reference amount

EUR million (to 3 decimal places)

Type of human resources	Year 2006	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011 and later
Officials and temporary staff (XX 01 01)	0.783	0.783	0.783	0.783	0.783	0.783
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)						
Total cost of Human Resources and associated costs (NOT in reference amount)	0.783	0.783	0.783	0.783	0.783	0.783

[36] Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

Calculation– ***Officials and Temporary agents***

Each FTE is rated at €108,000 per annum.

Calculation– ***Staff financed under art. XX 01 02***

8.2.6 Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	Year 2006	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011 and later	TOTAL
XX 01 02 11 01 – Missions	0.002	0.006	0.006	0.008	0.008	0.010	0.040
XX 01 02 11 02 – Meetings & Conferences		0.020	0.050	0.050	0.050	0.050	0.220
XX 01 02 11 03 – Committees[37]							
XX 01 02 11 04 – Studies & consultations							
XX 01 02 11 05 - Information systems							
2 Total Other Management Expenditure (XX 01 02 11)	0.002	0.026	0.056	0.058	0.058	0.060	0.260
3 Other expenditure of an administrative nature (specify including reference to budget line)							
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)	0.002	0.026	0.056	0.058	0.058	0.060	0.260

Calculation - ***Other administrative expenditure not included in reference amount***

It is assumed that an average mission would cost €1,000.

[37] Specify the type of committee and the group to which it belongs.