

Opinion of the European Economic and Social Committee on the ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on “A Roadmap to a Resource Efficient Europe”’

COM(2011) 571 final

(2012/C 181/29)

Rapporteur: **Ms EGAN**

On 20 September 2011, the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the:

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Roadmap to a Resource Efficient Europe

COM(2011) 571 final.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 14 March 2012.

At its 479th plenary session, held on 28 and 29 March 2012 (meeting of 28 March) the European Economic and Social Committee adopted the following opinion by 146 votes in favour, with 5 votes against and 4 abstentions.

1. Conclusions and recommendations

1.1 The Commission’s 2020 Strategy and flagship initiative on ‘A Resource Efficient Europe’ aim at making Europe’s economies more resilient and sustainable by using all natural resources much more efficiently. The Committee has previously supported the flagship initiative and now welcomes the Commission’s more detailed ‘Roadmap to a Resource Efficient Europe’ setting milestones for the transformation and providing a framework for policies needed to initiate this process.

1.2 The EESC urges all the Institutions, European leaders, European businesses and social partners and European society at large to join together in a broadly-based political and societal movement in support of the major transformation needed, and to use the framework provided by the Roadmap to guide and monitor progress.

1.3 The EESC urges the creation of strong high level coordinating machinery in the Commission and in individual Member States to monitor and stimulate progress in implementing the actions proposed in the Roadmap.

1.4 At Member State level the EESC urges the adoption of comprehensive resource efficiency strategies including fiscal reforms, elimination of perverse subsidies, strong regulation of product standards, programmes for education and skills development, and full engagement of regional and local government, business, social partners, consumers and other organisations and citizens. Strategies should include active policy measures ensuring a socially just transition, including education and training of employees and their involvement in turning businesses into new resource efficient businesses.

1.5 At European level the EESC supports all the measures proposed in the Roadmap and urges particular attention to:

- The rapid development of appropriate indicators, including the general indicator of the level of resource efficiency in national economies recommended by the Roadmap, a ‘beyond GDP’ measure of well-being in the economy, and other more sector specific measures.
- Effective machinery for giving resource efficiency a high profile in annual national reform reports and their review with the Commission and peers in the Semester process being developed for the 2020 Strategy.
- Review and updating of the over-arching European Sustainable Development Strategy after the Rio Earth Summit in June 2012 with emphasis on resource efficiency, and its relationship to other sustainability objectives.
- Detailed analysis of the interaction between resource efficiency and environmental goals, such as in the 7th Environmental Action Programme.
- Coordinating machinery for ensuring that progress is maintained across the Board on the 20 separate initiatives identified by the Commission as contributing to resource efficiency and others that may be added to this list.
- Incorporation of resource efficiency objectives in the criteria for all European spending programmes and in public procurement.

— Full engagement with civil society in regular monitoring and review of progress.

1.6 The EESC intends to play its full part in engaging stakeholders and monitoring progress on this crucial subject and will be glad to work together with the other Institutions in doing so.

2. Background

2.1 In January 2011 the Commission published 'A resource-efficient Europe' as one of seven new flagship initiatives, forming part of the EU 2020 Strategy⁽¹⁾. It was intended to launch a major transformation in the way in which material resources are deployed in all parts of the European economy – decoupling economic wellbeing from the consumption of resources.

2.2 In a previous opinion on the Resource Efficiency Flagship Initiative the EESC welcomed the general objectives of the resources efficiency strategy and called for it to be embedded within a revised and up-dated version of the overarching European Sustainable Development Strategy⁽²⁾. The EESC urged that the Commission should provide more detail when they followed through with individual initiatives in particular areas and with the Roadmap.

2.3 During 2011 the Commission launched a number of separate initiatives⁽³⁾ intended to promote resource efficiency in particular sectors. The Commission's Roadmap to a Resource Efficient Europe now draws all this activity together. It presents a vision of the transformed economy that should be achieved by 2050 with milestones to be achieved by 2020 and indicates areas where further action by the Commission and Member states will be needed to deliver these goals.

3. General comments

3.1 The EESC shares the Commission's view about the critical importance for Europe and the world of achieving greater efficiency in the use of resources. Greater resource efficiency has a major part to play in reconciling the continuing quest for economic growth with the need to recognise the finite nature of many of the world's natural resources and the limits that these planetary boundaries place on the continued expansion of physical production and consumption. It is also crucial in order to limit the growth of greenhouse gas emissions and other pollutants, and protect biotic resources and the public benefits derived from ecosystems. The advancement of resource efficiency should be at the heart of the management of the world's economies and of the world's leading businesses.

3.2 Businesses of all kinds have always had a direct incentive to operate efficiently in the use of all resources in their

production processes so as to keep their costs down. But on the output side they have always had the opposite incentive to encourage their consumers to consume as much as possible so as to maximise sales. Leaving the resource efficiency to the processes of business as usual cannot therefore be expected to bring about the transformation needed to cope with the pressures arising from rapidly growing global population, rapid expansion of consumption aspirations especially in the emerging economies, and growing problems of resource depletion and pollution. We need a new form of 'sustainable' or 'green' growth where the growth of economic activity and of well-being or prosperity is decoupled from growth in the consumption of resources, and can actually be achieved with lower levels of resource consumption.

3.3 Governments and society as a whole will therefore have to play a major role in bringing about the scale and speed of transformation that is needed over the next generation. Government action is needed to:

- ensure proper pricing of externalities through fiscal measures,
- eliminate inappropriate subsidies,
- establish minimum standards of resource efficiency for particular sectors through appropriate regulation,
- support appropriate R&D,
- encourage investment in resource efficient processes and discourage inefficient ones,
- promote understanding of the resource efficiency through the media, education and training.

3.4 Transformation on the scale and pace required is bound to have a significant impact on the labour market. Businesses that are inefficient in their use of resources or which produce wasteful products will come under pressure, and may have to shed labour. But the businesses that make efficient use of resources and provide efficient products and services should prosper as the economy recovers be the creators of new jobs. The countries that lead the way in this transition will be the most successful and competitive in the new world of constrained supplies of natural resources, and the most successful in creating new jobs in this new green economy.

3.5 In order to ensure that this transition is a fair one that does indeed create good new jobs and assist reskilling, active

⁽¹⁾ COM(2011) 571 final.

⁽²⁾ EESC opinion A resource-efficient Europe – Flagship initiative under the Europe 2020 Strategy, OJ C 376, 22.12.2011 P 0097-0101.

⁽³⁾ COM(2011)21, Annex I.

programmes of training and assisted redeployment may be needed⁽⁴⁾. This and other aspects of the social dimension are currently missing in the Roadmap and need to be developed further.

3.6 Delivering greater resource efficiency on the scale required is a big and urgent challenge for all parts of Europe, and all sectors of society. It will need strong political and societal commitment at all levels, and an ambitious and wide-ranging programme of initiatives and actions by the EU and by individual Member States national and local level.

3.7 The Roadmap should provide the framework for creating this trans-European political momentum, and an inspiring vision of what it could achieve. The EESC welcomes its general approach and the vision proposed for 2050.

3.8 Implementation is crucial. The specific milestones which the Roadmap proposes for 2020 are a useful tool for pinning the long-term vision down to more concrete and immediate objectives that need to be pursued immediately. But much remains to be done to bring about the transformation of economic policy, industry strategies and investment flows that are required to deliver the Roadmap. The Commission has identified the crucial importance of the resource efficiency transformation and the Environment Council has given some support (Conclusions of the Council of Environmental Ministers from 19 December 2011). But effective implementation of the transformation will require the full engagement and commitment of all parts of the Commission and Member State Governments. Promoting resource efficiency needs to be much higher on the agendas of Heads of Government and the European Council in all its formations where both the overall vision as well as the steps required to achieve this need active and continuing supporting all sectors, and determination to achieve the various milestones identified.

3.9 Understanding of the imperative of resource efficiency also needs to be inculcated much more widely amongst businesses and civil society organisations of all kinds as well as with the general public and consumers, and actively supported by all available means including the establishment of dialogue structures so as to assist the transition⁽⁵⁾.

3.10 The Roadmap will stand or fall by its ability to galvanise more political determination and commitment to achieve greater resource efficiency. It needs to bring about real change at the heart of economic management. Centrally coordinated follow-up machinery is needed to provide

momentum for all the separate initiatives already identified in the Roadmap, to overcome any obstacles that may arise for them, and to build the case for further action wherever progress towards the goals lags behind.

4. Implementation at Member State level

4.1 In several European countries a good start has been made in moving away from excessive reliance on finite supplies of fossil fuels, developing more renewable sources of energy, reducing waste, promoting more efficient buildings and vehicles etc.. But the progress has been fitful, and investment is currently in danger of slowing down in some countries at this crucial moment because of premature withdrawal of the necessary incentives for change. The Committee recommends that positive experiences and examples of past efforts be systematically collected and disseminated with a view to achieving impact as soon as possible in countries and sectors that have not yet shown the desired progress. Consistency and constancy of purpose are crucial.

4.2 Member States need to embed the drive for resource efficiency at the heart of their own national economic strategies and programmes, and drive it forward in all sectors of their economies. In the EESC's view high level political direction and coordinating machinery needs to be established in each Member State to ensure that progress is driven forward more urgently and more steadily and consistently than at present.

4.3 The resource efficiency crusade will ultimately depend as much on a transformation of public aspirations and consumer demand as on transformation of modes of production.

4.4 Member States need to initiate intensive dialogue with opinion formers, including media on how the resource efficiency vital message can best be promoted so that peoples' preferences and choices may themselves shift over time to favour more resource efficient goods and services, and against unnecessarily resource intensive and wasteful products.

4.5 Resource efficiency should be an important goal at local and regional level as well as at national level. Member States need to consider how best to promote this objective with their regional and local governments.

4.6 The transition will require use of all the policy instruments available to governments. Fiscal policies need to be reshaped to penalise inefficient use of energy and other resources, and to reward more efficient use. Fiscally neutral reforms to increase the level of taxation on carbon fuels and other natural resources, while encouraging employment and

⁽⁴⁾ EESC opinion *Promoting sustainable green jobs for the EU energy and climate change package*, OJ C 44 of 11.2.2011, p. 110-117.

⁽⁵⁾ EESC opinion *Building a sustainable economy by transforming our model of consumption*, OJ C 44 of 11.2.2011, p. 57-61.

better social security have a crucial part to play in guiding the transition to a low-carbon and resource efficient economy⁽⁶⁾ and job creation⁽⁷⁾. Perverse subsidies that encourage or sanction inefficient use of energy and mismanagement of other resources need to be progressively eliminated – a goal often proclaimed but still not pursued vigorously. Strong regulatory requirements are needed to enforce efficient use of resources in key sectors such as building, transport and agriculture. Strong waste management policies are needed to promote further waste minimisation, and the reuse or recycling of discarded materials. Education, public information programmes, skills development and innovation are all needed to drive home the message to all parts of society. Concerted action between Member States and the EU over a broad front will be needed to carry this through.

4.7 Member States should commit themselves publicly to reporting openly and regularly on progress on resource efficiency and how policy and the flows of public and private investment are supporting the transition. The Commission could help by analysing the different methods adopted in different Member States to promote resource efficiency and encouraging more widespread and consistent use of the best methods.

5. Implementation at European level

5.1 The EU has a crucial part to play both in stimulating and supporting action at Member State level, and in promoting European level initiatives that will support the resource efficiency transition. The EESC supports all of the policies and initiatives spelt out in the Roadmap and comments on the following:

- Measurement and indicators
- Integration with the 2020 strategy and the Semester process
- The European Sustainable Development Strategy and the 7th Environmental Action Programme
- The 20 specific initiatives and the three key sectors in the Roadmap
- European spending programmes and Public Procurement
- Engagement with civil society and the public.

5.2 Measurement, indicators, targets and milestones

The process will need to identify specific indicators of progress on the different aspects of resource efficiency, and ensure that

reliable, consistent and timely information on these indicators is made available. In the EESC's view monitoring should also record progress on

- the key policy elements needed to promote resource efficiency (fiscal measures, regulatory measures etc.),
- how far public and private investment flows are being rebalanced to support resource efficient production and consumption and to discourage inefficient and wasteful processes,
- how far employment is being reoriented to resource efficient jobs creating resource efficient products and services, and the progress of training and other measures to support this change.

5.3 The EESC welcomes the proposed introduction of a new lead indicator of resource productivity as an overall measure of progress in decoupling economic well-being from the consumption of material resources. We urge that equal priority be given to the development of robust indicators of natural and social capital and availability and condition of natural resources.

5.4 The EESC considers that the milestones proposed on environmentally harmful subsidies, on biodiversity and on the three key sectors of food, buildings and mobility are not yet adequately characterised and need to be further developed. The programme of indicator development needs to be given a higher priority and adequate resources to make faster progress.

5.5 In particular we need a better measure of the performance of the national economies which will demonstrate how improvements in resource efficiency in the economy represent a real improvement in the overall well-being of that society and the sustainability of the world. In our view the long-running studies of better alternatives to GDP need to be brought to a head and implemented so that overall progress in moving towards greater resource efficiency and the associated improvements in well-being and sustainability can be properly calibrated⁽⁸⁾.

5.6 Integration with the 2020 Strategy and the Semester process

Given the cross-cutting nature of the Resource Efficiency initiative and in order to ensure that resource efficiency continues to be given a high political profile, it will need to be backed up at European level by an effective, centrally-coordinated and adequately resourced implementation governance structure, operating openly and transparently with maximum stakeholder participation.

⁽⁶⁾ EESC opinion *A Roadmap for moving to a competitive low carbon economy in 2050*, See 3.15 f), OJ C 376 of 22.12.2011, p. 102-110.

⁽⁷⁾ EESC opinion *Rio+20: towards the green economy and better governance*. See 4.15, OJ C 376 of 22.12.2011, p. 110-116.

⁽⁸⁾ EESC opinion *Beyond GDP – measurements for sustainable development*, OJ C 100, 30.4.2009, p. 53, and the opinion on the *Communication from the Commission to the Council and the European Parliament: Beyond GDP – Measuring progress in a changing world*, OJ C 18, 19.1.2011, p. 64.

5.7 The EESC welcomes the objective of using the Semester review process to ensure that resource efficiency takes its place at the centre of economic policy making in the European Council and in top level dialogue with Member States. We believe that the reporting must be based on precise and rigorously-defined monitoring requirements that will give an accurate and up-to-date view of progress on resource efficiency. Where there is insufficient progress on particular topics this will need to be promptly identified and corrective action put in place.

5.8 We are unhappy that the Programme Countries are apparently exempt from the Semester reporting process for the time being. While recognising that they have special problems of economic adjustment at the present time we believe that they could derive particular benefit from integrating resource efficiency strongly with their recovery programmes and that they should be fully involved in this aspect of the Semester process from the beginning.

5.9 To assist the process to gain greater public visibility and political traction the EESC urges that the national reports which form the basis of the Semester review process should be subject to public consultation and debate with stakeholders of all kinds in each country, and that the peer group dialogue about each national report should also be opened up to participation and debate. The EESC could itself be a useful forum for regular debate with stakeholders at European level on the progress of the transformation and any action needed to keep it on track.

5.10 The EESC considers it important that the Commission should not rely exclusively on the Semester process to promote effective implementation of resource efficiency. It is essential that other relevant programmes and strategies should also play their part.

5.11 *The European Sustainable Development Strategy, and the 7th Environmental Action Programme*

The Resource Efficiency Strategy and the 2020 Strategy itself are both rightly conceived by the Commission as being important contributors to the over-arching goal of sustainable development. Resource efficiency does not include all aspects of sustainability and it is important that the emphasis on it should not lead to neglect of other aspects of sustainable development. This year's UN conference on Sustainable Development in Rio should be used for putting the resource efficiency transformation at the heart of the global drive for a greener economy within an over-arching sustainable development framework. In the EESC's view Europe's own over-arching Sustainable Development Strategy should then be reviewed and revitalised as part of the follow-up to the Rio Summit, with integrated national reporting on sustainable development and resource efficiency to monitor progress across the whole field.

5.12 The Commission has announced their intention of creating a 7th Environmental Action Programme for Europe this year, and the Council have urged the Commission to

ensure that the new Programme is designed to achieve complementarity between environmental policies and plans and the resource efficiency goals of the Roadmap. An admirable objective – but more work will be needed to give it significant content.

5.13 *The 20 initiatives and the three key sectors*

The EESC is actively engaged in commenting on most of the 20 separate initiatives identified in the Strategy and strongly supports the effort proposed in the Roadmap to keep them all moving forward in parallel so as to make the maximum impact on the resource efficiency challenge. They should be kept under regular review individually and collectively to make sure that they are together making the cumulative impact intended.

5.14 The EESC agrees that the three key sectors identified by the Commission (food, buildings and mobility) are particularly important areas for promoting resource efficiency. The Committee believe that the use of water and of land should also be regarded as crucial sectors. It will be important that the units responsible for monitoring overall progress on resources efficiency focus regularly on all these sectors so as to ensure that they do indeed make their proper contribution to the resource efficiency transformation.

5.15 *European Spending Programmes and Public Procurement*

In the past the Structural Funds and other EU spending programmes have not always taken the goal of promoting resource efficiency sufficiently into account. Every time that these programmes come up for review it is important that the opportunity be taken to embed resource efficiency more firmly in their priorities and criteria. The EESC is glad to note that Commission's recent Budget proposals have given greater priority to resource efficiency and the other 2020 objectives. It will be important to ensure that this proposal is followed through in the detailed budget negotiations.

5.16 In particular, greater emphasis on and proactive action to address perverse incentives, ensuring funding and innovation in the area of valuing natural capital, and developing fiscal measures to internalise external costs and determine true costs to society are required. The specific measures cut across a number of the 20 initiatives and are also relevant for cohesion policy and other core policy development areas.

5.17 Similarly public procurement programmes at both European and national level can be powerful instruments for advancing resource efficiency by insisting on efficient standards in all the goods and services they purchase and pushing this priority down the supply chain. The Commission should

reinvigorate policy initiatives in this field so that resource efficiency requirements are made a crucial element of all public procurement specifications.

5.18 Engaging with Stakeholders, Civil Society and the Public

The resource efficiency transformation proposed in the Roadmap is crucial for the world and for Europe. It cannot be achieved by technical means alone. A fundamental understanding and acceptance is required by all parts of society of the need for change, and a combined effort is required to bring it about.

5.19 The Committee underlines the importance of promoting awareness of the importance of resource efficiency

amongst consumers. We urge the Commission to consider further how the follow up to initiatives such as the Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan from 2008 ⁽⁹⁾ can best be integrated with the new work on resource efficiency, and in particular how work on promoting customer awareness of sustainability and resource efficiency considerations can be carried forward at European level with greater ambition.

5.20 The EESC intends to play its full part in engaging stakeholders in the drive for greater resource efficiency. It will monitor progress on this crucial subject and will be glad to work together with the other Institutions in doing so.

Brussels, 28 March 2012.

The President
of the European Economic and Social Committee
Staffan NILSSON

⁽⁹⁾ COM(2008) 0397 final.