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Towards policies for resource efficiency

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

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The biggest challenge we are facing this century is essentially this: how can we live and prosper together on this planet – within the constraints of what one earth can provide? How, by the year 2050, do we ensure continued economic growth, win the fight against climate change and adapt to its consequences, eradicate poverty and feed 9 billion people without continuing and exacerbating current patterns of environmental degradation and resource depletion? We all know that business as usual is not an option. But how do we move away from our usual business – and how do we do it quickly enough?

I will today share with you an outline of what we are currently proposing to be one of the main answers to this question – a policy agenda for resource efficiency. Many of us have struggled with the concept of resource efficiency. What I mean is that it isn't an easy sell. It's not like a dream car, or a holiday in the sun, but it is very, very important. It is nothing less than a transformational agenda – nothing less than a common sense revolution.

Resource efficiency is very high on the European political agenda. It is one of the seven flagships of the EU 2020 Strategy. Our recently published Communication about it, and the Roadmap for a resource-efficient Europe we will adopt later this year, both set out how resource efficiency can define the quality of growth we want for Europe.

Let me clarify first how we see this agenda in 2011. At the beginning of the year, we defined the scope and objectives of the Resource Efficiency agenda by adopting a Communication on the flagship initiative. Its two key messages are the broad definition of resources that we take and the unprecedented levels of coherence and cooperation that will need to be put in place to achieve its success.

First, on the question of the scope - what are resources we want to address?

Materials – both living and non-living - are resources. Here there is a link to with the work that - in particular Belgium - and the OECD are doing on sustainable materials management. Energy carriers are resources, as is land, soils, water and air, and also biodiversity and ecosystems.

All of these are the backbone of our economy and our wellbeing. However, we cannot continue to use them so unsustainably. This will be even more of a problem in the world of 2050 with a population of 9 billion people. Today the richest 20% of the world consume about 60 times more than the poorest 20%. Just imagine the possible stress on world's resources if the trend would continue.

In short, by choosing a broad scope, we wanted to use this agenda as the operational environmental arm of ensuring sustainable development.

Second, few words on the process and what will come next. The Flagship initiative can be seen as a coherent framework, which needs to be filled with concrete policies, measures and actions. We want to chart the path to 2050, to ensure we are travelling towards the right destination. In recent months we have adopted the roadmaps showing the path towards low carbon economy and sustainable transport by then. We are now developing a Roadmap to resource efficient Europe, which should set the medium and long term objectives and fill the gaps in existing policies and measures that need to be filled if we want to achieve them.

We want the Roadmap to:

- establish a long-term vision of where we want to be in 2050 and the pathways to reach it. This will require an answer on how to integrate long-term thinking into our policy processes and business decisions;
- identify the 2020 objectives, the stepping stones to the long-term goals;

- develop the right indicators, and possibly targets, in order to assess progress: after all you can only manage what you can measure;
- Ensure that policies, at EU, Member State or international level are 'joined-up' and work to re-enforce, rather than undermine each other.

To be more specific on the approaches we are exploring:

- First we will need to implement the legislation that we have already signed up to. In the area of waste management and recycling alone, this would bring us a long way towards improved material resource efficiency, not to speak of the benefits to climate and job creation.
- Second we will need to steer the market towards resource efficiency and correct pricing through a range of market-based instruments. We can no longer shy away from addressing market-based instruments such as taxation, or looking into more varied ways of estimating growth. This includes the renewed effort on GDP and beyond exercise.
- Third, we need to scale-up some instruments that have already proven that they can deliver. For example we must develop eco-design, certification schemes, eco-labels, and Environmental management auditing schemes (EMAS) to a critical mass where they make a real difference.
- Fourth, we will need to achieve resource efficiency through policies outside the realm of environment per se. This is a difficult case to make when so many are focused on financial markets and public debt. But the Europe 2020 process should give us an opportunity to increase that awareness, and it is my hope the Parliament will also lend us a helping hand there.

For example, we must ensure that the reforms of the Common Agricultural Policy (CAP), the Common Fisheries Policy (CFP), the Cohesion Policy as well as the Future Financial Perspectives deliver on our environmental objectives.

Research and innovation will be also extremely important – we will need to find the right mix of policies, which will mobilise investment and innovation towards finding resource-efficient solutions, throughout the economy. This will mean giving the market very clear and consistent signals that will unleash its power to innovate. We have to drive specific innovation towards achieving the dramatic technological breakthroughs we are going to need to reach our goals for 2050. In short, we have to mobilise the scientific and technological community and raise our level of investment if we are to truly unleash the potential of knowledge economy to help us meet our challenge.

Getting the prices right – or internalising external costs – is essential to achieve our goal. And I strongly believe that shifting the fiscal burden from labour to resources will help both our competitiveness and the environment, as well as creating many much-needed jobs.

Eliminating environmentally harmful subsidies is part of this same exercise. And when times are tough, we cannot afford to pay twice, first to subsidise "dirty" behaviour and a second time around to repair the damage. Policy coherence has to become something like a mantra.

We have been overfishing our oceans for years, and fish stocks have declined dramatically. This hurts ecosystems and the fishing communities. So why do we still give tax breaks for marine fuel? We could apply the same logic to aviation and company cars both of which I believe receive favourable treatment here in Belgium.

Market forces are tremendously powerful. And we need to use this power to deliver on resource efficiency. By this I mean using it to change production and

consumption patterns by improving the performance of both companies and products and by influencing consumer behaviour.

We will continue to promote life-cycle thinking. Setting up standard life-cycle methodology – for example for comparable company reporting – and proposing the most appropriate instruments for different product groups. This could mean enhanced schemes for eco-design, ecolabelling and green public procurement. We will propose introducing incentives for resource-efficient products – here there is a clear role for the Member States. And on the demand side, we have looked into how behavioural economics can help people choose and buy more responsibly.

Waste is another area of real focus now. Waste policies have to be made part of the circular economy – that 'give and take' situation where the exchange of materials where one facility's waste output including energy, water, materials – as well as information – is another facility's input.

Waste is still too much of a lost resource. Our aim should be "zero landfill" of untreated waste, with all of it becoming a resource. We are also looking at how to establish an effective secondary materials market in the EU, to promote the take-up of recycled products by industry, for example by proposing more "end of waste" criteria.

As I have already said, internalising external costs is essential to achieve our goal. But some resources, of course, are hard to pin down within a market driven system. Just think of water, air, land, soil and biodiversity. These are public goods, which if used in the best way can benefit all of us. The reverse is also true, of course and we need to preserve them because they deliver vital ecosystem services for our economy.

Have you ever thought about how this mix of essential resources – land, soil, water and biodiversity – delivers food for us? And do you realise just how many resources are wasted in efficient food production and use? Around half of the food gets wasted in the EU.

At the same time, the International Resource Panel identifies food as one of the main causes of negative environmental impact for the EU.¹

I have spoken about food...and I hope I have given you food for thought.

But none of this will be possible without having everyone who needs to be 'on board' with us. I'm talking here about **all** of the levels of governance. From the EU-wide to the national, regional and local. Everyone will have their part to play in addressing resource and energy efficiency. They must mobilise public procurement to promote the early uptake of eco-innovative goods and services. They must engage industry in the right processes; they must more generally encourage changes in citizens' behaviour and consumption patterns.

And there are new tools to help us measure if we're becoming more resource efficient. One is the "European Semester". This is a part of the first half of each year in which Member States reporting under the Stability and Growth Pact and reporting under the Europe 2020 Strategy are 'aligned', and policy guidance and recommendations are given to Member States before national budgets are finalised.

This will help us combine the benefits of a common agenda at EU level and of tailor-made action at national level. This is the coherence mantra I was talking about earlier. Using the Semester will help us learn from what's happening in the Member States and incorporate the European perspective and guidance into their national policies for the following year.

¹ *UNEP (2010) Assessing the Environmental Impacts of Consumption and Production: Priority Products and Materials, A Report of the International Resource Panel*

This in turn will need to feed into the international process. The challenge of achieving sustainable development, greener growth, job creation and the eradication of poverty is a truly global one. And one that we need to continue to be engaged in. We have a lot to offer – and we have a lot to learn from others.

The preparations for and the Rio+20 Summit in June 2012 itself, will provide a valuable opportunity to advance the international agenda on these issues, in the context of a "green economy" for sustainable development". We have to make sure that we talk to our international partners, listen to them and develop an international approach that can clearly demonstrate the benefits for all.

Rio+20 should also be the opportunity for businesses and others working in the global value chain to discuss how we can build green growth through resource efficiency. This could for instance result in 'resource efficiency partnerships' with Asian, African and/or Latin American partners.

Ladies and Gentlemen

We are - slowly - emerging from economic and financial crises. But we must make sure that we don't come out the way we went in and pick up our old and bad habits all over again.

Our planet's resources are under increasing pressure. We need to lay the foundations now for transforming and modernising Europe into a knowledge-based, resource-efficient economy based on innovation if we want to reduce that pressure.

I heard someone say the other day that environmental protection is not just for people wearing Birkenstocks. Although I've got nothing against people who do, I would agree with the sentiment. Because green does not equal hippy! Investments in environmental protection and resource efficiency are investments in the modernisation of our economies and societies. And we have to be serious about this because substantial investments will be needed to support this transformation.

We need resource efficiency policies that help industry bring about the desired structural and technological changes and nothing less than the re-organisation of how we work. Our plans have to be future proof and integrated or they just won't work.

The preparation of the Roadmap is entering its final phase. An online public stakeholder consultation was launched on 22 February and will stay open until 22 April.

Let your discussions day be the input we need to make our future as sustainable as it can possibly be.

Thank you.