



Federal Council for Sustainable Development (FCSD)

Opinion on the European Union Thematic Strategy on natural resources

- Requested by the State Secretary for Sustainable Development, Els Van Weert
 - drafted by the by the working group *strategies for sustainable development*
 - adopted by the General Meeting of February 1st, 2006
 - original language: Dutch
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Summary of the opinion

After an initial Communication in 2003, the European Commission published in December last a second Communication on the Thematic Strategy on the sustainable use of natural resources. The first part of this opinion (The EU Thematic Strategy on natural resources: definitions, links and main points) is factual, giving an overview of the Commission's approach, its starting point and the implementing measures it proposes.

In the second part, the FCSD assesses the Thematic Strategy on natural resources proposed by the Commission. The FCSD considers this strategy to be one of the pillars of European sustainable development strategy. It can provide an analytical framework and a frame of reference for many policy areas. The Commission's interpretation of the strategy, however, currently seems too narrow and not ambitious enough to respond to these expectations. The common points with other EU strategies and processes are not developed sufficiently and more concrete commitments and objectives are required for indicators, priorities, measures and responsibilities alike.

On responsibilities, the FCSD stresses the importance of the commitment of the European institutions, the Member States and the sectors to this strategy if it is to be more than a mere exercise in logic. The CFSD therefore calls for the specific measures proposed in each country to be incorporated in their entirety into the National Reform Programmes the Member States must draw up yearly under the new Lisbon Strategy. This would strengthen the integrated approach to economic, ecological and social issues, which the FCSD has always advocated.

Finally, the FCSD applauds the Commission's attention to the global dimension and notes that with rising imports of resources (energy, materials and space), the environmental burden is being shifted in some cases from the EU to other countries. In this context, there is also a need to be attentive to social aspects, such as the income of Third World producers, and to the question of global fairness. On the latter point, special attention is essential to the target of limiting material and energy flows in general in the industrialised countries.

II. FCSD assessment and recommendations for the Strategy on natural resources

- [1] The FCSD considers that this Thematic Strategy is of vital importance for the EU. Natural resources are important for a number of policy areas. Accordingly, it is useful to have a strategy coordinating the sustainable use of resources. The resource strategy also offers an interesting analytical framework, in particular because the complete product life cycle is addressed and because attention is paid to the impacts of material consumption on the environment outside the Union.



- [2] It is important to state here that a policy on resources and decoupling generally does not necessarily have a negative impact and can even have a markedly positive impact in certain cases, on both economic growth and employment. In a recent report, the European Environment Agency wrote: "...a coherent policy response can bring about many positive economic effects. Large investments in environmental protection have helped to create around two million jobs in the European eco-industry. (...) Increasing the efficiency of resource use in sectors with high materials and energy costs will directly increase the global competitiveness of European industries. Emphasis on material and energy efficiency can also help to reduce unemployment, because economic restructuring and cost-saving strategies traditionally target the labour force first (...)."¹
- [3] The starting point, analysis and frame of reference are therefore very promising. Yet the interpretation of the strategy appears for the moment too narrow and not ambitious enough to respond to these expectations. The FCSD considers that the strategy on resources, as formulated by the Commission in its Communications of 2003 and 2005, in general does not translate a strong enough commitment. More concrete commitments and objectives are required for indicators, priorities, measures and responsibilities alike.² This is recommended, moreover, in the Sixth Action Programme for the Environment: the strategy on resources must ensure the "*establishment of goals and targets for resource efficiency and the diminished use of resources, decoupling the link between economic growth and negative environmental impacts*".³ The EU uses goals and targets, for example, in a related policy area, i.e. climate policy.
- [4] For closely related policies or those that form part of the resource strategy, the Commission has already set similar quantified objectives and approaches. For example, there are quotas for CO₂ emissions in climate policy, target figures for the percentage of renewable energy in electricity generation, clearly defined percentages for Member States' yearly cumulative energy savings in the draft European Directive on energy end-use efficiency and energy services. The FCSD takes the view that these targets and figures should be analysed and integrated into the wider framework of the strategy on resources. This is also valid for the objectives of the waste strategy, which is closely related to the strategy on resources. The Commission has always addressed these two thematic strategies together⁴, but does not mention in its recent Communication on resources the concrete targets and indicators for waste prevention and recycling (although these are important instruments for decoupling growth and the use of resources/environmental impacts).
- [5] The Commission itself stipulated in its 2003 Communication that specific decoupling measures would be included in the new Communication (2005). Responsibility for these measures has now in large measure been transferred to the Member States, without targets and timeframes being incorporated (see points 24 and following). The FCSD sees this as confirmation of the analysis contained in its opinion on the European strategy for sustainable development. In that opinion, it stated that the idea of decoupling had so far been primarily a matter of intention: "*implementation leaves room for improvement because too few concrete and measurable objectives have been set, nor have deadlines been established.*"⁵
- [6] In the same opinion, the FCSD stated that the Commission failed to provide enough detail on tensions between different political priorities and simply worked from the principle that the Lisbon Strategy and the strategy on sustainable development are complementary. The FCSD, on the other hand, takes the view that there can be contradictions between the two approaches and that these must also be set out

¹ EEA "Sustainable use and management of natural resources" (EEA Report No 9/2005), p 7

² Thus – given the limited means – there should be a hierarchy of resources whose use currently creates most of the problems and for which priority actions are required. See the European Parliament opinion of 30 March 2004 on the Commission Communication (2003)572: the Resource Strategy "*should define priority resources – for example the top twenty resources which pose the biggest problems, to be revised every five years - and develop targets and propose effective instruments to reach these targets.*"

³ Decision 1600/2002/EC of the European Parliament and Council of 22 July 2002 laying down the Sixth Community Environment Action Programme, published in Official Journal L 242 of 10/9/2002, Art 8.2(c)

⁴ The Commission's recent Communication on waste strategy was published simultaneously with the Communication on natural resources, on 21 December 2005 (COM(2005)666: "Taking sustainable use of resources forward: a thematic strategy on the prevention and recycling of waste").

⁵ FCSD 2004a09 point 71 and following



explicitly. This is also valid for the strategy on resources: in its first Communication, the Commission states that the strategy is linked to many other strategies and policies and that an important aspect is evaluating whether policy choices made in different fields are compatible with the aim of decoupling. The second Communication (2005) does not go into detail, however, nor does the accompanying Impact Assessment contain an analysis of possible conflicts between policies or trade-offs. Assessment of the impact of the resource strategy is too limited at other levels, moreover, and seems as far as the analysis of policy options is concerned, to be structured on a justification of the positions in the Commission Communication.

- [7] The FCSD insists on the need for a more thorough analysis of the common points between the resource strategy and other EU strategies and processes, both to stimulate "win-win" effects and to avoid duplication and inconsistency. On the latter, the IEEP states in a recent study that: "... *better regulation means more coherent regulation, so that EU measures in one policy domain do not run counter to the objectives of those in another. It is hardly better regulation to continue to have to apply a drinking water directive to counter some of the consequences of the EU's own agriculture policy.*"⁶

Data and choices are needed

- [8] As for data on material flows and their impacts on the environment, the FCSD is convinced of the usefulness of a "data centre on resources". It is nevertheless regrettable that the Commission is only taking such an initiative now, considering that as early as 2003 it had stressed the importance of securing information on the use of resources. With that aim in mind, moreover, the Commission has ordered several studies⁷ that have been published on its "natural resources" web page. The FCSD considers that the Commission makes little use of this material in its Communication and Impact Assessment at different levels. On indicators, for instance, it states that it will use the findings of existing studies but does not mention what such studies have contributed or why existing indicators (e.g. developed by Eurostat or the European Environment Agency) are not satisfactory.
- [9] There is also the question of whether the problem of data and indicators is one of availability or of selection. The Commission states itself in its Impact Assessment that knowledge of the use of resources has grown and that this information must be made more accessible for policy: "... *since a lot of information already exists, it would be better to improve access to this data rather than to collect (...) new data, or even to carry out additional research.*"⁸ The FCSD therefore finds that better coordination of available data is a good initiative but notes that even the most complete, sophisticated and integrated data must be interpreted. A selection is also needed concerning the indicators and priorities to be eliminated⁹. This interpretation and selection are a political task. The Commission cannot elude its responsibility at that level: choices must be well argued but must be well made.¹⁰

A responsibility of the Member States and Europe

⁶ Institute for European Environmental Policy, "For better or for worse? The EU's 'better regulation' agenda and the environment", Novembre 2005, 4.3

⁷ See Sources Annex

⁸ SEC(2005)1683 of 21 December 2005, p 16

⁹ The study "Policy Review on decoupling: development of indicators to assess decoupling of economic development and environmental pressure in the EU-25 and AC-3 countries" (CML Leiden, Wuppertal Institute, CE Delft, 2005) states that weightings, generalisations and choices are needed to compose aggregate indicators of resource use and environmental pressure, but notes that this is also valid for a widely used and accepted indicator such as the GDP: "*The GDP, its counterpart as the all-encompassing economic indicator, has the same problems. Nevertheless GDP is generally used. Therefore it seems to be not just a matter of scientific soundness but also of political acceptance.*" (p 158)

¹⁰ Cf "Resource use in European countries", Moll, Bringezu and Schütz, Wuppertal Institute, December 2005: "It is expected that a political/normative assessment and priority setting – based on discursively obtained normative criteria – is required before full scientific proof will be available on the complex interlinkages between resource and material flows on the one hand and associated environmental impacts on the other." (p 14). The study on "Environmental impact of products" can be useful for setting priorities (April 2005, Institute for Prospective Technological Studies and European Science and Technology Observatory)



- [10] The Commission must also shoulder its responsibilities for implementing the resource strategy. In its recent Communication, it gives the Member States a large share of responsibility for giving effect to the strategy (see point 14). Several arguments are given for this position, which the Commission comments on in its Communication and Impact Assessment. It makes no mention however of the disadvantages and dangers of such an approach. Indeed, whether the strategy is interpreted and the way such an interpretation is made depends on the goodwill of the Member States. It is easy to imagine that measures will be dropped once the problem is no longer a political priority for certain countries or when a Member State considers that certain initiatives (e.g. fiscal initiatives) would weaken its competitive position in Europe. A High-Level Forum that operates exclusively on a consultative basis and as a coordinator will not solve that problem.
- [11] The Commission seems to have come to the same conclusion because in its recent Communication on resource strategy it notes, after discussing the national programmes, that it will ask the 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 FCSD nevertheless considers that this too is the Commission's responsibility and should be part of a proper impact assessment. More categorically, policy options such as "the open method of coordination", where the EU sets objectives but the Member States choose how they will attain them, must be proposed in the Impact Assessment for resource strategy.¹¹
- [12] With regard to the contribution of the Member States, the FCSD considers that the programme for more sustainable use of resources has to be more than a mere exercise in logic. The FCSD therefore argues for these measures¹² to be fully incorporated into the National Reform Programmes that the Member States are obliged to draw up under the new Lisbon Strategy. A number of these measures are already in the list that must be completed at national level¹³. The FCSD subscribes to that view in its recent opinion on the National Reform Programmes, where it states that, to develop a society that is outstanding economically, socially and environmentally, with an eco-effective economy, "*a policy encouraging sustainable production and consumption is needed in order to ensure the decoupling of economic growth from resource use and environmental pollution. The NRP will subsequently also have to take account of the decoupling strategy the government will be developing in consultation with the regions by 2007.*"¹⁴
- [13] The FCSD will address specific measures for our country in more detail in a second opinion that has been requested of on resource strategy and the decoupling objective.¹⁵ These measures must, in one way or another, be in keeping with existing national and international initiatives and processes for an integrated product policy and for more sustainable production and consumption. The Johannesburg Plan of Implementation¹⁶ and the Marrakech Process resulting from it form an important frame of reference.¹⁷

¹¹ The Commission suggested such an approach in its proposal for a European Directive on energy end-use efficiency and energy services (COM(2003)739 of 10 December 2003). The process for the Water Framework Directive (2000/60/EC of 23 October 2000) can also serve as inspiration, since that directive is implemented via a "Common Implementation Strategy" involving the EU, Member States and concerned stakeholders. In the Annexes to its Impact Assessment Guidelines (SEC(2005)791 of 15 June 2005), the Commission lists possible policy instruments (directives, open method of coordination, co-regulation, etc.).

¹² A number of possible measures are listed in Annex 5 to the Commission's recent Communication (SEC(2005)...))

¹³ The Commission also cites it in its Impact Assessment on resource strategy (SEC(2005)1683 of 21 December 2005, p 23

¹⁴ 2005a07 Opinion on the National Reform Programme for transposition of the "Integrated Guidelines for Growth and Jobs 2005-2008", point 18

¹⁵ The FCSD notes that it has already formulated proposals in earlier opinions, in specific areas. The three opinions on "A strategy for the prevention of climate change beyond 2012" are relevant for energy policy (2004a12, 2005a03 and 2005a08), as are the "Opinion on the proposal for a European Directive on energy end-use efficiency and energy services" (2004a10) and the "Framework Opinion on obstacles to implementing economically cost-effective measures to curb greenhouse gas emissions ("no regret" measures)" (2003a06)

¹⁶ Chapter III "Changing unsustainable patterns of consumption and production", points 14-19

¹⁷ The Marrakech Process contains a "10-year framework of programmes in support of regional and national initiatives to accelerate the shift towards sustainable consumption and production".



- [14] In the "national" measures that the Commission itself suggests¹⁸, we find a mix of "soft" and "hard" instruments: data collection, awareness campaigns, labelling, green procurement, tax incentives for less polluting products, etc. The FCSD has stressed in different opinions the importance of such a coordinated use of instruments and of the role of economic and fiscal measures in achieving internalisation of external costs: (on taxation), *"indeed, this is an important instrument in a range of possible instruments to achieve the decoupling that is crucial to sustainable development"*¹⁹
- [15] The FCSD has also stressed on a number of occasions the need to invest in research and development (R & D) on eco-efficiency and sustainable production and consumption. In its recent opinion on the National Reform Programme (NRP) for the revised Lisbon Strategy, it mentioned the tremendous importance of integrated guidelines 7 and 8 concerning respectively increasing investment in R&D and promoting innovation. *"The FCSD asks that, for the transposition of these guidelines into the NRP, sustainable development be taken as the frame of reference for research programmes and that considerable investments be made in applied research relating to eco-efficient innovation and environmental technology in areas where Belgium can make a contribution at European level. An innovative policy in this area 'can indeed contribute to the decoupling of growth and consumption of energy and raw materials, a more eco-efficient economy, a more cost-effective environmental policy and socio-economic advantages thanks to the competitive edge an innovation policy can offer."*²⁰
- [16] The choice and implementation of measures for more sustainable use of resources is the responsibility of both the public powers and producers and consumers. The EEA states in this connection in a recent study: *"Achieving more sustainable consumption and production patterns is a common joint challenge where all actors, including public authorities, business and consumers, come together to take responsibility and implement actions."*²¹ When formulating resource strategy, attention also has to be paid to the interactions between policy (public authorities), demand (consumers) and supply (producers).
- [17] The FCSD considers that a five-year review of the resource strategy, as proposed by the Commission, is insufficient and leaves too little margin for making corrections. An association with the National Reform Programmes, as proposed in point 25, would provide a solution to this problem as well, because it would entail an annual monitoring of measures taken under the resource strategy.
- [18] The FCSD welcomes that in addition to the "vertical" approach (actions in the Member States), the Commission also argues for a "horizontal" approach, where initiatives are developed for specific economic sectors. The aim is to develop concrete actions in consultations between the Commission and the sectors concerned, by which the environmental impact of resource use in specific sectors is reduced. The FCSD considers that, given the supranational nature of our economies, this approach is useful and complementary because it enables specific sectors to take on their responsibilities towards society of their own accord.²² Finally, the FCSD applauds the Commission's attention, in its decisions at both sectoral and national level (High-Level Forum), to the participation of the different stakeholders²³.

Social and global fairness

- [19] In its analysis of material flows, the Commission is attentive to the external dimension, pointing out that a large share of our raw materials and energy is imported. With the growing import of resources (energy, materials and space), the environmental burden is being shifted in some cases from the EU to other

¹⁸ See inter alia Annex 5 of the Commission Communication SEC (2005)1684 of 21 December 2005

¹⁹ FCSD 2004a04 (12/05/2004) point 66 and FCSD 2004a09 (29/10/2004) point 73, see also FCSD 2002a07 point 44, FCSD 2001a08 point 25, FCSD 2001a09 point 23, FCSD 2003a04 point 35, and FCSD 2005a01 points 34 and 35

²⁰ FCSD 2005a07, August 2005, § 21, referring to FCSD 2005a01 § 30. See here the EU's ETAP programme: COM(2004)38 of 28 January 2004

²¹ European Environment Agency, Report 11/2005 "Household consumption and the environment" , p. 53

²² An example: the EU concluded agreements with the European Automobile Manufacturers Association (ACEA), the Japanese Automobile Manufacturers Association (JAMA) and the Korean Automobile Manufacturers Association (KAMA) setting the same target for emissions levels in 2008/2009, namely an average of 140 g/km for new cars sold in the European Union: see http://europa.eu.int/comm/environment/co2/co2_agreements.htm

²³ Cf. COM (2005)670 p. 9 (5.3) and SEC(2005)1683 p. 24 (4.4)



countries. Hidden flows caused primarily by the exploitation of metals are not even mapped. The Commission consequently asserts, and rightly so: *“Numerous aspects of the use of natural resources comprise an extra-European dimension in terms of the impact of their extraction, production, transport or use and removal. These must be identified and monitored so that European decision-makers can take these impacts into account when developing European policies.”*²⁴ An *“international panel on the sustainable use of natural resources”* is therefore a good first step, which should lead to concrete policy measures and tangible results.

- [20] The FCSD nonetheless considers that, based on this analysis, the question of global fairness must also be raised in relation to the use of natural resources. Our production and consumption patterns cannot extend indefinitely in time and space. If consumption globally were equal to consumption in Belgium, oil reserves would be quickly depleted.²⁵ So the question is whether it is essential to limit material and energy flows in general in the industrialised countries. The FCSD argued in favour of such a limitation in its opinion on the first Federal Plan for Sustainable Development and in its opinion on the Green Paper on Integrated Product Policy: *“We must attain a reduction in material and energy flows in the economy and in all products and production processes over the next decade.”*²⁶
- [21] The FCSD is also of the view that, based on the international dimension, resource strategy must be harmonised with EU trade and development policy at both bilateral and multilateral level. The Commission discussed this in its Communication of 2003 but does not take the matter further in its Communication of 2005 or in the attached Impact Assessment. In this context, the FCSD nonetheless considers it vital, if we are to achieve more sustainable consumption of resources globally, for the multilateral institutions to take account of such criteria in their policy. The FCSD therefore calls on the EU to take actions in these institutions to have such criteria adopted, reiterating the view stated in its opinion on the European Sustainable Development Strategy: *“The EU further needs to exert its influence in the World Trade Organisation to have its sustainable development strategy better translated into international trade policy. The danger does indeed exist of seeing the Union’s efforts to achieve sustainable development, for example via cost internalisation, result in a competitive handicap to its economy compared to economies that ignore sustainable development.”*²⁷
- [22] In analysing resource use and its environmental impacts, there is also a need to consider the social dimension. The FCSD calls more particularly, in the “external” approach to natural resource strategy, for attention to be paid to the interests of Third World producers, whose earnings depend on the export of agricultural and other goods. In this context, there can be tension between environmental priorities and social priorities. It is important to include both points of view (and their interactions) in an assessment of the concrete impacts of policies and to develop an integrated approach at this level.
- [23] Being attentive to the social aspect of resource use is necessary not only at global level, but also in the EU and in our country as well. The Third Federal Report of the Planning Bureau’s Sustainable Development Task Force recently adopted an integrated approach at this level. That report states, in its analysis of the pressure of household appliances on environmental capital: *“Low-income households, given their budget constraints, often can only buy less expensive appliances of lower quality. These consume more energy and therefore emit more greenhouse and polluting gases, which puts a lot of pressure on natural resources. Given their high energy consumption, these appliances are thus more expensive to use and their life cycle is often shorter than those bought at a higher price. Energy consumption and the rate of replacement of such appliances therefore make their use more costly than that of better quality appliances. This choice therefore reduces the standard of living of low-income households and saps natural resources.”*²⁸

²⁴ SEC(2005)1683 p 24 (4.5)

²⁵ Based on today’s rate of consumption, estimated world oil reserves will already be depleted in around 40 years. See BP, Statistical Review of World Energy 2005, Oil Reserves:
<http://www.bp.com/sectiongenericarticle.do?categoryId=9003054&contentId=7005895>

²⁶ 2001a09 point 19, 2000a02 point 43, referred to in 2002a06 information sheet 5.2 and 2004a09 point 72. The EU had itself already put forward factor 4 as a priority objective for the industrialised countries at the Rio+5 Summit (New York 1997).

²⁷ 2004a09 of 29 October 2004, point 79

²⁸ Third Federal Report on Sustainable Development “Understanding and Controlling Development”, December 2005, p. 57. In its analysis, the Sustainable Development Task Force also examines the pressure of consumption and production patterns on health (2.2.2) and the impact of demographic factors (e.g. ageing of the population).