



CEE Bankwatch Network  
Na Rozcestí 1434/6  
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**Bulgaria:**

Centre for Environmental  
Information and Education  
(CEIE)  
For the Earth

**Czech Republic:**

Centrum pro dopravu a  
energetiku (CDE)  
Hnutí Duha

**Estonia:**

Estonian Green Movement–FoE

**Georgia:**

Green Alternative

**Hungary:**

National Society of  
Conservationists – Friends of  
the Earth Hungary (MTVSZ)

**Latvia:**

Latvian Green Movement

**Lithuania:**

Atgaja

**Macedonia:**

Eko–svest

**Poland:**

Polish Green Network (PGN)  
Institute of Environmental  
Economics (IEE)

**Serbia:**

Center for Ecology and  
Sustainable Development  
(CEKOR)

**Slovakia:**

Friends of the Earth – Center  
for Environmental Public  
Advocacy (FoE–CEPA)

**Ukraine:**

National Ecological Centre of  
Ukraine (NECU)

CEE Bankwatch Network's  
mission is to prevent  
environmentally and socially  
harmful impacts of  
international development  
finance, and to promote  
alternative solutions and public  
participation.

**FROM:**

Mark Fodor  
Executive Director

**CEE Bankwatch Network**

Na Rozcestí 1434/6  
190 00 Praha 9 – Libeň  
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**TO:**

European Commission

Commissioner for Environment  
Mr. Janez Potočnik

Copy: President of the  
European Commission  
Mr. José Manuel Barroso

18 January 2010

Dear Commissioner Potočnik,

CEE Bankwatch Network writes in regards to “A resource efficient Europe – flagship initiative of the Europe 2020 Strategy.” We welcome the Commission’s effort to build a holistic approach to resource efficiency and propose integration of resource efficiency in different EU policies and actions. This letter aims to provide further suggestions for the priority measures that we believe should guide this Flagship initiative.

The resource efficiency flagship initiative must ensure that long-term strategies in areas such as energy, climate change, and transport policy deliver on resource efficiency objectives. Higher resource efficiency means using fewer resources to achieve the same life span and quality given a fixed set of materials. With this initiative the Commission can set an agenda to reduce the demand for raw materials, their extraction and processing, while at the same time ensuring positive economic and social development.

### Translating to action

The energy efficiency target set by the energy and climate package must be obligatory for Member States to achieve results. Additionally resource efficiency targets should be established for specific sectors like transport and material use in industrial sectors. Targets should be calibrated for short- and long-term periods. These should as well be time-bound and measurable, with detailed indicators, implementation strategies and institutionalised monitoring of the gradual progress.

### Financial resources for waste hierarchy

One basic way to increase resource efficiency is to use financial resources in line with the waste hierarchy, with emphasises the prevention of waste production, reuse of waste materials and separate collection, namely through recycling and composting. Such a strategy will bring a double-dividend in reducing the need to extract and process new resources and job creation. Using EU Structural and Cohesion funds for incineration and

land-filling, as is the case today, has proven to be a capital-intensive approach that has not solved waste management issues in New Member states.

### **Obligatory 70 percent recycling ratio**

Allocating financial resources alone towards the waste hierarchy will not make the EU a resource efficient society, if it continues to dispose of 5.25 billion euros in recyclable waste materials annually. Instead, the shift to a resource efficient society will require higher and **binding** recycling targets. Bankwatch recommends increasing the recycling ratio for municipal solid waste from 50 to 70 percent by 2020 and formulating this as a binding requirement for Member States. There are examples presently within the EU in which this high recycling ratio is effectively in place. For instance Flanders has both a recycling ratio around 70 percent and the lowest production of mixed municipal waste in Europe.

### **Separation of biowaste**

It would be impossible to meet such ambitious recycling and composting targets without first the separation and treatment of biodegradable waste. The EU must advocate for more effective use of organic material – an important resource for both biogas production and as a fertilizer – particularly given increased awareness about erosion and humus deficiency in European soils. Bankwatch recommends that the EC include a Biowaste Directive as a first step to connect agricultural resources with waste issues.

### **Greenhouse gas emissions**

The EU must enforce existing measures and introduce new targets in order to tackle the problem of increased greenhouse gas emissions. Increasing the binding emissions reduction targets from 20 to 30 percent by 2020 will provide the necessary push for resource efficiency policies to be implemented in a thorough way. The flagship initiative should provide clear guidance about which measures and activities to cut emissions will be supported, as we believe that current technological solutions do not support sustainable resource efficiency lifecycles. For example waste incinerators could reduce greenhouse gas emissions in the waste sector while at the same time wasting resources and money. Similarly, carbon capture and storage increases energy consumption and production, increasing coal mining activities and related, negative effects. Together with nuclear energy, CCS postpones and makes problematic the necessary transition towards renewable and decentralised energy generation. Importing and processing uranium in non-EU countries will increase the energy dependence and vulnerability of the EU. Also, the

binding target of biofuels used in road transport and its implementation should be revised in order to reflect real resource-intensity throughout the whole lifecycle and avoid biodiversity loss, soil degradation and effects on food prices.

### **Shifting values for policy transformation**

The EU should also focus on indicator reform to succeed in transforming its policies into results-oriented guidelines. While the EU aims at decoupling, decreasing resource and energy consumption to transition to a low carbon economy, the indicators to measure this transformation cannot be premised solely on GDP.

### **Urban areas and buildings**

Integrated and intelligent design is needed for urban planning that includes district heating systems, transport focused on public modes and cycling and pedestrian infrastructure, waste management schemes, public lighting and other public services. Efficiency measures need to be stimulated in urban planning and financial support from public funds like the Cohesion policy or the European Investment Bank should be conditioned on such provisions.

Despite progress in efficiency measures for buildings, a large potential within existing buildings remains untapped, especially in the New Member states. Urgent action is needed – the new Cohesion policy should have a strong focus in this area. Funding should motivate and be linked to high performance (and not per capita GDP) in order to avoid a sectoral low-efficiency lock-in.

Support is also needed for efficient heating and cooling systems, including district heating and co-generation. Only in this way can the implementation of these solutions be tailored to the most acute problems facing urbanised areas across the EU.

### **Transport**

Efficient transport measures need support, such as public transport that includes integrated regional transport systems and intelligent traffic management with a preference for public transport modes. Intermodality needs to be supported and linked to limitations on parking spaces. These efficiency measures should be clearly prioritised for financing over resource-intensive modes of transport like TEN motorways and airports.

## **Policy coherence**

Mainstreaming resource efficiency into EU strategies requires that it be applied systematically in all relevant policy areas, including support from public sources like the Cohesion Policy. Some current policies, like the TEN-E policy and its priority axis, the Nabucco gas pipeline, contradict the goal of increasing resource efficiency by supporting higher consumption patterns and dependence on imports from democratically-unstable countries, and a locking-in to resource-intensive economies.

Thank you in advance for the positive consideration of the recommendations above.

Mark Fodor  
Director, CEE Bankwatch Network

**List of civil society organizations supporting this letter:**

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