

Janez Potočnik
Commissioner for Environment
European Commission
1049 Brussels
Belgium

Re: Roadmap for a Resource Efficient Europe

Budapest, 11 July, 2011

Dear Commissioner Potočnik,

We warmly welcome the intention of the European Commission to move towards to a more resource efficient economy, also as a means to protect valuable ecological assets, the services they provide and the quality of life for present and future generations. We also strongly agree with the necessity to find new ways to reduce inputs, change consumption patterns, and optimise business methods, as well as a significant transition in energy, industrial, agricultural and transport systems, as it is outlined in the Resource Efficiency Flagship Initiative.

At the same time we consider it crucial that resource efficiency gains are not lost due to the rebound effect and therefore an absolute resource use reduction is realised on EU level. Only absolute resource use reduction can ensure the achievement of the EU's objectives on fight against climate change and limit the environmental impacts of resource use, which also underpin the EU's efforts to improve the wellbeing of its citizens.

Building upon these objectives we would like to kindly draw your attention to the discussions that took place in the framework of the National Sustainable Council, which is an advisory body of the Hungarian Parliament, on the possible introduction of an energy quota system in Hungary in 2009-2010. The climate act towards a sustainable society, proposed by NGOs, aims to transform the production and consumption patterns, reduce energy resource use on national level, decrease energy dependence, create a market for environmentally friendly products and services, and rebalance the use of human labour and machines, while taking into account and eventually reducing social inequalities in energy resource use. The proposal builds upon four pillars:

Pillar 1: The Energy Quota

The use of fossil and nuclear energy sources shall be reduced through direct savings, increasing efficiency, or shifting to renewable energy sources. An effective tool for realizing this reduction is the energy quota system. Energy consumption entitlements of annually decreasing quantities would be allocated among the individual consumers and public and private consumer groups. Those, who save a part of their allocated entitlements, can sell their remaining entitlements through the quota managing organization to those who have consumed more than their allocated consumption entitlement. The quota managing organization sells the quota in the national currency, and buys the remaining quota for quota money.

Pillar 2: The Market for Environmental Goods and Services

The market for environmental goods and services is an open market operating according to environmental and ethical rules including aspects of sustainability and market

considerations. The quota money received from selling energy consumption entitlements could be exchanged to products in this 'eco-labelled' secondary market.

Pillar 3: The Revolving Fund

The Revolving Fund provides the opportunity for everyone, both energy producers and consumers, to be able to achieve savings through energy efficiency and renewable energy investments. The Revolving Fund provides interest free loan in quota money with a payback period adjusted to the energy savings or income generation realised through the investment.

Pillar +1: Support Service

The Support Service aims to provide advice on lifestyle, planning, social and environmental issues, as well as information on the functioning of the scheme to consumers.

100 Members of the Parliament from all political groups, more than 500 NGOs and 15,000 citizens in Hungary supported the idea of an ambitious climate bill.

Considering that besides resource use land use is the other main pressure behind degrading our ecosystems and their services, this system should be extended with compatible regulations on land use in order to avoid shifting the pressure from overexploitation of resources to land, which is already happening in the case of biomass production for energy purposes.

Therefore we call on DG Environment, under your dedicated leadership, to respond to the unavoidable necessity of absolute resource reduction through presenting a Roadmap on Resource Efficient Europe including ambitious targets on absolute resource use reduction and initiating a discussion on EU level for introducing an energy quota scheme and a land use regulatory system.

We attach a short description of the Hungarian proposal, as well as a summary of its impact assessment for your consideration. We would be pleased to present the concept more in detail through a personal meeting and look forward to your reply.

Yours sincerely,



István Farkas
Executive President
National Society of Conservationists-
Friends of the Earth Hungary
Leader of the Hungarian Climate Campaign



Klára Hajdu
General Secretary
CEEweb for Biodiversity
Founding Member of the European
Resource Cap Coalition