



Making Europe resource efficient and achieving the energy efficiency target – the role of business and NGOs

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Emerging challenges

Over the 20th century, the world increased its fossil fuel use by a factor of 12, whilst increased 34 times its material resources. Today in the EU, each person consumes 16 tonnes of materials annually, of which 6 tonnes are wasted, with half going to landfill. Four fifths of the EU's energy comes from CO₂ emitting fossil fuels. By 2020 import dependency is expected to increase to 93% (oil) and 76% (gas). Roughly €400 billion flow out of Europe every year to Russia – the biggest supplier – and other countries. Sources of minerals, metals and energy, as well as stocks of fish, timber, water, fertile soils, clean air, biomass, biodiversity are all under pressure, as is the stability of the climate system. Whilst demand for food, feed and fibre may increase by 70% by 2050, 60% of the world's major ecosystems that help produce these resources have already been degraded or are used unsustainably.

Trends show, however, that the era of plentiful and cheap resources is over. Businesses are facing rising costs for essential raw materials and minerals, their scarcity and price volatility are having a damaging effect on the economy.

European efforts to overcome these challenges

1. Vision for making Europe resource efficient

“By 2050 the EU's economy has grown in a way that respects resource constraints and planetary boundaries, thus contributing to global economic transformation. Our economy is competitive, inclusive and provides a high standard of living with much lower environmental impacts. All resources are sustainably managed, from raw materials to energy, water, air, land and soil. Climate change milestones have been reached, while biodiversity and the ecosystem services it underpins have been protected, valued and substantially restored.”

2. EU 2020 Energy Goals

While the Resource Efficient Flagship Initiative of the EU aims to cover different kinds of natural resources, including raw materials such as fuels, minerals and metals but also food, soil, water, air, biomass and ecosystems; energy resources are dealt separately through energy related targets. Therefore, the EU has set the objective of achieving 20% primary energy savings in 2020 and has designated this objective as one of the five headline targets of the Europe 2020 Strategy for smart, sustainable and inclusive growth (*20% increase in energy efficiency*). Terms of “energy efficiency” and “energy savings” are often used interchangeably in EU documents, thus efforts should be undertaken in order to clarify the goal and the means to achieve it, although in practice the two are difficult to disentangle.

3. Tools for tackling the current challenges, achieving the vision n resource efficiency and the energy efficiency goals

- Addressing markets and prices, taxes and subsidies that do not reflect the real costs of resource use and lock the economy into an unsustainable path;
- Encouraging more long-term innovative thinking in business, finance and politics that leads to the uptake of new sustainable practices and stimulates breakthroughs in innovation, and develops forward thinking, cost effective regulation;
- Carrying out the research to fill the gaps in our knowledge and skills and provide the right information and training;
- Dealing with international competitiveness concerns, and seeking to get a consensus with international partners to move in a similar direction,
- Establishing a common framework for the promotion of energy efficiency within the Union to ensure the achievement of the Union's target of 20% primary energy savings by 2020 and to pave the way towards the realisation of further energy efficiency beyond that date
- Carrying out regular mandatory energy audits for large companies and sets a series of requirements on energy companies on metering and billing

In light of the EU policy background, what are the challenges that businesses need to face? What are the main obstacles that businesses meet in the transition towards sustainable resource use? What solutions exist in the business sector to overcome those obstacles? What are the recommendations of businesses for shaping EU policy and future cooperation? What are the NGO views and proposals related to the transition of businesses towards sustainable resource use? How can we create the necessary incentives that are necessary for this? What can NGOs offer to make progress in this field?

Used documents:

- Energy Efficiency Plan, March 2011, European Commission
- Impact Assessment accompanying the Directive for Energy Efficiency, European Commission
- European Commission in the March 2011 Energy Efficiency Plan
- European Council, 8/9 March 2007
- COM(2011) 571 final
- COM(2011) 885/2
- 2050 Low Carbon Roadmap
- 7224/1/07, REV 1.
- COM(2010) 2020/
- COM(2011) 109