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BUSINESSEUROPE response to the public consultation on options for resource efficiency indicators

BUSINESSEUROPE's response to the DG Environment consultation on options for resource efficiency indicators argues that:

1) The development of meaningful indicators represents an opportunity to develop a sound knowledge base

BUSINESSEUROPE supports the broad principles and objectives of the Roadmap to a resource-efficient Europe. Improving resource efficiency is vital to address the triple challenge of security of supply, cost-competitiveness and sustainability.

Industry contributes greatly to making the EU more resource-efficient by developing innovative products and technologies as well as improving its own performance. Companies have a growing understanding of and belief in the benefits of measuring resource efficiency data.

The development of meaningful indicators to monitor resource efficiency will provide the roots of a sound knowledge base. Given the diversity in the nature and scale of resource challenges, it is important that all industrial actors are properly involved in this exercise.

To achieve the right framework for resource efficiency indicators, it is important that the Commission understands and aligns its approach with that of business. This is important because it will be business which will have to put into practise the policy eventually resulting from the indicators. By recognising and emulating what business is already doing, the indicators will have a higher chance of success in incentivising investment and pursuit of further resource efficiency measures by business.

2) Whilst supporting the development of indicators businesses query the current proposed options and the need for a lead indicator

In assessing the options for resource efficiency indicators we have identified some concerns and questions about the Commission's approach. If explored in collaboration with business and stakeholders, we are confident that suitable answers and a positive way forward can be found.

Lead indicator:

Whilst the proposed lead indicator does give a signal of the connection between resource use and economic output, it would be too blunt to be relevant to many businesses as well as governments, because it does not distinguish between the value or relative scarcity of materials. For example, it would measure the consumption of relatively plentiful materials alongside the consumption of relatively scarce materials such as rare earth metals.



We also believe that the Gross Domestic Product (GDP) / Domestic Material Consumption (DMC) focus on measurement by weight will not give an effective or accurate account of actual environmental impact. It is likely to result in discrimination against member states with higher resource use, but not necessarily higher environmental impacts. Furthermore, it appears to be biased against economies with a high level of domestic industrial production, as products imported from outside Europe and services reduce material consumption. This contradicts the Industrial Policy Communication Update COM(2012)582, which aims to strengthen the role of industry in the EU's economy.

Against this background, BUSINESSEUROPE believes establishing a lead indicator may not be helpful. The development of a basket of macro-indicators reflecting a variety of complex aspects would be much more fruitful.

Dashboard and thematic indicators:

Whilst we support the idea of a basket of more specific indicators, we have concerns around the levels of development of some of the proposed dashboard (carbon, land and water) and thematic indicators as well as their relevance in measuring both economic growth and environmental protection, the potential cost implications for business and for effective measurement.

An alternative approach should be considered with a view to developing a basket of indicators, covering a selection of resources, that give proper consideration to the:

- value and security of materials;
- profitability of significant environmental improvement and savings for business;
- technology developments.

Such an approach would be much more familiar and relevant to business and more likely to incentivise and drive resource efficiency efforts amongst the business community.

The potential implications that indicators have for the global competitiveness of European business should also be assessed. The choice of resource efficiency indicators should not cause confusion or fragmentation at the global level in terms of programmes already being developed internationally.

3) The debate on targets should not be launched before a broad consensus on indicators, including on their *real* effectiveness

We are concerned that the Commission is rushing to establish indicators and has scheduled 2013 for the start of discussions around targets. We are deeply convinced that a broad consensus on accurate and reliable indicators to measure resource efficiency improvements has to be accepted as a prerequisite for a debate on targets.

Target-based resource policies must be considered very cautiously. We fear that the pace may have the effect of alienating business and stakeholders from the process of building consensus around the right indicators and not giving enough time for an indicator framework to embed and for a rigorous impact assessment to take place.



The need for an appropriate period of time in which to monitor the effectiveness of the indicators is essential and we call on the Commission to reconsider its timings to accommodate this, otherwise we risk the adoption of ineffective indicators.

We believe that if the Commission works in partnership with business and stakeholders to develop a set of indicators with these core principles in mind, we will be able to establish a framework supporting effective resource efficiency development.

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