



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 13 December 2010

17495/10

ENV	843
ENER	356
RECH	406
FIN	703
COMPET	418
ONU	212

NOTE

from: General Secretariat
to: Council

No. prev. doc.: 16795/1/10 ENV 802 ENER 342 RECH 390 FIN 642 COMPET 383 ONU 200
REV 1

Subject: Sustainable materials management and sustainable production and consumption:
key contribution to a resource-efficient Europe
- Draft Council conclusions

Sustainable materials management is an integrated approach that seeks to reduce environmental impacts of materials use and conserve natural resources throughout the life-cycle, a prerequisite for a more resource-efficient Europe.

Draft Council conclusions on the abovementioned subject were prepared by the Presidency and discussed and agreed within the Working Party on the Environment.

On 8 December 2010, the Committee of Permanent Representatives examined and approved the text as set out in the Annex to this note.

The Council is therefore invited to adopt the draft Council conclusions.

**Sustainable materials management and sustainable production and consumption:
key contribution to a resource-efficient Europe
- Draft Council conclusions -**

The Council of the European Union,

CONCERNED that the EU's overall current pattern of production and consumption endangers the availability of resources and has a negative impact on the quality of air, water and soil, on human health, on the climate and on biodiversity, both within and outside Europe;

CONCERNED that the EU's extensive use of resources and its high dependence on the import of resources combined with worldwide population growth and economic development threatens future supply and access to resources for Europe;

AWARE that there is an urgent need for Europe to manage resources more sustainably and to strive for an absolute decoupling of economic growth from resources use and the consequent environmental degradation;

RECOGNISING that the current economic and environmental challenges are an opportunity to shift towards a resource-efficient economy, based on sustainable production and consumption and on more sustainable life-styles; that this shift will improve environmental quality within and outside Europe, including climate and biodiversity, as well as health and the quality of life in general;

REAFFIRMING that the shift to a sustainable and resource efficient economy is meant to boost EU competitiveness, creating new business opportunities, driving innovation, and providing a crucial contribution to the creation of green and sustainable employment;

WELCOMING the headline target agreed in the Strategic Plan of the Convention on Biological Diversity agreed at COP10, October 2010 that states “by 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits”;

ACKNOWLEDGING the findings of The Economics of Ecosystems and Biodiversity (TEEB) study regarding the economic value of biodiversity and ecosystem services and the need to develop economically efficient policy frameworks for sustainable production and consumption; as well as the work done by the UNEP International Panel for Sustainable Resource Management;

1. RECALLS that the Europe 2020 Strategy aims to realise smart, sustainable and inclusive growth and notably a more energy and resource efficient, greener and more competitive European economy;
2. RECALLS that the concept of Sustainable Materials Management (SMM) defined by the OECD¹ is “an approach to promote sustainable materials use, integrating actions targeted at reducing negative environmental impacts and preserving natural capital throughout the life-cycle of materials, taking into account economic efficiency and social equity” AND that the Environment Ministers, meeting informally on the topic of SMM in Ghent on 12/13 July 2010, recognised the need to develop an integrated approach to resource efficiency at EU level covering the entire life-cycle of materials;
3. IS CONVINCED that, to achieve a sustainable, resource-efficient and low carbon European economy by 2020, an integrated policy approach is needed and that Sustainable Materials Management and Sustainable Consumption and Production (SCP) can make an important contribution towards this aim;

¹ OECD, Working Group on Waste Prevention and Recycling, Outcome of the first workshop on SMM, Seoul, 28-30 November 2005.

4. INVITES the Commission and the Member States to shift from fragmented policies focused on one aspect of the materials chain to an integrated policy approach directed towards the full life-cycle of materials (including extraction or harvesting, design, production, distribution, consumption, re-use and recycling, and final treatment), whereby the requirements of energy efficiency and of materials efficiency are reconciled;
5. IS AWARE that the shift towards a sustainable and resource-efficient European economy will require, in addition to technological innovation, innovation at the level of our socio-economic system, i.e. new business models (e.g. product-service schemes, industrial symbiosis and integrated chain management), new consumption patterns and new governance models geared towards the sustainable management of materials throughout the life-cycle;
6. NOTES that several EU policy instruments and strategies such as the EU Sustainable Development Strategy, the Thematic Strategy on the sustainable use of natural resources, the Thematic Strategy on waste prevention and recycling, the Action Plan on sustainable consumption and production and sustainable industrial policy, the Raw Materials Initiative, the Waste Framework Directive, the Ecodesign Directive and other product-related Directives as well as REACH,² have already started addressing this challenge;
7. CONSIDERS that there still is large potential for the further strengthening and the improved promotion, implementation and enforcement of existing EU policies and legislation relating to resources and materials use;

² Doc. 10917/06, COM (2005) 670, COM (2005) 666, COM (2008) 397, COM (2008) 699, Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste, Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of ecodesign requirements for energy-related products, Regulation 1907/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

8. WELCOMES the key role given to resource efficiency in the Europe 2020 Strategy and LOOKS FORWARD to the further development of the resource-efficiency flagship initiative, and its implementation at both EU and national level;
9. WELCOMES the intention of the Commission to establish a Strategy on Resource Efficiency in 2011, including a road map, to orient and structure further work;
10. URGES the Commission to make SMM and SCP an integral part of its Strategy on Resource Efficiency and CALLS on the Commission to give a broad interpretation to resource efficiency, encompassing all natural resources including energy and non-energy resources, biotic and abiotic materials, water, air, soil, living organisms, ecosystems and biodiversity and aimed both at achieving a higher resource productivity, at managing limited resource availability, and at decreasing environmental impacts resulting from resource use;
11. Building on the results of the Marrakech Process, CALLS on Member States and stakeholders to support and contribute to a global 10-Year Framework of Programmes (10YFP) on SCP for the period 2011-2021 to be adopted in May 2011 at CSD19, which should accelerate the shift towards sustainable consumption and production and include key environmental policies on resource efficiency and sustainable materials management as well as key social policies on green and sustainable employment; and which should serve as input for the UN Conference on Sustainable Development 2012 (Rio+20);

I. Towards a sustainable life-cycle approach

12. INVITES the Commission and Member States to continue their efforts to make European resources and materials use more sustainable throughout the life-cycle by:

- (a) encouraging the design of products that exert a minimal environmental and health impact and paying more attention to the design phase when developing product legislation and product standards (e.g. by introducing sustainability criteria and by setting requirements for energy, water or material efficiency, for substitution or maximum concentrations of hazardous substances, for minimum use of resources and maximum re-use, recycling and recovery of embedded resources and energy);
- (b) making optimal use of the provisions of the existing EU Eco-design Directive by taking into account not only energy efficiency in the use phase but all significant environmental criteria (e.g. resource efficiency) over the entire life-cycle when developing implementing measures; and enhancing market surveillance in order to improve compliance with the provisions of the existing Directive and its implementing measures;
- (c) exploring further ways of reducing the use of hazardous substances, including heavy metals, and promoting their substitution in products and production processes, amongst others to facilitate reuse and recycling and avoid unintended consequences and the recirculation of hazardous substances;
- (d) further optimising and promoting the use of designated methods, such as Life-Cycle Analysis (LCA) of products, addressing environmental, social and economic aspects; taking into account work done in the context of the ILCD (International Reference Life Cycle Data System) and of the UNEP;
- (e) assessing existing and new policies and legislation as regards their impact on resource use and related life-cycle environmental pressures;
- (f) enhancing cooperation between policy makers in relevant policy fields, i.e. environment, energy, industry, innovation, trade, economic affairs, agriculture, fisheries and others;

- (g) developing a common life-cycle-based approach to lower the global impact of organic material flows (such as food), and seek greater consistency between environmental, energy, trade, land use, agricultural and other policies in this field;
- (h) paying attention to the EU's responsibility at global level and continuing to promote and support the concepts of SCP and SMM in international fora, in particular OECD and UN;

13. INVITES the Commission to:

- (a) develop a common methodology on the quantitative assessment of environmental impacts of products, throughout their life-cycle, in order to support the assessment and labelling of products;
- (b) conduct an ambitious European policy on eco-design and, in 2012 carry out a thorough review of the effectiveness of the Eco-design Directive and its implementing measures, and notably the appropriateness of extending the scope of the Directive to non-energy-related priority products with a significant environmental impact³;
- (c) identify the most appropriated policy options to exploit the results of life cycle methods, such as requirements on the ecological design of products, labelling and other consumer awareness actions;
- (d) develop actions to strengthen Corporate Social Responsibility, and notably to promote sustainable supply chain management;

³ See Article 21 of Directive 2009/125/EC.

- (e) develop strong synergies between the resource efficiency flagship and other Europe 2020 flagship initiatives, particularly those on ‘Innovation Union’, ‘An industrial policy for the globalisation era’ and ‘An agenda for new skills and jobs’;

II. Towards a coherent mix of measures to make European materials use more sustainable

14. INVITES the Commission and Member States to develop a coherent mix of measures to make European materials use more sustainable by further considering:

- (a) market-based instruments, steering the market towards recycling and waste reduction and recycling certificates; the internalisation of environmental costs, and in particular Member States considering the possibility of shifting the revenue base for national budgets from taxing labour towards taxing energy and resource use; and the progressive removal of subsidies that have considerable negative impacts on the environment, taking into account the specificity of Member States;
- (b) further strengthening re-use and recycling markets via waste management schemes, appropriate requirements on recycled content for certain product categories (while taking into account the need to avoid recirculation of hazardous substances), green public procurement, optimising the development and use of end-of-waste criteria and quality criteria for recycled materials, exploring the possibilities for contributing to the development of international certification schemes that could promote the compliance with international standards for environmentally sound waste management;
- (c) increasing producer awareness and further strengthening extended producer responsibility, based on an analysis of socio-economic and environmental costs and benefits, so as to effectively make producers responsible for their products throughout the value chain and thus stimulate ecological design and closed loop systems;

- (d) increasing consumer awareness by improving the information flow to all consumers on the environmental and social impacts of their consumption, through labelling schemes based on an integrated approach paying attention to a wide range of environmental and social impacts over the full life-cycle, through EPDs (environmental product declarations) upgraded with information on relevant social aspects and other forms of product-related communication; through making sustainable consumption an integral part of education; and through strengthened control on green commercial claims;
- (e) encouraging the investment in green jobs and skills via *inter alia* education and training;

III. Towards systemic innovation and better data and indicators

15. ENCOURAGES the Commission and Member States to:

- (a) strengthen and, where appropriate, amend and align data collection methodologies on material flows, including hidden flows, and on sustainable consumption and production;
- (b) reflect the importance of resource efficiency in environmental economic accounting;
- (c) foresee the necessary financial means to promote sustainable materials management and sustainable consumption and production as key contributions to the achievement of the objectives of the Europe 2020 Strategy;

16. INVITES the Commission to:

- (a) continue to work on and develop an appropriate set of indicators on materials use and related impacts, in particular for priority resources, taking into account the life-cycle perspective, potential burden-shifting to other regions or between resources, and social aspects, as well as the work done by, among others, the EEA, OECD and UNEP; and propose, on this basis, quantifiable and measurable targets for resource efficiency;
- (b) develop a strategic research agenda focused on the system innovation that accompanies the shift towards a sustainable and resource-efficient European economy;
- (c) consider the possible support of system innovation through EU instruments, such as the 8th R&D Framework Programme, the Competitiveness and Innovation Framework Programme, the upcoming Eco-Innovation Action Plan, the cohesion policy and the Common Agricultural and Fisheries Policies;
- (d) consider how the objectives on resource efficiency can be supported and implemented by the creation of a multi-actor transition platform on resource efficiency bringing together institutions, policy makers from various administrative levels including regional and local, industry, business community, research institutes and universities, consumers, trade unions and employers associations, and NGOs, while ensuring complementarity with other existing initiatives.