

## on the European Parliament own-initiative Report “Resource Efficiency: moving towards a circular economy”

### KEY MESSAGES

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- ▶ UEPG, the European Aggregates Association, represent the biggest non-energy extractive industry sector. The European Aggregates Industry is strongly committed to contribute to economic growth and societal wealth in the EU through sustainable extraction, manufacturing, management and use of the invaluable resources they produce or use.
- ▶ UEPG welcomes the strong focus that the new Commission gives to industrial growth, innovation and jobs and continues to actively support the development of a sound and sustainable transition to a more circular economy model. We are confident that, combined with the renewed industrial policy and the Better Regulation agenda, the European Strategic Investment Plan will contribute to a sustainable economic recovery in Europe. The current draft European Parliament own-initiative Report “Resource Efficiency: moving towards a circular economy” is not a positive signal in support of Member State and industry efforts towards this transition. Access to primary and secondary resources is crucial for all economic sectors of the EU.
- ▶ EU resources policy should continue to develop on the solid grounds set by the three pillars of the EU Raw Materials Strategy, namely 1) Access to resources from third countries, 2) Access to domestic raw materials and 3) Resource efficiency. Primary and secondary raw materials are integral and inter-dependent parts of this policy and require science-based governance taking into account their respective qualities and environmental and economic merits.
- ▶ Innovation down the supply chain (i.e. closed to consumer goods) cannot be made without innovation of upstream suppliers. European Innovation cannot be sustainable on the long term without European industrial activities. With your support, guaranteeing access to raw materials, maintaining and developing manufacturing industries in the EU, whilst drastically reducing waste are clearly objectives we want to contribute to. In that respect, we expect the Circular Economy Package and its associated measures to be fit to meet society’s needs, foster innovation and contribute to growth and jobs creation across all Member States of Europe.
  - **The efficiency of the circular economy should be made in coherence with the global political objective of jobs & growth for the European Union**
  - **Primary raw materials will remain essential to Europe’s growth**
  - **Target setting should not be an end in itself**
  - **Therefore, we request that MEPs amend the report as follows:**

Paragraph 2	Requested Amendment
<p>Emphasises that addressing resource scarcity requires <b>reducing the</b> extraction and use of resources and <b>an absolute</b> decoupling of growth from the use of natural resources – a systemic change which requires backcasting the actions needed from a 2050 sustainability perspective and taking immediate action;</p>	<p>Emphasises that addressing resource scarcity requires <b>sustainable</b> extraction and use of resources and <b>a continued</b> decoupling of growth from the use of natural resources – a systemic change which requires backcasting the actions needed from a 2050 sustainability perspective and taking immediate action;</p>
<p><b>Justification:</b> <i>Due to chemistry, physics, demography, availability, quality, environmental requirements and economic viability, primary raw material inputs will still be required in the new Circular Economy transition. Even if many of the materials in question are abundant in nature, their future extraction must be economically and environmentally sustainable.</i></p>	

Paragraph 4	Requested Amendment
<p>Recalls that, despite improvements in the efficient use of resources that have already occurred, continuous growth in production has outstripped these gains in efficiency and resource extraction continues to rise dramatically worldwide, hence there is an urgent need for <b>an overall reduction in</b> resource extraction and use <b>in order to overcome the rebound effect</b>; urges the Commission to propose measures accordingly;</p>	<p>Recalls that, despite improvements in the efficient use of resources that have already occurred, continuous growth in production has outstripped these gains in efficiency and resource extraction continues to rise dramatically worldwide, hence there is an urgent need for <b>sustainable</b> resource extraction and use <b>practices [...]</b>; urges the Commission to propose measures accordingly;</p>
<p><b>Justification:</b> <i>Growth in global production has been associated with alleviating poverty to meet the Millennium Development Goals. Future extraction must be economically and environmentally sustainable in order to progress towards meeting the new post-2015 Sustainable Development Goals.</i></p>	

Paragraph 7	Requested Amendment
<p>Is convinced that improving resource efficiency requires both legislative measures and economic incentives, <b>the internalisation of external costs</b> and further funding of research and innovation, as well as social and lifestyle changes; points out that a variety of instruments are needed at various policy levels, taking account of subsidiarity;</p>	<p>Is convinced that improving resource efficiency requires both legislative measures and economic incentives and further funding of research and innovation, as well as social and lifestyle changes; points out that a variety of instruments are needed at various policy levels, taking account of subsidiarity;</p>
<p><b>Justification:</b> <i>It is a misconception to assume that the external costs are not internalised. This is not true for raw materials extracted and processed in Europe, where stringent environmental and social rules combined with well-defined property rights and land use constraints prevent such market failures. Analysing the impact of taxation in selected countries (European Environment Agency Report 2/2008), there is no clear evidence to show that the objective of reducing environmental externalities had been achieved. UEPG believes that industry-positive policies are more effective.</i></p>	

Paragraph 16	Requested Amendment
<p>Stresses that by 2050 the EU's use of resources needs to be sustainable and that this requires, inter alia, <b>an absolute reduction in the</b> consumption of resources to sustainable levels, based on reliable measurement of resource consumption throughout the entire supply chain, strict application of the waste hierarchy, implementation of a cascading use of resources, notably in the use of biomass, responsible and sustainable sourcing, creating a closed loop on non-renewable resources, increasing the use of renewables within the limits of their renewability, <b>phasing out</b> toxic substances, in particular where safer alternatives exist or will be developed in line with current legislation on chemicals, so as to ensure the development of <b>non-toxic</b> material cycles, and improving the quality of ecosystem services;</p>	<p>Stresses that by 2050 the EU's use of resources needs to be sustainable and that this requires, inter alia, [...] consumption of resources <b>at</b> sustainable levels, based on reliable measurement of resource consumption throughout the entire supply chain, strict application of the waste hierarchy, implementation of a cascading use of resources, notably in the use of biomass, responsible and sustainable sourcing, creating a closed loop on non-renewable resources, increasing the use of renewables within the limits of their renewability, <b>de-risking use of</b> toxic substances, in particular where safer alternatives exist or will be developed in line with current legislation on chemicals, so as to ensure the development of <b>safe</b> material cycles, and improving the quality of ecosystem services;</p>
<p><b>Justification:</b> <i>The economic transition foreseen in the EU2020 strategy will require reduction in the use of some resources and increased use of others. Even if many of the materials in question are abundant in nature, their future extraction and use must be economically, environmentally &amp; socially sustainable.</i></p>	

Paragraph 18	Requested Amendment
<p>Urges the Commission to propose, by the end of 2015, <b>a lead indicator and</b> a dashboard of indicators on resource efficiency, including ecosystem services; points out that the use of these harmonized indicators should be legally binding as of 2018, and they should measure resource consumption, including imports and exports, at EU, Member State and industry level and take account of the whole lifecycle of products and services and should be based on the footprint methodology, measuring at least land, water and material use and carbon;</p>	<p>Urges the Commission to propose, by the end of 2015, [...] a dashboard of indicators on resource efficiency, including ecosystem services; the use of these harmonized indicators should be legally binding as of 2018, and they should measure <b>impacts and benefits associated with</b> resource consumption, including imports and exports, at EU, Member State and industry level and take account of the whole lifecycle of products and services and [...] measuring at least land, water [...] and carbon;</p>
<p><b>Justification:</b> <i>It is widely acknowledged that generic weight-based indicators will not be effective for the promotion of the circular economy. Resource-efficiency indicators should take into account functionality and environmental, economic &amp; social impacts from a life cycle perspective.</i></p>	

Paragraph 19	Requested Amendment
<b>Urges the Commission to propose, by the end of 2015, a binding target to increase resource efficiency at EU level by 30% by 2030 compared with 2014 levels, as well a individual targets for each Member State;</b> stresses that, before resource-efficiency targets can be implemented, they must be underpinned by indicators;	Stresses that, before resource-efficiency targets can be implemented, they must be underpinned by indicators;
<b>Justification:</b> <i>It is widely acknowledged that resource-efficiency indicators are rapidly developing and that any one-size-fits all target will likely have unintended consequences for the EU economy.</i>	

Paragraph 56	Requested Amendment
Notes that concrete is one of the most used materials in the construction industry; calls on the Commission to assess the possibilities of increasing recycling of concrete in construction, as is the case in Germany and Switzerland;	Notes that concrete is one of the most used materials in the construction industry; calls on the Commission to assess the possibilities of increasing recycling of concrete in construction, as is the case in Germany and Switzerland, <b>making sure that natural and recycled materials are subject to the same environmental and quality criteria in their respective and appropriate applications;</b>
<b>Justification:</b> <i>Recycled materials should be used in applications where economically, technically and environmentally reasonable.</i>	

Paragraph 62	Requested Amendment
Urges the Commission to study and propose measures related to taxation, such as reduced VAT on <b>recycled, reused and</b> resource-efficient products;	Urges the Commission to study and propose measures related to taxation, such as reduced VAT on resource-efficient products;
<b>Justification:</b> <i>Recycled materials should be used in applications where economically, technically and environmentally reasonable.</i>	

## BACKGROUND

Aggregates are crushed rock, sand and gravel, used to construct Europe's essential infrastructure including homes, roads, railways, schools and hospitals. Some 2.7 billion tonnes per year of aggregates are produced by 15,000 companies (the majority of which are SMEs) on 25,000 extraction sites (quarries and pits), providing jobs for more than 230,000 direct and indirect employees. UEPG now represents national aggregates associations and producers in 30 European countries.

The Industry recognises the imperative of achieving maximum efficiency in all stages of the life-cycle. This includes most optimal extraction, production and transport, proximity, local economic development, usage, recycling and ultimately restoration.