



DET KONGELIGE
MILJØVERNDEPARTEMENT

Royal Ministry of the Environment
The Minister

Commissioner Janez Potočnik
European Commission
DG Environment
B-1049 Brussels
Belgium

Your ref

Our ref
200904310

Date

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Dear Janez:

Roadmap for a Resource Efficient Europe

At the outset I wish to thank you for the interesting discussions at our last meeting in Brussels on March 14th of this year. The initiatives by the Commission related to a Resource Efficient Europe were of particular interest. Norway supports the goals and ambitions for a Resource Efficient European economy. More efficient use of all resources, including energy, is a precondition for developing a greener and more sustainable economy. On behalf of the Norwegian Government, I am therefore pleased to present our contribution to the public consultations on the Roadmap for a Resource Efficient Europe. In the annex there is more information on Norwegian experiences and recent initiatives related to resource efficiency. There is also extensive Nordic cooperation in respect of greening the economy and resource efficiency in which Norway participates actively and benefits from the common effort. Developed countries have a global responsibility to achieve a green, sustainable economy. Providing such models for middle-income and developing countries' economic development will be a key to reaching global sustainability.

* as well
as in
Zurich
last week!

Improve market signals and promote long-term incentives for the private sector

Inadequate market signals are still an obstacle for increased resource efficiency at both European and global level. Securing continued economic growth without increasing the burden on the environment will require use of targeted and efficient measures that reduce the strain on the environment to the lowest possible costs. The measures should be aimed as directly as possible at the products and the activities causing the environmental damage. Environmental taxes and tradable emission permits provide flexibility for businesses and consumers to make the necessary adaptation. This is also in line

with the polluter pays principle. Moreover, revenues from environmental taxes and the auctioning of emission permits can be used to reduce other taxes. Emphasis should be put on the use of economic instruments in the efforts towards a more resource efficient economy. It is important to promote the development, and accelerate the market uptake of eco-innovations. Greener public procurement would stimulate the production of more resource efficient products and services, as well as lower the use of hazardous substances and loss of biodiversity. It is important to develop tools that make such procurement practices simple and predictable.

Binding regulations, voluntary agreements, standards and market-based instruments are all important to promote long-term frameworks for the private sector. It is necessary to develop new products and services. The challenges which will need to be overcome will be to find new ways to reduce inputs, minimize waste, improve management of natural resources and ecosystems, change consumption patterns, optimize production processes, improve management and business methods and improve logistics. Managing this will help stimulate technological innovation and boost employment while greening the economy. Consumers will benefit through more sustainable products and new export markets could emerge. Innovation and new technological solutions should therefore be an important part of the resource efficient European strategy.

Waste and recycling

I believe that the Commission is on the right track when advocating a recycling society. The development of waste and resource policies should be based on a goal on decoupling waste production from economic growth (Gross Domestic Product). I believe the promotion of high standards internationally in the area of waste and chemicals can be crucial in promoting the development of environmentally-friendly and resource efficient production outside the EU/EEA area.

Energy and water

Energy efficiency is vitally important to the overall goal of resource efficiency and for Norwegian and EU strategies on this issue, as indicated by our earlier remarks on the Roadmap for a Low-Carbon Economy 2050. Norway has 25 % of the hydropower production in Europe and a large portion of the reservoir capacity. Potential new hydropower, including modernization of existing facilities, could amount to a substantial increase of the production. This, however, constitutes a challenge taking into account the strict demands related to the fulfillment of the Water Framework Directive. Like most European countries Norway also have a large potential in energy efficiency. In the use of ground source heat pumps alone there is a potential of more than 40 TWh.

Biodiversity and land use

Norway would like to stress the importance of the economic value of ecosystem services. The promotion of The Economics of Ecosystems and Biodiversity (TEEB) reports and findings should have a prominent place in a roadmap for resource

efficiency. This global study gives us new tools for the understanding of nature's contribution and for linking economic and environmental policies. The findings from TEEB are also tools for identifying synergies between climate change and biodiversity, and more generally for mainstreaming of biodiversity and ecosystem services into sectoral policies, development plans and budgets, as well as for use in the business sector. The work of the project "The Economics of Ecosystems and Biodiversity" has huge potential, and it is now time to focus on integrating the recommendations into national policy.

Efficient land use is a cross-sectoral issue and crucial in relation to planning and developing compact and sustainable cities, rural settlements, and in relation to managing biological diversity. Planning for land-use and transport should be better coordinated on all levels of government: national, regional and local. National guidelines can be used to give the preconditions for planning and political decisions, including localization.

Global processes

The European Union and Norway have a common interest in global processes related to resource efficiency, in particular:

- The Rio 2012 Conference on Sustainable Development. I hope that the European Union and Norway will continue to broaden our cooperation in the preparations this year for this, in particular related to green economy.
- The United Nations' 10 Year Framework of Programmes on Sustainable Consumption and Production.
- The work and analysis of the UNEP International Resource Panel. This work is important in order to establish a common understanding and framework in close cooperation with developing countries as to why and how to increase resource efficiency related to different sectors and types of resources.

The objectives outlined in the Roadmap for a Resource Efficient Europe will be fundamental in leading the way as I consider the environmental challenges that we face. In this respect, I look forward to deepening our cooperation on how to improve the resource efficiency both in Europe, and globally.

Yours sincerely,



Erik Solheim

Annex: Some specific Norwegian experiences and initiatives with relevance for resource efficiency

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Resource efficiency is an essential part of Norway's policy for decoupling economic growth and development from pressures threatening essential natural and environmental values and resources. Resource efficiency is a central dimension in Norway's national strategy for sustainable development, as well as in all economic policy.

The Roadmap for Low-Carbon Economy 2050, published in March this year, outlines ambitious goals for the reductions of greenhouse gas emissions and sends important signals. This autumn Norway will present a White Paper to Parliament, outlining our target for domestic greenhouse gas emissions towards 2020. The low-carbon economy roadmap will be relevant to this work, which will be quite comprehensive. Norway has already provided comments on the Roadmap, including on our policies on energy efficiency.

Reducing and recycling waste and managing hazardous chemicals

Norway has ambitious national targets on waste. The decoupling target is that waste production should increase at a slower rate than that of economic growth (Gross Domestic Product (GDP)). This is guiding Norwegian policies, but has at the same time been hard to achieve, in particular at household and municipal level. The tendency has been that waste from the manufacturing sector has grown at a slower pace than household waste and GDP. However, in recent years manufacturing waste has grown faster than GDP. A decoupling of the growth of waste from the economic growth was evident for the first time in 2009. Although this may be largely due to the financial crisis, one contributing factor has been the increased recycling of materials from both manufacturing and household waste. The waste policies are also based on the target to increase waste recovery to 75 % of the total quantity in 2010 and subsequently to 80%, including both material recycling and energy recovery. This is based on the principle that the quantity of waste recovered should be increased to a level that is economically and environmentally appropriate. In addition, there are targets for collecting as much hazardous waste as practicable and reducing the generation of hazardous waste by 2020, as compared to the 2005 level.

The Norwegian Government will be presenting a White Paper on waste policies where the possibilities of promoting resource efficiency will be further explored. Norway was among the first to establish a take-back system for electrical and electronic waste, where consumers are able to return this waste to the retailers of such products. Today Norway has the highest return rate in the EEA area, above 80 %, and Norway is supportive of the efforts to strengthen the EU rules in this regard. Norwegian environmental authorities have also entered into several agreements with producers and users of packaging regarding the collection and recycling of packaging, as well as optimization of packaging (voluntary extended producer responsibility agreements). Our landfill tax legislation and the prohibition of the dumping of biodegradable waste in landfills give strong incentives towards greater material recycling and energy recovery.

A major driving force in promoting resource efficiency has been the policy to reduce pollution from major point sources, such as industrial releases. The restrictions on releases has not only reduced pollution, but promoted overall resource efficiency. In the wood processing industry "black liquor" from paper and pulp production has been turned into energy and useful new by-products. In ferrosilicon production, ten percent of the quartz/SiO₂ input was formerly discharged to air, but is now turned into a wide range of new and useful "microsilica" products, e.g. in reinforced cement.

A category of material where Norway finds it necessary to track the volumes, flows and pathways and ensure strict management and resource efficiency is the release of hazardous chemicals, including metals, to the environment. Many of the traditional hazardous chemicals have been banned and have been phased out of production and use, and systems like the REACH regulation (Registration, Evaluation, Authorisation and Restriction of Chemical substances) are improving the European management of chemical risks significantly. However, there are still regulatory challenges related to for example imported goods and nanomaterials, and Norway sees a well-functioning chemicals regulatory regime to be important in promoting resource efficiency and minimizing the adverse effects on human health and the environment of mismanaged resources.

Biodiversity and land use

Several countries are following up on the Economics of Ecosystems and Biodiversity (TEEB) reports at national level. Norway is in the process of establishing a committee on the valuation of ecosystem services in Norway. One of the main recommendations from TEEB is that governments should develop indicators to monitor changes in biodiversity. Norway started to develop a methodology for an official nature index in 2007, and the first Norwegian Nature Index was launched in 2010. The index integrates expert knowledge and data on biodiversity to measure the status of and trends within and across ecosystems. The index comprises a series of indicators, each representing individual species or diversity measures standardized and scaled in relation to a reference status, and combined for ecosystems or geographical regions. In order to achieve the best results possible it will be important to share experiences and learn from each other. We are looking forward to learning from the experiences within the European Union.

Land use, urban development and transport

Norway is a sparsely populated country, but there is still pressure on some of the most productive and biologically valuable ecosystems from urban development, transport and energy infrastructures, forestry, agriculture and aquaculture. The importance of land use is addressed through both legal measures such as the revised Planning and Building Act and the Norwegian Nature Diversity Act.

Transportation is in Norway the third largest emitter of greenhouse gases, but the levels are close to those of emissions from the petroleum industry and industrial production. In a sparsely populated countryside there is often long distances between

communities which creates a considerable need for transportation. This results in a relatively high consumption of fuels. Emissions intensities are however not higher in Norway than in other countries due to high taxes on emissions from fossil fuel use. Localization of residential areas, industrial estates and shopping centers are important in trying to minimize transportation needs. Urban sprawl is a main contributor to emission of greenhouse gases via the use of fossil energy from transport, mainly by use of cars. Coordinated planning of localization, land-use and transport systems can counter this development and reduce the need for transport.

National programmes like “The Cities of the Future” are being implemented. In this programme the Government has invited 13 of the largest cities and the business sector to cooperate on reducing greenhouse gas emissions through urban planning and housing development, to counteract negative effects of climate change and to improve the urban environment generally. The State, the cities and business have developed common goals and visions, joint efforts to reduce emissions from transport, buildings, consumption and waste and mutual binding agreements on implementation.

Emissions from transportation in large cities account for more than 50% of the total emissions from the cities. Land use and transport is therefore one of four important cooperation areas where focus is on the following themes: Improved public transport, limiting the use of private cars (roadpricing, parking), densely built-up urban areas, better bicycle and pedestrian lanes, and general land use that provides the best possible market for public transportation, bicycling and walking. The Cities of the Future also focus on adaptation to climate change.

Technology and innovation

Innovation and technology developments are key variables in decoupling resource use and environmental impacts from production, consumption and economic growth. Effective policy instruments (i.e. laws and regulations, fiscal instruments and agreements) are necessary to ensure a high level of environmental protection and create a demand for advanced environmental technologies and solutions.

Support to research and development, technology testing and demonstration are also crucial. The Norwegian Government established a new programme for commercialization of environmental technology in 2010, which will provide financial support to technology testing and demonstration projects.

It is important to see the linkages and synergies between demand-side instruments such as environmental regulations, standards and economic instruments and supply-side instruments such as public support to research, development and technology testing.

The Norwegian Government is developing a national strategy for environmental technology which will focus on the whole innovation chain. By establishing policy frameworks incorporating the whole innovation chain environmental technology development can be promoted in a more efficient manner.

In 2006 the Norwegian Ministry of Agriculture and Food created a Wood-Based Innovation Scheme in order to promote and increase the use of wood in buildings and create added value in the entire value chain, through innovative solutions. Beneficiaries are mostly small or medium-sized enterprises from all sectors. The background for the scheme is the recognition of wood as a resource efficient material. Increased use of wood will be beneficial in meeting the new requirements for energy efficiency in buildings.

Indicators and accounting frameworks

As part of the work on environmental accounting done by Statistics Norway, the NOREA system (Norwegian Economic and Environmental Accounts), the Norwegian version of NAMEA (National Accounting Matrix with/including Environmental Accounts), contain detailed statistics on emissions related to economic activity in a range of economic sectors in the national accounts. This is in line with Norway's longstanding tradition of and experience with combining environmental/resource accounts and emission accounts with macro-economic modelling and analysis, also linked to macro-economic planning and budgeting.

Norway has emphasized the need to closely link resource efficiency targets, indicators and policies to concrete environmental problems and objectives, with greater prioritization on reducing the pressures on critical environmental resources than on possible resource scarcities as such. This view is partly based on experience from Norway's work on natural resource accounting, carried out in the 1970's and 1980's.

Among Norway's 18 indicators for sustainable development are energy intensity and the share of renewable energy. These indicators were deliberately chosen as main indicators of decoupling and resource efficiency. Energy sources, in particular the non-renewable share, actually make up the major part of most countries' material throughput (apart from building and construction materials) and contributes to environmental degradation including both climate change and much of air pollution.

Relevant websites:

Norway's Strategy for Sustainable Development

<http://www.regjeringen.no/en/dep/fin/Selected-topics/Sustainable-development.html?id=1333>

Biodiversity – Norwegian Nature Diversity Act

<http://www.regjeringen.no/en/dep/md/Selected-topics/biodiversity.html?id=1298>

The Norwegian Nature Index

<http://www.dirnat.no/content/500041350/The-Norwegian-Nature-Index-2010>

The Cities of the Future

<http://www.regjeringen.no/en/sub/framtidensbyer/cities-of-the-future-2.html?id=551422>

**Summary of Report No. 14 (2010–2011) to the Storting (white paper)
Towards greener development: On a coherent environmental and development
policy**

http://www.regjeringen.no/en/dep/ud/dok/rapporter_planer/rapporter/2011/summary-report-to-the-storting-towards-g.html?id=639930

**Environmental and Social Responsibility in Public Procurement (Sustainable
Public Procurement) – Norwegian Action Plan**

<http://www.regjeringen.no/en/dep/fad/Documents/Reports-and-plans/Plans/2007/Environmental-and-Social-Responsibility-.html?id=476600>

**The report “Global carbon footprints. Methods and import/export corrected
results from the Nordic countries in global carbon footprint studies”
(TemaNord 2010:592), published by the Nordic Council of Ministers**

<http://www.norden.org/sv/publikationer/publikationer/2010-592>

**The report "The Use of Economic Instruments in Nordic Environmental Policy
2006-2009" (TemaNord 2009:578), published by the Nordic Council of
Ministers**

<http://www.norden.org/da/publikationer/publikationer/2009-578>