

## Comments on the European Parliament’s Draft Report on Resource Efficiency: Moving Towards a Circular Economy (2014/2208(INI))

### **General:**

- PU Europe welcomes efforts to increase the resource efficiency of our societies including that of buildings.
- A successful Circular Economy strategy should focus on the quality rather than the quantity of waste in order to increase the market for secondary products. Life cycle analyses will show that it is not resource- or eco-efficient in all instances to recycle demolition waste of unknown composition after a use-phase of many decades.
- Using waste, which cannot be recycled in an eco-efficient way, as a secondary source of energy should be considered a domestic source of energy contributing to the EU’s supply security. The Commission clearly sees the potential of "waste-to-energy" as a contributor to achieving the goals of the Energy Union<sup>1</sup>.
- Before proposing new targets that might negatively affect the construction market, the Commission should ensure that already existing EU waste targets are implemented across the EU. A landfill ban on recyclable or otherwise recoverable waste by 2025 would already create huge resource efficiency potential for the EU.
- Policies and indicators must not go to the detriment of domestic production compared to imports from third countries.
- Increasing the resource efficiency of buildings should start with minimising the energy and water consumption during the use-phase, which is the most relevant life cycle stage in terms of resource consumption. The Commission should unlock the cost-effective savings potential through renovation by appropriate legislation.
- The resources bound in the building fabric (embodied impacts) are increasingly in the focus and should be assessed along with the building use-phase impacts. European standards, mandated by the Commission, have been developed and are increasingly used in the market. A new system is not required. The set of standards also allows assessing the economic and social impacts of buildings.

PU Europe proposes the following amendments to the draft ENVI opinion:

Parliament proposal	PU Europe proposal
The European Parliament, ...	The European Parliament, ... <b><i>New: having regard to the Commission Communication "A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy" COM(2015) 80 final</i></b>

### **Justification:**

*The European energy policy, including energy efficiency, is a major aspect of resource efficiency.*

### **Indicators and targets (page 4)**

Parliament proposal	PU Europe proposal
<b>Indicators and targets</b> 5. Stresses that by 2050 the EU’s use of resources needs to be sustainable; this includes fully implementing a cascading use of resources, sustainable sourcing, a waste hierarchy, creating a closed loop on non-renewable resources, using renewables within the limits of their renewability and phasing out toxic substances;	<b>Indicators and targets</b> 5. Stresses that by 2050 the EU’s use of resources needs to be sustainable; this includes fully implementing a cascading use of resources, sustainable sourcing, a waste hierarchy, <b><i>creating-a ensuring open or closed loop recycling of on</i></b> non-renewable resources, using renewables within the limits of their renewability <b><i>and phasing-out toxic substances,</i></b>

<sup>1</sup> Communication from the Commission "A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy" COM(2015) 80 final, (2015), page 12

<p>6. Urges the Commission to develop and introduce by 2019 a lead indicator and a number of sub-indicators on resource efficiency, including ecosystem services; these binding indicators 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; ...</p>	<p>6. Urges the Commission to develop and introduce by 2019 a lead indicator and a number of sub-indicators on resource efficiency, including ecosystem services; these binding indicators 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. <b>They should be designed in a way that does not discriminate against industrial production in the EU compared to imports from third countries.</b> ...</p>
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**Justification:**

5. *Imposing a closed loop recycling for construction products with life spans between 20 and 100 years is not realistic. Open loop recycling may offer highly resource efficient alternatives. Toxic substances are not linked to resource efficiency.*
6. *Resource efficiency indicators must not hinder industrial growth by measuring resource use per GDP output unit. This may foster relocation of production outside the EU and imports of finished products.*

**Ecodesign (page 5)**

Parliament proposal	PU Europe proposal
<p><b>Ecodesign</b> ... 11. Urges the Commission to propose a review of the Ecodesign Directive by the end of 2016, incorporating the following important changes: broadening the scope to cover all main product lines; gradually including all relevant resource-efficiency features in the mandatory requirements for product design; introducing a mandatory product passport based on these requirements; implementing self-monitoring and third-party auditing to ensure that products comply with these standards; and defining horizontal requirements on, inter alia, reusability and recyclability;  12. Urges the Commission to take other relevant actions to ensure that products are easy to reuse, refit, repair, recycle and eventually dismantle for new resources;</p>	<p><b>Ecodesign</b> ... <b><i>New 11a. Calls on Member States to ensure rigorous market surveillance in order to ensure that both domestic and imported product comply with these requirements.</i></b> ... 11. Urges the Commission to propose a review of the Ecodesign Directive by the end of 2016, incorporating the following important changes: broadening the scope to cover all main product lines; gradually including all relevant resource-efficiency features in the mandatory requirements for product design; introducing a mandatory product passport based on these requirements; implementing self-monitoring and third-party auditing to ensure that products comply with these standards; and defining horizontal requirements on, inter alia, reusability and recyclability <b><i>where applicable, based on Life Cycle Assessment;</i></b>  12. Urges the Commission to take other relevant actions to ensure that products are <b><i>easy to reuse, refit, repair, recycle and eventually dismantle for new resources optimised according to Life Cycle Assessment;</i></b></p>

**Justification:**

- 11a. *The changes proposed by his draft report would lead to a substantial increase in administrative burdens for companies. It must be ensured that imports from third countries abide to the same rules. The only way to achieve this is strict market surveillance.*
- 11 and 12. *The focus on end of life options such as recycling and reuse neglects the environmental contribution of products during their use phase. For some products, the main driver for resource efficiency is not recyclability but, for example, technical performance. Hotspots and main drivers for improvement should always be identified through Life Cycle Assessment (LCA)*

## Zero waste (page 5)

Parliament proposal	PU Europe proposal
<p><b>Zero waste</b></p> <p>14. Urges the Commission to submit the announced proposal on the review of waste legislation by the end of 2015 and to include the following points: setting extended producer responsibility requirements; endorsing the 'pay-as-you-throw-principle' prioritising separate collection schemes in order to facilitate the development of business based on the reuse of secondary raw materials; increasing recycling targets to at least 70 % of municipal solid waste, based on the output of recycling facilities, using the same harmonised method for all Member States with externally verified statistics; introducing a ban on landfilling recyclable and biodegradable waste by 2025 and a ban on all landfilling by 2030; introducing fees on landfilling and incineration;</p>	<p><b>Zero waste</b></p> <p>14. Urges the Commission to submit the announced proposal on the review of waste legislation by the end of 2015 and to include the following points: setting extended producer responsibility requirements; endorsing the 'pay-as-you-throw-principle' prioritising separate collection schemes in order to facilitate the development of business based on the reuse of secondary raw materials; increasing recycling targets to at least 70 % of municipal solid waste, based on <b>output of recycling facilities the input into recycling facilities after all prior sorting has taken place</b>, using the same harmonised method for all Member States with externally verified statistics; introducing a ban on landfilling recyclable and biodegradable waste by 2025. <b>and a ban on all landfilling by 2030</b>; introducing fees on landfilling and incineration <b>without energy recovery</b>;</p>

### Justification:

- *It will not be possible to completely avoid landfill for process and cost reasons, but the amount of landfill should be minimised.*
- *The waste hierarchy rightly prioritises waste avoidance and recycling. However, modern incineration plants have become highly efficient generators of power and heat and should be considered a domestic source of energy contributing to supply security. They are specifically mentioned in annex VIII (Potential for efficiency in heating and cooling) of the Energy Efficiency Directive.*
- *Current recycling rates are based on "input" (2011/753/EU, 2005/270/EC). An output-based calculation is technically and administratively unfeasible. Changing the measurement point and increasing targets would negatively impact quality recycling. The impact of this change has not been assessed with regards to its effects on currently achieved recycling rates and realistic rates for the future including related costs. In addition, stakeholders have not been consulted on the issue during the stakeholder consultation.*

## Buildings (page 6)

Parliament proposal	PU Europe proposal
<p><b>Buildings</b></p> <p>17. Calls on the Commission to propose the full implementation of the circular economy principles and requirements in the building sector and to further develop the policy framework on resource efficiency in buildings; this includes developing indicators, standards and methods as regards land use and urban planning, architecture, structural engineering, construction, maintenance, adaptability, energy efficiency, renovation and reuse and recycling; targets and indicators on sustainable buildings should also include green infrastructure, such as green roofs;</p> <p>18. Urges the Commission to propose that BAT principles and standards be applied to all materials and parts of buildings and to develop a building passport based on the whole lifecycle of a building;</p> <p>19. Considers that, as 90 % of the 2050 built environment already exists, special requirements should be set for the renovation sector in order to have mainly energy positive buildings by 2050;</p>	<p><b>Buildings</b></p> <p><b>New 17a. Acknowledges that, currently, the use phase accounts for the major part of resources used in a building's life cycle. Minimising energy and water use must therefore have priority.</b></p> <p><b>New 17b. Considers that, as 90 % of the 2050 built environment already exists, special requirements should be set for building renovation and, therefore, calls on the Commission to propose legislation that unlocks the savings potential of existing buildings through binding long-term renovation strategies with a view to reducing the energy demand of the building stock by 80% by 2050;</b></p> <p>17. Calls on the Commission to <del>propose</del> <b>promote</b> the full implementation of the circular economy principles and requirements in the building sector; <del>and to further develop the policy framework on resource efficiency in buildings; this includes developing indicators, standards and methods as regards land use and urban planning, architecture, structural engineering, construction, maintenance, adaptability, energy</del></p>

	<p><del>efficiency, renovation and reuse and recycling; targets and indicators on sustainable buildings should also include green infrastructure, such as green roofs;</del></p> <p><del>Notes that European standards were developed to assess the environmental, social and economic performance of buildings with the first pillar mandated by the Commission; Calls on the Commission to use the environmental pillar of these standards to increase the resource efficiency of buildings, and the social pillar to ensure accessibility, adaptability, maintainability and recyclability. Invites the Commission to examine the introduction of additional environmental indicators such as land use and impact on biodiversity.</del></p> <p><del>18. Urges the Commission to propose that BAT principles and standards be applied to all materials and parts of buildings and to develop a building passport based on the whole lifecycle of a building;</del></p> <p><del>19. Considers that, as 90 % of the 2050 built environment already exists, special requirements should be set for the renovation sector in order to have mainly energy positive buildings by 2050;</del></p>
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**Justification:**

17a: Priorities should be set according to the impact of different life cycle stages. Hence, the starting point should be the buildings' use phase.

17b and 19: An 80% reduction in energy use seems realistic and cost-effective by 2050. Transforming the existing building stock into energy positive buildings may turn out challenging in many cases.

17: Buildings can have an extremely long life cycle ranging from 30 to several hundreds of years. In many cases, it will be impossible to know the exact composition of each product and the way it was treated / maintained throughout its life cycle. Furthermore, contamination by all sorts of substances cannot be excluded over such a long life time. This may set objective limits to reuse or recycling. A complete optimisation according to Life Cycle Assessment, as developed in existing CEN standards is more appropriate.

17: The environmental indicators and methods to determine the resource efficiency of buildings are already available through CEN standards mandated by the Commission. It would not be sensible to develop another scheme.

18: BAT for construction products will be impossible to define as they are intermediate products. They are designed to be used in specific end-use conditions in a building / building element. Determining BAT would only be possible at that level. However, in practice, this would be extremely complex to do, as very substantial differences exist in the design solutions for buildings across Europe. Moreover, there are many different types, sizes and uses of buildings. Furthermore, design solutions are adapted to specific climatic conditions. The existing CEN standards for building assessment are considering this issue and should be completed by appropriate benchmarking at building level.

**Other measures (page 6)**

Parliament proposal	PU Europe proposal
<p><b>Other measures</b></p> <p>20. Urges the Commission to propose compulsory green public procurement procedures; considers that reused, repaired, remanufactured, refurbished and other resource-efficient products and solutions are to be preferred in all public procurement, and if they are not preferred, the 'comply or explain' principle should apply;</p>	<p><b>Other measures</b></p> <p>20. Urges the Commission to propose compulsory green public procurement procedures based on <b>Life Cycle Assessment; considers that reused, repaired, remanufactured, refurbished and other resource-efficient products and solutions are to be preferred in all public procurement, and if they are not preferred, the 'comply or explain' principle should apply;</b></p>

**Justification:**

*The emphasis on life-cycle thinking is essential to determine the environmental performance of products. Before making GPP criteria on recycling, etc. compulsory, impacts should be examined through Life Cycle Assessment (LCA). LCA will help to optimise the whole environmental performance of products and allow a weighting of different aspects such as recycling versus technical performance, durability, light weight etc. Besides, harmonisation between various EU initiatives, such as EU Ecolabel, Product Environmental Footprint, GPP, etc. is needed. A one-sided focus on recycling disconnected from life cycle performance may have a negative effect on EU economy.*

Brussels, 17<sup>th</sup> April 2015