



ROYAL NORWEGIAN MINISTRY  
OF THE ENVIRONMENT

European Commission  
DG Environment  
B-1049 Brussels

Belgium

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## Public Consultation on Options for Resource Efficiency Indicators

Norway supports the initiatives for a Resource Efficient European Economy. More efficient use of all resources is a precondition for developing a greener and more sustainable economy. The work related to indicators is relevant for the follow-up to Rio+20 regarding the broader green economy agenda. On behalf of the Norwegian Government, the Ministry of Environment would like to offer some remarks to the questions raised in the public consultation on Options for Resource Efficiency Indicators.

### 1) What are the key issues that need to be addressed by indicators to support resource policy?

Norway agrees with the need to promote and track economic and global environmental efficiency of resource use. More efficient resource use can increase economic gains and reduced vulnerability to price variations. Continuous improvement of resource efficiency can help alleviate long term supply constraints. Norway emphasizes the need to link resource efficiency targets, indicators and policies closely to concrete environmental problems and objectives, while prioritizing reducing the pressure on critical environmental resources.

In our view, the key issue is how to decouple economic growth from negative environmental impacts, and how to measure progress on this policy goal. This means that indicators should be as directly linked to environmental and resource use effects as possible, while also fulfilling the need for accountability and ensuring public awareness of the issues.



**2) Are there other indicators that we should be using to monitor the economic and environmental impacts of resource efficiency policies by 2013 and for the future? More specifically: a) Is the proposed lead indicator, GDP/DMC an appropriate indicator to measure resource efficiency? Are there any better alternatives that should be considered?**

Data for the proposed lead indicator GDP/DMC is said to be “relatively widely available”. But there are, in our view, concerns about data quality for this indicator<sup>1</sup>. The Nordic Council of Ministers recently commissioned a report on the appropriate use of environmental indicators and accounting systems from the statistical agencies of the five Nordic countries, and their conclusions are not supportive of such a lead indicator<sup>2</sup>. A possible alternative for lead indicator could be energy use per GDP unit. Total energy use, with additional information on the share of renewables, might be a better indicator for the environmental impact of over-all energy use. There is largely good available national data on energy and fossil fuel use with direct environmental effects, compared to “economy-wide” over-all materials use. Total waste amount in relation to GDP (except mineral waste) could also be a candidate as lead indicator for resource efficiency.

**b) Are the appropriate indicators included in the dashboard of macro-indicators? Are there any alternatives that should be considered?**

Indicators for land, water and carbon are good candidates for the second tier dashboard. However, it must be taken into account that the scarcity of resources, i.e. water, may vary strongly between countries. One or more indicators for energy use might also be considered here since land, water and energy are key natural resources with strong links to the use of most other natural resources. Suggestions for possible additional indicators at dashboard level could be nitrogen and phosphorus (placed at thematic level in the scoreboard) and sulphur. These indicators have recently been given attention by the work on “planetary boundaries“ and by the European Nitrogen Assessment.

**c) Are the appropriate indicators included in the third tier of thematic indicators? Are there any other indicators that should be considered?**

We would like to offer the following comments on some of the suggested thematic indicators:

#### ***Turning waste into a resource***

We support the basic indicator for waste, but the emphasis should be at the total waste amounts and recycling rates, and on hazardous waste and materials. Resource

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<sup>1</sup> In the discussions related to OECD Recommendation on Resource Productivity and at the OECD-UNEP Conference on Resource Efficiency (both in 2008), Norway has emphasized the need to link resource efficiency targets, indicators and policies closely to concrete environmental problems and objectives.

<sup>2</sup> “Using the right environmental indicators: Tracking progress, raising awareness and supporting analysis” <http://www.norden.org/en/publications/publikationer/2012-535-1>



efficiency for the whole economy definitely requires better data and policy goals/targets for the whole waste stream, including waste from business and the public sector, and perhaps more specific targets for separate waste fractions and/or materials (e.g. metal recycling). It is important to track the volumes, flows and pathways of hazardous waste, due to a risk for release and dispersal of heavy metals and other hazardous materials. While many of the traditional hazardous heavy metals and persistent organic pollutants have been banned and phased out of production and use, many persist in the environment.

### ***Getting the prices right***

Wider use of economic, market-based instruments will be essential for future resource efficiency. The proposed indicator for “environmental taxes” is an example of the need to see individual indicator figures in context and for the careful interpretation of such figures. The share of environmentally related taxes, compared between countries or its development over time, is not necessarily the best indicator of the importance of economic instruments. Issues dealt with by tradable emission permits are i.a. not included in the suggested percentage share figures. Whether taxes and charges are fiscally and/or environmentally motivated is often unclear. As for many other suggested indicators, national differences in industry structure will affect the indicator. All of these are some of the weaknesses which need to be addressed. Another relevant indicator might be the share of emissions of greenhouse gases that are exposed to a positive carbon price, either a tax or quota price. It would also be desirable to have better data on environmentally harmful subsidies along the lines of internationally agreed methodologies.

With respect to application of incentives Norway would like to stress the need to work together on work related to the value of ecosystem services. We need to improve the basis for decision making, and to establish methods of assessing and valuing the impacts of changes in biodiversity and ecosystem services on human well-being and quality of life. The Norwegian expert commission on values of ecosystem services will deliver a final Norwegian Official Report (NOU) by August 2013<sup>3</sup>.

### ***Natural Capital and Ecosystem Services***

The indicators could be more elaborated in a wider perspective. In addition to the suggested indicators further work on indicators should be done regarding safeguarding important ecosystem services and biodiversity. The indicator development being done by Switzerland, Austria and Germany is of particular interest<sup>4</sup>. We suggest that further

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<sup>3</sup> Norwegian expert commission on values of ecosystem services

<http://www.regjeringen.no/en/dep/md/Selected-topics/biodiversity/norwegian-expert-commission-on-values-of.html?id=671257>

<sup>4</sup> <http://www.bafu.admin.ch/publikationen/publikation/01587/index.html?lang=en>

work follow relevant indicator work within the EU (EEA, MAES<sup>5</sup>) on the development of indicators to assess progress towards the 2011-2020 Aichi Biodiversity Targets and the targets of EU 2020 Biodiversity Strategy.

### ***Key sectors***

The suggested indicator for meat and dairy consumption is relevant for many of the resource uses and environmental burdens not covered by an energy indicator. Meat consumption can be seen as a concentrated expression of food production and consumption. There is available FAO data on meat consumption. This indicator will need interpretation when comparing countries and looking at developments over time due to differences in resource requirements and environmental effects between different kinds of meat, and different ways of producing meat. Food waste is a serious problem in Europe and it is unfortunate that no common indicator for food waste exists at the European level. Such an indicator would be of interest.

Indicators for buildings and mobility are good candidates for the key sectors. We recognize that more knowledge on the total environmental consequences of buildings is needed so that environmental effects is sufficiently taken into consideration when making decisions on how to build.

### **3) Which indicators would be best suited for potentially setting targets, by 2013 and for the future?**

Based on the reasoning of the previous comments made in this letter, we would suggest that the indicators best suited for setting goals and targets are the ones most directly linked to the environmental effects. Targets not directly linked to the environmental effects may lead to suboptimization and less efficient allocation of total resources. As a general comment there may be a need for a better defined and internationally agreed typology and classification of types of environmental indicators. One approach could be along the lines of the OECDs pressure-state-response scheme. Another supplementary approach could be grouping or classifying indicators according to their major uses and policy applications, as is done in the report by the statistical agencies of the Nordic countries mentioned earlier.

### ***Environmental footprints***

It must be emphasized that “footprinting” is a demanding exercise with heavy data requirements<sup>6</sup>. Measures should preferably be implemented at the source of the negative environmental impact. We acknowledge the Commission’s work on a harmonized methodology for lifecycle analysis and product environmental footprints based on verified performance. Developing internationally agreed methodologies for “footprint” indicators, should in any case be seen in close connection with already

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<sup>5</sup> EU Working group on Mapping and Assessment of Ecosystems and their Services (MAES)

<sup>6</sup> TemaNord 2010:592 - <http://www.norden.org/en/publications/publikationer/2010-592>

developed methodologies (ISO standards) for Life Cycle Assessments generally, and in particular for carbon footprints for companies and products.

We look forward to further cooperation on how to improve the resource efficiency both in Europe and globally, and the further work on indicators.

Yours sincerely,

Håge Andenæs



Director General

Head of Department for International Cooperation