



Mr. Sigmar Gabriel
Federal Minister for the Environment
Ministry of the Environment, Nature Conservation & Nuclear Safety
Alexanderplatz
10178 Berlin
Germany

Brussels, 16 May 2007

Dear Minister,

First of all I would like to thank you very much for your participation in the EEB Conference on "Environment, Innovation and Employment" in Berlin two days ago, as well as the support your Ministry gave to organising this event.

Knowing that you are finalizing the preparations for the Informal EU Environmental Ministers Council meeting in Essen, I would like to present you herewith the recommendations the EEB Board agreed on following the Conference. I hope you find these recommendations useful and that you can incorporate as much as possible in your proposals to the Ministers.

These recommendations will also form the basis of the contribution of the EEB to the ministerial meeting itself.

The EEB welcomes your initiative to put ecological industrial innovation on the agenda. It shares your conviction that incremental technological innovation which is driven by signals from the environment picked up with delay is not sufficient to prevent that in the near future a dramatically grown world population, with even more dramatically grown needs and purchasing power, will seriously undermine, if not destroy the carrying capacity of the ecosystems on which humankind rely. The EEB agrees that a more radical innovation is necessary, to be implemented to a large extent by the private sector but strongly promoted and guided by government and EU policies. And we also agree that in Europe promising developments have taken place, not the least in Germany, giving the EU the possibility to act as world leader in eco-innovation.

The EEB does see ecological industrial innovation as one part of the response to the challenge to bring humankind in harmony with nature's carrying capacity. The modern consumption patterns, in particular in the rich countries, create a big challenge. Globalisation is leading to excessive transport movement. Infrastructures are set up to use more resources, not less. These trends are encouraged by wrong market signals to consumers, as prices for conventional products and services often do not reflect the environmental costs they cause. So besides innovation programmes, we do believe that other initiatives need to be taken to change currently unsustainable production and consumption patterns.

The EEB is convinced that promoting ecological industrial innovation requires political leadership and a comprehensive political framework. And the discussion on eco-innovation should not stay within the

circles of environmental Ministers. You are giving convincing evidence that eco-innovation is a challenging economic opportunity. Environmental Ministers should clarify the nature and dimensions of the environmental challenges that eco-innovation can help to solve. But the debate needs to go to the policy makers responsible for economic and finance policies as well as sectoral policies. The EEB calls upon the Presidency to seek the cooperation of the next Presidencies to introduce this debate in the relevant Council formations, including the European Council (in relation to the Lisbon agenda).

With regards to the Lisbon agenda, it is important to underline that the current better regulation exercise should not stand in the way of the realisation of an ambitious but necessary ecological modernisation of our societies. We urge you to underline that regulation, in combination with the right market instruments and communication, have an essential role to play, and that better regulation should concentrate on more effective enforcement rather than creating doubts about the relevance of existing legislation for the future and introducing legislation that creates major interpretation challenges as result of the demand for flexibility.

On the other hand, while an integrated European approach is very important, this should not withhold individual governments to be pro-active, as Germany has done. National policies can trigger a healthy competition between EU Member States and lead to accelerated acceptance of EU wide measures.

The EEB calls upon you to introduce a set of recommendations in your proposals for Essen which can accelerate the ecological industrial innovation you are aiming for right now:

Fighting Climate Change:

1. Regarding renewables in the EU: in the upcoming negotiations between Member States on how to implement the general 20% renewables target by 2020, to call upon Member States to go for ambitious national targets, so that the 20% becomes the minimum collective outcome rather than the maximum.
2. Move the political target, as laid down in the Energy Efficiency Action Plan, of 20% increased energy efficiency, leading to around 1% absolute reductions in energy use per year till 2020, into a legally binding minimum obligation, for all Member States.
3. Member States to fully and timely implement the Directives on Energy Performance of Buildings, on Eco-Design and on Energy end-use Efficiency and Energy Services.
4. Call upon the Commission to come with legislation that sets for the average new passenger car a legally binding target of 120 g CO₂/km emission by 2012, instead of the 130 g proposed, given the uncertainty that the 10 g can be really met with soft measures as the Commission proposed. And to give the car-industry a clear signal of the dimension of the changes required by setting a 80 g/km target for 201.
5. Agree on the specifics for the next phase in the Emission Trading System as soon as possible, in order to send the right signal to Europe's industry. And to build the future system on auctioning.
6. To prevent the increase of other major environmental problems while applying climate policies. Therefore to insist on strict environmental conditions for both biofuels and carbon storage.

Energy and Resource Efficiency

7. Set strategic targets for eco-efficiency: increase of overall resource productivity by a factor 4 by 2030 and factor 10 by 2050. These targets are to be used to assess the measures needed and to give the EU Institutions a mandate to act.
8. Introduce dynamic, standard setting schemes in the EU that are addressing environmental as well as performance requirements in an integrated manner, along the lines of the Japanese Top Runner approach. Ask the Commission to initiate an EU Top Runner approach without delay.

9. Apply environmental fiscal reform (taxation and subsidies reform) throughout the EU, with as much coordination/leadership on EU level as possible. Follow the EEB proposal for a 10% shift away from labour taxes to taxes related to environmental performance of goods and services, in a period of 10 years, using the method of Open Method of Coordination.
10. Develop EU and national programmes aiming to achieve 100% green public procurement by 2010.
11. Strengthen EU Waste policies, in particular prevention, re-use and material recycling. Resist the temptation to see waste as an energy resource. Refuse the reclassification of municipal waste incineration as recovery.
12. Continue the development of priority waste stream policies, where possible built upon the producer responsibility approach and promoting prevention, reuse and material recycling as a priority.
13. Introduce broader product policy legislation, identifying environmental issues, linking these to targets for eco-efficiency and environmental and performance requirements, and incorporating producer responsibility. Include product information for public requirements.
14. Set sufficient precautions with regards to the use of nano-technology, so that negative impacts on people's health can be prevented.
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Clean up Industry Production

16. Strengthen the environmental dimension of impact assessments, in particular also to better explore the environmental advantages of pro-innovation policies.
17. Apply the IPPC Directive in a more systematic and ambitious manner. Make sure the Best Available Techniques formulated for IPPC permitting really present state of the art. Ensure effective implementation of the Directive. Do not engage in a review of the Directive in the near future and appreciate the importance of environmental quality legislation in combination with IPPC.

Thank you very much for your invitation to attend the Informal Council. I am looking forward to a fruitful and productive discussion.

Yours sincerely,

John Hontelez
Secretary General
European Environmental Bureau