

# EUROPEAN PARLIAMENT

2004



2009

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*Session document*

FINAL  
**A6-0141/2005**

11.5.2005

## **REPORT**

on the communication from the Commission to the Council and the European Parliament on Stimulating Technologies for Sustainable Development: An Environmental Technologies Action Plan for the European Union (2004/2131(INI))

Committee on the Environment, Public Health and Food Safety

Rapporteur: Riitta Myller

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### **on the communication from the Commission to the Council and the European Parliament on Stimulating Technologies for Sustainable Development: An Environmental Technologies Action Plan for the European Union (2004/2131(INI))**

*The European Parliament,*

- having regard to the communication from the Commission to the Council and the European Parliament on Stimulating Technologies for Sustainable Development: An Environmental Technologies Action Plan for the European Union (COM(2004)0038),
- having regard to Articles 6 and 174 of the EC Treaty, the Cardiff process (Cardiff European Council Conclusions, 15-16 June 1998) and the Strategy for Sustainable Development (Gothenburg European Council Conclusions 15-16 June 2001),
- having regard to the Lisbon Strategy (Barcelona European Council Conclusions 15-16 March 2002),
- having regard to the World Summit on Sustainable Development and Johannesburg Plan of Implementation (2002),
- having regard to the conclusions on Clean, Clever, Competitive: The opportunities of eco-efficient innovations within the Lisbon process (Environment Council conclusions 14 October 2004),
- having regard to the Sixth Community Environment Action Programme<sup>1</sup>,
- having regard to the fifth<sup>2</sup> and sixth<sup>3</sup> framework programmes of the European Community for research, technological development and demonstration activities,
- having regard to its resolution of 21 April 2004 on the communication from the Commission to the Council and the European Parliament on Integrated Product Policy – Building on Environmental Life-Cycle Thinking<sup>4</sup>,
- having regard to Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity<sup>5</sup>,
- having regard to the Communication from the Commission to the Council and the European Parliament on the share of renewable energy in the EU (COM(2004)0366),

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<sup>1</sup> OJ L 242, 10.9.2002, p. 1.

<sup>2</sup> OJ L 26, 1.2.1999, p. 1.

<sup>3</sup> OJ L 232, 29.8.2002, p. 1.

<sup>4</sup> *Texts adopted*, P5\_TA(2004)0349.

<sup>5</sup> OJ L 283, 31.10.2003, p. 51.

- having regard to the Communication from the Commission to the Council and the European Parliament on Building our common Future - Policy challenges and Budgetary means of the Enlarged Union 2007-2013 (COM(2004)0101),
  - having regard to the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee on Integration of Environmental Aspects into European Standardisation (COM(2004)0130),
  - having regard to the Commission working document - A handbook on environmental public procurement (SEC(2004)1050),
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinion of the Committee on Industry, Research and Energy (A6-0141/2005),
- A. whereas sustainable development - development that meets the needs of the present without compromising those of future generations - is a clear objective of the European Union,
  - B. whereas, according to the conclusions of the Göteborg European Council, sustainable development is based on three pillars, namely environmental protection, economic development and social cohesion,
  - C. whereas sustainable development cannot be achieved without the development of new environmental technology and innovations,
  - D. whereas in order to ensure sustainable development, the Lisbon strategy - to make the European Union the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion - needs goals for economic, social and environmental policy, which are mutually consistent as well as capable of delivering enhanced economic growth,
  - E. whereas it is of vital importance in this context to reinforce and exploit the positive synergies between environmental protection and competitiveness and to decouple economic growth from environmental degradation; and whereas environmental technologies (all technologies whose use is significantly less harmful in terms of its overall environmental impact than relevant alternatives) are an important means of achieving this,
  - F. whereas only sufficient demand for environmental technologies will speed up the process of getting innovations to the market (from research, product development, production, launch to market introduction),
  - G. whereas the European Union must have an environmental policy which is ambitious enough to create demand for environmental technologies, with clear and ambitious environmental targets, agreed environmental indicators for measuring the environmental burden, internalisation of environmental (external) costs and rewards to leaders rather

than the laggards,

- H. whereas the role of customer demand for environmental technologies is important; whereas, however, society at large must assume a major responsibility for creating the appropriate frameworks for the speedy development of such technologies,
- I. whereas the Commission's Environmental Technologies Action Plan (ETAP) does not include suitable mechanisms for the diffusion of knowledge, technology transfers, innovation and development;
- J. whereas financial support is of importance not only for research and development, but also for developing a product for the market, thus efforts to find solutions with regard to risk capital have to be increased,
- K. whereas policies within the European Union have to be coherent and work towards the same goals; technological solutions for promoting sustainability therefore have to be reflected in the preparation of the budget and in the design of the Seventh Framework Programme for Research; the Structural Funds and the Cohesion Fund have to be used in ways that support the development of environmental technologies,
- L. whereas sustainable development requires global solutions and the European Union therefore has to ensure that there is consistency between internal policies and external policies, not only in the context of bilateral co-operation and export credits, but also in relation to developments with regard to the United Nations, the WTO, the OECD and the World Bank,

### ***Boosting Demand for Environmental Technologies***

1. Welcomes the Communication as a useful basis for discussion and development of more concrete proposals on how to boost environmental technologies, but would like to see more emphasis on the development of the demand for such technologies; calls for the replacement of the fragmented approach, with regard to environmental policy and sustainable development in general and with regard to ETAP specifically, with a more systems-based approach to environmental policy, based on life-cycle thinking in line with the Integrated Product Policy (IPP) framework, where great importance is attached to the innovation and development of environmentally benign technologies, and, lastly, emphasises the importance of co-ordination between the EU and Member States;
2. Considers it important to enhance the environmental dimension in the EU's strategy for competitiveness; observes that, when reviewing the Lisbon Strategy, the state of the environment and improving employment should be regarded as an opportunity to attain the objective of creating the most competitive knowledge-based economy; considers the development and introduction of environmental technologies to be of decisive importance in this connection;
3. Points to the employment and growth potential of the environmental technologies sector, where a multitude of new business opportunities and, consequently, new jobs can be created - notably within SMEs - which could make a crucial contribution to attaining the Lisbon objectives;

4. Points out that if the EU wishes to meet the objectives of the Lisbon strategy it needs to work more closely with SMEs, and regrets the failure to ensure suitable inclusion of SMEs in ETAP;
5. Calls on the Commission to identify the factors which impose the greatest burden on the environment today and subsequently consider, sector by sector, what technological innovation is needed to address those problems; suggests that this work should include the following considerations:
  - a. What are the problems to be addressed?
  - b. What obstacles exist to overcoming the defined problems?
  - c. What is the goal of the Union with respect to the problems?
  - d. How was the prioritisation of actions/goals done?
  - e. Which are the performance targets related to each of the areas?
  - f. What are the various policy options for reducing the obstacles and in relation to which technologies could the various policy options best be used?
  - g. What are the advantages and disadvantages of these options and which policies should be implemented?
  - h. What funding is put in place for each of the defined actions?
  - i. Which mandatory actions will be taken and by which deadlines?
6. Recognises the role of environmental policies as a driver of innovation in market economies where innovation is sparked by exacting requirements; recalls that strict environmental norms have led to EU leadership in many growth sectors and stresses that the EU should endeavour to remain a leader on the market for new technologies and conceptual innovations;
7. Stresses that the aim of the EU's environmental legislation is continuously to improve the state of the environment and to attain the highest possible level of environmental protection; considers that legislation should be based on the best available technology and, as well as being ambitious, must be sustained and predictable, so as to generate the requisite market-based demand for new environmental technologies in production and enterprises; notes that the Eco-Design Directive is one illustration of how a framework can be created for significant improvements in product design and environmental performance;
8. Calls on the Commission to set an ambitious target with regard to the EU's share of the global market for environmental technologies; considers that within ten years the EU should attain a market share of at least 50%; points out that the market for environmental goods and services is growing rapidly and that EU companies should continue to play an important role on this market and profit from first-mover advantage;
9. Welcomes the idea of agreeing ambitious performance targets for all kinds of production, services and product development, especially in the priority areas identified in the Sixth Environment Action Programme; points out that such targets will help European industry to increase its competitiveness and create more jobs, and at the same time result in a lesser burden on the environment; calls on the Commission to provide shortly a first list of performance targets based on the life-cycle approach to be implemented through

mandatory minimum requirements, or voluntary agreements when they achieve the policy objectives more quickly or at lesser expense than mandatory requirements;

10. Regrets that the Communication does not include a first list of well-defined performance targets in key environment areas; calls on the Commission to include ambitious performance targets in proposals for new legislation and proposals to amend existing legislation; takes the view that the objectives should be based on the best available technology and should be regularly updated in the light of technical progress so as to provide powerful encouragement for constant innovation in industry;
11. Calls on the Commission to instruct Member States to establish roadmaps for meeting the requirements defined in ETAP, which must include deadlines that correspond to the deadlines defined in ETAP and links to the performance targets, so that all major targets are linked and measured at both Member State and EU level and have fixed deadlines;
12. Calls on the Commission to assist industry in the on-going IPP process and rethink traditional business models in an effort to facilitate the development of more integrated and systems-based practices, giving specific attention to the opportunities offered by the clustering of different production activities, so as to enable residue materials from one production process to become the input of other production processes, for example the use of municipal waste to achieve energy savings, whereby economic as well as environmental benefit can be attained;
13. Points out that resource efficiency and material efficiency will reduce costs for industry and households, free resources for other investment and make the EU economy less dependent on scarce resources and highly volatile resource markets; therefore urges the Commission to propose legislation to minimise the use of both renewable and non-renewable natural resources;
14. Underlines that the introduction of environmental technologies must be combined with increased resource efficiency and a shift in consumer attitudes in order for the EU to achieve sustainable growth;
15. Calls on the Commission to help develop methods and environmental indicators for measuring the burden on the environment of different products, services and processes, so as to enable all actors to make informed decisions; calls on the Commission and the Member States to launch a campaign based on such environmental performance information throughout the EU to encourage consumers to demand environmentally benign technologies;
16. Notes that the process of internalising external (environmental) costs is very slow and points to the fact that finding solutions to this problem at Community level (taxes, tax breaks, subsidies, tradable permits, user and polluter charges, etc.) would greatly improve the demand for environmental technologies;
17. Welcomes Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity, which is a small step in the right direction, but emphasises the need to do more in this area; urges the Commission, the Council and the Member States to be progressive when proposing and adopting new initiatives to enhance

energy efficiency on the demand-side, to reinforce the sector of renewable energy, and promote the spread of co-generation and energy-efficient use of biomass, also with regard to transport, housing and construction;

18. Calls on the Commission to set an ambitious target with regard to the role of public procurement, the goal being to establish as a general rule that all public procurement should include environmental criteria and that Member States should develop standardised guidelines for the most important products and services by 2007 as well as provide training to public procurers on these guidelines; underlines that a validation mechanism for environmental technologies would be a key instrument in boosting the use of Green Public Procurement (GPP);
19. Welcomes the work done by the Commission with regard to creating a handbook on environmental public procurement and is looking forward to an assessment of its impact in order to see if more binding rules would be useful; approves the recommendations in the Wim Kok report that national and local authorities should draw up action plans for environmentally sound public procurement;

### ***Creating a Fair and Competitive Market for Environmental Technologies***

20. Stresses the importance of recognising and removing the barriers which slow down the wider use of environmental technologies; therefore calls on the European Environment Agency to analyse to what extent Community rules act as a brake on the use and spread of environmental technologies and requests the Commission to subsequently draw up a concrete action programme to eliminate the barriers identified, including a timetable; urges the Commission in this context to draft a report on the best practices which have increased the use of environmental technologies outside the EU, for example in Japan;
21. Calls on the Commission to give the utmost priority to creating 'the right market conditions' for environmental technologies, primarily through decisions at Community level, e.g. by implementing the polluter pays principle, thereby making sure that companies that offer clean technologies are rewarded;
22. Calls on the Commission and the Member States to speed up measures to reduce environmentally damaging subsidies and ultimately eliminate them altogether; notes that the size of these subsidies is considerable; and calls on the European Environment Agency to draw up a list of subsidies which directly or indirectly promote polluting production and consumption, thereby creating unfair competition for cleaner technologies;
23. Notes that the development of environmental technologies, notably in the energy sector, has been hampered by important state aids for fossil fuels and nuclear power in the Community; strongly believes in the principle that external costs should be included in the price of energy from different sources and that this principle should be a basis for the revision of the EU state aid guidelines due in late 2005; also notes that eco-taxes are an important tool to get energy prices right;
24. Considers that in order to ensure that the internal market operates smoothly, it is best to take action at Community level, and calls on the Commission to propose ambitious initiatives to ensure that the environmental costs of energy consumption are passed on in



- charges if the open coordination method is found not to produce adequate results;
25. Is concerned about the underuse of already available environmental technology solutions; welcomes initiatives to reinforce instruments to finance energy efficiency and material efficiency investments and calls for public investment support in general to be made conditional on selecting environmentally friendly production methods; further urges the EIB and the EBRD to increase the funding of projects involving eco-innovation and technology, notably by SMEs;

### ***Meeting the Demand for Environmental Technology***

26. Stresses the importance of providing research with sufficient means and recalls the agreement in Barcelona 2002 to increase spending on research and development in the European Union in order to approach 3% of Gross Domestic Product by 2010; welcomes initiatives to increase funding and co-ordinate efforts in this field,
27. Stresses that the Seventh Framework Programme for Research must provide funding for environmental technologies; calls on the Commission, in the proposals for the next Framework Programme for Research, to draw up a strategic research agenda per economic sector in consultation with all parties concerned (producers, environmental organisations, universities, research institutes and consumers);
28. Points to the need to promote and support QSAR (quantitative structure activity relationship) models so as to provide substitutes for certain types of research involving animal tests and experiments;
29. Believes that, to promote sustainable development, it is also necessary to encourage research into, and innovation in, technologies focused on prevention and the restoration of natural, cultural and historical resources;
30. Welcomes the promotion of environmental technology platforms; insists, however, that such platforms should be open, as regards participation and access to information, to all stakeholders on equal terms; emphasises that the success of these platforms depends on cooperation and co-financing from industry; observes that technology platforms are needed not only in existing strong industrial sectors but also elsewhere; considers it extremely important that these platforms should interact with national research and technology programmes;
31. Calls on the Commission to support technology-specific measures to bridge the gap between research activities, demonstration projects and market entry as well as to put more emphasis on market formation and diffusion programmes and what instruments to use to form markets for environmental technologies;
32. Underlines the importance of using eco-efficient ICT as a tool to reduce the environmental burden (dematerialisation), and urges the Member States to facilitate and promote this thinking;
33. Encourages different proposals for disseminating existing technologies, such as an EU catalogue of existing directories or databases on environmental technologies, technology

platforms etc;

34. Regrets the Commission's failure to involve the European Patent Office in this initiative, and calls for mandatory disclosure of the results of research into environmental technology financed from public funds;

***Coherent Policies on an Internal as well as an External Level***

35. Calls on the Commission to make an assessment of internal and external spillover effects of policies within the European Union from the point of view of sustainable development in order to avoid objectives of the European Union being undermined; notes that ETAP must be co-ordinated with existing initiatives and underlines the importance of implementing already agreed instruments such as the Cardiff Process through deadlines as suggested in the Kok Report;
36. Stresses the importance of using the Structural Funds and the Cohesion Fund in a manner that is consistent with the aim of sustainable development and in particular encourages investments in environmental technologies; encourages the use of these funds for integrating environmental technologies when capital stock is replaced at the end of its normal life;
37. Underlines the importance of including eco-innovations in all future Community funding instruments and considers it vital that the funding of environmental technologies should be a central element in the Competitiveness and Innovation Programme (CIP) which is being drafted;
38. Emphasises that sustainable development requires global solutions and welcomes all initiatives to disseminate and promote environmental technologies in developing countries; considers that exports of outdated and polluting technology to third countries must be discouraged; stresses that the European Union should take a leading role in technology transfer and urges the Member States to encourage the public sector, the private sector and international financial institutions to disseminate and promote environmental technologies and to give priority to environmental technologies in their lending while denying financial support to outdated and polluting technologies; welcomes the recently adopted OECD recommendation on Common Approaches on Environment and Officially Supported Export Credits;
39. Encourages the Commission to introduce environmental concerns in international trade negotiations and stresses the importance of allowing environmental aspects to be considered when applying international trade rules;
40. Notes that scarce resources are often the origin of regional conflicts in the developing world; is of the opinion that transfers of EU environmental technologies could also serve as a conflict prevention tool;
41. Points to the need to promote technologies to prevent natural disasters or actions likely to cause the destruction or deterioration of resources or entail risks to the public;

42. Instructs its President to forward this resolution to the Council, the Commission, the EIB, the EBRD and the governments and parliaments of the Member States.

18.3.2005

## **OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY**

for the Committee on the Environment, Public Health and Food Safety

on Stimulating Technologies for Sustainable Development: an Environmental Technologies Action Plan for the European Union  
(2004/2131(INI))

Draftswoman: Rebecca Harms

### **SUGGESTIONS**

The Committee on Industry, Research and Energy calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the proposed Environmental Technologies Action Plan (ETAP) but underlines the importance of co-ordination between EU and Member State initiatives in order to avoid duplication of effort;
2. Notes that ETAP must be co-ordinated with existing initiatives and underlines the importance of implementing already agreed instruments such as the Cardiff Process through deadlines as suggested in the Kok Report;
3. Believes that encouragement should be given to help set up and develop databases and search engines to provide information on the available technologies in conjunction with the European Patent Office and the Community Trade Mark Office;
4. Believes that environmental technologies (ETs) should be defined as all technologies whose use is significantly less harmful in terms of its overall environmental impact over the longer term (i.e. over decades) than relevant alternatives;
5. Points to the need to make new environmental technologies accessible to consumers so as to provide ways of gauging and understanding the capacity of resources and averting risks related to air, water, soil contamination, etc.;
6. Indicates that the market for environmental goods and services is growing rapidly and that EU companies should continue to play an important role on this market and profit

- from first-mover advantage;
7. Underlines the employment and growth potential in the European eco-sector - notably for SMEs - which could make a crucial contribution to attaining the Lisbon objectives;
  8. Points to the need to promote technologies to prevent natural disasters or actions likely to cause the destruction or deterioration of resources or entail risks to the public;
  9. Underlines that the introduction of ETs must be combined with increased resource efficiency and a shift in consumer attitudes in order for the EU to attain sustainable growth;
  10. Points to the need to promote and support QSAR (quantitative structure activity relationship) models so as to provide substitutes for certain types of research involving animal tests and experiments;
  11. Believes that, to promote sustainable development, it is also necessary to encourage research into, and innovation in, technologies focused on prevention and the restoration of natural, cultural, and historical resources;
  12. Observes that Green Public Procurement (GPP) could act as a door opener for introducing ETs on the market and urges the Commission to urgently propose measures for increasing GPP;
  13. Underlines that a validation mechanism for ETs would be a key instrument in boosting the use of GPP;
  14. Notes that the development of ETs, notably in the energy sector, has been hampered by important state aids for fossil fuels and nuclear power in the Community; strongly believes in the principle that external costs should be included in the price of energy from different sources and that this principle should be a basis for the revision of the EU state aid guidelines due in late 2005; also notes that eco-taxes are an important tool to get energy prices right;
  15. Urges the EIB and the EBRD to increase funding of projects involving eco-innovation and technology, notably by SMEs;
  16. Notes that scarce resources are often a source of regional conflicts in the developing world; is of the opinion that transfers of EU ETs could also serve as a conflict prevention tool;
  17. Notes that environmental technologies for the treatment of waste have an important role to play in sustainable development and that the use of municipal waste to achieve energy savings will have dual environmental benefits in that it will eliminate materials harmful to the environment and produce energy that is renewable.



## PROCEDURE

<b>Title</b>	Communication from the Commission to the Council and the European Parliament on Stimulating technologies for sustainable development: an environmental technologies action plan for the European Union	
<b>Procedure number</b>	2004/2131(INI)	
<b>Basis in Rules of Procedure</b>	Rule 45	
<b>Committee responsible</b> Date authorisation announced in plenary	ENVI 28.10.2004	
<b>Committee(s) asked for opinion(s)</b> Date announced in plenary	ITRE 28.10.2004	
<b>Not delivering opinion(s)</b> Date of decision		
<b>Enhanced cooperation</b> Date announced in plenary		
<b>Motion(s) for resolution(s) included in report</b>		
<b>Rapporteur(s)</b> Date appointed	Riita Myller 20.9.2004	
<b>Previous rapporteur(s)</b>		
<b>Discussed in committee</b>	18.1.2005	
<b>Date adopted</b>	20.4.2005	
<b>Result of final vote</b>	for:	30
	against:	0
	abstentions:	0
<b>Members present for the final vote</b>	Georgs Andrejevs, Liam Aylward, María del Pilar Ayuso González, Dorette Corbey, Avril Doyle, Anne Ferreira, Karl-Heinz Florenz, Norbert Glante, Cristina Gutiérrez-Cortines, Satu Hassi, Gyula Hegyi, Mary Honeyball, Holger Krahmer, Urszula Krupa, Aldis Kušķis, Roberto Musacchio, Riitta Myller, Dimitrios Papadimoulis, Vittorio Prodi, Guido Sacconi, Richard Seeber, Kathy Sinnott, Antonios Trakatellis, Evangelia Tzampazi, Thomas Ulmer, Åsa Westlund	
<b>Substitutes present for the final vote</b>	Margrete Auken, María Isabel Salinas García, Renate Sommer, Robert Sturdy	
<b>Substitutes under Rule 178(2) present for the final vote</b>	Fausto Correia	
<b>Date tabled – A6</b>	11.5.2005	A6-0141/2005