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Minutes from the European Resources Forum 2016

Minutes by:

Mandy Hinzmann

Ecologic Institut gemeinnützige GmbH

Pfalzburger Str. 43/44 | 10717 Berlin | Germany

mandy.hinzmann@ecologic.eu

DAY 1 – Wednesday, 9 November 2016

Plenary session: International perspectives for a resource efficient world

- **Kathleen Salyer** Deputy Director of the Office of Resource Conservation and Recovery at the United States Environmental Protection Agency (U.S. EPA)
- **Yoshinori Suga** Deputy Director Waste Management and Recycling, Ministry of the Environment, Japan
- **Peter Börkey** Environment Directorate, Environment and Economy Integration Division, OECD, France
- **Benedetta Dell'Anno** Ministry for the Environment and Territory, Italy
- **Tim Kasten** Deputy Director of UN Environment's Economy Division
- **Chair: Birgit Schwenk** Head of Division European and International Aspects of Resource Efficiency, Raw Materials Policy, Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, Germany

Peter Börkey introduced the report “Policy Guidance on resource efficiency” by the OECD, which includes suggestions to the G7. He gave an overview over the reports and pointed to key messages. Resource efficiency has moved up on the political agenda. Most attention is given downstream on waste management (e.g. through the increased use of the economic instrument ‘Extended Producer Responsibility’). More action is needed upstream. Mr. Börkey pointed to four key messages. First, a mix of political instruments is recommended (economic, regulatory, voluntary instruments); importantly, these should not contradict each other. Second, a Life cycle perspective is recommended to avoid the shifting of environmental pressures. Also, this supports businesses in their supply change management. Third, we need to restructure the existing systems of sectoral policies (like agriculture, energy, transport, education, trade) and work more cross-cutting. Fourth, we need to strengthen monitoring activities. Currently there is still a lack of data. Finally, Mr. Börkey named key areas recommended to be addressed by the G7. These are greening of supply chains (put mining into the focus), trade & investment, harmonisation of labels, development assistance for resource efficiency beyond waste management.

Kathleen Salyer first presented the U.S. Sustainable Materials Programme (*2009). Priority areas of the programme include partnering with businesses, identifying best practices, helping SMEs, safe management of waste and the facilitation of resource efficiency on the federal level. Furthermore, food waste and electronics are in the focus of the programme. Life Cycle Analysis (LCA) is an important instrument. Rather new topics in the focus are the build environment and packaging. Also, recently a shift to the upstream field is desired. Mrs. Salyer mentioned that the ambitious goal was set up to reduce food waste in the USA by 50% by 2030. This triggered a national debate. On the international dimension, the USA is supporting the G7 work. Key areas

for the international arena are seen in the scaling up of best practices, in assisting SMEs, and working through the supply chain.

Yoshinori Suga was introduced as “the man behind the current G7 activities”. He stated that Japan is learning a lot from European initiatives. Furthermore, he emphasised the importance of global action for resource efficiency by reminding the audience that global supply chains are characterising the modern economy. There is a huge opportunity for resource efficiency on global market and particularly the emerging economies will play a central role. Yet, there is a bottleneck, as some governments and other actors are not convinced that we need resource efficiency. Yoshinori Suga also points out, that for some countries it is not clear what is the critical issue in regard to resource consumption – is it the gap between supply and demand, is it the environmental burden, or something else? For Yoshinori Suga, key to successfully promoting resource efficiency is international cooperation, such as in the form of the UNEP International Resource Panel or the G7 activities.

Benedetta Dell’Anno stated that resource efficiency is a priority on the national level in Italy. Her country will continue to promote the work on the topic when holding the next G7 presidency. She explained in which way resource efficiency is tackled in Italy. A legislative act tries to address different aspects of resource efficiency. Italy takes into account the G7 recommendations presented by Peter Börkey. The country tries to avoid fragmentation of policy initiatives. The private sector is not yet so involved in the decision making processes – Italy wants to fill this gap. Furthermore, Mrs. Dell’Anno mentioned a law that was adopted in February 2016, which promotes sustainable consumption and production and fosters an environmental & fiscal reform. This is linked to the SDGs and some measures are binding, while others are voluntary. On the international level, the Environmental Minister of Italy opened a debate with ministers of other countries to elaborate which issues should be in the focus and ideas on relevant sectors. The organisation of a technical meeting is planned as well as of bilateral meetings and a big meeting in Bologna in June. This initiative aims to bring in some fresh “fresh air” into the debate on resource efficiency.

Tim Kasten started his speech by highlighting that resource efficiency should be seen as an opportunity. Currently, resource efficiency investments are explored when they promise cost savings, other aspects are ignored. Resource efficiency is perceived as a “necessity”, as not enough resources are available and also it is needed to reach the Sustainable Development Goals (SDGs). Mr. Kasten promoted a new perspective: resource efficiency is an opportunity we need to tap. It is a motor for jobs and innovation and thus leads to greater economic strength. In addition, there are environmental benefits. In order to establish this perspective within the society, Mr. Kasten argued that we need two things: On the one hand awareness and knowledge, on the other hand inclusiveness. The latter requires a systems approach, including the entire system. More specifically, governments need to create inducing conditions. For this, political leadership is needed (e.g. Germany in Europe). An increase in consumer’s demand for green products is needed, as well as a change in the financial system. Mr. Kasten stressed that it is not going to change from itself. Knowledge needs to be expanded and the ongoing work, such as from the OECD and the International Resource Panel needs to be continued. Also, green economic knowledge must be implemented in other countries.

Birgit Schwenk opened the discussion with the question, whether the existing institutions and governance mechanisms suffice to promote resource efficiency on the international level, or whether a new institution was needed. Tim Kasten argued that it would take a lot of time to establish another institution. Therefore, existing mechanisms should be used first. He mentions the Agenda 2030, the SDGs and the Paris Climate Agreement, which all need to be exploited in respect to resource efficiency. Also, at the UN level currently the status and trends in regard to sustainable consumption and production are looked at. Mr. Kasten concluded that we need to exploit institutions and mechanisms further and more than is currently done. Birgit Schwenk summed up that various windows of opportunity exist and asked whether the other members of the plenum agree. Peter Börkey agreed that establishing a new institution would be time consuming. Relevant international processes are already set up, e.g. for trade. He argued that the

G7 and G20 have an important role to play, particularly in raising the profile of the issue. Kathleen Salyer sees the need for something more than the existing institutions, particularly more coordinating effort. She adds to the debate that the work with businesses should be a priority, as they are key drivers for a shift to more resource efficiency. Benedetta Dell'Anno added that national governments should tie closer links with global processes and treat resource efficiency more as a cross-cutting issue. She argued that there are opportunities to open alliances to other partners, e.g. businesses and other governments. As there are plenty of initiatives on the local, national and international scale, Mrs. Dell'Anno suggested taking the most promising ones and discussing them with the private sectors. Moreover, she expressed that the G7 can be used as mechanism to scale up and open up to other stakeholders. Yoshinori Suga pointed out that despite the ongoing efforts and existing institutions on the international level, there is still a huge gap between developed and developing countries. Many countries still dispose waste in environmentally unfriendly way. Developing countries are central stakeholders in the ongoing work on resource efficiency on the international level.

Next, the discussion was opened to the audience. The first question was on the role of international standards, as they are much more effective than individual, national practices and standards. Can they be realised without an international organisation? And what is needed to establish them? Salyer replied that there is a gap for a platform to establish international standards, and that the topic needs to be better established on the international level. She expressed the hope that this will not take many years. Mr. Börkey added that the need for international standards is clear. What is needed is a high level policy process (e.g. initiated by the G7) to kick off the work on solutions. His vision is good standards for supply chain management. Mr. Kasten remarks that overall we need a discussion on which new elements we need (such as international standards) and then look at what we do not have yet as well as on the institutions that we do have. On this basis we can put together something new that we need, based on the gaps we identified.

Another question brought up the issue of a tax reform on the European level. At the moment, 50% tax incomes come from labour, while only 6% come from environmental taxation – could we reverse this? Mr. Börkey replied that the OECD tried to promote this for years, but the political area is not ready or willing for this kind of tax reform. Mrs. Dell'Anno argued that a sustainable financing system is very important. We should not look at one fee or tax, but make the system overall greener - a better and greener taxation should be the goal.