

### 3<sup>rd</sup> European Resources Forum, Berlin – 9/10 November 2016

#### *Minutes from the European Resources Forum 2016*

Minutes by:

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DAY 2 – Thursday, 10 November 2016

#### **Parallel Session B: European country initiatives for resource efficiency**

- **Paweł Kaźmierczyk** Project manager resource efficiency and material flows, European Environment Agency, Denmark
- **Dr. Loa Buchli** Head of Section, Economics Section, Federal Office for the Environment FOEN, Switzerland
- **Andreas Tschulik** Head of Division, Environmental Protection at Company Level and Technology, Federal Ministry of Agriculture, Forestry, Environment and Water Management, Austria
- **Lieze Cloots** International Policy Unit, OVAM, Public Waste Agency of Flanders
- Chair: **Matthias Koller**; Head of Section I 1.1 “Fundamental Aspects, Sustainability Strategies and Scenarios, Sustainable Resource Use”, German Environment Agency

This session discussed programmes and approaches of European countries to support businesses as well as citizens in improving resource efficiency and closing material loops. The session started with presentations of each of the panel members.

**Paweł Kaźmierczyk** gave a short overview of the report “More from less — material resource efficiency in Europe” by the European Environment Agency (EEA). The report presents an overview of approaches to material resource efficiency and to circular economy in 32 European countries. It analyses trends in material use and resource productivity between 2000 and 2014. Moreover, the report aims to support countries in exchanging best practices. It contains 32 detailed country profiles and focuses on material resources. One topic in the report is the issue of closing material loops in a circular economy. Kaźmierczyk pointed out that the report was prepared in 2015, during a rather difficult time to ask countries about circular economy, i.e. right after the Circular Economy package of 2014 was withdrawn and the new version was not yet out. Next, the EEA representative highlighted the most interesting findings of the report. Regarding the reasons, why countries deal with resource efficiency, over 50 % answered with economic interests, particularly improve the competitiveness of businesses. Waste management is the main area where countries have initiated policies and strategies, followed by energy/climate related activities. As priority materials, secondary materials and waste were most commonly mentioned by the participating countries. Concerning priority industries, manufacturing, agriculture and construction were often mentioned. A surprise was that the service sector was not often mentioned. Another interesting finding was that nine countries have adopted economy-wide resource productivity targets, although these are not part of the new Circular Economy package anymore. Synergies between energy efficiency and resource efficiency are often not targeted yet in the policies. One best practice example here is the German resource efficiency programme ProgRess. Concluding his presentation, Kaźmierczyk stressed that European countries need to go more upstream with their initiatives – i.e. moving beyond waste management and prevention.

**Dr. Loa Buchli** gave insights into Swiss measures for a Green Economy. She explained that Switzerland is a leader in resource efficiency in Europe when measured in terms of domestic material consumption (DMC). Yet, taking into account what is imported (Raw Material Input, RMI), Switzerland has much potential to improve. In addition, the Swiss people have a high green house gas footprint and land use footprint. Also, decoupling has not been very successful yet. Switzerland is engaging in the green economy, which aims to conserve resources and at the same time strengthen the economy. The Planetary Boundaries concept by Rockström is used as a basis to find out which level of material consumption is sustainable. Moreover, dialogue with the citizens is a very important instrument for the Federal Office of the Environment. As an example for a very successful practical measure, Buchli mentions the 'Reffnet' network for resource efficiency, which was adopted in 2013. This is a network to help SMEs to find their potential to reduce material use and cut cost.

Next, **Andreas Tschulik** presented RESET2020, a new programme to boost resource efficiency in Austria. In fact, Austria was among the first countries to adopt a resource efficiency programme which set targets and suggests measures to improve resource efficiency. The RESET2020 initiative (short for RESources, Efficiency, Technologies) aims to implement the measures. While a tool box of laws and funding is already available in Austria, the initiative specifically aims for concrete results. Tschulik argued that enterprises in Austria already understand the concept and necessity of resource efficiency well, as material costs comprise more than 40% of their overall expenses. However, an enabling political framework is needed. For example, for secondary phosphorus, technology is available and demand exists, but the market does not provide secondary phosphorus. Therefore, the legal action that is needed is to prescribe that sewage sludge treatment recovers phosphorus. In addition, RESET2020 focuses on public consumption in Austria, which is currently not sustainable; Austria's ecological footprint is still increasing. Further important features of the Austrian policy are a focus on innovation policy as well as on networking between regions.

**Lieze Cloots** illustrated how Flanders developed and changed its waste management policy to a circular economy policy. This example shows how the political thinking changed first and then a policy was formed around it. Back in the 1980s, people in Flanders demonstrated against landfills, which presented a risk to health. Politicians reacted by introducing legally binding instruments such as a ban on landfilling and incineration as well as mandatory separate collection. In addition, economic instruments were introduced such as pay as you throw schemes. The new policies resulted in big economic benefits: a lot of jobs in the recycling sectors and related sectors were created. However, after roughly two decades the limit of this type of policy became visible: Flanders does not overall produce less waste, and the rate of collection does not increase any more. A new approach was needed. The responsible officials were convinced that thinking in a circular way was the solution, not linear. Just new set of legislation, however, would not suffice – a whole societal change was needed. Thus, actors needed to be involved. Strategic projects were undertaken in order to create the right conditions for recycling – e.g. to make waste ships stay in the area; research which new skills workers need to fulfil new jobs; develop modular construction concepts (a school can be turned into a home for the elderly 20 years later). The transformation to a circular economy is now officially confirmed in politics; the Flanders Material Program was launched in 2012. The next step will be to think more cross-cutting and to particularly promote circular procurement, innovative business models and smart cities.

The first question of the audience related to the success story of the Flanders recycling policy: Do other countries or regions that aim to establish circular economy always need to first establish a well-working waste management, establish strong institutions (like OVAM in Flanders) and knowledge, or is there a 'shortcut' to go circular? Lieze Cloots replied that the establishment of a well functioning waste collection and management regime is helpful, but might not be absolutely necessary. What she considered most important is a long-term vision, political willingness and also to see political opportunity to implement the changes.

Next, it was pointed out that the topic of consumer information was missing in the presentations, but should not be neglected. The chair Matthias Koller mentioned that there is a German proposal on a second price label. Tschulik explained that Austria has initiatives planned, for reducing food waste in cooperation with NGOs. Also, the eco-label is perceived as an important instrument. Cloots emphasised that co-ownership is an important principle for the circular economy in Flanders and that consumers' interests are taken into account. Buchli agrees that consumer information is an important pillar. She elaborates that in Switzerland a food waste campaign is prepared and that the long-term vision of the FOEN is that consumers do not only see the price, but also the environmental price. This, however, is very difficult to realise and she feels also reluctant to put too much worry on the consumer. Her personal vision is that all products that a consumer can find in a shop should be fine to buy. Kaźmierczyk argued that currently there are too many eco-labels on the market. People are lost with an overflow of information. Therefore the EU looks into how to streamline labels. He pointed out that not only information, but consumer education is important. He illustrated this with the example of people's economic behaviour in regard to light bulbs. Consumers do not want to change their habits and preferences. Therefore education on why to change light bulbs is essential. Moreover, while awareness is important, it should not be underestimated that pricing leads consumer decisions. It is good to show information on where products come from and where prices come from, but price signals are stronger.

A question on governance followed: How can the effectiveness of national resource efficiency programmes be increased? The members of the plenum agree that one success factor is to tackle local issues instead of establishing a regulation coming from above. Priorities and design of programmes need to be grounded on local needs. This way, more local support is behind the decisions. Therefore, you need to involve stakeholders in the field, to "put them into the driver's seat". In addition, it was stressed that for the success of programmes it is important to set objectives and measure their progress. Being asked how Flanders is planning to move on from a sectoral approach to a cross-cutting approach, Cloots explained that 'transition arenas' had been identified for the region, such as energy transition, food transition, etc. Now the Flanders government decided that these arenas should become more integrated. The approach to tackle this challenge is to take the focus from specific material streams (such as metals) to transition arenas like new business models or smart cities, which enable an integrative view.

At the end of the session, Matthias Koller asked the plenum what they would you like to ask from the Commission to support the initiatives of the Member States to enhance resource efficiency and circular economy. First it was argued that the Commission is fighting a big battle on its own, and that the Commission's room to manoeuvre is limited by what countries agree on. A solution to this dilemma is seen in a stronger focus on the positive: The Commission should emphasise the creation of jobs and growth through resource efficiency and circular economy initiatives. The funding should be allocated accordingly, e.g. more support for re-use initiatives and new business models. Also, the Commission should point out the synergies, such as between climate change and resource efficiency. This involves not having separate conferences anymore. It was added that the EU's strategy on how to involve stakeholders could be improved. Overall, the Commission should do more to make resources a priority in the agenda. Finally, it was argued that the role of governments and governance is transforming from being regulator towards being coordinator and facilitator – this also applies to the role of the European Commission in the field of resource efficiency and circular economy.