



2nd European Resources Forum, Berlin

Minutes from the European Resources Forum 2014

Minutes by:

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DAY 1 – 10. November 2014

Plenary session: Europe's responsibility for a sustainable use of natural resources

- Dr. Barbara Hendricks; Federal Minister for the Environment, Nature Conservation, Building and Nuclear Safety, Germany
- Dr. Maciej H. Grabowski; Minister of the Environment, Poland
- Chris Kuijpers; Directorate General, Ministry for the Environment, The Netherlands
- Karl Falkenberg; General Director, European Commission, DG Environment
- Moderator: Maria Krautzberger; President, Federal Environment Agency, Germany

Skyrocketing resource use, a growing world population and increasing resource needs for prosperity and security require policy responses catering for social and ecological planetary boundaries. Against this background **Minister Hendricks** outlined the need for an ecological industrial policy that mitigates impacts and conserves resources while at the same time helps modernising German economy and fostering competitiveness both in Germany and in Europe. Both Germany within Europe and the EU need to prove that resource efficiency is a successful and opportunity-rich process for economy and society – only when successfully demonstrated will other countries engage into stepping up their own resource policy endeavours. While the importance of resource efficiency is generally recognized at European level, Minister Hendricks expressed the hope the new commission will further improve work on resource efficiency.

On the German level, existing resource productivity targets helped reducing resource consumption by 15% between 1994 and 2012 despite realising economic growth over this period. While this shows excellent progress for an industrialised country, it is not yet enough to reach the German targets by 2020. Unfortunately, resource efficiency is still seen as a barrier and as putting firms' competitiveness at risk. However, the opposite is true as resource efficiency improvements lead to a competitive edge in technologies and processes on the national level that will foster exports of clean technologies and cleaner products and will lead to developing hundreds of thousands of new jobs. Here, Minister Hendricks calls upon industry and business to further the efforts taken and dialogue on resource efficiency improvements and to gear product design and processes to reuse of products.

Minister Grabowski viewed resource efficiency as one of the most important quests towards a Green Economy in Europe. While Europe is a leader on a Green Economy, it needs much more concrete proposals on how to achieve and implement this concept. Here, transforming Europe needs a big step in increasing the competitiveness of the economy and quality of lives. Increasing scarcity and risk of access to some resources, e.g. rare earths elements or phosphorus should act as catalysts for developing projects to capture these resources from waste. Successfully doing so requires cooperation of European academia, businesses, institutions to exchange best practices and to discuss and deliver funds.

Minister Grabowski highlighted the need to reinforce European growth to tackle social targets and foster social programmes. In this context, Poland proposed a European fund for social and resource efficient projects based on experience with national funds for a rational use of natural resources, which helped reduce industrial energy intensity in Poland to 7% (EU average is 10%). In addition to providing funds, Polish government uses fiscal tools to economise exploration costs of natural resources, introduced silver and copper mining tax, and recently a timber fee. This showcases some of the progress that the EU and its Member States make – and will continue to need to make – towards a sustainable, resource efficient future.

Mr Chris Kuijpers stated that mankind has become a “natural force” shaping and transforming much of the Earth’s surface. This requires substantial political and societal responses to resource consumption and environmental degradation. The Netherlands wants to be a frontrunner on saving natural resources. In relation to its manure problem, phosphate charges were introduced to recover phosphate from manure. Mr Kuijpers highlighted that the ball is already rolling in this green growth area, seeing opportunities instead of obstacles. The Netherlands want to foster economic development while breaking the dependence on fossil fuels and making sustainable sourcing of abiotic and biotic raw materials central to its economy. The ultimate goal is a zero waste circular economy in the NL. There is still some way to go and what is needed are new business models, new concepts of ownership and new lifestyles.

While the Dutch government works with a variety of stakeholders to tackle climate change and resource efficiency challenges, it needs increased EU coordination and collaboration of business and civil society and policy to realise step changes. Acting at national level helps and is needed; but international collaboration is crucial and at times the only possible approach. It is all about fostering partnerships and tackling together the environmental challenges facing us – this second European Resources Forum has exactly this focus.

General Director **Karl Falkenberg** pointed out that it is relatively easy to talk about the circular economy and a Green Economy, but much more difficult to translate it into concrete action and clear goals. While Europe certainly is a frontrunner on resource efficiency and sustainable management of natural resources, there is plenty that the EU needs to continue doing in order to reduce resource consumption and environmental degradation. So we need to upgrade what we have achieved for the moment. Political action has to come with targets, measures and monitoring – only then can we see if our full joint forces (state, businesses, civil society and academia) work towards the joint vision of a sustainable resource-efficient Europe. For instance, from 2000 – 2011 Europe has become 20% more resource efficient – therefore, from now to 2030 we should add another 30% resource efficiency in the European economy.

Karl Falkenberg expressed the hope that this target will be retained under the new commission as this target will be the basis for reindustrialisation, growth in EU’s economy and in employment. If the EU was to compete with US or China on energy, resource or labour costs, we would be looking at major challenges for

our economy; therefore we should make our weakness and poor resource endowments an opportunity for competitiveness, e.g. we know how to work energy and resource efficiently within and beyond the EU's internal market. Hence, we should be setting the targets and leave all Member States and stakeholders to define how best to reach these targets, using their best skills, technologies, expertise and regional endowments. Here, we must consider waste as secondary resources and hence must reduce resource loss to landfill, because we need those resources to build the products for the next generations and we cannot and must not turn these resources into negative environmental externalities. In this context, Karl Falkenberg considered some form of regulatory framework is helpful, reporting of companies coming to Brussels and asking for a level playing field for forwarding the direction of resource efficient production methods and thus supporting the frontrunners of sustainable production and consumption. While REACH is perceived an administrative monster by some, it enables us to talk about reuse of substances and a circular economy as we only then can substitute hazardous materials and can have high quality recyclates, gearing production in a way that allows recycling.

During the **panel discussion**, panelists encouraged the new commission to continue wise leadership on resource efficiency and circular economy issues as more sustainable resource use is an engine for economic growth and job creation. It was outlined that the new commission will assess all policy proposals of the outgoing commission and hence will also review whether or not the circular economy package deserves to be pursued. In order to successfully argue towards maintaining this package we need to make sure that what was put forward are not breaks on the economy, but instead rather opportunities. For instance, many waste management companies are waiting for better separated waste streams to tap into jobs and growth from the circular economy, so we need to further work on improving waste separation and related policy framework.

While Germany and the Netherlands are in favour of and available to contribute to the debate on target setting for resource efficiency on the European level, from the Polish perspective the focus should be on implementing the existing package, as there are countries that will need support to meet the financial deficit targets and also to fulfill resource efficiency ambitions. It was highlighted that the EU-28 is not on course for existing targets, but that the situation is very mixed with some Member States being frontrunners, others being mid-fielders and other finding it extremely challenging to move towards these goals. The fact that the frontrunner countries are economically doing best in Europe should be communicated more clearly as a proof that it is rather not that we have to be rich to do resource efficiency, but the opposite, that if you do resource efficiency, you will be competitive and hence be better off.

In this context, efforts should be made to foster exchange of experience and best practice both within and beyond the EU level in order to advocate resource efficiency and to keep pushing for resource efficiency goals. This is an transformational agenda and it does require finance. While majority of governments thinks that this transformation needs to be governments financed, we need to convince more and more businesses of the potential of resource efficiency investments and thus increase public-private and just private financing and hence bring more capital in this transformational agenda and allow all to take opportunities from this agenda.
