

Promoting the transition to the Green Economy

1st meeting of Thematic Working Group

What is the Green Economy and why does it matter?

David Baldock (IEEP)

Brussels – 16 December 2015

What is the Green Economy?

The United Nations Environment Programme defines the green economy as:

‘an economy that results in improved human well-being and reduced inequalities over the long term, while not exposing future generations to significant environmental risks and ecological scarcities’ (UNEP, 2010)

The OECD defines ‘green growth’ as:

‘fostering economic growth and development, while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies’ (OECD, 2011)

- Clearly it is not just ‘green’ nor is it just about economic growth
- How does it relate to other concepts, e.g.
 - Circular Economy?
 - Bio-economy?

The circular economy

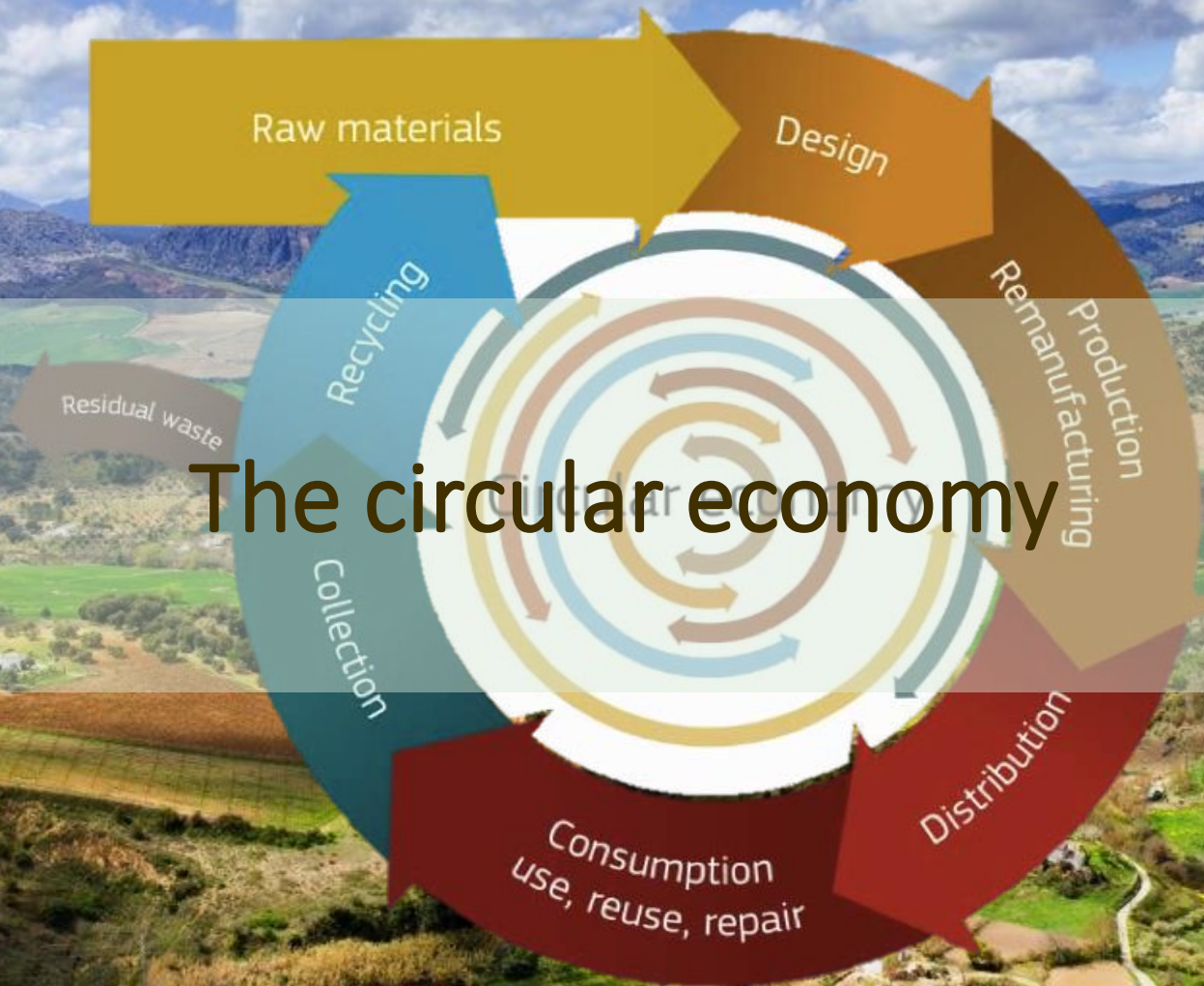
The circular economy involves:

- The whole economy;
- Intrinsic recycling and feedback loops for nearly all materials;
- Designing out waste and premature obsolescence;
- Adding value to waste materials.

Circular economy requires:

- Reducing the quantity of materials required in a system, in particular those that cannot be recycled;
- The re-use of materials without processing;
- Recycling and reprocessing of materials by closing system loops;
- Interaction between waste producers and users.

The circular economy



The Commission's Circular Economy package

“We need to retain precious resources and fully exploit all the economic value within them. The circular economy is about reducing waste and protecting the environment, but it is also about a profound transformation of the way our entire economy works.”

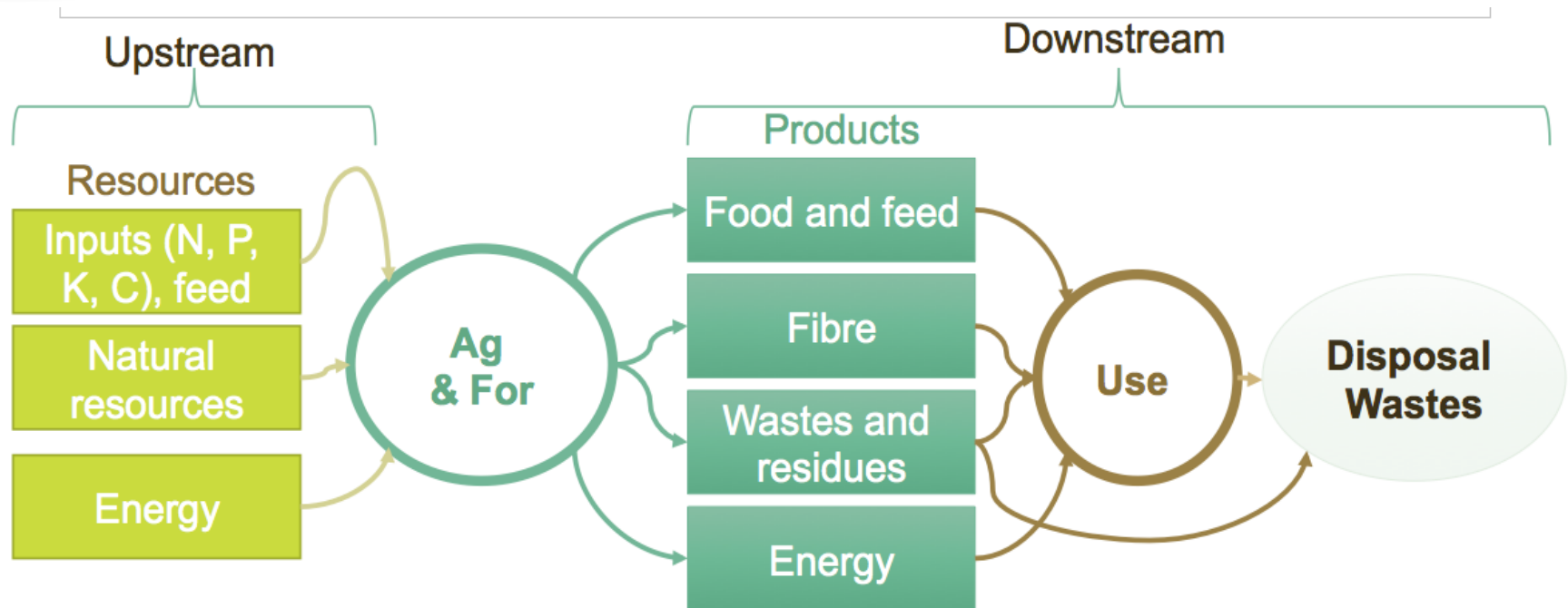
Frans Timmermans, 2 December 2015

- Involves a mix of regulatory proposals and a longer term Action Plan

Key actions in the package include:

- **Funding** of over **€650 million** under Horizon 2020 and **€5.5 billion** under the structural funds;
- **Actions to reduce food waste** including a common measurement methodology, improved date marking, and tools to meet the global Sustainable Development Goal to **halve food waste by 2030** – involves revised legislative proposals;
- Development of **quality standards for secondary raw materials** to increase the confidence of operators in the single market;
- Measures in the **Ecodesign working plan for 2015-2017** to promote reparability, durability and recyclability of products, in addition to energy efficiency;
- A **revised Regulation on fertilisers**, to facilitate the recognition of organic and waste-based fertilisers in the single market and support the role of bio-nutrients;
- A **strategy on plastics in the circular economy**, addressing issues of recyclability, biodegradability, the presence of hazardous substances in plastics, and the Sustainable Development Goals **target for significantly reducing marine litter**;
- A series of **actions on water reuse** including a legislative proposal on minimum requirements for the reuse of wastewater.

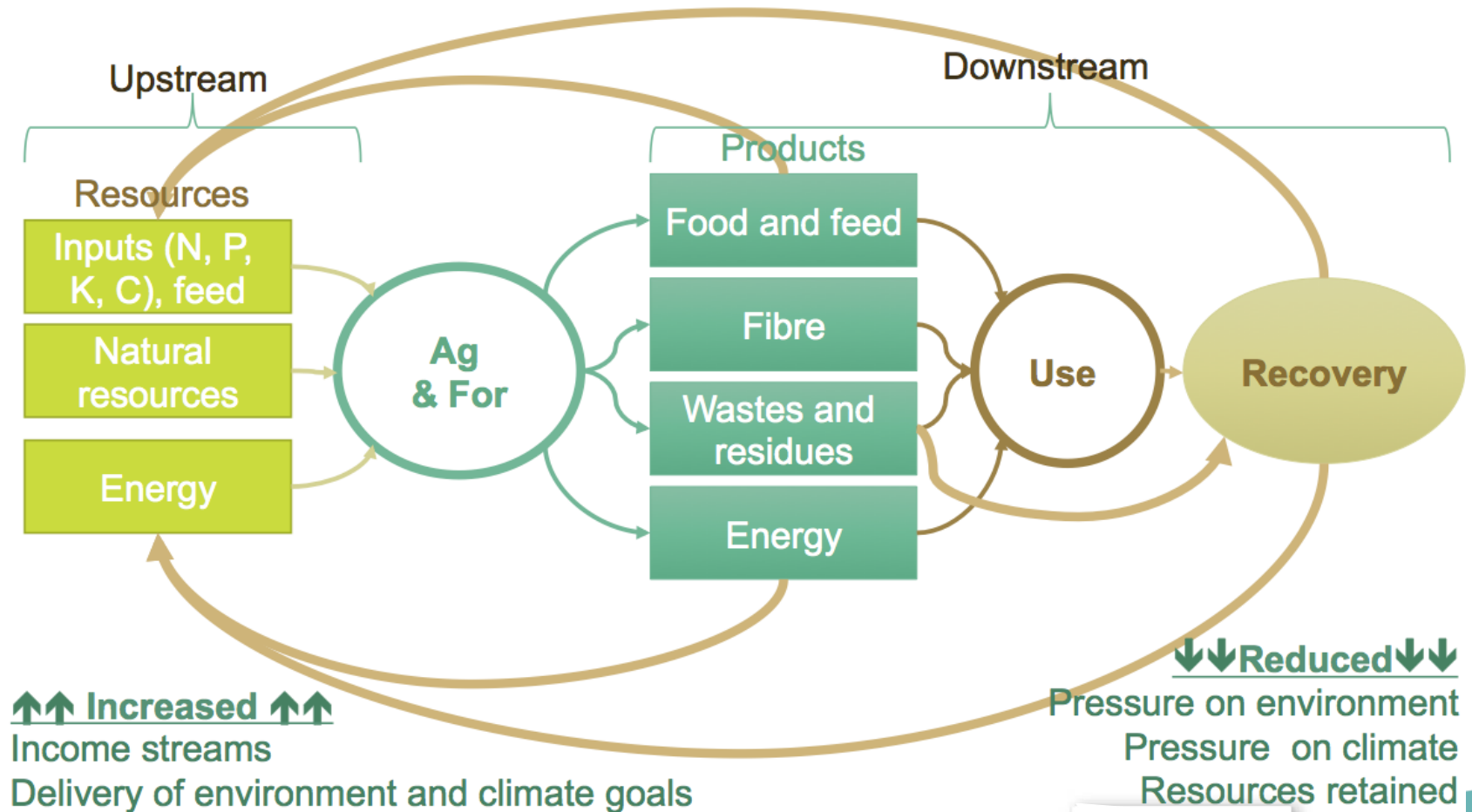
Example for agriculture and forestry – current (linear) practice



↑↑ Rising ↑↑
Pressure on resources
Costs
Demands

↑↑ Increased ↑↑
Pressure on environment
Pressure on climate
Loss of resources

Example from agriculture and forestry – circular economy



The bio-economy

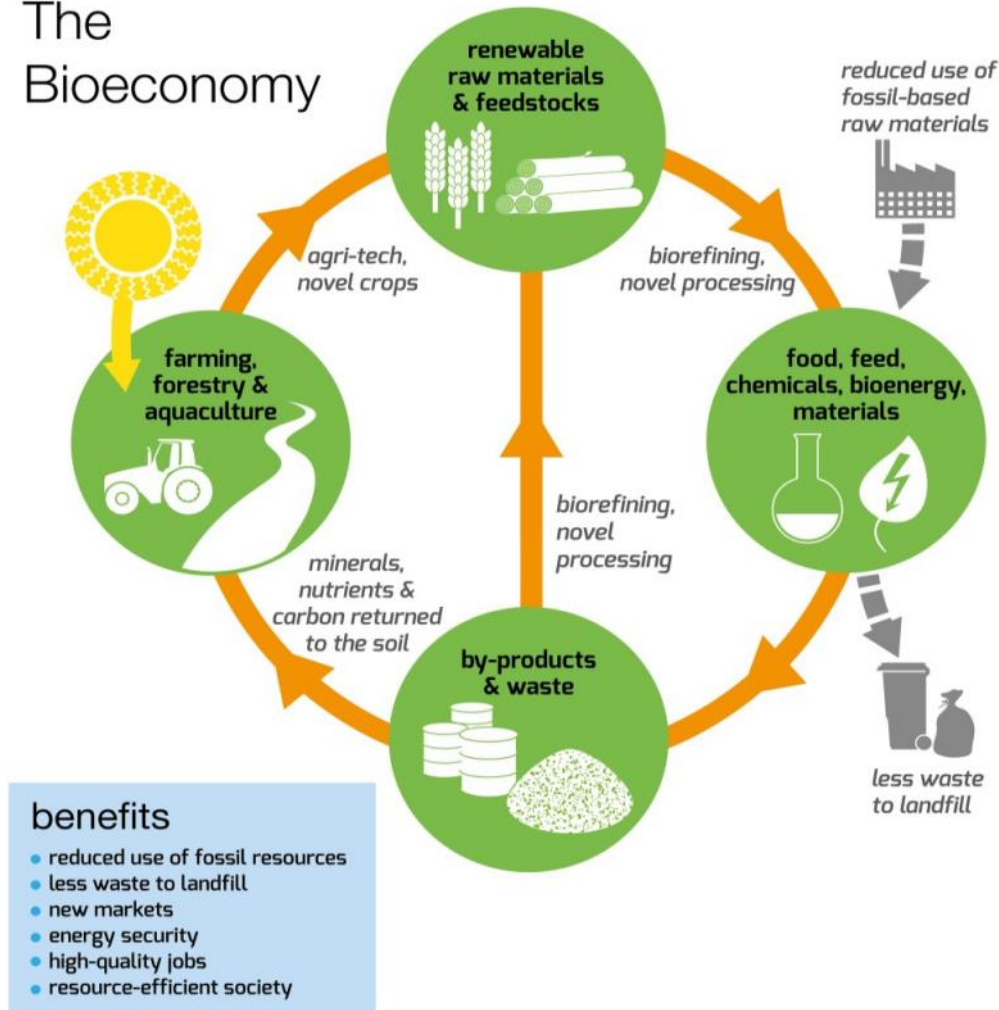
- Set of economic activities relating to the invention, development, production and use of biological products and processes
- Can be both linear and circular;
- Spans issues relating to health (bio-medical advancements), productivity of agriculture and other industrial processes (e.g. bio-energy) and environmental sustainability
- Emphasis on adding value to raw materials with strong knowledge and technical development aspects (biotechnology)

The Commission's bio-economy Strategy and Action plan

- more innovative, resource efficient and low-emission economy;
- reconciling demands for sustainable agriculture and fisheries, food security, and the sustainable use of renewable biological resources, for industrial purposes
- ensuring biodiversity and environmental protection.

The bio-economy

The Bioeconomy



- The UK estimates that the potential for the economic market for the bio-economy could be in the region of £100 billion/year - waste-based resources make up a significant proportion of this

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To remind ourselves...

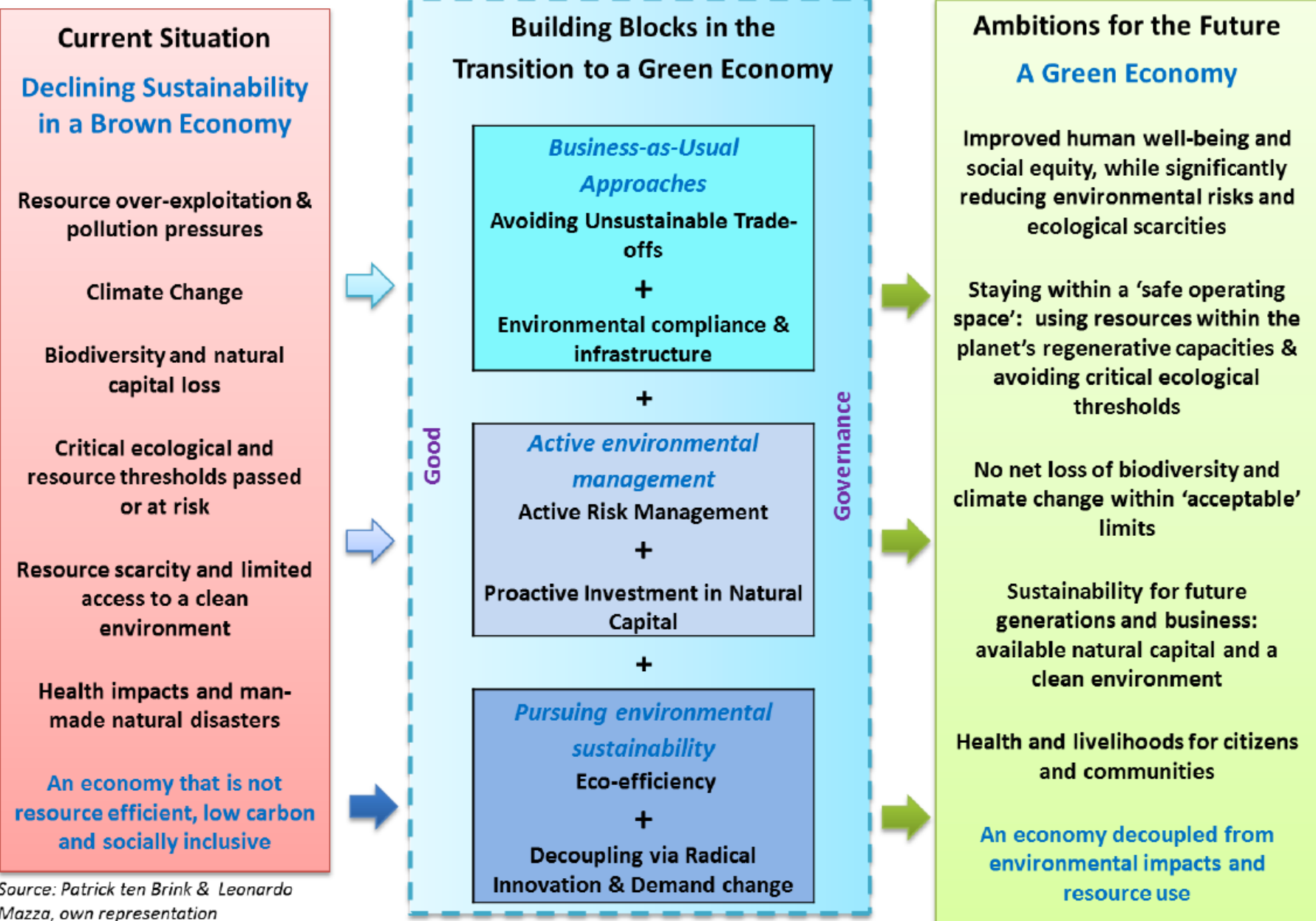
The Green Economy is:

“an economy that results in improved human well-being and reduced inequalities over the long term, while not exposing future generations to significant environmental risks and ecological scarcities”

It is a term used to emphasise economic growth that:

- is driven by low-carbon, energy and resource-efficient investments;
 - prevents the loss of biodiversity and ecosystem services and
 - is socially inclusive (UNEP, 2011).
- Some elements will be circular and some will be bio-based

Transition to the Green Economy



Relevance to other EU policies

➤ **Europe 2020**

- No specific mention of the green economy but a key objective is for a ***smart, sustainable and inclusive economy by 2020***

➤ **7th Environmental Action Plan**

- *'In 2050, we live well, within the planet's ecological limits. Our prosperity and healthy environment stem from an innovative, circular economy where nothing is wasted and where natural resources are managed sustainably, and biodiversity is protected, valued and restored in ways that enhance our society's resilience. Our low-carbon growth has long been decoupled from resource use, setting the pace for a safe and sustainable global society'.*
- *'The transformation into an inclusive green economy requires the integration of environment issues into other policies:*
 - i. to protect, conserve and enhance the Union's natural capital;*
 - ii. to turn the Union into a resource-efficient, green, and competitive low-carbon economy;*
 - iii. to safeguard the Union's citizens from environment-related pressures and risks to health and wellbeing*

➤ **2030 Climate and Energy Framework**

Importance of the green economy for rural development

- Relates to the Commission's agenda on jobs and growth
- Last week Commissioner Phil **Hogan** said:
 - "The Rural Development Programme is about **jobs, growth, investment and competitiveness** in rural Europe. The goal is to empower rural areas and communities to meet the wide range of challenges and opportunities that face them in the 21st century: economic, social and environmental. With smart and strategic investment, the RDPs will drive generational renewal and create the conditions for a vibrant rural economy, society and environment. With COP21 ongoing in Paris, there is an inevitable focus in addressing the considerable climate challenge and the Rural Development Programme has a significant role to play in contributing to meeting this challenge."*
- Potential value in helping justify ongoing CAP expenditure in the face of the upcoming review of the Multi-Annual Financial Framework

Thank you