



# ***European Green Deal***

*The transition of the European Economy*

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- *Problem definition:* According to the UN IRP and Club of Rome the core *limiting factor of human wellbeing and our (economic) development are* (the unsustainable use of our) *natural resources and environmental sinks*
- *Focus of our analyses:* How well is EC, and particularly European Green Deal, addressing this essential challenge?

# *New Commission Priorities*

*In her speech before the European Parliament in July 2019, Ursula von der Leyen identified six priorities for her new team:*



- *A European Green Deal*
- *An economy that works for people*
- *A Europe fit for the digital age*
- *Protecting our European way of life*
- *A stronger Europe in the world*
- *A new push for European democracy*

# *When we say European Green Deal what do we mean?*

## *Narrow and Broad Definition*



*Annual Sustainable Growth Strategy 2020*  
*Climate Pact*



*A New Industrial Strategy for Europe*  
*Circular Economy Action Plan 2020*



*Shaping Europe's Digital Future*  
*White Paper on Artificial Intelligence*  
*A European Strategy for Data*

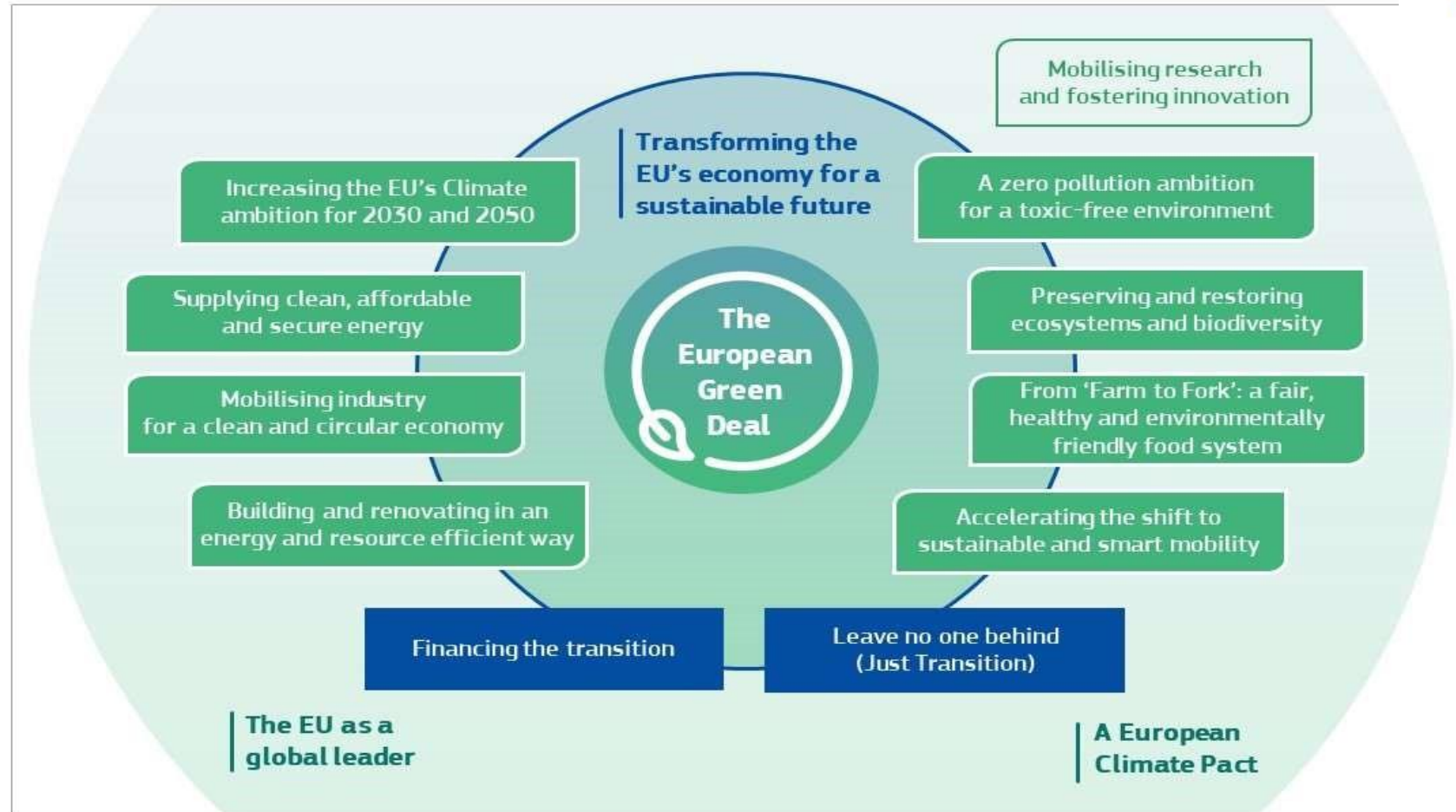


*Farm to Fork*  
*Biodiversity Strategy*

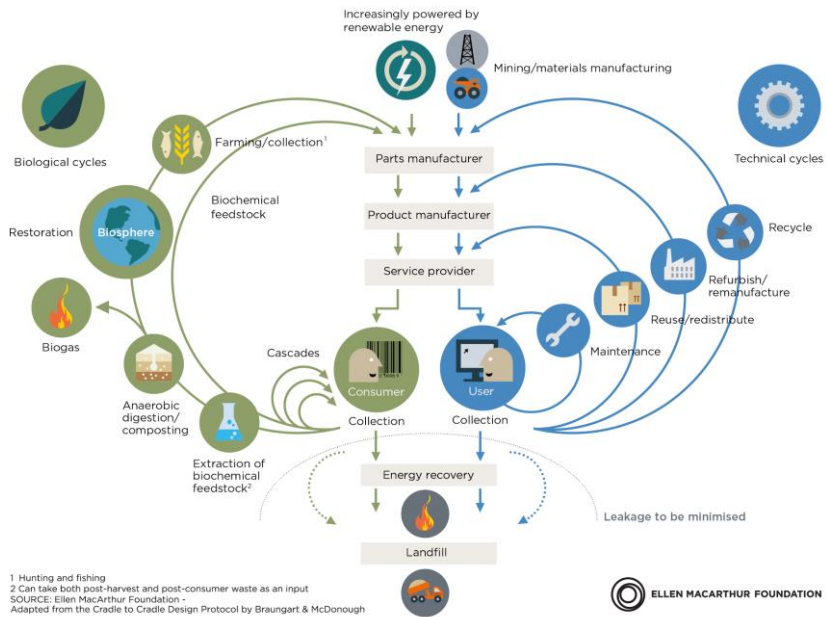
*And many more documents existing and coming*



# Green Deal



CIRCULAR ECONOMY - an industrial system that is restorative by design



*Green Deal* is based on Circular Economy. *Circular Economy* should be seen as an instrument for deliver decoupling of economic growth from resource use and environmental impacts and as a *part of the bigger picture of economic, societal and cultural transformation* needed to deliver the SDGs.

# European Green Deal

## Important to Remember

- Document is introducing *new logic, new approach, new political narrative* ... something which was till now not present in the EC approach. Just a decade ago it was impossible even to add sustainability to the “Growth and Jobs” narrative. Green Growth is setting a clear sustainability criteria and direction and it is based on Circular Economy principles.
- A lot of attention is given to *social considerations of the transition*. Green Deal depends on the *acceptance* of the proposals done, particularly from the socially more vulnerable groups of people. Recent experiences are clear. Ignoring them would be a major mistake. This is understandably sometimes leading to some compromises and deviations from clear principles and orientations in the document.



# European Green Deal

## General Orientation

- It is “a *new growth strategy* that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use.”
- It also “aims to *protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, this transition must be just and inclusive.*”
- Is an “integral part of this *EC's strategy to implement the UN's 2030 Agenda and the SDGs*”
- “This Communication is an *initial roadmap of the key policies and measures* needed to achieve the EGD. It will be updated as needs evolve and the policy responses are formulated. *All EU actions and policies will have to contribute to the EGD objectives.*”
- “To deliver the EGD, there is a need to *rethink policies for clean energy supply across the economy, industry, production and consumption, large-scale infrastructure, transport, food and agriculture, construction, taxation and social benefits.*”



# European Green Deal

## Critical Assessment

1. There is a *gap between in the ambition set in the opening of the document and strategic vision for needed system changes* in the following concrete policy chapters.
2. *Inconsistency* exists among the *ambition set in the document and the fact that MFF proposal was set by the previous EC*, where the narrative and understanding of the urgency for change was still quite absent. MFF is setting financial framework till 2027 and there will be no other budget on the EU level to deliver on SDGs and Paris commitments.
3. Document is *“climate biased”*. While biodiversity and zero pollution are addressed only in specific chapters, climate is mainstreamed through the whole document.
4. The need that prices and costs of products and services must move to incorporate environmental and health costs, and other so called *“externalities”* across value chains is *not introduced in a systemic way*. The commitment to *change the way we measure growth, progress, wellbeing* is missing.



# European Green Deal

## Critical Assessment

5. The link to the *importance of decoupling resource use* (water, land, materials) from economic growth *for an effective climate policy is still not clear* enough.
6. Clear orientation in the direction of *dematerialization, rethinking the concept of ownership and moving from resource efficiency to resource sufficiency* is missing
7. Chapters talking about the transformation of the food, buildings and mobility are designed *without real system change logic and needs*.
8. The *importance of finance and innovative thinking*, risk (re)definition, is central and we are still do miss a needed clear and bold orientation shift in the sector.
9. There is clear vision to become a global leader, but there is no clear answers when it comes to *global governance* (like for example an idea supported in the recent Environment Council Conclusions of the need to exploit establishment of a Convention on Natural Resource Management)





# *European Green Deal*

## *Summary*

*EPC: A promising start and a long road ahead*

*European Commission needs, in the first place, an **appreciation** of the work done and a **sincere help** in filling some of the gaps identified.*

# *A New Industrial Strategy for Europe*

## *Four Building Blocks*



- 1. **3 key challenges and objectives:** framework conditions for fair competition in the Single Market and at international level; transition to a climate-neutral and circular economy (European Green Deal); and digitalisation;*
- 2. **Horizontal measures for a new framework for the industry** rooted in a well-functioning and digitalised internal market, a global level playing field, climate neutrality and a more circular economy, and ensuring innovation, skills and the necessary investments for financing the transition;*
- 3. **Key sectors and technologies** reinforcing Europe's industrial and strategic autonomy. The strategic sectors identified by the Commission include hydrogen, low-carbon industries, industrial clouds and platforms, and raw materials;*
- 4. **New governance structure** based on the partnership between industry, MS and the EC including greater coordinated investments in areas of common interest.*

# *Circular Economy Action Plan 2020*

## *Structural overview*



### *Sustainable Product Policy*

- *Designing sustainable products*
- *Empowering consumers and public buyers*
- *Circularity in production processes*



### *Key Product Value Chains*

- *Electronics and ICT; Batteries and vehicles;*
- *Packaging; Plastics; Textiles;*
- *Construction and buildings; Food, water and nutrients*



### *Less Waste, More Value*

- *Enhanced waste policy (waste prevention, circularity)*
- *Enhancing circularity in a toxic-free environment*
- *Creating EU market for secondary raw materials*
- *Addressing waste exports from the EU*



### *Crosscutting Actions*

- *Circularity as a prerequisite for climate neutrality*
- *Getting the economics right*
- *Driving the transition through research, innovation and digitalisation*



# *Circular Economy Action Plan 2020*

## *General Orientation*



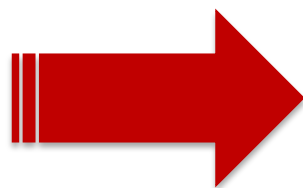
*System changes are still considered too difficult and hard to achieve. A lot of attention is given to **specific initiatives**, while the direction how to address the essential **drivers and pressures** leading to environmental problems is still somehow scattered across the document.*

# *Circular Economy Action Plan 2020*

## *Sustainable Products Policy Framework*



*Waste Framework Directive*  
*Waste Hierarchy*



*Sustainable Product Policy Legislative Initiative*  
*Widening Eco-Design Directive?*

*Product Framework Legislation?*

*From Waste Hierarchy to Product Hierarchy*  
*Product Value Retention System*  
*End of Product Status*  
*Producer Ownership Concept*  
*Design for Sustainability Requirements*  
*Public Procurement Requirements*  
*Product Passport*  
*Registration for Market Access ...*

# *Circular Economy Action Plan 2020*

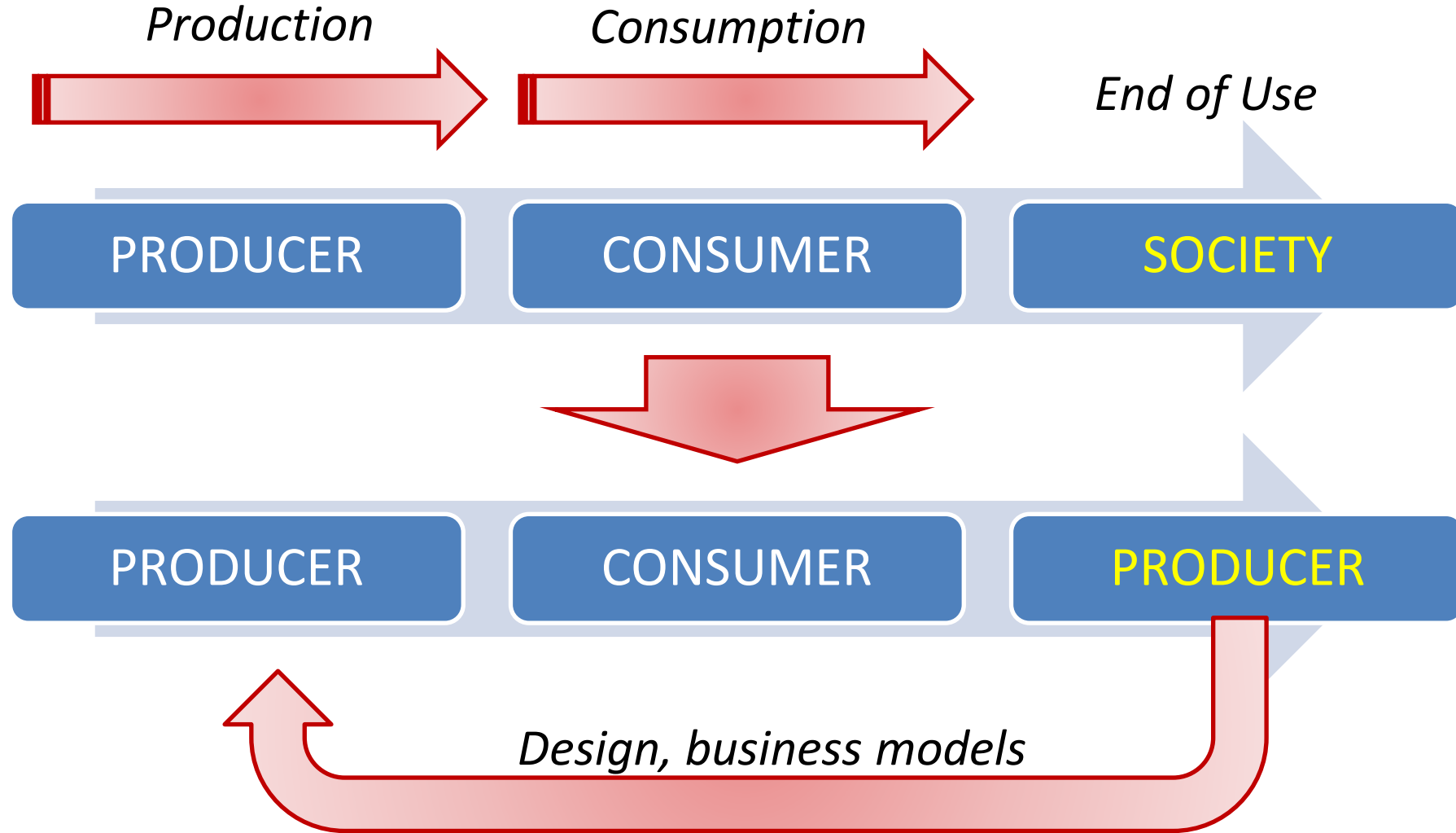
## *Other Chapters and Crosscutting Actions*



- *Empowering Consumers and Public Buyers:* Introducing “right to repair”, new horizontal material rights for consumers ...
- *Key Products and Value Chains:* Well written and ambitious but falling short of clear circular vision and (again) lacking the system approach and link to consumer needs.
- *Less Waste, More Value:* Good chapter, area where EC is traditionally strong.
- *Circularity as a prerequisite for climate neutrality, Getting the economics right:* Very promising titles ... but the substance somehow falls short.
- *Driving the transition through research, innovation and digitalization:* Needed and welcomed.

# *Ownership and resource (under)utilisation - **Producer***

*Better Connecting Producer with his Product*



*Retaining the Value, Rethinking Ownership, aligning Incentives with Regulation*

# *Ownership and product (under)utilisation - Consumer*

*It is not not about owing it is about using*

*We do not need cars*

*...*

*We need mobility*

*We do not need light bulbs*

*...*

*We need light*

*We do not need chairs*

*...*

*We need to sit*

*We do not need refrigerators*

*...*

*We need chilled and healthy food*

*We do not need CDs*

*...*

*We want to listen to the music*

*We do not need pesticides*

*...*

*We want healthy plants*

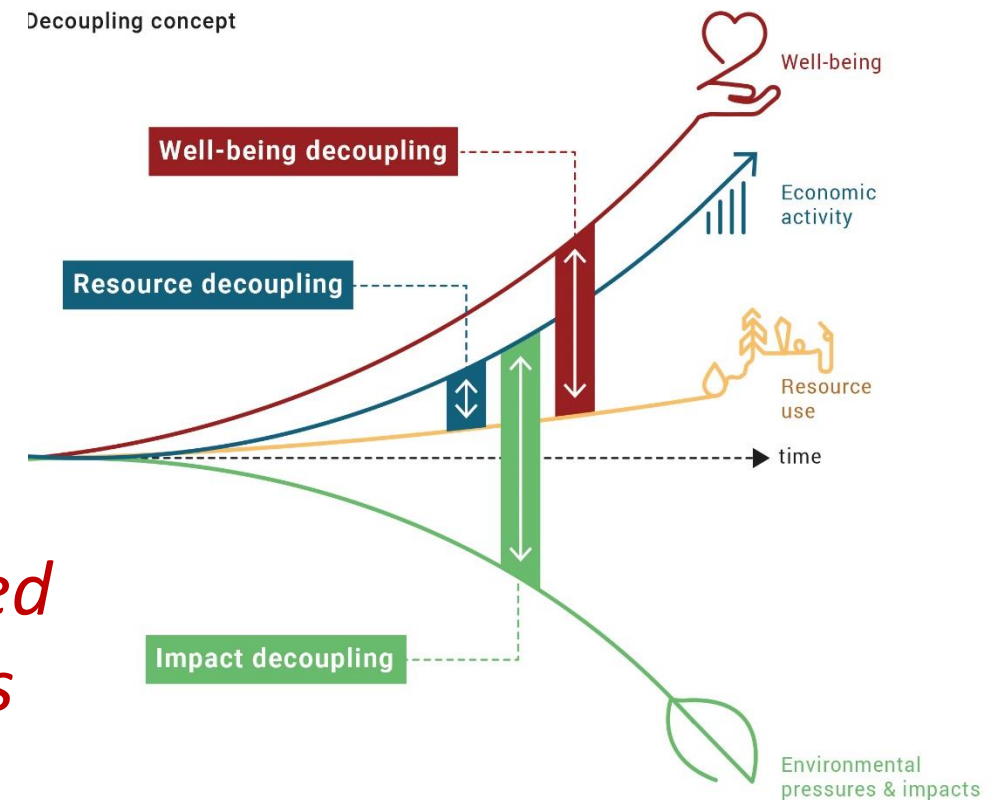




# Ownership and product (under)utilisation - Consumer

*It is not not about owing it is about using*

- *Problem: Preferences from consumers to own products like houses, cars, refrigerators, cloth ... are driving consumption in a massive lock-in in underutilization*
- *Solution: Explore the opportunity that the young generation has less ownership biased constraints and provide alternative options*



# Documents Related to Digitalisation

*Shaping Europe's Digital Future* - Twin challenge of a green and digital transformation has to go hand-in-hand. It requires, as set out in the EGD, an immediate change of direction towards more sustainable solutions which are resource-efficient, circular and climate-neutral.



*White Paper on AI – A European Approach to Excellence and Trust* - Digital technologies such as AI are a critical enabler for attaining the goals of the Green Deal.

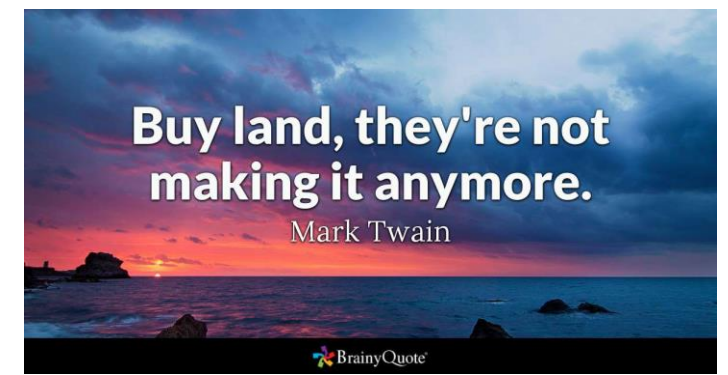


*A European Strategy for Data* - making more data available and improving the way in which data are used is essential for tackling societal, climate and environment-related challenges, contributing to healthier, more prosperous and more sustainable societies.



# *There is a need for*

## *EU2050 Sustainable Land-Use Roadmap*

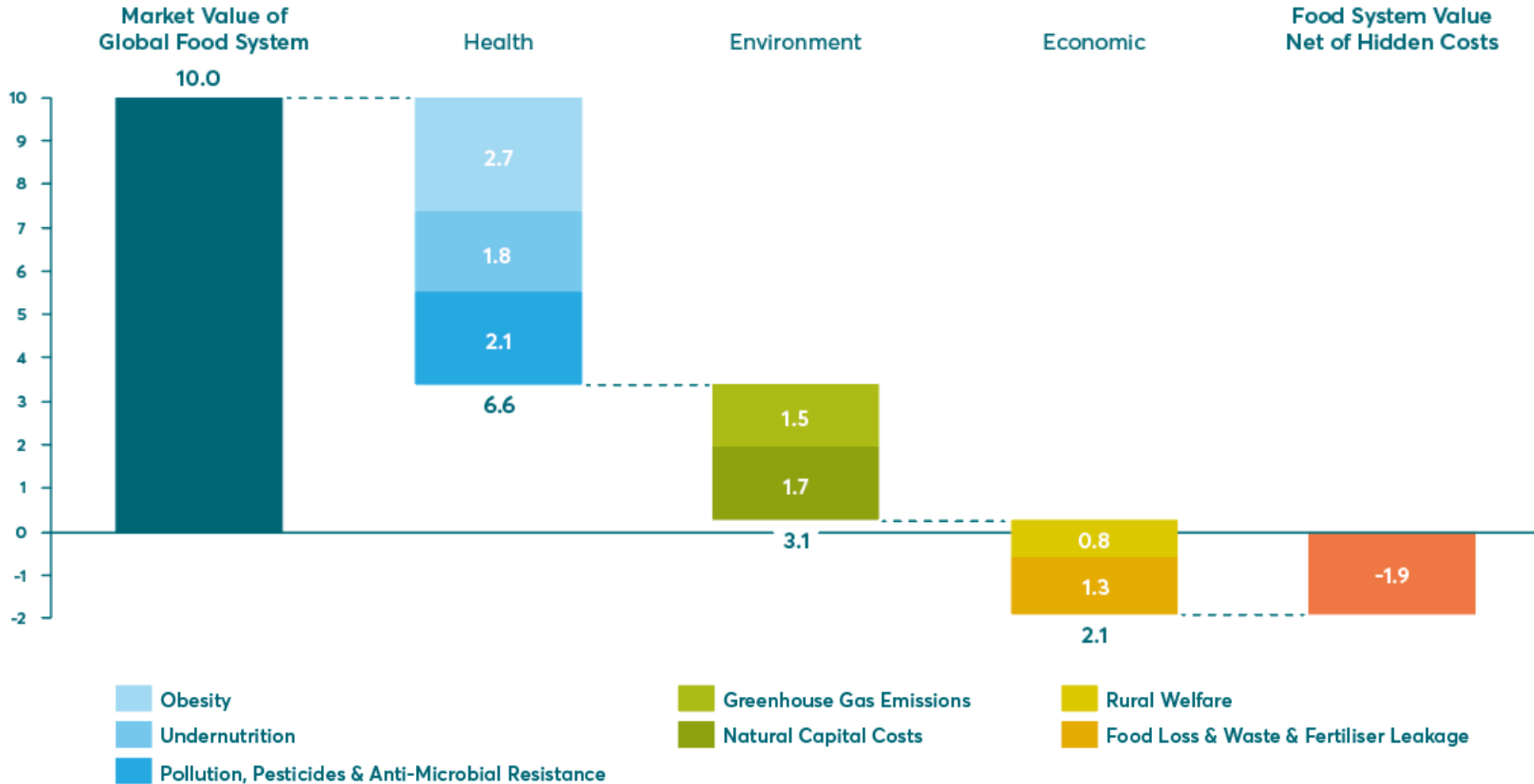


- *Biodiversity* - "Increase protected areas to ... " ? - Biodiversity Strategy
- "The new EU *forest* strategy will have as its key objectives *effective afforestation*, and forest preservation and restoration in Europe" - Green Deal
- Agricultural needs for productive land to sustain the security of *food provision* and declining *soil quality* are among main agricultural problems
- Trends in increasing use of the biomass for *bio-energy* production (+32% 2015/2010)
- "Fighting climate change, by developing a *trans-European HSL network*, is one of the European Union's main objectives." - EC/High speed Europe
- "To achieve its climate and energy goals, Europe needs to improve *cross-border electricity interconnections*" - EC/Electricity Interconnection Targets
- *Urban sprawl* "Is increasing on average in the EU by around 2% a year"

# Hidden costs in global food and land systems

Trillions USD, 2018 prices

The “hidden costs” of global food and land use systems sum to **\$12 trillion**, compared to a market value of the global food system of \$10 trillion.



*TO CONCLUDE*



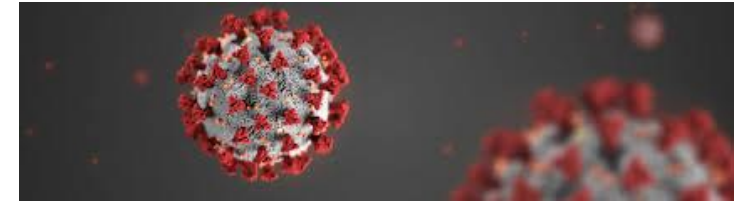


*For the first time in a human history we face the emergence of a single, tightly coupled human **social-ecological system of planetary scope.***

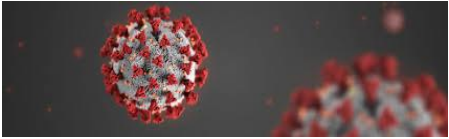
*We are more **interconnected** and **interdependent** than ever.*

*Our individual and collective **responsibility** has enormously increased.*

# COVID-19 – Basic Lessons



- *It is good that core EDG documents were adopted before the Covid-19 outbreak*
- ***The world:** Many are saying that after Covid-19 will not be the same again. It will be the same. We will just better understand it. Very likely the frequency and severity of health-related outbreaks, climate related extreme weather events ... will in the future increase. We need to rethink the way we are managing the risks, as individuals and collectively, as private companies and public policy makers, locally and globally.*
- ***Governance:** This calls for increased cooperation and more sharing of sovereignty*
- ***Precautionary principle** is written in our Treaties. Maybe trying to implement it in practice is not a bad idea. It can save our jobs ... and lives.*
- ***Urgency:** When we consider something as urgent we act*



# Recovery Package Logic



- *Three crises world and EU are facing:* The acute coronavirus health and conjunctural socio-economic crisis as economies have shut down, and a crisis with deeper roots – a chronic crisis of globalisation and economic transformation. The latter has been feeding climate change and income inequality and is rapidly leading to massive unemployment.
- *We need to address them simultaneously.* A New Industrial Strategy for Europe: “The business case is as strong as the environmental and moral imperative”
- *Implementing EGD is essential for EU Competitiveness and creating resilient economy and society* - For most of the critical *resources* Europe is *import dependent* - for 54 scarce and economically important raw materials, Europe depends 90% on raw materials imported from outside Europe (EC 2014); *Prices of resources* are in the long term are increasing, in a short term volatile (IRP and Dobbs et al., 2013), The *share of the material costs* in industrial costs is increasing (German manufacturing industry (1993-2011) increase from 37 to 47%, and the cost of labor decrease from 27 to 17% -VDI); *Social considerations* and social security are among core European values and we should protect them
- There are many positive effect of *globalisation* and while reconsidering the new *balance* (mitigating resource dependency, local versus global ...) we should understand that *implementing EGD and CE would save resources and create new, more local jobs and make EU economy more resilient and better prepared*

# *Importance of European Leadership*

*Europe is not only  
blue with yellow stars*



*It is a rainbow*

- *blue for freedom and democracy*
- *red for social values*
- *green for the protection of environment*
- *yellow for the culture*

*We can hardly picture Europe as the center of the World,  
but we should do everything that Europe remains the  
center of the dreams of all the people of the World*

*There has never been a better moment for*

*Europe to move from the history of “resource-driven imperialism” into an era of responsible use of natural resources, mitigating its resource fragility and strengthening preparedness and resilience*

*This would also clearly position EGD and give it a real historic and strategic weight.*



*Johann Wolfgang  
Goethe*



imdb.com

*Knowing is not enough; **we must apply.**  
Willing is not enough; **we must do.***



International  
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S Y S T E M I Q

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environment



# *THANK YOU*

*For more information*

Contact IRP Secretariat at [resourcepanel@un.org](mailto:resourcepanel@un.org)

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