



Raw Material Conference. March 1st, 2011. Brussels.
Session 2. Raymond Van Ermen,
EPE Executive Director contribution, on behalf of the Resource Efficiency Alliance.¹
Balancing sustainability and access to raw materials.

Resource Efficiency is critical. This debate on raw materials comes at a time of major political, financial & economic concerns for Europe related to 'resource scarcity'.

1. Neither "balancing" sustainability and access to raw materials nor "war for resources" are the right approach.

- "Balancing" : It is as if it is obvious that the scarcity problem will lead to trade offs in de-favor of health and environment. Environmental Impact Assessment Directive and Natura 2000 need to be respected.
- "War" : Prof. U. Hoffmann, UNCTAD, underlined that the Commission trade/raw material approach, as defined in its "Trade strategy for Europe 2020" does surprisingly not refer to the special treatment and exclusion measures on commodity and natural resources trade enshrined in the General Exceptions clauses of Article XX of GATT, in particular articles XX g, h and i. They make scarce commodities a rather special product under WTO rules.

2. The focus should be on "eco-innovation" and "sustainable material management" along global value chain (theme addressed by the OECD as well as the EU).

Innovation and new business model should relate in particular with :

- Sustainable value chain management of scarce resources
- Global partnership and innovation.

The value chain approach we are exploring with the Wuppertal Institute will be extremely relevant as a way to stop "value destruction" inherent in the current production and consumption patterns, reduce our ecological footprint, accelerate "green growth" by cutting costs and opening new fields of eco-innovation.

Value Chain management is a major source of resource efficiency, new business models, new products and new services. The rather unique value of our experience has been an intensive exchange with an impressive assembly of European stakeholders along the value

¹ The Resource Efficiency Alliance (REA) is an initiative launched in 2006 and managed by European Partners for the Environment (EPE), European Water Partnership (EWP) and the European Committee of Environmental Technology Suppliers Associations (EUCESTSA). The REA devoted several think tanks meetings in the last years on the EU resource efficiency strategy.

chain,

3. We need a strategy which addresses together scarce resources and abundant resources to explore how to “enlarge the cake”, not to investigate how to challenge third countries sovereign rights.

We need innovation and new business model to address how to share resources, finance and immaterial capital, in other words we need to address in one single strategy how to deal with resources which are becoming scarce, other resources which are abundant but need to be reoriented (as finance) and finally immaterial resources (with human capital in first place) which are over abundant.

In this framework, a value chain approach is critical to improve our resource efficiency and so address scarcity as well as reducing costs. The design of our proposed value chain strategy:

1. Level of the supply chain: obsession with solution will require discipline along the value chain.
2. Cities are a critical level: a cities classification according to their potential leverage has been done by WBCSD.
3. ICT will drive collaboration method.
4. Co-creation with consumers
5. Governments are requested to regulate to secure the internalization of costs (carbon, water, ecosystem services).
6. Green public procurement has also a key role to play by through value pricing method.

4. In view of this UN celebration of the 20th anniversary of the UN Conference on Environment and Development (Rio 1992) Europeans needs to be ready with a new architecture of global and regional partnerships in particular focused on raw materials.

In a new world where knowledge sharing, networking, business models have dramatically changed, the global value chain and sustainable material management are become key. *Today's innovators are showing how to create a different future by learning how to see the larger systems of which they are part and to foster collaboration across every imaginable boundary.*² From this perspective, the resource efficient Europe flagship external policy, in line with Europe 2020 Strategy, and the Eco-Innovation³ Action Plan should have been focused i.a. on a “Global Eco-innovation Value Chain” agenda.

The EU is a ‘place for eco-innovators’, a ‘key player’ and an ‘indispensable’ partner in the global value chain of scarce resources as well as new green businesses :

- Europeans as key players because we are starting to mobilise the purchasing and investment power as well as trade rules to influence system change and the global value

² The Necessary Revolution. How individuals and organizations are working together to create a sustainable world. Senge, Smith and others. Ed. Doubleday

³ Eco-innovation includes new production processes, new products or services, and new management and business methods Eco-innovation means all forms of innovation reducing environmental impacts and / or optimising the use of resources throughout the lifecycle of related activities. Website ETAP.

chain. It is a single market of 501 millions inhabitants which is aligning itself in support to a smart, sustainable and inclusive growth strategy.

- Indispensable partner because we are offering to eco-innovators of other regions of the world towards 'a Circular Economy', Low Carbon and Resource –efficient, Bioeconomy, special support as well as the opportunity to join our eco-innovators communities, develop partnerships and make profit.

More broadly inclusive processes and innovative 'governance' initiatives are needed than what has been proposed so far by the Commission or the Council to

- meet the 2 main challenges of stability inside Europe and access to resources outside Europe.
- leverage global value chain partnerships, EU and Member States policy, procurement and financial tools to stimulate greater innovation across the economy, deliver the structural change needed to create the right conditions for a resource efficient economy and for influencing product and production standards outside the EU

In the time between now and 2012, the EU diplomatic services should help to prepare 'Pilot resource efficiency partnerships' to be presented at the Rio Summit, such as :

- (i) Asia-Europe Zero Waste⁴, a Asia-EU partnership related to (i) Increase resource productivity and recycling (ii) Recover precious special metals from complex products (iii) Energy recovery.
- (ii) Africa/Med- Europe. Nutrients⁵
- (iii) Latin America/Caribbean. Bioeconomy

⁴ See as well report 'From Waste to Resource', 2006 World waste survey abstract

⁵ see the UNCTAD report