

## **G7 Workshop on Resource Efficiency and Circular Economy, 22.03.2022**

### **Brief Notes**

#### **Afternoon Session: SCIENCE – BASED ENVIRONMENTAL POLICYMAKING**

**Dr. Susanne Lottemoser, Director General of the newly created “Division for Transformation, Digitalization, Circular Economy and Climate Adaptation”** of the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection welcomed the participants on behalf of the German G7 presidency. She emphasized the role of resource efficiency and circular economy (RE and CE) to combat climate change and biodiversity loss. She stressed the leading role the G7 has played to advance these topics with the Bologna Roadmap and underlined the need for further science-based policy actions, as material efficiency and a shift to a more service-oriented economy can mitigate but will not stop the increase in the use of resources.

**Janez Potocnik**, Co-Chair of the [International Resource Panel](#) (IRP) discussed in his presentation “Resource efficiency for effective climate and biodiversity action” the problem of overconsumption, growing material uses and the uneven distribution of material use across regions. He criticised a narrow policy focus, e.g. on energy supply to reduce carbon emissions, but advocated for a transformation of the consumption and production system, and a systemic resource efficiency approach. Based on work of the [Global Resource Outlook](#) (GRO 2019) he summarized four dimensions of systemic resource efficiency: 1) minimising product need through better system design, 2) optimised product design, 3) longer lifespan, 4) minimising waste and pollution, arguing that the first dimension holds the highest potential while being most often overlooked. He advocated for needs-based thinking: (e.g. do people need to own washing machines or do they need clean clothes?), stating that ‘provisioning systems’ need to be optimised, not sectors for production.

**Shardul Agrawala**, Head of the Environment and Economy Integration Division of the [OECD Environment Directorate](#) presented highlights from the [Global Material Resources Outlook to 2060](#) and the [Global Plastics Outlook](#). The former report includes the projections that global material use and GHG related to the material cycle will double until 2060. He also emphasised that each material has a different environmental footprint depending on which stressors are considered. Nonetheless, primary materials across the board cause much more damage than secondary materials.

Policy recommendations to increase the use of secondary materials and circularity shared by Mr Agrawala were 1) Promote policy action across the whole lifecycle; 2) Level the playing field by pricing externalities of primary materials; 3) Implementing demand pull measures; 4) Strengthening the framework conditions for circular plastics innovation; 5) Ensure international alignment of design approaches, product policies, and regulation of chemical substances.

### **Breakout Session 1: The resource use – climate nexus: How to leverage resource efficiency for climate action and global goals**

In the breakout session the opportunities of RE and CE for climate mitigation and concrete activities were discussed. **Philip Nuss** of the [Federal Environment Agency Germany](#) presented German research, including the “Resource-efficient pathways towards greenhouse gas neutrality [“Rescue – study”](#) and the [“Assessments of SDG Interactions in Transformation Pathways”](#). A team of three UN representatives – **Kenichi Kitamura, UNFCCC**; **Jorge Laguna Celis, UNEP – [10YFP Secretariat](#)** and **Ricarda Rieger, UNDP** – presented a toolkit that the UN agencies are currently developing. The toolkit, which will be launched in Q3 2022 will support countries to identify and integrate, implement circular economy measures to reduce GHG emissions in line with their Nationally Determined Contributions (NDCs); and increase the ambition of NDCs. Ricarda Rieger shared experiences in integrating CE into the revised NDCs of the Lao PDR, which shall help the country to become carbon neutral by 2040. **Katja Suhr** of the [GIZ](#) presented the Roadmap [“Circular Economy as a Cornerstone for Meeting the Goals of the Paris Agreement”](#) which supports policymakers that want to integrate CE better into their Nationally Determined Contributions (NDCs). Ke Wang of the [Platform for Accelerating the Circular Economy](#) (PACE), presented PACEs approaches to advance the CE, which centres on building momentum, metrics, and action.

The discussion of the breakout session focussed on the need to establish a ‘holistic’ CE that includes all elements of the CE, rather than just trying to shift from abiotic materials to biotic materials. Furthermore, the need to take the consequences of RE and CE policies on other resources (‘resource-nexus’), such as biodiversity or land use, into account, was discussed. Burden shifting must be avoided.

## **Breakout Session 2: The resource use - biodiversity nexus: Scientific insights and what they mean for policymaking**

Material extraction and processing is responsible for 90 % of biodiversity loss, the management of resources must play a pivotal part in halting and reversing biodiversity loss. **Izabella Teixeira**, Co-Chair of the [International Resource Panel](#) (IRP) gave concrete input on how G7 Governments can encourage action at this year's Convention on Biological Diversity (CBD) COP 15. The four guiding principles 1) Know your Impact (footprint standard), 2) Plan Together (mapping standards), 3) Grow with Nature (nature-positivity), 4) Value Nature (standards for natural capital accounting data) were developed as part of IRPs '[Building Biodiversity](#)' and recently further [operationalised](#). **Erin Bishop** of the [World Economic Forum](#) (WEF) focussed in her presentation on the risks nature loss poses for businesses and the economy and the required shift towards nature-positive models. She built on recent WEF work, especially the "[New Nature Economy Report Series](#)".

In the discussion the opportunity for the G7 to show leadership regarding the resource-climate-biodiversity nexus was stressed and joining forces with the G20 encouraged. The need for swift action was underlined: a G7 dialogue that should discuss measures in RE and CE to help achieving biodiversity goals was encouraged, to use the window of opportunity for action in 2022 as the post-2020 global biodiversity framework is being developed at the UN Convention on Biological Diversity (CBD).