

# Harnessing EU's circular economy for the 2030 agenda of SDGs

Tuesday, 21<sup>st</sup> November 2017

11:00-12:30

Room JDE 61, EESC, rue Belliard 99, 1040 Brussels

## Agenda

- 10:30-11:00 Registration
- 11:00-11:05 Introduction by the EESC
- 11:05-11:35 Keynote addresses
- 11:30-12:00 Responses from discussants
- 12:00-12:30 Q&A

## Objectives of the session

- Raise awareness about the challenges and opportunities linked with the circular economy in developing countries
- Start creating a community of knowledge between think tanks, governments, businesses, NGOs and IGOs on the circular economy and SDGs
- Explore opportunities for the EU to collaborate with developing countries on the circular economy

## Panel composition

### Chair

- **Céline Charveriat, Executive Director, IEEP**

### Kick-off ideas

- **Christophe Yvetot, Representative to the EU, UNIDO** – EU's circular economy and sustainable industrialisation pathways in the developing world: opportunities, challenges and best practices
- **Werner Schmidt, Director, European Investment Bank** – What instruments are there for financing the circular economy in developing countries?

### Reactions

- **Civil society: Richard Gower, Senior Associate, Tearfund:** How do we ensure that the circular economy benefits the world's poor?
- **Think tanks: Marianne Kettunen, Deputy Head of Green Economy Programme, IEEP:** Recommendations for policy design in the EU

### Final output

- A short paper based on the inputs from participants shall be published on IEEP's website.

## Background information

It is clear that the 2030 Agenda will not be achieved without a more circular economy. If all citizens of the world had the same consumption patterns as European citizens by 2050, the resources of two planets would be needed. Ensuring sustainable consumption and production patterns--through a circular economy-- will have positive knock-on effects for a number of SDGs.

A lack of research exists in terms of assessing the potential benefits of the circular economy for developing countries. It is clear that developing countries do not gain full benefits from the linear economy; almost 80% of resource-driven countries have a per-capita income below the global average. Conversely, they have large quantities of waste brought in from developed countries; more than 90% of discarded computers from the developed world are exported to developing countries such as Ghana, Pakistan, and India. Developing countries fortunately produce far less waste than industrialized countries (a region such as sub-Saharan Africa is responsible for only 5% of the world's waste while OECD countries produce almost half of it), however this waste constitutes a major source of pollution, with adverse health, economic and environmental impacts.

Many poor people in developing countries also depend on the availability and access to natural resources for their livelihoods and wellbeing. For instance, the rural poor are the most immediately and directly affected by the continuing loss of environmental quality and the degradation of ecosystems caused by over-extraction of resources. Making a more effective use of natural resources could help to reduce pressures on the environment and natural capital. A transformation of the waste sector would also have implications for the world's urban poor, as they represent a significant proportion of the waste sector's workforce.

With its circular economy package, the EU could become the world leader in terms of innovation, with new technologies and the creation of new supply chains and businesses linked with the circular economy. Benefits for developing countries could include:

- A reduction in the illegal export and dumping of waste from the EU, with major health and environmental benefits;
- Thanks to Foreign Direct Investment, Public Private Partnerships and technology transfer from the EU, leapfrogging in areas such as waste collection and recycling performance, strengthening the repair and refurbishing sector, and building resources efficient agricultural value chains;
- Active participation in Europe's circular economy by becoming a service provider (rather than the exporter of primary resources), by playing a role in the secondary raw materials sector, or by contributing to the EU's recycling and repair economy;
- Building on the above, lessening the degradation of the environment and natural capital, thereby safeguarding the underpinnings for poverty reduction and sustainable development.

However, positive impacts on developing countries might not materialize if EU's approach leads to:

- A "circular island of circularity in an ocean of linearity" outside of Europe;
- Barriers preventing the diffusion of circular economy technologies (issue of cost and intellectual property);
- A spaghetti bowl of standards pushed by lack of compatibility between the approach of the different economic blocks (e.g China);
- A lack of attention to employment impacts or the need for inclusions strategies in developing countries.

Hence it is important to explore the following questions:

- How should Europe's circular economy policy be designed so it fully contributes to the implementation of the Sustainable Development Goals?
- How should Europe use its cooperation and development strategy, as well as its diplomacy, to support the emergence of more circular economies in developing countries?
- Should Europe propose the creation of global circular economy standards, and if so, how?