

Green Economy: Europe's Best Practices in Green Growth

EU policies, Initiatives and Upcoming events

Natividad Lorenzo

ASEM GREEN GROWTH FORUM

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Context

- World population 1.5 billion 100 years ago: resource-intensive growth path meant health, wellbeing and wealth. Not so with a population of 7 or 9 billion.
- Today, material costs making up more than 40% of total costs in manufacturing industries, compared to less than 20% for labour.
- Resource efficiency is very significant in business competitiveness and for some businesses it will be crucial to medium and long-term competitive survival.
- Firms will increasingly have to report to financial investors about their exposure to volatility or scarcity of resources, including ecosystem services.



Objective

To share the European Union vision towards green growth by:

- a. Present the EU's emerging policies related to the Green Economy
- b. EU best practices in Green Growth
- c. The landscape of Green Economy initiatives

a. EU Policy Framework

The Europe 2020 Strategy

The Strategy seeks to mainstream and reinforce the role of sustainability in policy development by establishing 3 mutually reinforcing priorities:

- **Smart Growth**: developing an economy based on knowledge and innovation
- **Sustainable growth**: promoting a more efficient, greener and more competitive economy
- **Inclusive growth**: fostering a high-employment economy delivering social and territorial cohesion

The Climate and Energy Package

In 2009, the EP and the Council passed binding legislation to implement the “20/20/20” targets for 2020. The core of the package comprises four pieces of complementary legislation:

1. A revision and strengthening of the Emissions Trading System (ETS) (reducing the number of allowances available to businesses to 21% below the 2005 level in 2020).
2. An 'Effort Sharing Decision' governing emissions from sectors not covered by the EU ETS, such as in transport, housing, agriculture and waste sectors.
3. Binding national targets for renewable energy which collectively will lift the average renewable share across the EU to 20% by 2020 (more than double the 2006 level of 9.2%).
4. A legal framework to promote the development and safe use of carbon capture and storage (CCS).

Resource Efficient Europe

The climate and energy package creates political pressure on Member States to improve energy efficiency but does not address it directly.

This is being done through the EU's Energy Efficiency Action Plan 2007-2012. (Europe 2020 – “Resource Efficient Europe”: Priority theme - Sustainable growth).

A competitive low carbon economy by 2050

COM (2011) 112 Roadmap for moving to a competitive, low carbon economy in 2050. The road map was adopted by the EC in March 2011

- The Roadmap describes the cost-effective pathway to reach the EU's objective of cutting greenhouse gas emissions by 80-95% of 1990 levels by 2050. Based on the cost-effectiveness analysis undertaken, the Roadmap gives direction to sectoral policies, national and regional low-carbon strategies and long-term investments.

Towards a Global Green Economy: Rio + 20

On 20 June 2011, the EC adopted a Communication preparing the ground for the EU's position at the Rio+20 UN Sustainable Development Conference.

The key themes are:

1. Investing in key resources and natural capital ("what").
2. Combining market and regulatory instruments ("how").
3. Improving governance and encouraging private sector involvement ("who").

The Commission will work together with Council and Parliament to build a consistent EU position that will contribute to an ambitious Rio+20's outcome with concrete policies and actions for greening the economy.

b. Initiatives

From Policy to Action

- 2004 the EU has been implementing the **Environmental Technologies Action Plan (ETAP)**,
- the European Commission will present (end of 2011) a reinforced **Action Plan on eco-innovation (EcoAP)**,
- **Global cooperation** is an important element to tackle the pressing environmental challenges efficiently.

Global Cooperation

The forthcoming Eco-innovation Action Plan will:

- Step up the **cooperation with the UNEP and UNIDO** in the expansion of the network of the National Cleaner Production Centres to support capacity building.
- Through UNEP and the Green Economy Initiative the EU will **share experiences with the implementation of the ETAP National Roadmaps**
- We will reinforce and expand tested approaches, for instance the **SWITCH Asia** programme.
- **Networking between EU business support networks for eco-innovation** (the UK Carbon Trust, Enterprise Europe Network) and host country networks will be strengthened

ASEM SME Eco-innovation Centre

- In October 2010, ASEM member countries endorsed the establishment of the ASEM SME Eco-Innovation Center (ASEIC) at the 8th ASEM Summit, held at Brussels, Belgium.
- The ASEIC is an international platform where growing environmental regulations and eco-innovative practices are shared and new opportunities are created, ultimately leading to implementation of the green-growth vision around the globe.
- ASEIC aims to seek green growth opportunities for SMEs in Asia and Europe,
- ASEIC is trying to establish a solid network of government officials and experts from both regions.
- ASEIC will also contribute to the promotion of mutual understanding and cooperation of member countries, which is the very spirit of ASEM.

c. Funding Initiatives

EU Funding Initiatives

- **EU Cohesion Policy Fund (2007-2013)**

- *Purpose:* contribute to action in pursuit of the Community's environmental objectives
- *Amount of funding:* 105€ billion
- *Geographical focus:* Bulgaria, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia

- **European Investment Fund**

- *Purpose:* promote the implementation of European Union policies in accordance with the priorities in the EU 2020 Strategy including Green Growth
- *Geographical focus:* : EU Member States, EU Candidate and Potential Candidate Countries, European Free Trade Association countries

EU Funding Initiatives (cont.)

- **Switch Asia**

- *Purpose:* promote Sustainable Consumption and Production (SCP) among small and medium-sized enterprises (SMEs) in Asia by moving SCP practices from demonstration to replication.
- *Funding:* Overall budget for 2010- 2011 is €24 650 000.
- *Geographical focus:* Asia

Upcoming Agenda

Upcoming Events

- High-level event, the **11th European Forum on Eco-innovation**, to be held in Finland (Helsinki and Lahti) on 11 and 12 October.
- It will look to identify global opportunities for eco-innovation and opportunities for green trade between developed and developing nations.
- Recommendations will contribute to the development of the EU position at the Rio+20 Conference.
- The EU is also keen to cooperate with Asian countries in the framework of the ASEM SME Eco-innovation Centre, inaugurated in Seoul last June 2011..