



**EUROPEAN COMMISSION**

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**"The private sector and the environment need each other"**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

Annual conference of the Green Growth Knowledge Platform (OECD)  
**Paris, 4 April 2013**

It is a pleasure to be here this morning, for this the second annual conference of this Platform.

**The platform is needed, because action is needed.**

It is needed because "Business as usual" is not an option. The world simply cannot support nine billion people consuming as Europeans do today. This would mean using three times as many resources by 2050 as we do today. This is not realistic in a situation when you consider that already today 60% of the world's major ecosystems on which these resources depend are degraded or used unsustainably.

So, we have to stop and reverse the unsustainable resource use of the 20<sup>th</sup> century, from fossil fuels to water, and from fish catches to nitrates.

I believe the Green Growth Knowledge Platform can play a significant role in determining alternative ways forward. The collaboration between the OECD, UNEP, the World Bank and the Global Green Growth Institute is very promising. We know we have to find common ground and synergies. Eradicating poverty and ensuring sustainable prosperity are challenges that need to be addressed through a unified international policy framework with action from all sides. At Rio+20, we committed to the transition to an inclusive green economy, in our efforts to achieve sustainable development.

From the European Union perspective, we have taken initiatives in this direction by integrating resource-efficiency into our Europe 2020 Strategy for smart, sustainable and inclusive growth. And we have adopted a Roadmap to explain how we intend to achieve the milestones we have set for 2020 and our ultimate objective of decoupling EU growth from resource use and its impacts by 2050.

To provide guidance on the transition to a more resource-efficient economy, we have set up the European Resource Efficiency Platform, a high-level stakeholder group. It will deliver a first set of concrete policy recommendations in June. Here as well we are looking at the international dimension: Pier Carlo Padoan, Deputy Secretary-General and Chief Economist of the OECD, Achim Steiner, Executive Director UNEP and Peter Bakker, are all here today, are members of this European Resource Efficiency Platform.

The platform is already working hard, for example on developing practical approaches from the public and private sectors for developing a "circular economy" that enables the regeneration of products, components and materials, challenging the old linear economic model where everything is "wasted" at the end to the value chain.

Moving back to the global perspective, we need an inclusive green economy that can offer a path from poverty towards prosperity and well-being, whilst remaining within planetary boundaries.

This can only be achieved through a unified international policy framework. An inclusive green economy will only come about if we have action from all sides.

Today, we have the opportunity to develop the overarching policy framework - with global goals - for post-2015 that I referred to. **The European Commission set out to EU Member States its views on how to move forward in February in a Communication entitled "A decent life for all".**

We propose a common approach to the follow-up to Rio+20, in particular the Sustainable Development Goals and the review of the Millennium Development Goals. We know that setting clear and precise human development goals and targets can have an enormous transformative effect.

In a nutshell, what we propose is a post-2015 framework which delivers a decent life for the people, and to do so within the planet's limits. We suggest some general principles that should apply to this framework.

Firstly it should cover basic human development, based on updated existing MDGs, but also much better reflecting issues that go beyond the fight against extreme poverty and are applicable to all societies; issues such as social protection. We think it should not simply focus on alleviating poverty, it also needs to focus on empowerment; ensuring that all citizens have the basic tools to pull themselves out of poverty. This is where joint initiatives of UN agencies can help.

Secondly - and this is closely linked with the work of the platform here - that we promote drivers for sustainable and inclusive growth that are necessary for the structural transformation of the economy. We need to ensure the creation of productive capacities and employment to facilitate the transition to an inclusive green economy. And this economy will have to be capable of addressing climate challenges. Closely, in many cases inseparably, connected to this is the sustainable management of natural resources.

The framework should also address justice, equality and equity, capturing issues relating to human rights, democracy and the rule of law, as well as the empowerment of women and gender equality, which are vital for inclusive and sustainable development, as well as important values in their own right. It should also address peace and security, building on the existing work on Peace Building and State Building Goals.

We want to work towards an overarching framework to address these issues post 2015.

Of course, success is most likely if it is in everyone's interests. To work, any framework needs to steer action not only in the development of the poorest economies but also to steer economic transformation in developed and emerging economies. Without that, we will never succeed in staying within the planet's boundaries.

**Steering this economic transformation requires the active engagement of the private sector. And this is what our discussions today and tomorrow will be about.**

Personally, I believe that there is a strong business case for the private sector to become more resource efficient and to support green growth. This has to be one of the responses to the current economic crisis.

Our analysis shows potential gains for specific European businesses sectors from 3 to 8% of turnover from using resources more efficiently. But, business needs help to overcome barriers to change, notably in terms of awareness and financing opportunities.

Resource efficiency policies do not hamper growth; they can actually enhance it. For instance, a one percentage point reduction in material use in Europe would be worth up to € 23 billion to business and could create between 100,000 and 200,000 new jobs.

The obvious question to such optimism is 'if this is so good for business, why don't they just get on with it?'. The answer is that many are getting on with it, but many others, particularly smaller companies, are prevented from doing so by lack of information, poor framework conditions and difficulties with raising finance or other barriers. We can play a significant role in overcoming such barriers, and enabling business to act.

In particular, I am convinced that business would behave more resource efficiently if it could measure the environmental and resource impacts along its supply chain more easily. There is a willingness to act, but the hard-nosed business reality is that there are costs to information provision.

There are over 400 methodologies in use to measure environmental impacts of products. This causes confusion and leads to higher costs to communicate along the value chain. The European Commission will shortly come forward with a methodology for measuring Product Environmental Footprints that takes the best of what is out there, combines it and offers a new voluntary standard for measurement. Business is fully involved in testing and establishing this methodology.

This seemingly small technical measure is a good example of how government can enable business to act, and so have a big leverage effect. For example, 3M, just on its own, has saved over 1.2 billion dollars over 30 years through life cycle approaches.

The Commission will also present soon a legislative proposal on the transparency of the social and environmental information provided by companies, reinforcing reporting on non-financial information.

This is essential both for companies and for their stakeholders. Reporting is reinforcing the push for performance improvement through stakeholder feedback, benchmarking – and the possibility for governments, consumers and investors to reward good performers.

Ladies and gentlemen, we must all recognise the potential of business to deliver green growth, and the need of business to be engaged in ensuring that that growth is within planetary boundaries. In short, let us all recognise that green growth is in all of our interests.