

#EUCircularTalks

Trade, resource extraction and the circular economy

19 MARCH 2021 - 10:00-11:45 CET



Concept note

Introduction

Trade in material resources – biomass, fossil fuels, metals and non-metallic minerals – has grown strongly over the past half century. In addition to rising international trade in material resources, the so-called upstream resource requirements of traded commodities have also increased. These represent the additional materials, energy, water and land used in the extraction and production of traded goods but left behind as wastes and emissions in the exporting country. This means that, when considering the whole life cycle of traded products, trade is responsible for much larger amounts of material extraction than direct trade flows indicate. Specifically, in 2017, the material requirement for trade was three times the direct trade as more than 35 billion tons of material resources were extracted globally to produce 11 billion tons of directly traded goods. In other words, more than one-third of the total 92 billion tons of material resources extracted in the global economy that year were destined to produce goods for trade.

Moreover, analysis by the International Resource Panel (IRP) of the materials embodied in trade reveals that the bulk of these resource-intensive processes have shifted from high-income importing countries to low-income exporting countries, with a corresponding shift in associated environmental burdens.

Given that the extraction and processing of resources for export has severe environmental consequences, urgent action is required to develop a more sustainable global economy. With mutually supportive policies in place, international trade frameworks can facilitate the transition towards more sustainable and circular production and consumption modes. Specifically, policy analysis by UNEP's

Environment and Trade Hub shows how both multilateral trade rules and regional trade agreements can be used proactively to advance the circular economy and minimize the environmental impacts associated with resource extraction, with an emphasis on how developing countries can best position themselves.

Objective

This webinar on trade, resource extraction and circular economy aims to bring together the trade community and the circular economy community to increase awareness of the issues raised in the [UNEP-IRP report *Sustainable Trade in Resources*](#) and to feed into the upcoming discussion on the EU's trade policy review and the future of the WTO. In addition to participating in the webinar presenting the findings of the UNEP-IRP report, we invite participants to engage in a discussion and provide feedback on the policy recommendations mentioned in the report.

The event will have 4 phases

Phase 1: online discussion on the following policy recommendations (1-11 March, 2021)

Policy recommendation 1:

In order to facilitate trade in secondary raw materials, second-hand goods and goods for re-manufacture, countries should advance the development of international standards for circularity. There is a need to harmonize definitions and classifications related to waste and treatment practices; clarifying when and following what processes waste becomes a secondary material.

Policy recommendation 2:

To leverage the opportunities and mitigate the challenges associated with the circular economy, developing countries should be proactive about aligning trade agreement with their economic diversification strategies that shift away from dependence on primary materials. For instance, they should seek to leverage trade agreements to develop competitiveness in circular products and services. At the same time, it would be important to ensure that trade agreements do not undermine regulation developed to facilitate a circular transition.

Phase 2: online webinar (see program below) on 19 March 2021

Phase 3: opportunity to contribute to the online discussion (22-26 March, 2021)

Policy Recommendation:

Multilateral trade rules set out by the World Trade Organization (WTO) need to strike a balance between enabling countries to adopt environmental protection and circular economy measures and related technical regulations and standards, while abiding by the principle of non-discrimination in trade. The WTO could advance circular economy-related issues (e.g., plastic waste, better aligning trade and environmental agreements); serve as a platform for countries to share best practices on environmental issues; contribute to enhancing transparency in environmental practices; and support developing countries in building targeted capacity through the WTO's Aid for Trade.

Phase 4: distribution of output document (week of 19 April, 2021)

Date, time and program of the online webinar

19 of March 2021

10:00-11:45

Program

Timing	Session
9:50 – 10:00	Login to the online webinar
10:00 - 10:10	Welcome and introduction – Sofie Bouteligier (OVAM) and Francesca Carlsson (EEB)
10:10 – 10:30	Presentation of the UNEP-IRP report <i>Sustainable Trade in Resources</i> – Christina Bodouroglou (IRP Secretariat, UNEP) and Colette van der Ven (UNEP Consultant, International trade lawyer, Founder & Director of TULIP Consulting)
10:30 – 10:50	The EU's trade initiative – Madelaine Tuininga (European Commission)
10:50 – 11:30	Q&A and discussion
11:30 – 11:45	Wrap-up and next steps – Sofie Bouteligier (OVAM) and Francesca Carlsson (EEB)

Organisers

OVAM

OVAM, the Public Waste Agency of Flanders, ensures that Flanders deals with waste, materials and soil in a well thought out and environmentally sound manner. Since 1981, OVAM has been developing a balanced mix of economic and regulatory instruments on waste, materials and soil that has made the Region of Flanders one of the frontrunners in Europe in this field. We are joining forces with our partners in business, civil society, research and government to develop a circular economy taking a multi-stakeholder participatory approach. Circular Flanders serves as hub, inspiration and matchmaker for the transition to a circular economy in Flanders. We take actions that go beyond sorting and recycling waste, to make a systemic shift from take-make-waste to a new economic model fit for the scarcity of raw materials and the ecological limits of our planet. OVAM is member of the Coordination Group of the European Circular Economy Stakeholder Platform and represents Belgium in the Steering Committee of the International Resource Panel.

European Environmental Bureau

The EEB is Europe's largest network of environmental citizens' organisations. We bring together over 160 civil society organisations from more than 35 European countries. We stand for sustainable development, environmental justice & participatory democracy. We are member of the Coordination Group of the European Circular Economy Stakeholder Platform and have a dedicated team to monitor the development of public policy on CE and projects to link it to other policy files such as Climate, Chemicals, Industry, Bio-economy, SDGs and Trade.

UNEP International Resource Panel

The [International Resource Panel](#) was launched by UNEP in 2007 to build and share the knowledge needed to improve our use of resources worldwide. The Panel consists of eminent scientists, highly skilled in resource management issues. It studies key questions around global resource use and produces assessment reports that distil the latest scientific, technical and socio-economic findings to inform decision-making. The Panel provides advice and connections between policymakers, industry

and the community on ways to improve global and local resource management. Its goal is to steer us away from overconsumption, waste and ecological harm to a more prosperous and sustainable future.

UNEP Environment and Trade Hub

The United Nations Environment Programme's (UNEP) Environment and Trade Hub enables countries to use trade and investment as vehicles for achieving the environmental dimension of the 2030 Sustainable Development Agenda. Launched in 2015, the Environment and Trade Hub serves as the overarching delivery mechanism for UNEP's work on trade. Through research, capacity building and policy advisory services, the Hub works with many partners across the globe to provide tailored support to countries seeking to make trade work for the environment, resilience and prosperity. By acting as a convener and facilitator for policymakers, civil society, the private sector and academia, the Hub also promotes national, regional and international cooperation between environment and trade communities and shapes the global agenda on environment and trade. The Hub promotes mutually supportive trade and environment policies across four key areas: Trade in Environmentally Sound Technologies; Governance at Trade & Environment Nexus; Green Markets & Global Value Chains; and Reducing the Footprint of Trade and Greening the Brown.

European Circular Economy Stakeholder Platform

The European Circular Economy Stakeholder Platform (ECESP) is a joint initiative by the European Commission and the European Economic and Social Committee to implement the circular economy. The platform brings together stakeholders active in the broad field of the circular economy in Europe.

Through its website, the platform offers a virtual open space that aims at promoting Europe's transition to a circular economy. As a "network of networks", it facilitates dialogue among stakeholders and help disseminate activities, information, and good practices on the circular economy.

Stakeholders can contribute to the Platform by participating in the annual conference and by interacting and/or contributing to the website with good practices, knowledge, strategies and events.

The members of the Coordination Group contribute to the annual Stakeholder Conference, accelerating or facilitating the transition by cooperating in setting up specific activities with their networks, and overall enrichment of the website content with strategies, events, publications or good practices.