



# Ida Auken's speech at European Resource Efficiency Platform

**Taler**

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Thank you very much for the opportunity to say a few words on the important subject of creating framework conditions for investments in resource efficiency.

Thanks for all the work that has been done by the working groups and by the Sherpas.

I believe that we have come quite far since June, when we had our first meeting. The meeting in June was a very general debate on the challenges we are facing. Now we are discussing solutions.

The burning platform for what we are trying to promote is clear to us all:

The resources needed to provide decent living standards to all of the 9 billion

people that we will soon become, will not be available, if we continue on our current path.

And further more: If Europe does not act we will loose the competition – the resource race – to Asia.

Globally, regionally and nationally, we need to break the patterns, where the quest for economic growth and increased well-being for countries, companies and households automatically lead to increased resource consumption.

Irrespective of the factors we look at – be it trade patterns, price structures, or productivity – the conclusion stands clear: business as usual is simply not an option.

In my view there can be no doubt that resource efficiency is the way forward for a transition to a new and more sustainable economy.

The vision of the circular economy gives a very clear picture of what is ultimately needed. And I fully agree that we need to place that at the centre of our strategy.

I agree entirely with the slogan on Danish waste trucks: "Waste is what is left when we run out of imagination".

In relation to the initiatives proposed by the Sherpa's, let me raise 3 overall points:

**First: Innovation is essential**

The transition to a more resource-efficient economy in the EU will require large scale innovation as well as a major shift in investments.

I fully agree with the proposal that Small and Medium sized enterprises should be given high priority. However, I believe that we could be more specific in relation to innovation.

We are already seeing a major increase in the demand for green technologies and products – a development which is projected to continue. The global market for clean tech is expected to double the next 10-15 years.

However the scale of that growth is not at all sufficient to meet the resource challenge we are facing.

We have to accelerate innovation. And I believe that it should be an essential task for Europe to promote a massive shift towards green technologies and green products.

We should set ambitious targets for the market share of green products and green technologies. I believe that one way forward could be to agree on a new Green Product Policy Framework Directive covering all types of green product related policies.

Furthermore, we have to identify the key areas where massive innovation is most essential to meet the environmental and resource challenges.

## **Second: Green taxes and phasing out environmental harmful subsidies**

We can not make the green market grow – solely by building on good will and philanthropy.

In order to shift investment flows towards more resource efficient activities, these activities need to generate sufficient profit for business.

And consumers have to see that they actually pay for the real cost of products. Today the price difference between traditional products and green products is often large and constitute a barrier for large-scale uptake of green products.

A key cause of this is distorted prices of resources, failing to take into account externalities or ecosystem services.

It is essential to set up and agree on frameworks, which take into account the environmental and social external costs of economic activities.

First polluters and the resource users should pay for their use of natural resources. We have been saying this for 30 years, but it is still not happening in full scale.

We should stop taxing what we want more of – that is labour – and start taxing what we want less of – that is resource use and pollution.

As part of such tax shift, we should tax waste, water use and energy use to a much higher degree – as proposed by the working group and the Sherpa's. And we should compensate the poorest through progressively lowering taxes on labour.

The other side of getting prices right is that we should stop subsidising environmental harmful activities.

An important step forward in this regard is to identify such environmentally harmful subsidies and use the European Semester process to report on national progress in phasing out these.

### **Third: Transparency through accounting and reporting**

Thirdly, we should make it much more transparent to key economic actors how economic transactions affect natural resources.

This is the case for products as mentioned by Joe Leinen. We need a more comprehensive product policy framework, which make it transparent what the ecological footprint of products is and which increase the supply and demand for green products.

As proposed by the Sherpa's and the working group it is also necessary to integrate ecosystem services and natural capital into the accounts of countries and companies. This is a way of integrating resource elements into decision-making.

We need more adequate environmental accounting – adjusting the real growth of national economies and showing the environmental profit and loss of companies.

These accounts and other information on resource efficiency should be integrated into company reporting. Company reporting is a way of providing sustainability data to the market. A lot of initiatives are under way within this area.

The essential task is to make sure that company reporting provides hard core data to the market instead of green words. We need much better information to the market on the performance of large companies, including banks.

## **Final remarks**

I hope today and over the next 1? years we can continue our joint efforts to

move Europe towards a resource efficient, green economy – and in doing so, that we will keep sight of our common societal challenges and opportunities.

We have a set of priorities and we have an excellent draft manifesto to which I will give my warm support.

However, I believe that we should highlight the job potential of resource efficiency in the manifesto and that there is an urgent need for targeted stimulation of innovation in order to secure Europe's technology leadership.

Thank you very much.

**Kilde**

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<https://www.dansketaler.dk/tale/tale-til-resource-efficiency-platform>