



## **The Resource Cap Coalition - Advocating for policy tools, which set limits to unsustainable consumption and production**

**Special Session: Respecting planetary boundaries while enhancing the well-being of all**

### **Why do we need to cap our resource use?**

Global resource consumption is steeply on the rise, extracting 34 times more material resources now than hundred years ago.

During the whole life cycle of associated goods and services, resource use poses growing pressure on the Earth's ecosystems. This in turn diminishes their ability to provide services such as climate regulation, food provision and water purification, which underpin all economic and social processes. Thus our livelihood, cultural heritage and human wellbeing on the whole are more and more threatened. Resource extraction is also contributing to biodiversity loss, which is at present time between 100-1000 times higher than its natural course.

However, the exponential economic growth in industrialized countries, fuelled by this increasing resource extraction did not eliminate social inequalities, hunger and poverty either in Europe or globally. Today we face growing global competition over resources and price increase, which hits the poorest the most mainly in impoverished countries, but also in the rich.

Industrial economies, such as the European Union, use much more resources than their fair share, and thus they play a major role in degrading the planet's environment. Moreover, most fossil fuels, minerals, and biomass consumed in Europe are extracted in other countries. Hence the EU owes an "ecological debt" to impoverished countries for the use of their resources and ecological space.

According to the International Resource Panel<sup>1</sup>, absolute reduction of resource use on a global level is necessary to make progress towards a sustainable economy. Under a tough contraction and convergence scenario industrialized countries should reduce their per capita resource use (average metabolic rate) by 66-80%, while 10–20% reduction in developing (non-industrialized) countries would be also need.

Such a scenario, which in fact would only mean going back to levels of global resource consumption in 2000, would be consistent, in terms of carbon per capita, with the IPCC recommendation to keep global warming below 2°C.

### **Why current policy responses are insufficient?**

Policy efforts addressing resource use only focus on achieving higher efficiency. Nevertheless, this will not solve by itself the present and oncoming scarcity and the accompanying social and environmental problems.

Economic growth will relentlessly outstrip those gains, meaning a total rise in resource use. Political decisions must deal with the so-called rebound effect when they target resource efficiency in order to clamp down on overall resource depletion.

### **Our proposal**

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<sup>1</sup> UNEP (2011) Decoupling natural resource use and environmental impacts from economic growth. A Report of the Working Group on Decoupling to the International Resource Panel

**We need to set a cap on the use of resources including all types of raw materials if we want to effectively bring down their consumption in the EU and refit our economy inside its ecological space.**

### **What principles should guide such a cap?**

Resource cap should aim to realise an absolute reduction in resource use progressively lowered year after year. This should be based on an interdisciplinary analysis including sound scientific information and a social debate applying bottom-up approaches as far as possible. The cap should be defined through clear indicators and transparency of information and underpinned by clear rules and strong public support, monitoring and enforcement. If these circumstances are met, the cap will transform the production and consumption patterns in favour of products and services with low input and contribute to re-localizing the economy with shorter economic cycles, higher self-sufficiency, higher adaptation to local availability of resources and less transport needs. Furthermore, during the development and implementation of resource use cap, environmental justice and ecological debt (from the North to the South) caused by centuries of social and economic exploitation should be fully considered, and social concerns are taken into account so that the poor, vulnerable and marginalized benefit from it. Besides, cap should strive to balance the share of human labour and machine labour and be accompanied by complementary measures (effective regulation of pollution and land use, taxation, basic access warranties, etc.) not allowing any financial speculation within the new structure of resource scarcity.

*The Resource Cap Coalition is advocating for an overarching regulatory framework that can reach different objectives. This should include the following tools:*

### **Non-renewable energy consumer entitlement system**

The proposed scheme aims to set a cap on non-renewable energy use at EU level based on present use rates. The cap would be lowered progressively year by year. Consumer entitlements per capita and per sector are assigned with the involvement of all stakeholders. **Consumer entitlements** savings can be sold for interest free “consumer entitlement money”, which can be spent in an environmentally and socially **certified market**. A **revolving fund** helps financing investments in energy efficiency and renewables through interest free loan in consumer entitlement money with a payback period adjusted to the energy savings or income generation realized through the investment. This makes such investments accessible to everybody including the poor. An **advisory service** helps all stakeholders to change their behavior and adapt to the new scheme.

### **Rimini Protocol- An Oil Depletion Protocol**

This protocol proposes to limit the national rate of extraction and consumption to the current national (NDR) and global depletion rate (GDR) respectively, depending on whether a particular country is an oil importer or exporter. The idea is to provide the level to which oil flows should be restricted in order to soften the reduction of its availability, facilitating the transition to a post-oil society through reducing dependency.