

Outcome statement

Putting nature at the heart of a global circular bioeconomy

Digital Forum | 19 March 2021



Key messages

- A paradigm shift in our economic system and the way we use nature is needed, now.
- Circular bioeconomy approaches need to be tailored to local realities – what works in the Global North may not in the Global South.
- Increasing rural to urban movements will tax the resources of cities; new city planning and technological innovations in the use of wood, building, energy production and waste management can offer solutions.
- A functioning global system would first ask how much we really need to live and to thrive, thus resulting in improved natural resource management and energy efficiency, and the reduction of waste.
- Financing is necessary for a circular bioeconomy to work, and investors will require education, evidence and assurance of results.

Our current economic system isn't working for most people. And, nature continues to decline at an alarming rate.

These troubling realities were the premise for the '[Putting nature at the heart of a global circular bioeconomy](#)' Digital Forum on 19 March 2021. Recognizing present-day business-as-usual practices are unsustainable, the event's speakers offered encouraging, forward-looking solutions centered around a novel approach called the 'circular bioeconomy'.



What we need now, ladies and gentlemen, is a new way of thinking as a basis for a new economic paradigm, one that is circular, not linear. One where prosperity and human well-being takes place within the ecological boundaries of our planet.



His Royal Highness The Prince of Wales



The dialogues offered a transformative vision that could help to solve some of the world's most important challenges. These include accelerating climate change and environmental degradation, and the rising food and energy needs of the developing world. A circular bioeconomy puts nature at the center of economic life with an approach that maximizes the use of available, renewable resources – without excess, waste or unnecessary environmental destruction. Radiating around that center is, by design, an economy which values biodiversity and well-being, and includes innovations that contribute to a still-productive but less wasteful world.

The event was also the first of its kind to focus on the role of forests and trees in the circular bioeconomy in the Global South.

His Royal Highness The Prince of Wales opened the discussion, highlighting the crises we are currently in with COVID-19, climate change and biodiversity loss, pressing “to seize the rapidly closing window of opportunity we have before us” and transition to a system that offers prosperity alongside harmony with nature.

In a keynote address, European Commissioner for International Partnerships Jutta Urpilainen zeroed in on forests, starting off with the apt Finnish saying, “the forest answers in the same way one shouts at it.” Discussing the need for a global response to the way humanity has impacted the natural world, she noted the European Union’s Green Deal (which addresses both the environment and economic growth) and the need for partnerships in order to succeed at scale.

Centering the Global South

Center for International Forestry Research (CIFOR) Director General and CIFOR-ICRAF Managing Director Robert Nasi noted that the developing world is at somewhat of an advantage in a circular bioeconomy shift, as people in those spaces already rely much more on nature, for subsistence and livelihoods.

“The majority of our people here in Nigeria live in forest-dependent communities, and so the restoration of degraded landscapes could definitely drive economic development and create employment,” said Nigeria Minister of State for Environment Sharon Ikeazor. She discussed the opportunity that a circular bioeconomy could offer in her country, including maximizing the value of forest-based products, helping with sustainable forest management and transforming industrial activities.

Akanksha Khatri, who leads the Nature Action Agenda of the World Economic Forum’s Platform for Global Public Goods, addressed the need to shift the power dynamics at play in the world today, with natural resources from the developing world underpinning global economic growth. She noted that resource extraction had tripled while 840 million people still lack electricity, underlining the uneven distribution of assets.

The takeaway was that increased economic outputs have come at the expense of the planet and the people of the Global South. The circular bioeconomy vision offers a much-needed rebalance.



The circular bioeconomy means, above all, creating an economy where life – and not consumption – is its true engine and purpose.



Marc Palahi
Director,
European Forest Institute (EFI)



It's not going to be easy. It is a wicked problem that cannot be solved by any one organization or country or business. It truly requires a multi-stakeholder collaboration – but requires it on steroids, because we are really running out of time.



Akanksha Khatri
Nature Action Agenda Head,
Global Public Goods Platform,
World Economic Forum



If we can create sustainable forestry industries, we can create hundreds of thousands of jobs and that gives us a constituency of people who are vested in maintaining the forest... That's how we get the Gabonese people to become the protectors of forests that we need them to be.



Lee White
Minister of Water, Forest,
the Sea and Environment,
Gabon

Cities are the solution. But we need to make a new generation of cities.



Vicente Guallart
Architect, Guallart Architects

How can we use forests and trees better?

Wood will play a central role in the circular bioeconomy transition, for it is the earth's most versatile renewable material. Expert speakers from around the world addressed this cornerstone of the approach, answering two key questions: How can trees and forests help to solve our current problems? And will there be enough wood?

CIFOR Bonn Hub Leader & Managing Director of CIFOR Germany Christopher Martius discussed the benefits of replacing fossil fuels with forest-based products, including the resulting carbon emissions reductions.

For EFI's Assistant Director Lauri Hetemäki, demand for wood may decrease (because of moves away from paper and increases in other energy sources like wind and solar) while supply may increase (because of the scale of managed plantation outputs). Africa, for example, is now producing 54% more wood than the European Union (EU), yet forest products from the EU are valued 17 times higher. So, there is a lot of potential for more income flows to the African continent.

This disparity was noted by Gabon Minister of Water, Forest, the Sea and Environment Lee White. White said that in the past the country earned pennies from each dollar's worth of wood its people harvested and exported, distorting attitudes and leading to deforestation and loss of ecosystem services. Part of the solution lies in convincing the people of Gabon that their wood is now much more valuable and, therefore, worth conserving – paradoxically, by creating substantive jobs in the timber industry within the country.

Addressing new urban needs

In his opening remarks, Palahí said we have to “reimagine our cities with ecological lenses,” and the increasing needs of growing urban areas were an important point of discussion. With a projected 68% of the world's population living in urban areas by 2050, those people will need employment and housing, and consumption patterns will intensify, as will pressures on land, water and resources.

How will a circular bioeconomy address this population shift away, so to speak, from nature?

Janez Potocnik, Co-Chair of the International Resource Panel, referenced the available evidence that a circular bioeconomy would provide more local, connected jobs. CIFOR Value Chains, Finance, & Investments Team Leader Michael Allen Brady noted that Southeast Asia had insufficient timber resources to meet an increase in urban dwellers, but that various wood products and better ways of managing forests could offer solutions.

Architect Vicente Guallart spoke of the huge process of urbanization that will be happening in the next 30 years, comparing it to building a city of four million every month until 2050. He noted that in many new areas of Latin America, Africa and Asia that will be urbanized, the mistakes of the past must be avoided.

“Every 50 years we change the model of how we make cities. We did 100 years ago with the modern city and the Bauhaus school that was created in Europe, and we had another big change in the 70s, 50 years ago. Right now, after the global pandemic and global warming problem, we need to reinvent how we make cities,” he said.

Where is the finance?

Making the circular bioeconomy an investible reality was at the core of the final discussion.

“It’s not a lack of capital that is holding us back, but rather, the way in which we deploy it,” said Jennifer Pryce, President and CEO of impact investing firm Calvert Impact Capital. She emphasized that the circular bioeconomy was not part of the current investor conversation, but instead components of the approach like carbon, renewable energy, responsible forestry and waste regeneration.

Minister White discussed the tradeoffs between biodiversity value and timber value in managing Gabon’s forests, and the need for putting a dollar value on forest land so it is not lost to other uses. He noted that maintaining a functional ecosystem requires also an “ecosystem of industry”, to ensure that value is there and that Congo Basin forests are managed well.

Pryce referenced the investor drive for evidence of measurable change. The circular bioeconomy does not yet have that because it is at the level of market systems change, instead of more quantifiable shifts like GHG reductions or carbon neutrality.

But this does not mean that the circular bioeconomy is not an investable space. Like gender more than a decade ago when there was no data or indicators or reference levels, what happened was that a business case was made and examples helped to educate investors, she said.

The same thing needs to happen with the circular bioeconomy.

For the Global South, getting these investments will be more difficult, with many countries struggling with high debt and greater investor risk. Christopher Kaminker, Head of Sustainable Investment Research & Strategy at Lombard Odier, noted that global capital markets are not as deep in the Global South, and that development banks need to help with accreditation, ratings and unlocking capital markets. There is enormous appetite, he said, but investment vehicles need to be further developed.



The investor base is not talking about this larger strategy of the circular bioeconomy. That is not in the lexicon of the investors I speak with.



Jennifer Pryce
President and CEO,
Calvert Impact Capital





With COVID-19 and climate change due to deforestation in Africa and other continents – they don't need passports, they don't need a visa to affect other continents. So let us work together to finance different initiatives, different projects to change the way we do business.



Dr. Mujawamariya Jeanne d'Arc
Minister of Environment,
Republic of Rwanda



We can do it, we know how to do it, so now – let's do it.



Robert Nasi
Director General,
Center for International
Forestry Research (CIFOR)
and Managing Director,
CIFOR-ICRAF

What is happening, and could and should come next?

Circular Bioeconomy Alliance:

Supporting an informed transition to a climate-neutral, inclusive circular bioeconomy through a multi-stakeholder approach, the Alliance is headed by His Royal Highness The Prince of Wales under the Sustainable Markets Initiative, together with EFI.

Amazonia Third Way Initiative:

This new opportunity to drive a green economy, by harnessing nature's value through the physical, digital and biological technologies of the 4th Industrial Revolution, could protect the Amazon and support its Indigenous Peoples, said Nasi.

East Africa Bioeconomy Strategy:

This is the first strategy of its kind, Stockholm Environment Institute Africa Deputy Director for Research and Energy Rocio A. Diaz-Chavez said. The strategy focuses on four themes: food, health, bioproducts and energy.

Business for Nature:

Businesses need to be as responsible for the environment as they are for profit and loss, said Khatri. The Business for Nature coalition includes business and conservation organizations and calls on governments to adopt policies to reverse nature loss.

Global Landscapes Forum:

GLF Restoring Africa's Drylands digital conference will be held on 2-3 June, in the beginning stages of the UN Decade on Ecosystem Restoration, which runs from 2021 to 2030. The Decade calls on the international community, civil society, businesses, politicians and individuals to prevent, halt and reverse the degradation of ecosystems worldwide.

Afforestation and reforestation initiatives:

Minister Ikeazor flagged the need for such efforts that include aims of income generation and ecosystem restoration, which would be a great benefit for rural and coastal areas in Nigeria. She noted Nigeria's wide expanse of coastline and mangroves, and that a focus on the coast would help to improve resilience and reduce poverty.

Debt-for-nature swaps:

Many countries in the developing world have high amounts of external debt, which the pandemic is exacerbating. International financial institutions and development banks could commit to debt-for-nature swaps to help developing countries reschedule their debt in exchange for nature-related performance, suggested Khatri.

Research on social effects:

Not much is known about how a circular bioeconomy shift would affect people's lives in sub-Saharan Africa, said Martius. More research and data are needed.

Biocities:

Gualart discussed the principles of biocities he is developing with EFI, that include following natural systems to promote life in urban areas. It is not to plant trees near buildings, for example, but to follow the rules of the forest and nature to tell us how to build cities the right way.

Natural Capital Fund:

Kaminker discussed Lombard Odier's new fund that focuses on the regenerative power of nature. It is the first of its kind, investing in small and mid-cap companies, and was created in partnership with the Circular Bioeconomy Alliance.



By the numbers



3
African
environment
ministers



4
in-depth
discussions



23
speakers



From more than
15
countries



More than
4,000
viewers



From approximately
143
countries



More than
400
questions



Over
250
minutes of
discussion



We need systemic change to solve the climate, nature and pollution crises. A holistic approach will not only tackle these, it can also tackle social challenges.



Mari Pantsar
Director of Sustainability
solutions, the Finnish
Innovation Fund Sitra

Resources

[Circular bioeconomy – Knowledge Guide](#)

[Event recording](#)

[His Royal Highness The Prince of Wales Opening Statement](#)

[Leaders gather to discuss how a circular bioeconomy can succeed](#)

[Forest-based bioeconomy in sub-Saharan Africa: Looking at benefits and burdens from a social sustainability standpoint](#)

[The circular bioeconomy can provide fair, sustainable growth while saving the environment](#)

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