

**G7 Bologna Environment Ministers' Meeting
Bologna, Italy
11-12 June 2017**

Communiqué

We, the G7 Environment Ministers and high representatives, and European Commissioners responsible for environment and climate, met in Bologna on 11-12 June 2017. We were joined by heads and senior officials of International Organizations and by representatives of universities and firms.

1. 2030 Agenda for Sustainable Development

1. Aware of our key role in implementing the 2030 Agenda and achieving the Sustainable Development Goals (SDGs), we will work on integrating the economic, social and environmental dimension of sustainable development with the aim of leaving no one behind, for the benefit of people, planet, prosperity, peace and partnership, and exchange respective experiences.
2. Guided by the G7 Taormina Leaders' Communiqué we will implement the environmental dimension of the 2030 Agenda and periodically review the progress made within the G7.
3. We welcome the continued activity of the G7 collaboration referred to in the Communiqué of the G7 Toyama Environment Ministers' Meeting such as the upcoming G7 workshop on Sustainable Consumption and Production. We reaffirm our commitment to share and disseminate beyond the G7 members' good practices to demonstrate our efforts.
4. We work towards strengthening the environmental dimension in the implementation of the SDGs with effective and integrated policies and actions by, inter alia, promoting the interlinkages with the economic and social dimension, harnessing the economic development opportunities offered by well-designed environment and climate policies and strengthening the science policy interface.
5. We are resolved to work towards promoting the necessary paradigm shift, transformative actions and decisively move towards policy coherence for Sustainable Development, acknowledging the importance of assessing the impact of policies

dedicated to the achievement of the SDGs.

6. In this regard, we emphasize the importance of accountability at every step, from policy assessment to concrete action. As acknowledged in the 2030 Agenda, partnerships with stakeholders and Indigenous peoples will be key to achieving the SDGs by 2030.

2. Climate Change¹

7. The Environment Ministers of Canada, France, Germany, Italy, Japan and the United Kingdom, and European Commissioners responsible for environment and climate, reaffirm strong commitment to the swift and effective implementation of the Paris Agreement, which remains the global instrument for effectively and urgently tackling climate change and adapting to its effects. We welcome the continued support that the Paris Agreement has received from other countries, and subnational and non-state actors around the world.

8. The Environment Ministers of Canada, France, Germany, Italy, Japan, and the United Kingdom, and the European Commissioners responsible for environment and climate agree that the Paris agreement is irreversible and its full integrity is key for the security and prosperity of our planet, societies and economies. Our actions will continue to be inspired and guided by the growing, global momentum to tackle climate change and to accelerate the irreversible transition to low-carbon, climate-resilient and resource-efficient economies.

9. We welcome the early entry into force of the Paris Agreement and the outcome of COP22 in Marrakech including the “Marrakech Action Proclamation for our Climate and Sustainable Development”.

10. We recall the Paris Agreement’s long-term goal of limiting global temperature increases to well below 2°C, pursuing efforts to limit the increase to 1.5°C, enhancing the ability to adapt to the adverse impacts of climate change and making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. This goal requires ramped-up pre-2020 action and further

¹ We the United States of America continue to demonstrate through action, having reduced our CO₂ footprint as demonstrated by achieving pre-1994 CO₂ levels domestically. The United States will continue to engage with key international partners in a manner that is consistent with our domestic priorities, preserving both a strong economy and a healthy environment. Accordingly, we the United States do not join those sections of the communiqué on climate and MDBs, reflecting our recent announcement to withdraw and immediately cease implementation of the Paris Agreement and associated financial commitments.

transformational changes thereafter.

11. To this end it is necessary to increase our efforts to mobilize bilateral and multilateral climate finance as well as align financial flows with the goals of the 2030 Agenda and the Paris Agreement, and to achieve a global decarbonized, climate-resilient economy over the course of this century, including the transformation of the energy sectors by mid-century. We therefore reaffirm the Copenhagen commitment of developed countries to the goal of jointly mobilizing US\$100 billion annually by 2020 from public and private sources to support climate action in developing countries. We encourage all potential providers of finance to join in efforts in reaching and surpassing this goal.

12. We recognize the particular need of the most vulnerable countries such as the Small Island Development States and Least Developed Countries to address the impact of climate change.

13. We strongly encourage all countries, who have not done so yet, to ratify the Paris Agreement and commit to support efforts to adopt its rulebook by 2018 and to work with all Parties to achieve this. We acknowledge the potential that climate change has to undermine poverty eradication and sustainable development and recognize the importance of including actions which consider the challenges and concerns of women and Indigenous peoples.

14. Implementing the Paris Agreement, coherently with and in the context of the 2030 Agenda, is essential and can provide us with significant opportunities for modernizing our economies, for enhancing competitiveness, and stimulating employment and growth, while securing social inclusion. The implementation of the 2030 Agenda can also engage and benefit from the experience of the many coalitions and initiatives developed under the Marrakech Partnership for Global Climate Action. In this context we welcome the growing number of private sector actions, such as the work of the Financial Stability Board Task Force on climate related financial disclosure.

15. We stand ready to continue cooperating with all Parties in the implementation of the Paris Agreement.

16. We welcome the inclusive and transparent consultations held during the sessions of the subsidiary bodies of the United Nations Framework Convention on Climate Change (UNFCCC) in May 2017 on the organization of the Facilitative Dialogue in 2018. We recognize the importance of the 2018 Facilitative Dialogue in maintaining momentum and encouraging ambitious global action towards achieving the long-term temperature goal of the Paris Agreement. We continue to support COP22

Presidency and the incoming COP23 Presidency in their efforts with a view to developing and presenting a shared proposal on the design of the 2018 Facilitative Dialogue at COP23 in Bonn, in accordance with the mandate contained in COP22 decision.

17. We commit to engage actively in this dialogue, with a view to taking stock of collective progress towards achieving the long-term temperature goal, and to inform the preparation of a new Nationally Determined Contribution (NDC) by 2020 for Parties with an NDC containing a timeframe up to 2025 or, for Parties with an NDC containing a timeframe up to 2030, the communication or updating of these contributions by 2020.

18. We call on all Parties to contribute constructively to a focused, clear and participatory dialogue with a view to deliver an ambitious outcome that helps us achieve our climate goals.

19. We support an interactive evidence-based dialogue drawing on the best available science, including reports of the Intergovernmental Panel on Climate Change (IPCC), the sharing of experience and best practice as well as expertise from United Nations institutions and intergovernmental organizations. This dialogue will increase our understanding of collective progress and highlight concrete opportunities for actions and cost-efficient solutions in areas of high mitigation potential.

20. We also recognize the essential role of sub-national and non-state actors through the Marrakech Partnership for Global Climate Action in developing coalitions and implementing ambitious climate actions as part of the collective efforts that will contribute to the achievement of the long-term mitigation goal of the Paris Agreement. We look forward to their contribution to this process.

21. We intend to share information on the progress in putting in place and implementing measures to achieve our NDCs and inform on progress in preparing to communicate or update NDCs to be submitted by 2020.

22. We acknowledge with appreciation the efforts made by those countries that already submitted mid-century long-term low GHG emission development strategies and encourage remaining Parties to complete their strategies well ahead of the 2020 deadline.

23. We recognize the important role of carbon pricing in tackling climate change, including market-based approaches and we welcome the second Strategic Dialogue of the Carbon Market Platform that will take place in September.

24. We welcome the adoption of the Kigali Amendment to the Montreal Protocol to phase-down hydrofluorocarbons (HFCs) at the twenty-eighth Meeting of the Parties. We intend, and also encourage other Parties to take the domestic steps necessary without delay. We welcome the agreement by the International Civil Aviation Organization (ICAO) to adopt a Global Market-Based Measure to address emissions from international aviation. Recognizing progress made to date, we call on the International Maritime Organization (IMO) to further accelerate its efforts to reduce carbon emissions from the maritime sector.

3. Sustainable Finance

25. We acknowledge that scaling up sustainable finance is fundamental to achieve sustainability and climate goals. To this end, we welcome the growing efforts, including strategic initiatives and private sector-led actions, to respond to environmental opportunities and risks, thereby increasing flows of sustainable finance. We will encourage private actors to implement the respective recommendations as appropriate.

26. We acknowledge UNEP's contributions to the discussion through the papers and tools on "Financial Centres for Sustainability - Reviewing G7 Financial Centres in Mobilizing Green and Sustainable Finance" and on "Mobilizing Green Finance for SMEs in the G7".

3a. Promoting Financial Centres for Sustainability

27. We acknowledge that financial centres play a pivotal role in the allocation of capital. We recognize the commitments to sustainability made by an increasing number of financial centres and the potential of these initiatives to be furthered through international cooperation. We note with interest their launch of an international network of financial centres and we welcome the Italian proposal to host the first meeting of the network.

3b. Small and Medium Enterprises (SMEs)

28. Considering the importance of SMEs for our economies, we welcome the work on SMEs financing, including the focus on supporting women entrepreneurs, devoted to the aims of financial inclusion and business growth intended to reinforce their access to funding while improving the diversification of their financing instruments. We note that under the German G20 Presidency, work has started to identify and

promote successful financing models that incentivize SMEs to improve sustainability in their production processes. We recognize that many SMEs and start-ups contribute to innovation and to the diffusion of technologies and processes that help achieve the transition to sustainable development; we aim to assist them in their endeavours to access capital to finance their activities as we foster a better integration of environmental risks and opportunities in the financial system. We emphasize the value of relevant information that can orient investors towards green investments when financing SMEs.

29. We will consider existing best practices on how to support and strengthen SME innovation strategies and entrepreneurial efforts contributing to sustainability.

30. We recognize that access to financial instruments, including innovative ones, for SMEs investments is an important part of the transition towards sustainable development. We invite all relevant key actors to support, on a voluntary basis, the development of sustainable finance for SMEs.

31. We recognize that environmental infrastructure projects can also benefit from many of the approaches to enhance access to capital for sustainable small and medium enterprises and note that these projects provide critical environmental benefits such as clean water and air while also spurring economic growth and creating jobs.

4. Resource Efficiency, 3Rs, Circular Economy and Sustainable Material Management

32. There is strong evidence that Resource Efficiency, 3Rs, Circular Economy and Sustainable Material Management can be a major driver to attain economic growth and employment, and can bring about environmental and social benefits together with long-term economic competitiveness and prosperity. This is fully recognized in the 2030 Agenda for Sustainable Development, where many Sustainable Development Goals (SDGs) and targets will only be attained if we improve resource efficiency globally.

33. National and regional policy decisions play an important role in resource efficiency. We also recognize that collective actions internationally are key if we are to ensure widespread benefits amongst countries on a global scale. As a result, we encourage international cooperation and the promotion of integrated approaches and policies as an important condition to achieve tangible results. These actions should take into account all dimensions of sustainable development as well as

cooperation with business and stakeholders.

34. We support the main findings of the IRP and OECD reports² that resource efficiency can improve the overall economic and environmental resilience of our countries. We consider that substantial increase in resource efficiency is essential to meet the SDGs and associated targets and climate goals in a cost-effective manner and we will consider the relevant policy recommendations of both reports.

35. In this context, building on the outcome of the 2015 Elmau Summit, the 2016 Ise-Shima Summit, the Toyama Framework on Material Cycles, we adopt the enclosed “5-year Bologna Roadmap” which aims to advance common activities on resource efficiency. We will endeavour to participate fully in the 10-Year Framework Programmes on Sustainable Consumption and Production Patterns.

36. In reaffirming our commitment to the G7 Alliance on Resource Efficiency, as a useful forum to exchange and promote best practices together with business and other stakeholders, we warmly welcome and fully support the initiative of the German G20 Presidency to establish a G20 Resource Efficiency Dialogue.

37. At the next meeting of the G7 Alliance on Resource Efficiency, which will be held in November 2017 in Italy, under the lead of the G7 Italian Presidency, we will define a planning document with a tentative list of workshops and other activities to follow up on the above-mentioned actions.

5. Marine Litter

38. We recognize the valuable work done through the G7 Action Plan to Combat Marine Litter (G7APML). We reiterate our concern for the issue of marine litter, in particular plastic litter and microplastics, and reaffirm our commitment to fight this global threat. We are keenly aware of the need to fully and timely implement the 2030 Agenda and, in this context, of the importance of the Sustainable Development Goals, in particular 6, 12 and 14, and their relevant targets addressing marine litter directly and indirectly. We believe that moving towards a more resource efficient and circular economic model, including efficient resource use and sustainable materials and waste management systems, is an effective way to address marine litter. We acknowledge the socio-economic benefits of marine litter prevention and reduction measures, including in terms of employment generation, tourism development,

² UNEP-IRP 2017 “Resource Efficiency: Potential and Economic Implications” – OECD 2016 “Policy Guidance for Resource Efficiency”

sustainable fisheries, waste and wastewater management and other areas.

39. We welcome and acknowledge the relevant United Nations Environment Assembly (UNEA) resolutions 1/6 and 2/11 on marine plastic debris/litter and microplastics, as well as the decision XIII/10 addressing impacts of marine debris in the framework of the Convention on Biological Diversity, and we look forward to the UNEA assessment of the effectiveness of relevant international, regional and sub-regional governance strategies and approaches to combat marine plastic litter and microplastics to be presented at UNEA 3 in December 2017. We acknowledge a number of international initiatives such as the Global Partnership for Marine Litter (GPML) and the recently launched Stop Plastic Waste International Coalition. We acknowledge and recognize the importance of the outcomes of the SDG14 conference in New York last week and look forward to the fourth Our Oceans Conference in Malta of 5-6 October 2017.

40. We are aware that in the context of the cooperation among international instruments and initiatives on marine litter and within their respective mandates, the Regional Seas Programmes (RSPs) are key to effectively establish and implement coherent and coordinated regional basin-wide approaches. We are also aware that the Regional Fisheries Management Organizations (RFMOs) may have an important role in addressing, at regional level, specific marine litter issues resulting from fishing activities.

41. We are therefore determined to further implement the G7 Action Plan to Combat Marine Litter (APML) and call for strengthening the coherence, efficiency and effectiveness of existing international efforts, in particular the RSPs' activities to address marine litter, while taking into account regional contexts, mainly through the following initiatives: a) Harmonization of science-based indicators and methodologies for monitoring and evaluation, including through research; b) Identification, development, implementation and outreach of broad and accessible databases; c) Identification and dissemination of best practices, especially on prevention and management of waste and litter from land based and sea based sources and on removal actions; d) Development of capacity building efforts; e) Identification, development and dissemination of measures for: cost-benefit assessments, partnerships to support cost recovery instruments, extended producer responsibility and promotion of investments in waste and water management infrastructures, including through cooperation with the private sector; f) Progressive reduction of single-use plastics and microplastics, including microbeads, to avoid the leakage of plastics to the marine environment, including through research on substitutes.

6. Multilateral Development Banks (MDBs) and support for the implementation of the 2030 Agenda and the Paris Agreement³

42. We acknowledge the background report “Financing the Carbon Transition” by WRI on the alignment of the World Bank’s, IFC’s and ADB’s investment in energy supply with a 2° C pathway and encourage the continuation of this research and its expansion to all Multilateral Development Banks (MDBs) and other sectors.

43. We recognize that MDBs and other international development banks have an important role to play in contributing to scaling up sustainable and climate resilient investments to implement 2030 Agenda and the Paris Agreement globally and welcome their effort in maintaining momentum towards full implementation. In line with the Addis Ababa Action Agenda, we recognize the significant potential of MDBs and other international development banks in financing sustainable development and providing know-how.

44. We welcome progress made to date by MDBs and other development finance institutions in updating and developing their policies in support of the 2030 Agenda for Sustainable Development, including the SDGs. At the same time, we acknowledge that further steps are needed to align their financial support to the path which leads to the full implementation of the Paris Agreement and refrain from investment in high carbon assets.

45. We call upon the MDBs and other development finance institutions, to further increase their sustainable and climate resilient investment and strengthen their effort to leverage and crowd in private finance into the green and blue economy, including by meeting their 2020 climate pledges and further aligning their activities with the 2030 Agenda and Paris Agreement goals, also through a strong commitment to adaptation, and to support the transition towards a low carbon and resource efficient global economy. We likewise acknowledge the important role of export credit agencies and their continued efforts towards more sustainable and climate resilient investment. We urge MDBs to use their unique position to further broaden their impact towards sustainable development by sharing their expertise to mainstream climate considerations within national development planning and in preventing harm through social and environmental impact assessment and respect for applicable social and environmental standards.

46. We support the MDBs and our Development Finance Institutions (DFIs) to

³ Please refer to footnote 1 on the US position on climate change and MDBs.

continue their commitment to shift investments to low GHG emissions and climate resilient infrastructure projects.

47. Looking to 2020 and beyond, we look forward to seeing fully mainstreamed climate change considerations throughout MDB operations, promotion of clean technology, and support the poorest and most vulnerable to build resilience to the impacts of climate change. We also reiterate our call for supportive enabling environments and financial tools to accelerate private finance flows.

48. In that context, we welcome initial progress on the MDB Balance Sheet Optimization Action Plan of the G20, which may also enable the MDBs to increase support for green finance. We encourage the MDBs to consider how they can significantly and efficiently scale up activities to better mobilize private sector finance.

49. We also highly welcome the considerations by the MDBs to develop a “Joint Climate Action Plan”, building on individual climate action plans. The G7 will work closely with the G20 to support this collective effort by the MDBs. We further encourage MDBs to support multi-stakeholder initiatives and coalitions from the Marrakech Partnership for Global Climate Action.

7. Environmental Fiscal Reform and Sustainable Development

50. We recognize and support effort by G7 and other countries interested in examining and removing incentives, particularly inefficient fossil fuel subsidies, not coherent with sustainability goals.

51. We recognize the benefits of monitoring progress in the phasing out of incentives, including subsidies, not coherent with the sustainability goals, such as inefficient fossil fuel subsidies which encourage wasteful consumption and we support existing initiatives underway such as the G20 voluntary peer review process.

52. We take note of the OECD work on these issues, and we recognize that OECD is considering further work for improving understanding of incentives, including subsidies.

53. We support G7 and all countries interested in exploring approaches to better align fiscal systems with environmental goals. In particular we intend to contribute to the implementation of the commitment of our Heads of State and Government adopted in Ise-Shima in 2016 for the elimination of inefficient fossil fuel subsidies that encourage wasteful consumption by 2025.

54. Furthermore, we consider the need to exchange views and information, to better understand the impact of fiscal policies and measures on the achievement of our sustainability goals.

8. Environment Policies and Employment

55. We note the OECD background paper on “Jobs Implications of Green Growth: Linking employment, growth, and green policies”. We acknowledge that well designed and implemented environment policies can create economic growth and employment.

56. We underscore that environment policies in a transitional period toward a sustainable development can spur economic growth and have a net positive impact on job creation and reaffirm, based on our experiences, that these objectives are mutually supportive and central to our roles as Ministers.

57. Special attention should be paid to regions and sectors that may be impacted. We acknowledge the importance of investment for new skills to support job creation in sustainable sectors.

58. We acknowledge that further research is required to quantify all employment impacts, including the gender dimension of environment policies including resource efficiency and circular economy. We invite OECD and encourage Academics and research institutions to further work in this area.

9. Africa

59. We welcome the many on-going initiatives in support of African countries' implementation of 2030 Agenda.

60. In particular, we recognize the impact of climate change and environmental degradation on Africa's agricultural production and food security, water availability, as well as on stability and economic growth in the region; and the importance of increasing access in Africa to affordable, modern, sustainable and reliable energy. We also recognize that the G7 is actively engaged in African countries, in promoting gender equality and in providing a broad range of assistance to address identified needs in cooperation with African counterparts.

61. We welcome the initiative of the Italian Government to establish a Centre in

Rome, for facilitating the voluntary exchange of information on increasing the effectiveness, synergies and complementarities of ongoing initiatives in support of Africa.

10. Universities for Sustainable Development

62. We welcome the report from the side event on Universities for Sustainable Development.

11. Firms for Sustainable Development

63. We welcome the report from the side event on Firms for Sustainable Development.

Annex to the Communiqué

“5-year Bologna Roadmap”

We, the G7 Environment Ministers and high representatives, and European Commissioners responsible for environment and climate, taking into account the Toyama Framework on Material Cycles and the key messages and recommendations produced by the IRP and the OECD reports, have decided on next steps to advance resource efficiency and adopt the following roadmap as a “living” document to prioritize actions that advance life cycle based materials management, resource efficiency, and the 3Rs, including in the supply chain.

To this aim, acknowledging that 12 out of the 17 SDGs refer to resource efficiency and that by 2030 countries are called on “to achieve the sustainable management and efficient use of natural resources”, recognizing the value of knowledge-sharing and building on the ongoing work, we decide to carry out the following concrete actions, by taking the lead or contribute on a voluntary basis as appropriate, recognizing that each member might not contribute to all areas.

In doing so, we recognize the importance of stakeholder involvement. We acknowledge the significant role of business in achieving resource efficiency and welcome the active contribution from the Business 7. We want to engage closely with business, International Organizations and other stakeholders active in this field to promote resource efficiency in the following focus sectors and areas.

We will review progress periodically on the implementation of the actions under the roadmap and the Toyama Framework through workshops and other fora in conjunction with the G7 Alliance on Resource Efficiency meetings.

Resource Efficiency indicators

- Continue work to develop our joint capability to measure and monitor resource efficiency outcomes and impacts. Building on the expertise of the OECD, the IRP, the G7 statistical institutes and other relevant bodies, we will work collaboratively to review and share existing practices, identify gaps in measurements as well as develop possible new global, regional and national indicators, and advance existing ones, where needed.

Resource Efficiency and Climate Change

- Further assess the potential GHG reductions of resource efficiency policies with the aim of pursuing co-benefits by identifying the most promising resource efficient

measures in regard to their GHG abatement potential. To this end, we invite the IRP to conduct a study on the above, including providing emission scenarios connected to the implementation of RE/CE/3R/SMM policies and comparing these with the implementation of conventional policies. An assessment of the deployment of low carbon technologies relevant for the implementation of RE/CE/3R/SMM should also be provided. Italy will provide financial support to develop the study.

Sustainable material management at international level

Share information on:

- Initiatives, best practices and approaches on environmentally sound international material management including the national and regional aspects related to it (e.g. standards and regulations, recycling facilities and business operators, and applicable technologies);
- Barriers to repair, refurbishment, remanufacturing, reuse and recycling from a business perspective, regarding international material management.

Economic analysis of resource efficiency

- Work with relevant organizations to develop a robust and credible analysis of the macroeconomic impacts, including a gender sensitive perspective, of the shift to a resource efficient global economy and the microeconomic drivers that will enable this transition. This work will seek to build on the existing activities of the IRP and the OECD and identify knowledge gaps, barriers and key priorities for future action to guide our activities. Co-benefits and possible trade-offs with other relevant areas of policy (e.g. employment) will be considered.

Citizen involvement and raising public awareness

- Citizen awareness and engagement is central to achieving lifestyles consistent with resource efficiency goals. We will engage with civil society and business to identify the necessary solutions and innovations to achieve sustainability through actions towards a circular economy. We recognize youth as agents of positive change and promote increasing their awareness of resource efficiency to foster innovative ideas and drive actions in support of global efforts (e.g. G7, G20, OECD, and IRP).

Private sector actions

- Through active engagement of the private sector, develop case studies on industry best practice on resource efficiency, providing concrete information on the cost savings achieved, jobs created, and reduction in pollution.

Food waste

- Through webinars, workshops, or other platforms, share experiences on (1) developing policies or plans for reducing food loss and waste and (2) measuring food loss and waste and associated negative environmental and economic impacts, in line with target 12.3 of the UN Sustainable Development Goals.

Plastics

- Assess the economic benefits and opportunities for improved product design and address barriers to recycling and reuse of plastic, in view of reducing the use of primary resources, the negative environmental and economic impacts over its life-cycle and avoid plastics leakage into the environment, in particular the seas and oceans (in coordination with relevant G7 work).

Green Public Procurement - GPP

- Share experiences on integrating resource efficiency criteria into the procurement process and exchange views on how to build capacity to apply GPP to products with significant environmental impacts, especially by sharing information on aspects such as reusability, reparability, the use of recycled materials.

Lifetime extension product policies

- Assess the impact of Remanufacture, Refurbishment, Repair and Direct Reuse (RRRDR) practices compared to recycling, create clarity on the RRRDR definitions used, identify and address barriers, including reverse logistic chains, and consider what role the G7 could play. Share practices on activities identifying relevant eco-design criteria for longer life time of products and on their implementation.

Resource Efficiency and Next Production Revolution - NPR

- Explore engagement in the collaboration launched at the G7 Summit in Taormina by exploring how NPR enabling quality infrastructure can contribute to achieving greater resource efficiency.