

EEB Position Paper on the EU Circular Economy Package

The EU Circular Economy Package

SECTION 1. Closing the loop – A Waste policy revision

2008/98/EC Waste Framework Directive (WFD) – document COM(2015) 595
94/62/EC Packaging and Packaging Waste Directive (PPWD) – document COM(2015) 596
1999/31/EC Landfill Directive (LD) - document COM(2015) 594

SECTION 2. Closing the loop – An EU action plan for the Circular Economy

Communication: COM(2015) 614/2
Annex: COM(2015) 614

Introduction

The European Commission released a set of proposals on 2nd December 2015 – the Circular Economy Package – aiming to make Europe more resource-efficient and move it towards a circular economy. This EEB position paper focuses on the revision of EU waste legislation (Section 1) and outlines our preliminary assessment of the accompanying EU action plan (Section 2). As the latter contains 54 measures to be implemented during this Commission’s mandate until 2019, the EEB will issue specific position papers on key aspects, such as the role of EU product policies, at a later stage.

The EEB welcomes the broad scope of the Circular Economy Package including policy initiatives addressing production, consumption, waste management, secondary raw material markets, innovation and investments, key sectors, as well as monitoring progress in resource efficiency. At the same time, we regret that several of the waste-related legally binding targets have been watered down compared to the previous 2014 package. Notably, weaker recycling targets will mean lower reductions of greenhouse gas (GHG) emissions and fewer jobs in this sector created in the EU.

Most importantly, the new Circular Economy Package falls short of addressing the overall reduction in Europe’s consumption of natural resources as well as the need for reducing its dependency on the import of primary raw materials. Decoupling economic development from resources consumption and environmental impacts requires an EU target for resource efficiency and an implementation approach closely interlinked with the European Semester Process. Such a target was proposed by the previous Commission¹ and supported by the European Parliament² as well as by stakeholders represented in the European Resource Efficiency Platform (EREP)³.

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014DC0398R%2801%29>

² <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2015-0266+0+DOC+XML+V0//EN>

³ http://ec.europa.eu/environment/resource_efficiency/re_platform/index_en.htm

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The EEB urges the European institutions to agree on defining mandatory targets on resource efficiency in the context of the revision of the EU2020 strategy and any future 2030 policy framework for the implementation of the global Sustainable Development Goals, which were agreed by all EU Member States at United Nations Summit in New York on 25th September 2015.

With regard to the revision of EU Waste Legislation, Europe has a great opportunity to develop an ambitious policy approach, and in doing so, implement crucial first steps to achieving the objectives set out in the 7th EU Environmental Action Programme and the Roadmap to a Resource Efficient Europe⁴, which would lead to increased competitiveness of European industry and at the same time put us on a path towards “living well with the limits of our planet”⁵. The EEB released a report “Advancing resource efficiency in Europe”⁶ that articulates the benefits of more ambitious waste management policies in Europe for jobs, resources and CO₂ savings. Our detailed position and policy recommendations in Section 1 below also build on a joint NGO statement from 2014 for the review of the EU Waste Directives⁷ and a joint NGO position paper “Walking the Circle - the 4 guiding pillars for a Circular Economy”⁸, released as a contribution to the public consultation in summer 2015. In addition, the EEB proposed a list of key actions to ensure a greater ambition of the new package in its discussion paper on Circular Economy 2.0⁹.

Section 1

Proposals amending the main EU Waste Legislation

2008/98/EC Waste Framework Directive (WFD) – document COM(2015) 595

94/62/EC Packaging and Packaging Waste Directive (PPWD) – document COM(2015) 596

1999/31/EC Landfill Directive (LD) – document COM(2015) 594

The EEB particularly supports:

- The emphasis on waste prevention monitoring and common indicators (*Art 9 WFD*),
- The emphasis on re-use and repair activities (*Art 11 WFD*)
- The effort to reach a simplified and harmonised calculation methodology for attainment of the recycling targets (*Art 11 WFD and Art. 3 PPWD*),
- The restriction on landfilling (*Art. 5 LD*),
- The idea of minimum requirements for extended producer responsibility schemes (*Art. 8 WFD*) all over Europe
- The Early Warning System (*Art. 11a WFD*) to prevent later infringements

⁴ COM(2011) 571.

⁵ OJ L 354, 28.12.2013, p.171-200.

⁶ J.Beasley, R.Georgeson: *Advancing Resource Efficiency in Europe*; European Environmental Bureau, March 2014

⁷ [Joint Statement Waste - Bring Waste Full Circle](#); Environmental NGOs demands; May 2014.

⁸ <http://www.eeb.org/index.cfm/library/walking-the-circle-4-pillars-to-a-circular-economy/>

⁹ <http://www.eeb.org/index.cfm?LinkServID=1E2E1B48-5056-B741-DB594FD34CE970E9>

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However, the EEB considers the further development of the following elements to be crucial:

1. [Set specific targets and measures on waste prevention](#)
2. [Reinstate binding food waste and marine litter reduction targets](#)
3. [Reduce hazardous waste generation and improve the management of hazardous waste legacies](#)
4. [Introduce specific preparation for reuse targets, keeping them distinct from recycling achievements](#)
5. [Reinstate the recycling targets as proposed in July 2014](#)
6. [Do not compromise separate collection for different waste streams, notably biowaste](#)
7. [Make the calculation methodology for recycling achievements more precise](#)
8. [Further specify the minimum requirements for Extended Producer Responsibility](#)
9. [Set clear landfill and incineration restrictions for untreated residual waste](#)
10. [Effectively address the national implementation gap of waste policy](#)

1. Set specific targets and measures on waste prevention (Art. 9 WFD, Annex 2 of PPWD)

Key demands

- **Define binding waste prevention targets for municipal and commercial waste, including a common set of indicators to be documented in national waste prevention programs and encourage the use of tax rebates and VAT reduction on waste preventing goods**
- **Call for a revision of essential requirements (= Ecodesign) for packaging and for measures on product design to lever preventing waste and moving up the hierarchy**
- **Make sure cohesion funds are primarily used for prevention steps and reflect the EU waste hierarchy**

Waste prevention has not been implemented so far with respect to its positioning at the top of the EU waste treatment hierarchy. The EEB supports comprehensive monitoring of waste generation, complemented by binding waste prevention targets for municipal and commercial waste. These prevention efforts should be measured by a set of common indicators to be deployed by all EU Member States and included in national waste prevention programs. Economic incentives should be authorised and promoted to encourage the design and placement on the market of waste avoiding products, such as repairable goods.

Essential requirements for packaging design as formulated in Annex 2 of the PPWD should be revised to make them easier to measure and enforce, as well as supportive of prevention, reuse and recycling steps that were not prioritised at the time of their initial definition. Packaging design requirements have not been revised since 1994 and there are still numerous resource-wasting products on the market today such as over-packaged goods, and packaging that is difficult to recycle or which contains hazardous substances.

From this perspective, the EEB also favours clearer provisions for minimum requirements on product design for other product streams to be inscribed into the WFD. Basic criteria – for example on reparability and recyclability – should be required in the legal text or for establishment in the near future. The Commission should at a minimum be asked to develop circular design criteria and incentives for products inspired by existing formulations under the

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Ecodesign and WEEE Directives. These are key leverage points to bring net savings of €600 billion or 8% of annual turnover to businesses in the EU, while reducing total annual GHG emissions by 2-4%¹⁰.

The WFD should set clearer rules regarding use of structural cohesion funding for waste management along the EU waste hierarchy so that investments are directed towards prevention, preparation for reuse and recycling. Projects for landfill or incineration should either be ineligible for EU funding or only allowed under strict conditions where more important investments are performed at the top of the waste hierarchy.

2. Reinstate binding Food Waste and Marine litter reduction targets

Key demands

- **Set EU food waste reduction targets in kg/ capita for 2025 and 2030**
- **Set a target for reducing marine litter of 50% by 2030**

The EEB regrets that the European Commission did not integrate EU-specific food waste and marine litter reduction targets into the revised waste laws. This would have been in line with the global commitment to halve food waste by 2030 that all EU Member States have adopted as part of the United Nations Sustainable Development Goals (SDG 12.3). The EEB demands the re-introduction of an EU-specific food waste reduction target by 2030 with a 2025 intermediary target that could take the form of a cap of 50kg/capita. The EEB recommends establishing a common methodology for the measurement of food waste accounting for food waste both at the point of source – retailers and private households – but also over the full supply chain from farm to post-consumption on which all Member States would have to report.

Marine litter should also be immediately tackled in the Waste Framework and Packaging and Packaging Waste Directives, and not be postponed to a hypothetical “Plastic Strategy” envisaged for 2017. The EEB demands a binding 50% reduction target by 2030 as was adopted in the European Parliament’s own initiative report in July 2015, and to consider waste prevention measures targeting the specific materials and products that predominate in marine litter.

In particular, actions to tackle marine litter should include:

- Preventing single-use plastics and packaging most frequently found in marine and terrestrial litter,
- Support for reusable and refillable packaging,
- Replacing materials which are not recyclable and which impede reprocessing,
- Implementing deposit/refund systems to increase collection and prevent littering,
- The removal of plastic from ‘down-the-drain’ products such as cosmetics, detergents, and personal care items frequently found in sewage-related debris,

¹⁰ AMEC et al. (2013): *The opportunities to business of improving resource efficiency*.

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3. Reduce hazardous waste generation and improve the management of hazardous waste legacies (*Art. 17 WFD*)

Key demands

- **Incentivise the detoxification of goods, notably through Producer Responsibility Schemes**
- **Update BAT and permitting provisions for hazardous waste treatment/recycling plants**
- **Limit derogations at national/local level to dispose certain hazardous waste in conventional facilities**

An essential part of waste prevention is to reduce the hazardousness of products and waste. We welcome the establishment of a registration system for hazardous waste, but we think this is insufficient. Further provisions, notably in the Extended Producer Responsibility (EPR) schemes, should be set to incentivise detoxification of goods at an early stage. The EEB is convinced that EU-wide criteria to differentiate the fees producers have to pay as part of their end-of-life obligations according to the presence of hazardous substances in their products could provide an important incentive for producers to put toxic-free products on the market.

With regard to hazardous waste legacies, the transition to a more circular economy is not compatible with constant re-injection of hazardous material and substances of very high concern (SVHC) into material loops. Removal of hazardous substances before reprocessing should be a systematic part of the treatment processes. Waste treatment and recycling facilities should be required to own the necessary equipment to identify and extract hazardous material according to the waste streams they treat. Such minimum requirements could be part of BAT provisions for the respective treatment/recycling plants and should be integrated as mandatory criteria for granting permits to facilities. And if such removal is deemed impossible, then a clear labelling of contaminated streams should be required to prevent a further long term blind legacy.

Derogations at national or local level to dispose certain hazardous waste in conventional facilities should no longer be authorised. In exceptional, legally defined cases, such requests need to be made public, notified to the European Commission and carefully investigated before approval is granted.

4. Introduce specific preparation for reuse targets, keeping them distinct from recycling achievements (*Art. 3, 11 and 11a WFD, Art. 6 in PPWD*)

Key demands

- **Set preparation for reuse targets, notably for textile, furniture and bulky waste within the WFD**
- **Exclude the possibility to account for reuse of products or components within the recycling targets**
- **Include a target and incentives for refillable/reusable packaging in the PPWD**

The EEB thinks that it is time to set preparation for reuse targets and to keep them distinct from reporting obligations on recycling achievements. Based on experiences in some Member States this should be possible at least for textile, furniture and bulky waste. Without such separate targets, we may miss the related local job creation opportunities and the higher environmental benefits linked to preparation for reuse compared to recycling. Almost 300,000 additional jobs could be created in the EU, and 30 Mt of GHG emissions could be avoided by 2030 through an ambitious reuse policy of just two types of products - furniture and textiles. In the context of

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the WFD the EEB advocates for a clear distinction between waste and non-waste. The new definition proposed for Preparation for Reuse (Art 3 WFD) and the possibility to account for reuse activities within the recycling target (Art 11a WFD), will dilute the prevention step of the EU waste hierarchy and weaken the overall level of recycling. Operations performed to reuse products and components that have not yet become waste (such as repair network activities) should be promoted through the national waste prevention programmes but not accounted for as recycling achievements. Only operators that deal with waste should be obliged to report on their preparation for reuse activities in order to meet the above-mentioned specific targets under the WFD.

Similarly, the PPWD should set some specific targets with regards to packaging waste prevention and preparation to reuse through asking for a certain rate of refillable/reusable packaging to be placed on the market, differentiated end of life fees and specific actions at the retail level to reduce primary, secondary and tertiary packaging (sales in bulk for example).

5. Reinstate the recycling targets as proposed in July 2014 (Art. 11 in WFD and Art. 6 in PPWD)

Key demands

- **Increase recycling targets to 70% of municipal solid waste and 80% of packaging waste by 2030**
- **Require the introduction of economic instruments to incentivise recycling and uptake of recycled materials at national level**
- **Include only waste similar to household waste in the definition of Municipal Solid Waste (MSW) and define separate recycling targets for commercial and industrial waste**

The EU should maintain the high recycling targets proposed in by the Commission in July 2014 and supported by the European Parliament in July 2015. The Commission's own impact assessment showed clearly that the expected economic and environmental benefits are higher across the board if the ambition level of the targets set is aligned with the July 2014 proposal. The weakening of the recycling targets will lead to missed opportunities of €22 billion net savings and 37,000 additional jobs created in the waste sector alone by 2030, and will decrease GHG emissions savings by 188 MT CO₂eq between 2015 and 2035¹¹. This is why the EEB calls for an EU-wide 70% recycling target for MSW and an overall target of 80% for packaging waste recycling by 2030.

To incentivise more recycling the EU should allow and promote 'pull measures' such as tax rebates for material and products that integrate recycled content and through fee modulation criteria in EPR schemes that take into account recycled content as well as recyclability. The EU should also promote the use of economic incentives to increase collection and proper sorting, such as deposit-return systems and pay-as-you-throw schemes for municipal waste.

The EEB supports a wide base for setting the recycling target that is a definition of MSW including similar waste as household waste in nature, composition and quantity. The EEB also calls to define additional recycling targets for commercial and industrial waste, distinct from MSW recycling targets. Industrial and commercial wastes represent a huge potential not to be neglected.

¹¹ http://ec.europa.eu/environment/circular-economy/index_en.htm

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6. Do not compromise separate collection for different waste streams (Art. 10, 11, 21 and 22 WFD)

Key demands

- **Make separate collection of biowaste the mandatory default case as soon as possible and no later than 2025**

Waste materials should be maintained at their highest possible value. In order to achieve this, it is indispensable to separate them at source. Biowaste separated at source enables proper composting or anaerobic digestion with spreading of digestat as soil amendment. Today's legal provision promoting the separate collection of waste "where technically, environmentally and economically practicable and appropriate" (TEEPA) has not been effective enough. We believe that the "TEEPA" conditions should be removed and eventually replaced by a need for proper justifications if separate collection is not performed. This would make separate collection the default rule, and deviation should only be allowed under strict conditions, which should be fully documented and notified to the public and the European Commission.

In an optimised strategy for the management of biowaste, combining anaerobic digestion on separately collected waste and the application of the digestat on soils, total GHG savings may amount to about 500 kg CO₂ per tonne of treated biowaste¹². In contrast, landfilling organic waste may result in high GHG emissions, and incinerating biowaste in mixed residual waste is particularly energy-intensive, as its high water content requires additional energy to burn. Experiences in advanced regions show that the incremental costs of separate collection for biowaste are largely offset through savings at the treatment stage and through optimised collection schemes¹³.

7. Make the calculation methodology for recycling achievements more precise (Art. 11 WFD and Art. 6 PPWD)

Key demands

- **Do not allow for any residues or impurities of sorting plants that are sent to landfill and incineration to be accounted as recycling in the harmonised calculation methodology**
- **Require a European Commission monitoring study documenting the output of recycling processes and opening the possibility to consider real achievements of recycling processes to meet the legal targets by 2030**
- **Do not account refillable beverage containers collected under deposit refund systems as recycling**

Data monitoring in waste policy is imperfect, but this should not be 'the enemy of the possible'. The EEB supports the European Commission's intent to set a unique calculation methodology for recycling achievements instead of the four existing ones. A uniform calculation methodology should no longer allow for multiple and ambiguous interpretations. This is why we disagree with the possibility of accounting the output of the sorting process – which comprises up to 10% of residues or impurities, which in turn are not well defined in the current proposal – towards the recycling targets. This would decrease the robustness of the calculation methodology and misses the point of

¹² ECN/ORBIT e.V. Workshop 2008 "The future for Anaerobic Digestion of Organic Waste in Europe".

¹³ <http://ec.europa.eu/environment/waste/studies/pdf/eucostwaste.pdf> (from page 41 onwards)

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honest reporting on real recycling achievements. The residues of sorting plants which are sent to landfill and incineration should not be accounted as recycling. Instead what should be taken into account is the output of recycling processes – the truly recycled material that is re-injected into the economy.

However, being aware of the difficulty some Member States would have comply with such a calculation methodology, and in view of the diversity of waste streams to be considered in municipal solid waste management, the EEB recommends considering a two-step approach in that direction. A first step for 2025 should exclude pre-treatment and sorting processes, as in the new WEEE Directive, thus accounting only for the output of sorting that is actually sent to recycling processes, without any tolerance for residues or impurities from the sorting stage. In a second step based on a first period of monitoring of the output of recycling and discussion with experts on each waste stream, a potential target calculation based directly on the output of recycling processes should be envisaged for 2030.

Therefore, the legal text should include a provision for an official report by the European Commission and a follow-up process to establish a possible refinement of the calculation methodology. Such clarifications would bring more transparency into the system and provides incentives for further improvements of sorting and recycling processes, thus creating a real level playing field on performance for the recycling industry and protecting those performing best from the unfair competition of sub-standard recyclers within or outside Europe.

The EEB does not support a calculation methodology that merges reuse and preparation to reuse activities with recycling. We consider this to be double counting. As explained above, the EEB advocates for separate targets for specific activities aiming at the higher levels of the EU waste hierarchy. For packaging waste, we have particular concerns where refillable beverage containers collected under deposit refund systems could be accounted for as recycling. This could further discourage the placement of refillable containers on the market, and would also artificially increase the recycling achievements.

8. Specify further the minimum requirements for Extended Producer Responsibility (*Art. 8 WFD*)

Key demands

- **Make sure that the minimum requirements on Extended Producer Responsibility (EPR) are also integrated in the PPWD**
- **Require EPR schemes to modulate and differentiate their fees according to the reusability and recyclability of the products concerned, taking into account, for example, sustainable sourcing and the presence of hazardous substances**
- **Require producers to cover the full net cost of collection and treatment of recyclables and a part of the additional costs linked to waste that is not separately collected and sent to landfill, incineration or other disposal processes**

The EEB is convinced that European minimum requirements for producer responsibility schemes make sense, and do not contradict a certain flexibility for Member States to best deploy those schemes. The proposed Article 8 is a good effort in that direction.

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The EEB favours the inclusion of minimum requirements for extended producer responsibility schemes in the PPWD to ensure separate collection and proper treatment of post-consumer packaging. However, the EEB questions the possibility of a total delegation of the waste management to producers even if obliged industries have to cover the full cost. In many Member States, waste management remains a public service, and national and local authorities should have their say and their responsibility, notably with regard to treatment standards, enforcement and contribution to minimising waste generation. To keep the possibility for Member States to deliver on collection and recycling achievements for packaging materials with systems other than extended EPR, a notification of these alternative systems to the European Commission should be required to provide evidence that the same level of performance and transparency will be delivered.

The EEB reiterates the need for EU-wide criteria to modulate/differentiate the end-of-life fees paid by producers according to the properties of the products they place on the market. It is simply unfair and environmentally counter-productive to have all producers paying the same fee whatever the difficulty of treating the products at the end of their life. It does not make sense to have a patchwork of criteria at national level that would not create the economic incentives that would oblige industries to invest in better design. Fee modulation criteria should, for example, take into account the possibility of waste prevention, the sustainability of sourcing (e.g. use of recycled content), and the presence of hazardous chemical additives. The EEB supports full net cost coverage of separate collection, sorting, treatment and recycling of concerned material by obliged industries. This is the only way to ensure the proper financing of infrastructure in a transparent system. This also requires disclosure of information from all stakeholders involved, notably municipalities and take-back schemes.

Furthermore, the EEB also supports the idea that part of the additional costs linked to waste should be paid by producers. This is particularly the case for packaging waste, and waste that is not separately collected and is sent to landfill, incineration or other disposal processes. Citizens, tax payers and local authorities should not be subsidising the entire costs of non-recyclable or packaging waste which is not separately collected. To maintain an incentive both for public authorities to intensify prevention and proper separate collection, and for industry to place on the market more recyclable materials, we recommend sharing the burden of these costs for waste that is neither separately collected, nor recyclable.

9. Set clear landfill and incineration restrictions for untreated residual waste

Key demands

- **Prohibit further direct landfilling or incineration of untreated waste**
- **Limit the possibility of contracts for waste incineration or landfills requiring a minimum volume of waste**

The EEB welcomes the restriction on landfilling (*Art. 5 LD*) of Municipal Solid Waste by 2030 but is concerned about the lock-in-effect that new incineration facilities could create at the expense of prevention and recycling if previously landfilled material could simply end up being incinerated. As separately collected waste is restricted from landfill in the proposal, the same restriction should at least be considered for incineration or co-incineration

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of waste. Furthermore, as it is already required that untreated waste shall not be sent to landfill (*Malagrotta ruling: Judgment of 15 October 2014 in Case C-323/13*), and untreated waste shall not be sent to waste-to-energy plants. Treatment could encompass at least separate collection and/or sorting of metals, paper, plastics and inert waste and if needed stabilisation of remaining biowaste. That would help extract more recyclables from the residual waste stream before final disposal or energy recovery.

The EU should indeed ensure that it does not refer only to a 'zero waste to landfill' goal but also addresses the material sent to incineration and other energy recovery facilities, and integrate provisions that help leapfrogging from landfill to waste prevention and recycling, rather than making energy recovery the main alternative. Investments in energy recovery capacity, creating lock-in situations for 20 to 30 years, do not offer the necessary adaptability that is required for the transition towards a circular economy. It may create barriers for grasping the potential of re-use, remanufacturing and recycling activities that will create new jobs and sustainable business opportunities, while saving even more energy and greenhouse gas emissions than energy recovery operations. This long term dependency for municipalities is further reinforced by contracts that force a minimum amount of waste to be delivered to the incineration or landfill plants, blocking potential improvement towards higher levels of the EU waste hierarchy. Such contract clauses should not be allowed or at least be limited in time and subject to a mandatory triennial revision. Landfill taxes introduced in some Member States proved to be an effective instrument to divert waste from landfill. Therefore, the EEB invites Member States to also consider more systematic taxes for incineration.

10. Address effectively the national implementation gap of waste policy

Key demands

- **Combine the same recycling and landfill targets for all Member States with dedicated technical assistance and clear allocation of supporting funds towards less advanced countries**
- **Consider a derogation from the recycling targets as long as a cap is met for the maximum amount of residual waste/capita/year to be landfilled or incinerated**

Addressing the heterogeneity of national situations, policies should carry sufficient ambition while establishing a greater coherence across Europe. We should avoid deepening further the gaps between the most and least advanced countries, which would lead to a two-speed Europe by allowing certain countries to have lower targets. Based on reports of rapid success stories, the EEB believes that if proper measures are put in place and properly supported by structural funding even today's lower-performing municipalities are able to meet the highest ambitions¹⁴. Therefore the EEB supports the same targets for all Member States with dedicated technical assistance and clear allocation of supporting funds towards those that need more. There is no evidence to suggest that adopting less ambitious targets will help proper enforcement of current waste laws. It is to be noted that the 50% recycling target in the current iteration of the WFD applies to all equally, even if with different possible methodologies to calculate it.

¹⁴ See examples of Zero Waste municipalities: <http://www.zerowasteurope.eu/zw-library/case-studies/>

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However we recognise that Member States have widely-differing starting points on their journey to resource efficiency. As an alternative to the arbitrary time extension approach suggested by the European Commission, the EEB proposes developing a more progressive approach, taking the criterion of waste generation into the equation. Complementary to staged recycling targets, a staged target could be set for the maximum amount of residual waste per capita and per year to be landfilled or incinerated. This would act as a prevention measure conditioning the recycling achievements at the same time. The possibility to deviate from the recycling targets should not be provided in the form of a transition period, but according to the respect for a cap on residual waste sent to disposal with or without energy recovery.

The EEB suggests considering a cap of 150 kg per capita and year by 2025 and 130 kg per capita and year by 2030. Each country should be obliged to reach the 65% recycling target by 2025 and 70% by 2030 for Municipal Solid Waste (MSW), unless they produce less than the above-mentioned caps on the amount of residual waste. In that case, their recycling objective would then be the difference between their total MSW generation and these residual caps. Such an approach would incentivise waste minimisation and at the same time give some time for the less performing (also generating less waste in total) Member States to catch up for recycling achievements.

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Section 2

Closing the loop – An EU action plan for the Circular Economy

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The EEB particularly supports:

- The potential introduction of legally binding requirements on **reparability, durability and recyclability** of energy-related products under the **EU Ecodesign Directive**;
- The consideration of additional measures to extend the **minimum lifetime for consumer products**;
- The intention to strengthen **demand for secondary raw materials** through quality standards; and
- The ambition to improve **traceability of toxic chemicals** in material loops.

However, the EEB considers the further development of the following elements to be crucial:

1. Establish a coherent **Policy Framework and Headline Target on Resource efficiency** instead of providing only a monitoring concept without any link to national economic policies
2. Deliver concrete **Measures on Product Design** including a distinctive work programme for important sectors not covered by the current EU Ecodesign Directive
3. Strengthen the use of **Public Procurement and EU Product Policy instruments** in a Circular Economy, and enhance the possibilities for market incentives to stimulate demand for resource-saving products and services
4. Reinforce the important link between **EU Chemicals Policy and the planned EU strategy on plastics** to ensure phasing out and tracing chemicals of concern along circular value chains
5. **Integrate measures of the Action Plan impacting Waste Management** into the ongoing revision of EU waste legislation (Section 1) to create legal conditions ensuring a concrete implementation of the action plan and reinforcing the proper integration of waste policy within circular economy

1. Policy Framework and Headline Target on Resource Efficiency

Key demands

- **Agree on an economy-wide headline target of at least a 30% increase in EU resource productivity**
- **Include biotic resources such as land and water use as well as biodiversity in the scope**
- **Embed the reduction of Raw Material Consumption and the decoupling from its environmental impacts within a revised EU 2020 strategy and a renewed EU sustainable development strategy for 2030**
- **Add an accountability mechanism for the implementation of the EU action plan for the circular economy**

As part of their commitment to the UN Sustainable Development Goals, the European Union and its Member States must aim to reduce their absolute consumption of natural resources. The circular economy is about decoupling the EU economic development from its environmental footprint. Europe consumes a relatively high share of biotic and abiotic resources compared to the carrying capacity of the planet.¹⁵ As part of the revision process for the EU 2020

¹⁵ http://www.footprintnetwork.org/ecological_footprint_nations/

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strategy, Member States should agree on a resource productivity target of at least 30% for 2015-2030 to monitor the transition towards a resource-efficient circular economy. As regards measurement, this lead indicator should first be based on Raw Material Consumption, including imports, while we continue exploring the possibility to document the Total Material Consumption, which more comprehensively reflects our impact on natural resources. By the end of 2017 the Commission should also propose sub-indicators to measure Europe's footprint of land, water, materials and carbon, for use at a European and national level as part of the planned Monitoring Concept for the EU Circular Economy Package. In addition, the EEB recommends developing an aggregate indicator to capture relevant impacts of our resource consumption on biodiversity.

Implementing a European resource productivity target of at least 30% could boost GDP by nearly 1%, while creating over two million jobs more than under a business-as-usual scenario until 2030.¹⁶ To grasp these benefits EU Member States are particularly encouraged to consider rebalancing taxes from labour to resources use. The Commission should be required to provide best practice examples for circular economic incentives, and encourage their uptake at a national level, e.g. through the European Semester Process. The planned Monitoring Concept should include an accountability mechanism for the implementation of the EU action plan for the circular economy so that the Commission establishes a transparent process for collaboration and reporting not only to the European Council and the European Parliament but also to other stakeholders in a timely manner. In addition, the Commission should start developing a new and comprehensive EU Sustainable Development Strategy for 2030 echoing the 7th Environmental action plan, putting conservation of natural resources and the circular economy at its core.

2. Measures on Product Design

Key demands

- **Swift release of the next Working Plan for further implementation of the EU Ecodesign Directive**
- **Define information requirements on product durability, extended warranty time, availability of spare parts and access to repair services**
- **Make sure that the Commission establishes procedures for investigating product design requirements also for non-energy related products**

At this point there is no clear indication that the Commission will finally walk the talk on other parts of the circle. This is illustrated by the delay on two concrete measures listed at the top of the EU Circular Economy Action Plan: the adoption of a new Ecodesign working plan, which was supposed to cover the period 2015-2017, and the as-yet unreleased measure on displays and TVs, which has been stalled for several years. Both are supposed to address resource use aspects on top of energy consumption at the design stage of products, and the hesitation by the Commission does not fit well with its declaration and promises.

It needs to be ensured that within future preparatory studies and product-specific implementing measures design options supporting better reparability or durability are identified, selected materials are addressed by specific design-for-recycling options and problematic or hazardous substances hindering cost-effective recovery and non-

¹⁶ http://ec.europa.eu/environment/enveco/resource_efficiency/

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toxic material cycles are either substituted or made removable from products. Establishing mandatory information requirements on resource-related aspects can be a useful contribution to facilitate and promote longer lifetimes and maintenance, repair and reuse, re-manufacturing or recycling of key components or materials embedded in products. Such information requirements can already be applied very broadly on any new or revised implementing measures under the EU Ecodesign directive.

The scope of the EU Ecodesign Directive is today limited to energy-related products, but other priority sectors and product groups should also be addressed as early as the design stage. The EEB calls for the establishment of a separate work programme on non-energy related products to explore the possible development of generic design requirements e.g. for furniture and textiles.

Already in the evaluation of the EU Ecodesign Directive from 2012¹⁷, the potential benefits of extending the scope to other sectors was highlighted. These European wide investigations to develop and test the methodology for setting future information and design requirements for product groups currently not covered by the existing Policy Framework should become part of the Commission's Action Plan on the circular economy. They should build on existing activities in EU member states and involving key stakeholders along the value chain. Based on these investigations an evaluation could further assess the most suitable policy options e.g. regarding the extension of scope of the Ecodesign Directive, or integration into a different EU policy framework.

3. Public Procurement and EU Product Policy instruments

Key demands

- **Make Green Public Procurement (GPP) the default option and strengthen existing targets**
- **Ease the setting of economic incentives and disincentives, notably VAT rate variation**
- **Establish product passports to foster new competitive fields and accelerate market transformation**

Both The European Council and Parliament should insist that the Commission take action on immediate resources-saving measures and take clear steps forward to implement the action plan. Strong political support is needed, particularly to mobilise the potential of EU-wide product policy instruments for the transition to a more circular economy and the creation of new business opportunities. The EEB proposes reinforcing “pull” measures to stimulate market development such as: Green Public Procurement (GPP), support to the reuse sector, access to EU funds for circular economy projects, eco-design incentives through EPR fees, modulation or consumer legislation. A first lever is to unleash the potentials of GPP by requiring that it becomes the default choice for public authorities and by setting staged binding objectives instead of the mere indicative target that we have today.

Fiscal and financial incentives, such as reduced VAT rates, for resource-saving products and services and/or products made to last and be easily repaired should be allowed and promoted. Finally the Commission should develop a model for a product passport that requires manufacturers to provide standardised information – for example on resources included in products, the expected durability of the product, the availability of spare parts repair and recycling potentials. This could trigger new competition and increase market transformation.

¹⁷ http://cses.co.uk/ecodesign_evaluation/documents/

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4. EU Chemicals Policy and the planned EU strategy on plastics

Key demands

- **Disclose information on hazardous content of products and improve traceability for chemicals of concern across value chains, notably for plastics**

The presence of hazardous substances in products reaching the end of life stage can lead to contamination of recycled materials, thus hampering their quality in comparison with primary raw materials and posing a major risk of losing public and market confidence in the circular economy. By phasing out or tracking such chemicals continuously, it should be possible to separate contaminated material streams in the future so that toxic legacies are not reintroduced into the economy.

Increased transparency through a disclosure of information as already required by REACH (article 33 - right to know) made more accessible and as relevant a marking/labelling of as-yet non-substitutable materials of concern would ease repair services, enhance cost-effective recycling and support new business models and incentive schemes, while facilitating market surveillance. This is particularly important to improve traceability for chemicals of concern across value chains. More in-depth analysis of circular economy scenarios should better inform decisions on restrictions and/or the authorisation of hazardous substances in the future. In particular, the interface between circular economy policies and EU chemicals legislation (REACH, RoHS, CLP) needs to be addressed when dealing with plastics.

5. Integrate measures of the EU Action plan in the legislative proposals

Key demands

- **Require the definition of binding targets and measures for the prevention of food waste and marine litter in the revised WFD and PPWD**
- **Reference actions on Ecodesign of products, market incentives and better information in the legal texts**

The European Council and Parliament have only limited possibilities to influence the EU Action Plan on the Circular Economy but should grasp the opportunities opened by the legal revision of the waste policy (see Section 1). Measures for preventing food waste and marine litter need to become part of legal provisions instead of being listed only in the non-binding communication from the European Commission.

The EEB also proposes to reference certain actions as part of the legal text to create a legal commitment for the Commission and/or Member States to act. This should for example take the form of legal provisions requiring the Commission to conduct studies and perform assessments in the coming years after the adoption of the revised waste legislation with a view towards possibly suggesting legal proposals and/or economic schemes. The EEB considers that it would be particularly valuable for the circular design of products beyond energy-related products, for reformulating essential requirements for packaging, for better taking into account the outputs of recycling processes and defining modulating fees for producer responsibility schemes at EU level. Additionally such

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provisions could also target information schemes for products placed on the European market as well as market incentives for products and services saving on resources compared to baseline offers.

Conclusion

The EEB welcomes the publication of the European Commission proposals on the new EU Circular Economy Package from 2 December 2015, in particular for its role in putting circular economy high on the agenda of the Commission President Juncker's team. It also allows the debate on the revision of EU waste legislation to continue where the most urgent priority is to restore the weakened ambition compared to the July 2014 proposal, notably on recycling targets.

For the EU Action Plan to deliver on the product side of the circle, it is essential now that the implementation stage is followed up closely by both the Council and the Parliament. This is particularly important in terms of the swift release of an ambitious Ecodesign Working Plan grasping the immediate potential of circular economy aspects of products at the design stage, notably of electronics and ICT.

Finally, the EU institutions need to agree on a headline target for resource efficiency, guiding policy options towards an absolute reduction of resource consumption in Europe as part of the revision process for the EU 2020 strategy and to be followed up by developing a comprehensive Sustainable Development Strategy for 2030.

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