

## Greater Manchester Brussels Service

### Briefing: Toward a Circular Economy in Europe

Today - 2 July 2014 - the European Commission (EC) has launched the “Circular Economy Package” - the new EC vision and ambition plan to turn Europe into a zero waste economy. The Package comes with a number of proposals including new binding targets for recycling, landfill and public procurement, and also recommendations for new business models and behaviours change interventions.

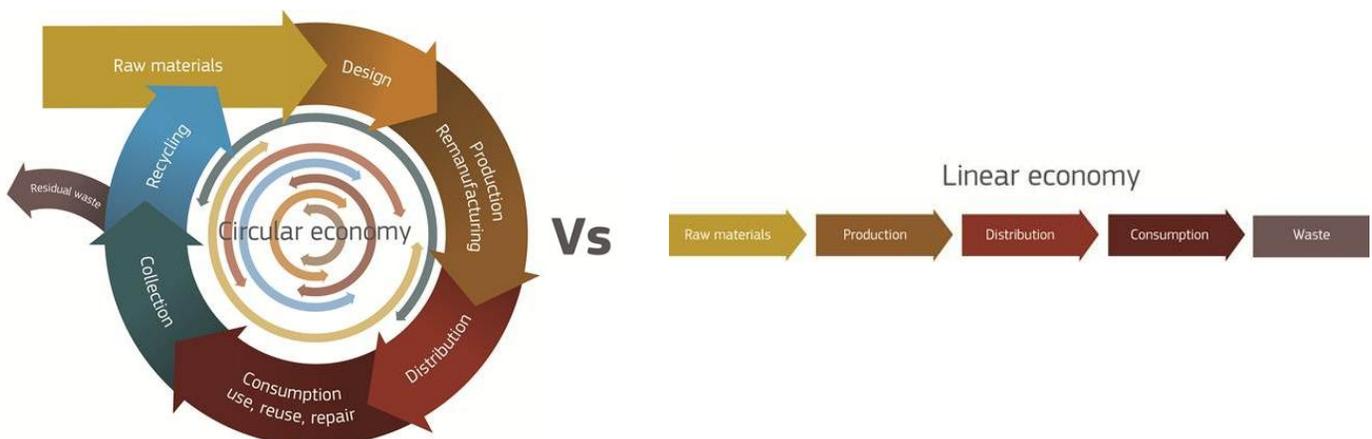
The new proposals will affect us all. It will have an impact on national governments, local and regional authorities, businesses and us (as the consumers).

All these changes will no doubt affect the way we live and do business, but they have also got the potential to bring new opportunities for growth and jobs. The Package highlights some of those opportunities and it makes a number of recommendations on how some of the current European Funds - such as Horizon 2020 or the Structural Funds - could help to unlock some of those opportunities as well as helping Member States to achieve the ambitions goals and targets.

This EU Briefing gives you a summary of the proposed plans highlighted in the Package.

#### What is a Circular Economy?

A more circular economy re-uses, repairs and recycles materials and products more efficiently. What used to be regarded as ‘waste’ is turned into a resource. Resources are managed more efficiently throughout their whole life cycle – from product design so they last longer, are easier to repair, upgrade or recycle, to new business and market models; from new ways to turn waste into new resources to new models for consumer behaviours. A circular economy relies more on reuse and quality recycling and much less on primary raw materials.



# Policy Framework

## 1. Design and Innovation

Innovation should be introduced throughout the whole cycle, with design for products, services and production processes at the heart of the innovation process. This could include new ways to reduce the material used in a product or service or to increase its durability, but it could also look at identifying or creating new markets for recycled materials, new business models, behaviour change incentive or other interventions such as encouraging consumer to rent/lease instead of owning products, etc.

The European Commission proposes to:

- Facilitate the development of more circular models and services, including further developing the application of the [Eco-design Directive](#) to include new criteria related to durability, modularity, reusability and recyclability.
- [Horizon 2020](#), the new EU programme in support of R&D and innovation, will have the circular economy at the heart of some of their funding calls.
- Encourage the cascading principle in the sustainable use of biomass.

## 2. Unlocking Investment

The European Commission proposes to:

- Take up and further develop some areas of opportunities such as innovative financial instruments, clarifying the sustainability responsibility of financial institutions, and exploring the potential of bonds market.
- Prepare new guidance on Green Public Procurement (GPP). Encourage Members States to support innovative instruments such as Pre-commercial Procurement and Public Procurement for Innovation and to reach to a 50% GPP target.
- Integrate circular economy further into EU funding (in particular ESIF) and regional smart specialisation strategies.

## 3. Consumers and SMEs

The focus here will be about ensuring that the costs and the benefits from a circular economy are fairly shared across the whole value chain – producers, investors, distributors, consumer and recyclers. Particular attention will be given to enable businesses to adapt to new resources trends, to tap into new market opportunities, as well as ensuring that the necessary skills base is available in the labour market.

The European Commission proposes to:

- Build on the results of the [Environmental Footprint](#) pilot.
- Encourage stakeholder collaborations through Horizon 2020, the [Eco-Innovation Action Plan](#) and the [Green Action Plan for SMEs](#) (to be adopted soon).
- Build on the [Raw Materials European Innovation Partnership](#).
- Support employment creation through enhanced policy coordination and directing EU funding to programmes that support green growth.

# Waste as a Resource

## 1. Waste Targets

There are considerable differences between Member States in terms of their recycle and landfill performance. Some have almost eliminated the landfill of their municipal waste, reaching recycling rates of 85%, while others have over 90% of their municipal waste going to landfill.

The European Commission proposes to:

- Boost recycling of municipal waste to a minimum of 70% by 2030.
- Increase the recycling rate for packaging waste to 80% by 2030, with interim targets of 60% by 2020 and 70% by 2025.
- Ban the landfill of recyclable waste (eg. plastic, metals, glass, paper and cardboard and biodegradable waste) by 2015.
- Promote the development of markets for high quality secondary raw materials.
- Extend the ban to all recoverable municipal waste by 2030. The landfill of non-recoverable waste will be limited to a maximum of 5%. Energy recovery from waste will be limited to non-reusable and non-recyclable waste.

## **2. Simplification and better implementation of waste legislation**

The European Commission proposes to:

- Address overlaps amongst waste targets and align definitions.
- Simplify reporting obligations from Member States and SMEs.
- Introduce annual reporting to Eurostat through a single entry point for all waste data, and revise the Waste Statistics Regulation.
- Computerise data monitoring systems and third party data verification in Member States.
- Establish early warning mechanisms to ensure that Member States with the largest distance to travel put in place appropriate measure to meet their targets on time.
- Lay down minimum operating conditions for extended producer responsibility schemes.
- Promote direct investment in waste management options at the top of the waste hierarchy.
- Allow Member States to exempt SMEs collecting/transporting non-hazardous waste from some requirements under the WFD.

## **3. Waste Challenges**

Six specific challenges are mentioned in the Package: marine litter, construction and demolition waste, food waste, hazardous waste, plastic waste and recycling of phosphorus.

The European Commission proposes to

- Reduce target for marine litter to 30% by 2020 for the ten most common items of litter found on beaches, with this list adapted to each of the four marine regions in the EU.
- Introduce new measures to stimulate markets in recycled materials derived from construction and demolition waste and develop a common EU assessment framework for environmental performance of buildings.
- Reduce food waste by 30% by 2025.
- Develop a registry system for hazardous waste in all Member States.
- Ban of all plastics from landfill by 2015.
- New policy framework to enhance recycling of phosphorous.

## **4. Resource Efficiency Targets**

The European Commission proposes to:

- Further develop the [Resource Efficiency Scoreboard](#).
- Establish commonly accepted methodology to calculate Raw Material Consumption at national level.

## ANNEX

### Timeline and Some Deadlines

2 July 2014	EC to present its new Circular Economy Package.
1 July 2014	EC to present its new Communication on “Green Employment”.
2 July 2014	EC to present its new Communication on “Building a Sustainable European Food System”.
2 July 2014	EC to present its new Communication on “Resource Efficiency Opportunities in the Building Sector”.
12 December 2014	All Member States having waste prevention programmes.
2015	EU to strength targeted support to SMEs through EU level funding and SME support networks to upgrade the green skills of their workforce.
1 April 2016	Deadline for Member States to transpose the rules of the EU Public Procurement Directive into their national law (except with regard to e-procurement, where the deadline is September 2018).
26 September 2016	Deadline for 45% collection rate for batteries.
1 January 2020	Deadline for at least 50% of all household waste to be reused or recycled.
2020	Deadline for 30% reduction of marine litter.
31 December 2025	Deadline for at least 30% reduction of food waste across the manufacturing, retail/distribution, food service, hospitality and household sector.
2025	Ban for landfill recyclable waste.
2025	Deadline for separate collection of bio-waste.
2025	Ban on plastic bags to landfill.
31 December 2025	All Member States to report data concerning targets to Eurostat.
1 January 2030	Deadline for 70% of all municipal waste to be recycled or re-used.
1 January 2030	Ban for landfill non-residual waste.
31 December 2030	Deadline for 80% packaging waste to be recycle or reduced. With interim targets for 60% by2020 and 70% by 2025.

### Links

[New Waste Directive](#)

[Circular Economy](#)

[Green Employment](#)

[Resource Efficiency Opportunities in the Building Sector](#)

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