

Greater Manchester Brussels Service

Briefing: Circular Economy Package

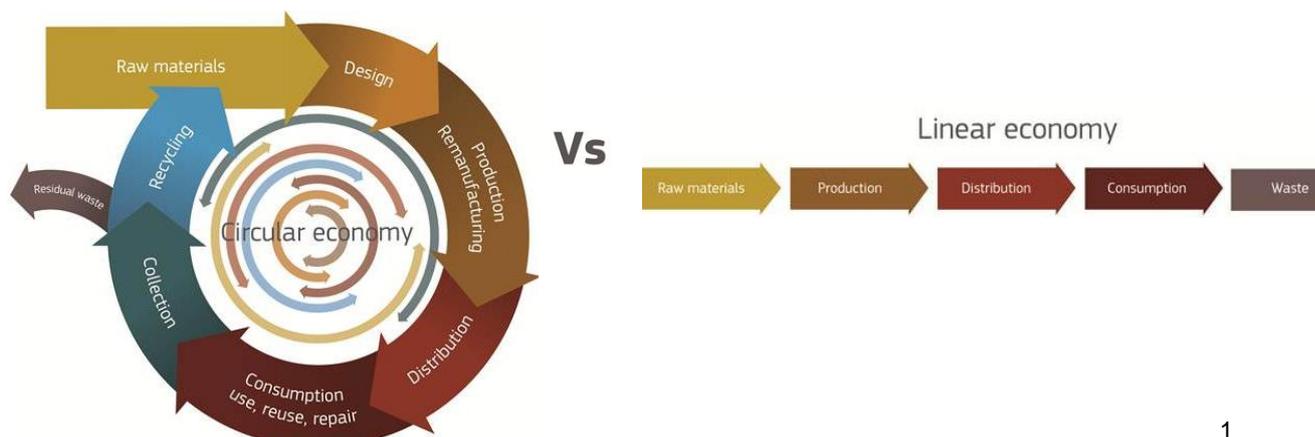
The European Commission (EC) launched its revised draft “Circular Economy Package” in December 2015. This represents the new EC vision to turn Europe into a zero waste economy. The Package comes with a number of proposals including new binding targets for recycling and landfill, and also recommendations for new business models and behaviours change interventions.

All these changes will no doubt affect the way we live and do business, but also it represents a great opportunity to radically change the way Europe deals with some of the greatest challenges of our generation - waste reduction and climate change. The new proposals will impact national governments, local and regional authorities, businesses and us (as the consumers).

This EU Briefing gives you a summary of the proposed plans highlighted in the Package, and also an analysis of a number of actions that are currently followed up by the UK Wastes Disposal Authorities to get the best outcome for the UK.

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.



What the EC Package consists of?

1) Revised legislative proposals on waste

- A revised [Waste Framework Directive](#) with new calculation method explained [here](#). The last revised Directive is from 2007-8).
- A revised [Landfill Directive](#).
- A new Directive amending three Directives: [end-of-life vehicles, batteries and accumulators and waste batteries and accumulators, and waste electrical and electronic equipment](#).
- And a revised [Waste Packaging Directive](#), with new calculation method [here](#).

2) Action Plan on the Circular Economy

The [Action Plan](#) will complement the legislative proposals by setting out measures to 'close the loop' of the circular economy and tackle all phases of lifecycle of a product from production and consumption to waste management and market for secondary raw materials. The action plan also includes a number of actions that will target market barriers in specific sectors or material streams, such as plastics, food waste, critical raw materials, construction and demolition, biomass and bio-based products, as well as horizontal measures in areas such as innovation and investment. [An annex](#) of the plans outlines the separate future initiatives on key sectors and materials

This [Q&A](#) memo from the Commission on the whole package is a useful read to see the overall impacts of the proposals.

Legislative Proposals on Waste Explained

The revised legislative proposals on waste set clear targets for reduction of waste and establish an ambitious and credible long-term path for waste management and recycling. Key elements of the revised waste proposal include:

- A common EU target for recycling 65% of municipal waste by 2030;
- A common EU target for recycling 75% of packaging waste by 2030;
- A binding landfill target to reduce landfill to maximum of 10% of municipal waste by 2030;
- A complete ban on landfilling of separately collected waste;
- Promotion of economic instruments to discourage landfilling;
- Simplified and improved definitions and harmonised calculation methods for recycling rates throughout the EU;
- Measures to promote re-use and stimulate industrial symbiosis - turning one industry's by-product into another industry's raw material;
- New requirement for producers to put greener products on the market and support recovery and recycling schemes (e.g. for packaging, batteries, electric and electronic equipment, vehicles).

An important change in the package is to apply the recycling targets to **'municipal waste'** rather than **'household waste'**. At the same time a definition of municipal waste has been introduced, which as well as household waste includes 'mixed waste and separately collected waste from other sources that is comparable to household waste in nature, composition and quantity'. It seems then that paper from office waste could also be included.

However **industrial and commercial landfill and recycling targets** is still not included, which is the vast majority of total waste by weight.

The recycling target will now be referred to "the weight of the input waste entering the **final recycling process**" rather than simply calculating the volume of material collected overall - e.g. the paper mill. The Commission also adds, that "in order to limit administrative burdens, Member States should be allowed, under strict conditions, to report recycling rates on the basis of the output of sorting facilities. Losses in weight of materials or substances due to physical and/or chemical transformation processes inherent to the final recycling process should not be deducted from the weight of the waste reported as recycled".

Food waste prevention is an integral part of the Commission's new Circular Economy Package. Reducing food waste has the potential to bring financial and environmental savings and will improve food security. Among other actions, the Commission is planning to:

- Elaborate a common EU methodology to measure food waste.
- Create a new platform involving both Member States and actors in the food chain in order to help define measures, facilitate inter-sector co-operation, and share best practice and results achieved.
- Take measures to clarify EU legislation related to waste, food and feed and facilitate food donation.
- Examine ways to improve the use of date marking by actors in the food chain and its understanding by consumers, in particular "best before" labelling.

What is Next?

All the proposals need to be agreed by the European Parliament and European Council.

A rapporteur for the Parliament, Simone Bonafé MEP, has been appointed. Bonafé will complete her Report in spring and will be then taken to the Parliament's Plenary around 7-8 November 2016. Further proposals in relation to the Circular Economy will be released throughout 2016 as foreseen in the Commission's Action Plan.

How this affects UK?

The UK will need to develop its own position and put this forward to the European Council. Resource Minister Rory Stewart MP attended the Council meeting on 4 March in Brussels where the Circular Economy Package was discussed by all EU Environmental Ministers for the first time, the package received general support but some concerns were raised by some Council Ministers around the achievable of some of targets.

Greater Manchester Waste Disposal Authority has been working with Merseyside and the London Waste Disposal Authorities and are actively engaging in the European process. They have agreed a list of key lobbying points which can be found in **Appendix A** of this briefing.

We are also starting discussions in Greater Manchester (GM) on the business innovation side. The Action Plan on the Circular Economy sets out many future initiatives and it is important that we are aware of possible future opportunities and challenges in order to prepare GM businesses in designing out waste and being a leader in this area.

Innovation will play a key role in this transition period. Europe will have to rethink its own production and consumption circle, and how to transform waste into high value-added products. This will require new technologies, processes, services and business models. It will require a new mentality from consumers and the industry, one that could shape the future of our economy and society.

Some support is already available through Europe to take industry innovation into action. The Horizon 2020 work programme 2016-2017 has included a major initiative: "Industry 2020 in the circular economy", which will grant over €650 million for innovative demonstration projects that support the objectives of the circular economy and industrial competitiveness in the EU in a wide range of industrial and service activities, including process industries, manufacturing, and new business models. It also explores a pilot approach to help innovators facing regulatory obstacles (e.g. ambiguous legal provisions), by setting up agreements with stakeholders and public authorities ('innovation deals').

Resource efficiency and eco-innovation are also key priorities for the Interreg Programmes – Northwest Europe, Atlantic Area and Interreg Europe -, as well as URBACT III.

Useful Links

[Circular Economy Factsheets](#)

[Proposed Directive on Waste](#)

[Proposed Directive on Packaging Waste](#)

[Proposed Directive on Landfill](#)

[Proposed Directive end-of-life vehicles, batteries and accumulators and waste batteries and accumulators, and waste electrical and electronic equipment.](#)

[Circular Economy Public consultation results](#)

[Horizon 2020 Work Programme Climate Action, Environment, Resource Efficiency and Raw Materials](#)

[Horizon 2020 Industry 2020 in the circular economy](#)

[Greater Manchester Brussels Service](#)

New Economy

17 March 2016

Appendix A

The points signpost policy makers to where the **Joint Waste Disposal Authorities** (JWDAs) - Greater Manchester Waste Disposal Authority, Merseyside and London Waste Disposal Authorities - believe action is required to ensure the Circular Economy proposals are developed to get the best outcome for the UK.

1. **Planning and Leadership** – strong leadership is required from Government now to give long term certainty that will enable effective planning to take place to deliver the right investment in infrastructure and market development.
2. **Cost of Change** – compliance with the Circular Economy proposals will cost more and there needs to be clarity over where that cost will fall. Local authorities are taking greater responsibility for budgets and spending at a local level however compliance with the Circular Economy proposals will require clear, long term national policy. Policy will need to move cost burdens further up the commodity chain towards the primary stages of resource extraction and processing rather than imposing additional cost at the local authority end of the chain of utility.
3. **Tonnage based targets** – weight based targets do not encourage the best environmental or economic outcome and the JWDAs would want to work with Government to develop alternate metrics that more accurately measure the environmental benefit to determine material specific targets which reflect what industry can realistically achieve and for these proposals to be promoted with the European Commission and to seek to gain agreement to their use as part of the final Circular Economy proposals.
4. **Waste composition** - The ability of Local authorities to achieve high recycling rates is largely determined by the availability of garden waste and property type. Therefore, there is an opportunity to improve UK recycling performance through differential recycling targets that set a higher recycling target for local authorities in predominantly rural/leafy suburbs which have the greatest potential to improve performance at the lowest overall cost.
5. **The Municipal Solid Waste (MSW) Definition** – the proposal for a common definition of MSW is welcomed. The JWDAs seek clarity on whether Incinerator Bottom Ash (IBA) will be included in UK statistics given the impact this can have on performance. Clarity is also sought on how commercial waste captured under the wider definition will be monitored and tracked. The JWDA suggestion is for electronic duty of care recording to be mandatory for all waste streams and for this to be used as the data source.
6. **Timescales for transformation** – Linking back to the first point, the time that will be required for contract variations, infrastructure development, market development and behavioural change is significant emphasising the need for long term policy and leadership now.
7. **The Duty to Recycle** – in addition to market development, critical to achievement of the targets will be engagement of residents to capture significantly greater quantities of higher quality material for recycling. There needs to be the ability for local authorities to continue to incentivise good behaviour but for this to be supported by a duty to recycle and powers of enforcement where residents fail to comply.
8. **Harmonisation of systems** - The programme to harmonise collection systems is broadly welcomed, however, this work should recognise that the range of materials collected needs to be determined by markets, which will need to be able to absorb the

volume of materials that will result from a common system. Cost pressures will also drive local authorities towards similar collection systems. The programme, therefore, needs to work with what the market for both collection and materials is most likely to deliver.

9. **Market development** – the analysis shows current markets cannot support the achievement of the 65% target either from capacity or the range of materials accepted. If the markets are not sustainable, local authorities cannot collect the material. Long term certainty is needed now to ensure that the reprocessing capacity and demand is developed in time for additional materials and new types of materials to be presented for reprocessing