Circular Economy Package Report: Questions & Answers

What is the Circular Economy?

To ensure sustainable growth for the EU we have to use our resources in a smarter, more sustainable way. It is clear that the linear model of economic growth we relied on in the past is no longer suited for the needs of today's modern societies in a globalised world. We cannot build our future on a 'take-make-dispose' model. Many natural resources are finite, we must find an environmentally and economically sustainable way of using them.

In a circular economy the value of products and materials is maintained for as long as possible; waste and resource use are minimised, and resources are kept within the economy when a product has reached the end of its life, to be used again and again to create further value. This model can create secure jobs in Europe and promote innovation that give a competitive advantage. It can also provide consumers with more durable and innovative products that provide monetary savings and an increased quality of life.

What was in the Commission's Circular Economy Package?

To facilitate the move to a more circular economy, in December 2015 the Commission put forward a first Circular Economy Package, which included revised legislative proposals on waste, as well as a comprehensive Circular Economy Action Plan setting out a concrete mandate for this Commission's term of office.

The Action Plan on the Circular Economy set out measures to "close the loop" of the circular economy and tackle all phases in the lifecycle of a product: from production and consumption to waste management and the market for secondary raw materials. The Action Plan also included a number of actions that will target market barriers or boost circularity 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.

In 2018, this first set of measures was complemented by the second Circular Economy Package, including the EU Strategy for Plastics in the Circular Economy, Monitoring Framework of Indicators for the Circular Economy, a Communication on the interface between chemicals, products and waste legislation. The Commission also made a proposal for a Directive addressing single-use plastics and fishing gear – the two most important sources of European plastic marine litter.

What has been done to promote innovation and investment? How has private financing contributed to investments in the Circular Economy?

Over the 2016-2020 period, the Commission has stepped up efforts in both

directions **totalling more than €10 billion** in public funding to the transition. This includes:

- €1.4 billion from Horizon 2020 until 2018, of which €350 million allocated to making plastics circular.
- At least €7.1 billion from Cohesion Policy (€1.8 billion for uptake of eco-innovative technologies among SMEs and €5.3 billion to support the implementation of the EU waste legislation); in addition, significant support is available through smart specialisation for market-led innovation and deployment.
- €2.1 billion through financing facilities such as the European Fund for Strategic Investments and Innovfin.
- At least €100 million invested through LIFE programme in more than 80 projects contributing to a circular economy.

To stimulate further investments, the Circular Economy Finance Support Platform has produced recommendations to improve the bankability of circular economy projects, coordinate funding activities and share good practices. The platform will work with the European Investment Bank on providing financial assistance and exploiting synergies with the action plan on financing sustainable growth.

Circularity should also remain a pivotal theme under the upcoming Horizon Europe programme, as well as the LIFE programme, both currently under discussion between the co-legislators.

What has been done to address specific challenges in the plastics industry? What about marine litter?

The EU Strategy for Plastics in a Circular Economy is the first EU-wide policy framework adopting a material-specific lifecycle approach to integrate circular design, use, reuse and recycling activities into plastics value chains. As such, it is a catalyser for action. The Strategy sets out a clear vision with quantified objectives at EU level, so that inter alia by 2030 all plastic packaging placed on the EU market is reusable or recyclable.

The recently established Circular Plastics Alliance will facilitate next steps by businesses to bridge the current gap between the supply and demand for recycled plastics, improve the quality and economics of plastics recycling and thus achieve the EU target that 10 million tonnes of recycled plastics find their way into products in Europe by 2025. In response to the call from the Commission, 70 companies and business organisations submitted voluntary pledges to produce or use more recycled plastics by 2025. The pledges submitted by industry so far will increase the market for recycled plastics by at least 60% by 2025, but further efforts are necessary to ensure the 10 million tonnes target is reached.

Key milestones were already delivered to achieve higher quality recycling of plastics. These include the new recycling target for plastic packaging, set at 55% in 2030, obligations for separate collection and improvements in Extended Producer Responsibility (EPR) schemes. The latter are expected to facilitate design for recyclability through ‘eco-modulation’ of producers’

fees.

Evidence of potential health and environmental risks of microplastic pollution justifies restricting the use of intentionally added microplastics. The Commission has requested ECHA to prepare an opinion on microplastics intentionally added to products, which once ready the Commission will analyse.

The rules on Single-Use Plastics items and fishing gear, addressing the ten most found items in EU beaches, on port reception facilities, and the Commission's proposals on fisheries control, place the EU at the forefront of the global fight against marine litter – one of the major concerns of EU citizens when it comes to plastic pollution.

These sets of tailored measures, undergoing final steps of the legislative procedure, include:

- A ban on selected single-use products made of plastic (cotton bud sticks, cutlery, plates, straws, stirrers, sticks for balloons), cups, food and beverage containers made of expanded polystyrene and on all products made of of oxo-degradable plastic.
- Measures to reduce consumption of food containers and beverage cups made of plastic and specific marking and labelling of certain products.
- A target to incorporate 25% of recycled plastic in PET bottles as from 2025 and 30% in all plastic bottles as from 2030, as well as a 90% separate collection target for plastic bottles by 2029 (77% bottles by 2025) and the introduction of design requirements to connect caps to bottles.
- Extended Producer Responsibility schemes covering the cost to clean-up litter, applied to products such as tobacco filters and fishing gear.

Measures aimed at reducing plastic litter from ships such as the establishment of a flat fee for waste from ships. Improved reporting obligations for lost fishing gear and obligations for marking and control of fishing gear for recreational fisheries.

How has waste management improved?

To modernise waste management systems in the Union and to consolidate the European model as one of the most effective in the world, a revised waste legislative framework entered into force in July 2018. This includes:

- new ambitious yet realistic recycling rates: by 2030, 70% of all packaging waste and 60% of municipal waste (65% by 2035) should be recycled, while reducing landfilling of municipal waste to 10%.
- simplification and harmonisation of definitions and calculation methods and clarified legal status for recycled materials and by-products;
- reinforced rules and new obligations on separate collection (bio-waste, textiles and hazardous waste produced by households, construction and demolition waste);
- minimum requirements for Extended Producer Responsibility;
- strengthened waste prevention and waste management measures, including

for marine litter, food waste, and products containing critical raw materials.

The Commission is supporting and engaging with Member States in the implementation of the waste legislation to increase visibility and understanding of circular economy opportunities in those Member States that have the biggest challenges in meeting their recycling targets. Through targeted country visits led by Commissioners, experts from different Member States will share experiences and advise on how to reach best the objectives of the waste policies.

What has been done to promote the conversion of waste into resources (secondary raw materials)?

The new Fertilising Products Regulation introduces harmonised rules for organic fertilisers manufactured from secondary raw materials such as agricultural by-products and recovered bio-waste. The new Regulation will facilitate the conversion of bio-waste into a useful fertilising material and make European farming less dependent on imported mined and fossil raw materials such as natural gas and phosphate rock.

A proposal for a Regulation on minimum requirements for water reuse was adopted on 28 May 2018. The proposed legislation sets minimum requirements for reused water for agricultural irrigation. It aims at encouraging the safe, efficient and cost-effective reuse of treated urban wastewater, thus turning a wasted resource into a valuable one for further use and addressing water scarcity.

A Communication adopted in January 2018 on the interface between chemicals, product and waste legislation launched a wide debate on the way to tackle four main obstacles impeding the safe uptake of Secondary Raw Materials. A preliminary analysis of the results of the consultation confirms general agreement among stakeholders on the relevance of the identified barriers.

What has been done to promote resource efficiency, reparability of products and to fight planned obsolescence?

Ecodesign and Energy labelling measures together have already provided energy savings roughly equal to the energy consumption of Italy. The Ecodesign Working Plan 2016-2019, proposes a list of new product groups (building automation and control systems, electric kettles, hand dryers, lifts, solar panels and inverters, refrigerated containers, high-pressure cleaners) and reviews of existing ones. These new methods and revisions are expected to provide further energy savings equivalent to the energy use of Sweden. The working plan also intends to promote the reparability, upgradability, durability, and recyclability of products by extending the scope of ecodesign requirements beyond energy efficiency.

Besides the Ecodesign Directive and the Energy Labelling Regulation, various EU policies already address sustainability of products, including voluntary tools such as the EU Green Public Procurement criteria or the EU Ecolabel.

How has food waste been tackled?

The revised Waste Framework Directive requires Member States to reduce food waste generation at each stage in the food chain. In order to support food waste prevention and monitoring towards the global Sustainable Development Goal food waste target (SDG 12.3), the Commission is elaborating a harmonised methodology to measure food waste at each stage of the food supply chain.

Food waste is also included in the Monitoring Framework of Indicators for the Circular Economy. The platform is currently analysing the conditions for a common EU monitoring and reporting framework, to enable reporting on food waste amounts.

In April 2018, the Commission published EU Guidelines for the feed use of food no longer intended for human consumption. Facilitating food donation is also crucial to prevent food waste.

What has happened in the construction and demolition sectors?

Waste originating from construction and demolition represents one of the highest waste type volumes in Europe. Valuable materials are not always identified and recovered. Improving waste management in this sector can have a significant impact on the circular economy.

Level(s), the European reporting framework for sustainable buildings with its indicators and life cycle tools, has been developed via a major stakeholder exercise. It includes both resource use indicators and indicators linked to the quality and the value of buildings.

What about biomass and bio-based products?

The EU Bioeconomy Strategy was updated in 2018 and proposes 14 concrete actions in three priority areas:

1. Strengthening and scaling-up the bio-based sectors, unlocking investments and markets.

2. Deploying rapidly bioeconomies across the whole of Europe.

3. Understanding the ecological boundaries of the bioeconomy.

The Renewable Energy Directive (RED II) contains provisions referring to circular economy and waste hierarchy. These address the risk of conflicting use of biomass resources between energy and non-energy sectors and of creating financial incentives that would undermine the separate collection obligations set out in the Waste Framework Directive.

Will consumers have access to information on the environmental performance of products?

The European Commission tested the use of the Product Environmental Footprint method in producing reliable, reproducible and comparable information on the environmental performance of products, considering the whole supply chain,

from the extraction of raw materials to the moment the product becomes waste, is reused or recycled.

Based on the promising results of this pilot phase, the Commission is considering potential future policy applications for the method, including considerations on how to use them for informing consumers on environmental performance.

How is implementation of the Circular Economy Action Plan being monitored?

A Monitoring Framework of Indicators for the Circular Economy was published in January 2018. The framework helps to measure progress towards a circular economy at EU and national level. It is composed of a set of ten key indicators which cover each phase – i.e. production, consumption, waste management and secondary raw materials – as well as economic aspects i.e. investments, jobs, gross value added and innovation. Consistency with the monitoring of other measureable trends such as the progress on the implementation of the 2030 Agenda is ensured by establishing common indicators. The indicators and underlying data are publicly available on a dedicated EUROSTAT website.

For more information

Press release: Closing the loop: Commission delivers on Circular Economy Action Plan

Press release: Closing the loop: Commission adopts ambitious new Circular Economy Package to boost competitiveness, create jobs and generate sustainable growth

Report on the implementation of the Circular Economy Action Plan

Staff working document with details and references for the 54 actions that were listed in the action plan

Staff working document on Sustainable Products in a Circular Economy

Staff working document on the Assessment of the voluntary pledges under Annex III of the Strategy on Plastics

Guidance and promotion of best practices in the mining waste management plans

Report on Horizon 2020 R&I projects supporting the transition to a Circular Economy

Report on insights to inform policy and funding decisions regarding circular plastics

Recommendations of the Finance support to Circular economy Platform

Eurostat press release on progress in the monitoring framework