10 Recommendations to inform the review of the Circular Economy Package

Based on stakeholder discussions and feedback during the joint DYNAMIX-POLFREE policy platform (13-14 April 2015)

Authors:

Francesca Montevecchi, Gerald Berger (Institute for Managing Sustainability, WU Wien, Austria)
Martin Hirschnitz-Garbers (Ecologic Institute, Germany)
Paul Ekins, Teresa Domenech (University College London, UK)

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Introduction

The joint DYNAMIX-POLFREE Policy Platform entitled **"An ambitious Circular Economy Package for Europe: realizing the social, economic and environmental benefits of resource efficiency in Europe"**, took place in **Brussels on 13-14 April 2015.** The Policy Platform brought together high-level experts from different stakeholder groups to discuss findings from two major European research projects on resource efficiency policy (DYNAMIX and POLFREE).

In total, 70 participants from 13 EU Members States working across different sectors from European policy units and national governments to research institutions, industry, civil society organizations, Environment Protection Agencies and international organizations took part in the event. The recommendations are based on interactive group work and stakeholder discussions.

10 Recommendations

Please find below the 10 recommendations for the new Circular Economy Package in Europe, clustered along four themes.

Create the right framework conditions for the Circular Economy

1. Harmonise definitions, data and methods

An ambitious revised European Circular Economy Package (CEP) needs the right framework conditions that support the achievement of CEP's goals and are conducive to their implementation. These include the development of, and agreement on, shared definitions of key terminology and concepts, fostering the harmonization of methodologies for data collection and analysis, and improving the availability of robust and consistent data. The lacks of these may hinder an effective monitoring of the effects of policy interventions as well as the comparison of results and performance across Member States. This may compromise the process of decision-making and eventually lead to ineffective policy interventions.

Successfully implementing the revised CEP therefore requires data (collection) covering the whole supply chain to provide understanding of material flows in the economy (not just at the waste/ recycling stage) to create a "Common Reference Framework" for Member States to assess progress against and meet set objectives as well as identify source of inefficient use of resources and opportunities for resource efficiency. However, the process of improving harmonization of definitions and availability of data should not block or postpone policy progress, but rather be undertaken in parallel.

2. Identify relevant and politically feasible targets as well as appropriate indicators for resource efficiency

Creating the right framework conditions also includes setting relevant, but feasible (short-, medium- and long-term) targets and identifying appropriate indicators to measure and monitor progress towards these targets. Targets should take into account both the magnitude of changes from the baseline needed, and their feasibility in different Member State contexts. Therefore, the targets should allow for flexibility as regards the means and the (short- or medium-term) timeline for their achievement. The assessment of the environmental, social, and economic impacts of the revised CEP should make use of the appropriate indicators. In general, systems of indicators are preferable to

single indicators as they provide a more comprehensive picture of the complex issue of resource efficiency.

Promote waste prevention and using waste as a resource

3. Promote waste prevention

The revised CEP should keep its emphasis on turning waste into a resource through ambitious recycling and waste management targets, but put a stronger emphasis on waste prevention. Actions to promote waste prevention should include: (a) monitoring and data collection, including identification of adequate ways of measuring waste prevention; (b) addressing prevention measures specific to each stage of the value chain, from resource sourcing to product end of life and (c) improving the understanding of the role of new technologies in promoting waste prevention. Among proposed measures the Commission may consider to revise the eco-design directive, extend the minimum warranty period (especially for electronic appliances) in order to reduce planned obsolescence of products, foster establishment and promotion of networks for reuse as well as repair centers, and further improve the implementation of Extended Producer Responsibility. Also comprehensive cost-benefit analysis of waste generation should be undertaken to better understand the costs of waste generation and opportunities to extract value from waste.

4. Support the paradigm shift from “waste” to “resource”:

A crucial step in achieving higher rates of waste prevention and material recovery is to shift the focus from waste to resource management. This paradigm shift will allow recognizing and exploiting the economic value in end-of-life products.

This paradigm shift can be enhanced through policy support measures, such as landfill bans or escalating landfill and incineration taxation, fostering the (more widespread) adoption of Extended Producer Responsibility (EPR) schemes, promoting of high quality recycling and markets for secondary materials, promoting service-based business models, and strengthening and extending eco design guidelines for products and services.

Foster good governance in circular material stewardship

5. Promote sharing of best practices through appropriate programmes and platforms

In the EU, there are many good examples of local initiatives successfully implementing measures to achieve a more Circular Economy. Therefore, a revised CEP should make efforts to tap into the pool of existing knowledge, and promote the sharing and transfer of best practices across Europe, e.g. through setting-up exchange programmes and platforms. Such exchange platforms should promote the principles of transparency and mutual learning, and encourage exchange of experience with the implementation and the scaling up of best practices, in particular among businesses, local governments and civil society. In this latter case, platforms should promote and encourage not just the exchange of best practices at local level, but also foster initiatives for private citizens.

6. Enhance responsible consumption through transparent labeling, product information and traceability

The revised CEP should put emphasis on the importance of sustainable consumption by increasing citizens’ capacities for more sustainable consumer decisions. The new CEP should foster the

availability of credible and relevant product information for consumers, e.g. through labeling and improved traceability of product components along the value chain, and mandatory indications of harmful or hazardous substances used. The use of latest IT technologies can be used to promote transparent and comprehensive consumer information, as Smart Phone applications (e.g. QR codes) to provide relevant information for better informed decision-making.

7. Ensure consistency between funding and environmental policy priorities

The EU should ensure that planned funding areas are consistent with the EU policy priorities that target resource efficiency and Circular Economy objectives. For instance, the Circular Economy objectives should be included into the 2014–2020 European Multiannual Financial Framework.

Reorient the use of taxes and incentives

8. Shift taxes from labour to material use and phase out environmentally harmful subsidies (EHS)

Prices, taxes and incentives are effective policy instruments for meeting resource efficiency objectives. In order to best support the transition towards a Circular Economy, prices should steer action towards resource efficient practices. Resource taxation can provide incentives for actors to adopt more resource efficient practices. Taxation should be shifted from labour to material (and energy) use, and existing environmentally harmful subsidies (EHS) should be phased out. Overall, taxes and incentives should reflect and internalize environmental costs, including effects on human health.

Support the business sector

9. Support business resource efficiency through exchange of know-how and best practices

Achieving a more Circular Economy depends on supporting businesses, in particular SMEs, to become more resource-efficient. This should include fostering networking between businesses to learn from each other and exchange knowledge and best practices, and promoting the optimal use of materials through by-product exchange and cascading of energy and materials, as for instance through developing industrial symbiosis programmes. Policies should be applied to encourage: 1) innovative business models that shift from products to service systems (e.g. leasing instead of ownership), 2) effective sustainable procurement schemes, and 3) adoption of extended producer responsibility schemes.

10. Promote Extended Producer Responsibility

Particular emphasis should be put on Extended Producer Responsibility (EPR) not only as a means to financially contribute to the end-of-life costs but also as a way to promoting design for the environment and keeping valuable materials in the productive cycle for longer through increased reparability and recycling. EPR schemes need to be combined with quality recycling to ensure that valuable resources from waste are recovered, as for instance through proper standards and certifications. EPR programmes should be encouraged to adopt a value chain approach and be complemented with a comprehensive information system across the supply chain to tap into the opportunities of improved resource efficiency.