



EUROPEAN COMMISSION

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C(2017) 3805 final

Dear President,

The Commission would like to thank the Camera dei Deputati for its Opinion on the Circular Economy package {COM(2015) 593, 594, 595, 596 and 614 final}.

The Commission welcomes the Camera dei Deputati's overall support for the Circular Economy package which establishes a concrete programme of measures to help European businesses and consumers make the transition to a stronger, more competitive and circular economy where resources are used in a more sustainable way. It provides incentives and tools to "close the loop" of product lifecycles, ranging from more innovative and efficient ways of producing and consuming to higher levels of recycling and re-use. The transition to the Circular Economy model has the potential to create many jobs in Europe, while preserving precious and increasingly scarce resources as well as reducing the environmental impacts of resource use.

Furthermore, moving towards a circular economy will simultaneously contribute to a number of European Union priorities: job creation, economic growth, investment, industrial innovation, social fairness, climate change and global efforts to secure sustainable development.

To bring about this transition, the proposals in the package include ambitious yet realistic recycling and landfill reduction targets that are calculated on a clearly defined and consistent basis across the European Union. The proposals also take better account of the differences in terms of waste management across the Member States than the proposals in the previous package.

The Commission has taken good note of the Camera dei Deputati's recommendations. The legislative proposals in the package are currently subject to negotiations between the European Parliament and the Council. In that regard, the Commission wishes to reassure the Camera dei Deputati that the majority of its recommendations, such as those concerning definitions, calculation methods and separate collection are already subject to discussions in the relevant Council working party.

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In response to the more technical questions in the Opinion, the Commission would like to refer the Camera dei Deputati to the attached annex.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Camera dei Deputati and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Karmenu Vella
Member of the Commission*

ANNEX

The Commission has carefully considered each of the issues raised by the Camera dei Deputati in its Opinion, including the compliance of the proposal in the Circular Economy package with the principle of proportionality, and is pleased to offer the following clarifications.

On the EU action plan for the Circular Economy {COM(2015) 614 final}:

The action plan identifies a series of actions for implementation within this Commission's mandate. The Commission has also made a commitment to report on the results of the package five years after its adoption. This would provide the next Commission with a wide margin for setting priorities and following up on the policies outlined in the action plan.

As regards the revision of current incentives and forms of tax relief, the Commission has indeed studied in-depth the application of economic instruments in the area of waste management¹ in particular landfill and incineration taxes and fees (and bans to provide context for the charges), pay-as-you-throw schemes as well as producer responsibility schemes.

Beyond these market-based instruments, the Commission has observed and analysed other economic instruments used by Member States in this field. Although the Commission does not intend to propose compulsory market-based instruments, including taxes, at European Union level, the experiences with such instruments in individual Member States are useful as they offer the potential for replication in other Member States.

One of the actions in the action plan for the Circular Economy envisages the development of a monitoring framework for the circular economy designed to measure progress effectively on the basis of reliable existing data. This monitoring framework is being developed in cooperation with the European Environment Agency and in consultation with Member States.

Skills development for the circular economy has been addressed by the Green Employment Initiative² of July 2014. As concrete actions, the Commission is making funds available through the Skill Sector Alliances to develop educational and vocational training schemes supportive of green employment opportunities. In parallel, and in order to raise awareness and knowledge about the opportunities from the Circular Economy in terms of cutting-edge technologies and production processes, the Commission, together with the European Economic and Social Committee is setting up a European Circular Economy Stakeholder Platform. The primary aim of the platform is to exchange best practice for public authorities and businesses engaged in the transition to a circular economic model. The platform is scheduled to be operational from the fourth quarter of 2017. A series of training programmes are also being set up within dedicated strands of work, for example, Green Public Procurement. To support skills development for this circular economy instrument, the

¹ See for instance: http://ec.europa.eu/environment/waste/pdf/final_report_10042012.pdf.

² COM(2014) 446 final.

Commission published a revised edition of the "Buying green!" handbook in April 2016 and is launching a call for Green Public Procurement training tools in 2017.

As part of the broader circular economy awareness campaign, the Commission has also launched specific communication actions targeted at raising citizens' awareness about plastics waste and water re-use in selected countries and is systematically using social media to communicate about circular economy related policies and initiatives.

The Commission agrees with the Camera dei Deputati that small and medium-sized enterprises are key stakeholders in the Circular Economy. As such, the Commission is striving to provide them with the knowledge and support needed to facilitate their smooth transition to the Circular Economy. The Green Action Plan for small and medium-sized enterprises provides measures which complement the action plan for the Circular Economy. In particular a new consortium has just started working on the development of the Resource Efficiency Knowledge Centre and further refinements of the Resource Efficiency Self-Assessment Tool for small and medium-sized enterprises. The date of the official launch of the Centre and the improved version of the Tool still needs to be decided, depending on progress in the development of the Centre (expected in the last quarter of 2017).

The Commission considers that green public procurement, meaning the procurement by public authorities of goods with reduced environmental impact, can play an important role in promoting an increased use of recycled materials in products by facilitating the access of such products to public markets and improving their economic viability, provided that a producer's claims on recycled content can be easily verified.

In order to address issues related to product durability, the Commission made a commitment to work on the identification of issues related to possible planned obsolescence. This will take the form of a call under Horizon 2020 in 2018. In that same year, and in a broader context, the Commission will examine options and actions for a more coherent product policy framework for the different strands of work on the product policy of the European Union in their contribution to the Circular Economy.

As highlighted by the Camera dei Deputati, the transition to a Circular Economy will require significant public and private investments. For this reason, the Commission has already earmarked support from European Union funding programmes such as Horizon 2020 and the Cohesion Fund to facilitate the implementation of the Circular Economy package and waste hierarchy. With regard to the allocation of funding from the Cohesion Fund, it should be recalled that in the current financing programme (2014-2020) specific pre-conditions for funding have been put in place to ensure that new investments in the waste sector are in line with waste management plans designed by Member States to meet their recycling targets. In addition, for the period 2014-2020, about EUR 150 billion are allocated to objectives with a direct relevance to the Circular Economy. This includes about EUR 41 billion made available to implement the so-called smart specialisation strategies of regions and Member States. Additionally, the Commission has been encouraging private funding through instruments such as the European Fund for Strategic Investments. In 2016, the Commission proposed to extend the European Fund for Strategic Investments until 2020 with the aim of mobilising EUR 500 billion of investments, also in the Circular Economy.

On the proposal amending Directive 2008/98/EC on waste {COM(2015) 595 final}:

The Commission proposes to harmonise the definition of municipal waste to help ensure a common interpretation, facilitate compliance and enable a more effective monitoring of progress in achieving the recycling and landfill reduction targets.

With regard to the definition of "final recycling process" and the recycling calculation methods, the Commission proposal introduced a single, uniform calculation method for reporting progress on the new targets with the intention to only take into account what is genuinely recycled whilst allowing for a certain level of tolerance for impurities. The clarification does not represent a departure from the existing rules, but should nonetheless help to substantially improve the reliability and comparability of the reported data.

The proposed targets for the recycling of municipal and packaging waste for 2025 have been set taking into account what was technically feasible at the time of the Commission proposal to revise the Directive. The Commission may propose revised target levels in 2024 based on a review of progress made by Member States.

The Commission has also envisaged setting recycling targets for other waste streams, possibly including targets for commercial and industrial waste, in a review clause to be exercised by the Commission in 2024 based on an impact assessment.

With regard to the Camera dei Deputati's recommendation to consider strengthening separate collection requirements, the condition that separate collection is implemented where technically, environmentally and economically practicable should be applied in a restrictive way. The Commission notes that a proposal to strengthen separate collection requirements is being pursued by the European Parliament. This issue will most likely be subject to further negotiations between the European Parliament and the Council.

With regard to the system of sanctions for failure to adhere to the objectives of European Union waste directives, the Commission does not envisage any changes as it is for the Member States to enforce the operational obligations deriving from European Union legislation.