Support the public consultation on a new Circular Economy Action Plan

Contract N° ENV.B1/FRA/2018/0002

Summary Report

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1 INTRODUCTION

The responses summarised here are the result of the feedback submitted to the roadmap\(^1\) for a new Circular Economy Action Plan published in December 2019. The roadmap defined the scope of the new circular economy action plan and outlined possible policy options to address the problems presented, among others, measures to advance towards a more sustainable products policy, empower consumers, reduce waste generation, and focus on high-impact sectors, such as textile, construction and electronics.

2 OVERVIEW ON THE RECEIVED RESPONSES

- The roadmap received 374 responses together with 189 position papers. Respondents were primarily business associations and companies (58.3%), followed by NGOs (15.24%), EU citizens (7.8%) and environmental organisations (4.8%).
- In terms of size, the majority of the responding organisations were micro (35% of the responding organisations) or small organisations (23%). 22% were large organisations (250 employees or more).
- The top five countries in terms of respondents were Belgium (125 responses including EU organisations), Germany (12% of the respondents), Spain (7%), France (6%) and Italy (6%).
- The most represented sectors were chemical products (52 responses), packaging (44 responses), food (34 responses), building and construction products (30 responses) and electrical and electronic equipment and batteries (29 responses).
- The themes that featured more prominently were Waste Management (181 responses) and Products (172 responses), followed by Secondary Raw Materials (130 answers responses) and Production (116) whereas Biomass (25 answers responses) or Soil and Water (19 answers responses) received fewer mentions.

3 KEY MESSAGES RECEIVED BY THEME

a. Products and production

Respondents called for an ambitious and homogeneous ecodesign framework for key economic sectors addressing resource use. These rules should also include minimum requirements addressing toxicity and chemical content, durability, reusability and reparability to ensure circularity by design. Several respondents from business associations and companies called for stronger focus on and specific measures to incentivise repair and reuse.

NGOs voiced strong support for achieving the toxic-free environment ambition set by the European Green Deal and recommended chemicals to be explicitly addressed within the sustainable product policy. It was also stressed that the regulatory framework needs to take into account that the technical limits of recycling differ significantly for different materials and that many remanufacturing methods are only viable on an industrial scale.

The feedback also asked for better incentives for sustainable production along the whole value chain accounting for the negative externalities of certain product characteristics or end-of-life options. Options

\(^1\) https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2019-7907872_en
included taxation, EPRs, in particular for textile and clothing industry, and deposit schemes. Moreover, some stakeholders from consumers and environmental organisations underlined that life cycle assessments methodologies such as the Product and Organisation Environmental Footprints should better reflect circular economy principles.

b. Consumption
Respondents called for harmonised consumer information as a way to enable consumers to make sustainable choices. According to the feedback received, the information provided to consumers should include circular economy aspects such as reparability and reuse options.

Respondents argued for more effective measures to raise consumer awareness by means of economic and non-economic incentives and reduce misleading green claims. Reduction of the costs of information requirements for companies (12 commented on how to foster the effectiveness and 10 on how to limit costs) were also raised as well as the need to evaluate the effectiveness and impacts of existing labels and information tools.

Respondents also stressed the need for capacity building for public authorities to enable Green Public Procurement and recommend Green Public Procurement to include criteria favouring used, refurbished, (independent) repairable and long-lasting products.

c. Waste and secondary raw materials
Stakeholders underlined the importance of setting binding targets for waste prevention and reuse, as well as sector-specific targets for key sectors (food, construction, industrial and packaging waste).

Funding and support to high quality recycling infrastructure, financial incentives for separate collection and treatment techniques as well as necessary infrastructures for deposit return systems, repair services, refill schemes etc. were highlighted as crucial.

Several stakeholders mentioned that waste exports need to be monitored and in the longer term reduced or even banned, to guarantee that waste management levels in the EU are not undermined by waste exports to countries with lower levels of treatment. Such waste experts are deemed to shift the environmental damages from untreated waste to other parts of the world.

Regarding secondary raw materials, several respondents also focused on the importance of economic incentives and rewarding the use of recycled materials (for instance in public procurement). Most of the concerns and barriers raised by respondents focused on the need to define “recyclability” or “compostability” (applicable to all sectors). Respondents also asked for a redefinition of other terms like “waste”, “co-product” or “by-product”. Respondents highlighted the importance of supporting the parallel development of the industrial strategy for Europe as a key step to ensure leadership in high-skilled jobs and high quality recycling.

d. Innovation and sustainable finances
Respondents highlighted the need for R&D in both product and technologies to allow companies to innovate in their production processes and achieve more circularity. Support to demonstrations and the mapping of available technologies with best practices, the development of platforms to exchange information, and the implementation of innovation plans in public administrations were among the measures proposed. Some stakeholders also mentioned the importance of coherence between EU policy framework and R&D priorities to avoid that the results of R&D funding might eventually be directed
to other policy objectives. As for regional policy, respondent called for the support of regional circular economy strategies and a better involvement of regional or local actors.

Fiscal measures to incentivise circular economy initiatives (second-hand trade, repair services) or deter unsustainable behaviours (taxes on pollution and natural resources, rules on corporate financial responsibility and transparency) were the most often named measures. Several stakeholders mentioned the importance of guidelines and financial support especially for SMEs to provide innovative solutions to meet the public demand for greener products and services. Other economic and fiscal instruments highlighted were the reduction of circular economy-hindering subsidies, VAT exemption to improve the competitiveness of recycled materials or the implementation of an EU wide One Stop Shop for EPR.

e. International support to a circular economy
Respondents regularly recommended that non-EU products entering the EU market should be subject to similar rules as products made inside the EU and share similar qualities in terms of recycling, reuse and longevity. Respondents feared for a possible unfair advantage which producers outside the EU would receive, causing more and more products to be produced outside the EU lowering the standards for the products entering the Single Market.

Respondents also mentioned that rules on waste exports could be used to lead the international change towards a more circular economy. Finally, it was said that EU can facilitate and lead the international change towards circular economy.

4 SUMMARY OF RESPONSES

Although the feedback was varied, the following common themes and messages could be identified:

- **Better exploit the success of Ecodesign:** the principles of ecodesign are successful and should be applied to all environmentally relevant sectors to reduce environmental impacts already in the design process.

- **Lack of concrete measures to foster repair and reuse:** Improving the role of repair and reuse in many existing policies like for example in ecodesign, eco-labelling and also packaging (reuse).

- **Role of environmental information:** foster the availability of information in respect to environmental impacts and resource use. Making it easier for companies, consumers and public authorities to assess the full impacts of products (e.g. with using the PEF method) was deemed to be crucial for further progress.

- **SRM Incentives:** several respondents focused on the importance of economic incentives and rewarding the use of recycled materials (for instance in public procurement)

- **Measuring progress towards a circular economy:** Better and more stringent headline targets on primary resource use for the EU economy was recommended. The establishment of targets of reuse and waste prevention and better enforcement of recycling targets was also mentioned as tool to drive changes.

- **SMEs should be supported in the transition:** Improved regulatory alignment should also allow SMEs to better compete on markets and reduce administrative burden.

- **Establishing a level playing field at international level:** The circularity of non-EU products entering the Single Market should also be ensured.
Respondents are primarily business associations and business organisations (58.3%) and NGOs (15.24%). 7.8% of the respondents are EU citizens and 4.8% environmental organisations, as shown below.

Business associations (139 respondents) and businesses (79 respondents) together represent the largest group of respondents with 58.3%. Sectors covered by the respondents included particularly cross-cutting sectors (64), chemical products (16) and packaging (11). Regarding themes, waste management and products-sustainable product policy framework received most comments (121 and 106 respectively), followed by secondary raw material (100), while respondents were least concerned with soil and water (14).

NGOs represented the third largest group of respondents with 15.2% (57 in total). Sectors covered included cross-cutting (30), as well as packaging (9) and food (5). The theme related to products received the most comments (28), followed by waste management (26), and production (20).

Individuals represented 7.8% of the respondents (29 individuals contributed) and included mostly cross-cutting sectors, but also e.g. electrical and electronic equipment and batteries and food. Regarding the themes covered, products-sustainable product policy framework was mostly commented (10), followed by waste management (9) and production (8).

Academic/research institutions represent 5.1% of respondents (19 in total). While most of them were concerned with cross-cutting sectors (12), there were also respondents representing the food and textile sector (2 respectively). Comments on themes were focused on research and innovation (7), products-sustainable product policy framework (7), as well as “other themes” (9), referring to e.g. increased policy coherence and a more holistic perception of circular economy.

Environmental organisations represented a small share (4.8%) of respondents (18 in total). Sectors covered included cross-cutting (11), chemical products (3) and food (3). Regarding the themes, waste...
management received most comments (13), followed by production (11) and products-sustainable product policy framework (10).

**Public authorities** represented 3.2% of the respondents (12 in total). While the cross-cutting sectors were mostly covered, also chemical products, packaging, as well as building and construction products were included. Themes such as products-sustainable product policy framework and “other themes” were most commented (7 respectively), followed by education and skills, as well as secondary raw materials (6 respectively).

**Consumer organisations** represented the smallest group of respondents (0.8% or 3 respondents). In regard to sectors, cross-cutting, packaging, and textiles were covered. The consumption theme received most comments, followed by secondary raw material, products-sustainable product policy framework and “other themes.

Only one **trade union** responded to the consultation. It was mentioned that further resources should be allocated to market surveillance and customs authorities.