



INT/895
New Circular Economy Action Plan

OPINION

European Economic and Social Committee

**Communication from the Commission to the European Parliament, the Council,
the European Economic and Social Committee and the Committee of the Regions**
A new Circular Economy Action Plan
For a cleaner and more competitive Europe
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1. **Conclusions and recommendations**

- 1.1 The European Economic and Social Committee (EESC) firmly believes that sustainability is one of the pillars of Europe's future development, through an informed and participatory transition underpinned by the culture of the circular economy.
- 1.2 The transition to a circular European economy cannot be seen in isolation from the socio-economic situation in which it must currently play out. Rather, the challenges posed by the health crisis should be turned into an opportunity for a renaissance, on a new basis that is conducive to speeding up the establishment of a new circular approach.
- 1.3 The new culture underpinning the circular economy should be an opportunity to move more quickly on the concept of measuring the wealth of an area, using new criteria, i.e. going beyond GDP¹.
- 1.4 Stronger emphasis must be placed on the dissemination of a "circular culture" through education, capacity-building and increased accountability, so as to encourage people to adapt and change their day-to-day habits and behaviour.
- 1.5 The European Circular Economy Stakeholder Platform (ECESP) should be developed and could support a number of policy initiatives that would be of help in facilitating the transition to circularity.
- 1.6 The Committee welcomes the proposals set out in the CEAP (Circular Economy Action Plan) and considers that the measures aimed at making the transition should be taken into due account when drawing up the plans for economic and social reconstruction after the devastating situation caused by COVID-19.
- 1.7 It is essential to recognise the complementarity between climate change, circular economy policies, and corporate social responsibility, and to highlight the circular characteristics of energy from renewable sources. This is particularly relevant to the construction and transport sectors, but should also involve support for farming practices and the food system, necessary in terms of waste reduction.
- 1.8 The EESC believes that the proposed pact for skills and jobs in the European Social Fund Plus is an excellent opportunity to implement the envisaged programmes.
- 1.9 Eco-design should be expanded, extending product lifespan and facilitating the planned recovery of components as a driver for a dynamic secondary raw materials market, backed up by legal requirements and with mandatory recycled content and digital tracking.
- 1.10 As was the case with "energy-using products" and in consultation with the sectors concerned, the Commission should issue delegated acts to determine the characteristics of new products which can feed into other products.

¹ [OJ C 100, 30.4.2009, p. 53.](#)

- 1.11 The process of technical standardisation of sustainable products, starting with resource-intensive sectors, should play a key role in terms of the "quality and compliance" system, involving conformity assessment, as well as when it comes to expanded green procurement and the certification of secondary raw materials.
- 1.11.1 National standardisation bodies, in cooperation with the European bodies², should frame recommendations³ and harmonised standards as soon as possible to ease the transition to the new functional economy.
- 1.12 The practical implementation of the circular economy will require a high level of cooperation with stakeholders and the EESC calls for clear policies and financial support, especially in the field of advertising, with a view to moving away from its highly consumerist orientation and – with due respect for free market rules – focusing on product durability and reuse possibilities.
- 1.13 The EESC considers it vital to provide consumers with better information and data on product management, traceability and transparency, including product specifications and digital technologies, to enable the flow of information on composition and repair possibilities.
- 1.14 The EESC feels it would be a good idea to make use of EU programmes to encourage the roll-out of practical pilot programmes to test circular economy processes in a range of sectors across a considerable number of European cities, agri-food centres and rural areas. This would help to capitalise on significant experiences in production and consumption chains, which could be used as good practices.
- 1.15 The EESC believes that considerable scope should be given to public and private players at grassroots level, who can play a crucial role in taking up the new opportunities by developing public-private partnerships and producing examples of "socially responsible regions and cities"⁴ and corporate social responsibility geared towards the principles of collaborative circularity.
- 1.16 Lastly, the EESC calls for all of the proposed measures to be subject to appropriate impact assessments, which consider their environmental, social and economic implications.

2. **Socio-economic background – towards a European circular economy**

- 2.1 Businesses and consumers are increasingly recognising the damage to sustainable development caused by the linear economic models that have been the norm to date and are characterised by high levels of material and resource consumption, the use of planned obsolescence techniques, and encouraging people to always buy new products.

² CEN, CENELEC and ETSI.

³ See UNI, Italy's national standardisation body, and pre-standardisation processes, Regulation (EU) No 1025/2012 on European standardisation.

⁴ [OJ C 175, 28.7.2009, p. 63.](#)

2.2 In 2019, more than 92 billion tonnes of materials were extracted and processed, contributing to about half of global CO₂ emissions⁵, and taking its toll on the environment and human health.

2.2.1 The extraction and processing of resources accounts for more than 90% of global biodiversity loss⁶.

2.2.2 Around 20% of greenhouse gas emissions are caused by the extraction and processing of metals and non-metallic minerals⁷.

2.2.3 Moreover, the EU has to import most of its raw materials requirements at considerable cost.

2.3 The circular economy, which promotes:

- corporate social and environmental responsibility;
- new local, high-quality employment;
- the elimination of waste;
- the continuous and secure use of natural resources;
- a circular design-production-distribution-consumption cycle;
- regeneration and re-use of end-of-life waste;

is capable of developing a functional economy, which can deliver significant benefits to society.

2.4 Currently, only 8.6% of global activities operate on a circular basis. Achieving this transition requires a high level of cooperation between the public and private sectors.

2.5 The transition to a circular European economy cannot be seen in isolation from the socio-economic situation in which it must currently play out, at a time when the coronavirus pandemic has triggered the worst economic recession since the Great Depression of 1929.

2.5.1 As a result of COVID-19, companies are facing a loss of revenue and supply chains are being disrupted, while factory closures and unemployment are on the rise everywhere.

2.6 The current triple threat – uncontrolled pandemics, insufficient economic policy programmes and the geopolitical "black swan" (an extremely unpredictable event) – could push the global economy into a lasting depression, just when all sections of European society are becoming aware that sustainable economic development requires ways of simultaneously combining the technological aspect, productivity gains, and a more efficient use of resources.

2.7 On the other hand, the challenges that the planet is now experiencing can be turned into a great opportunity to start up again with new impetus for sustainable development, on a new basis that is conducive to speeding up the establishment of a new circular approach.

⁵ See *Circular Economy and Material Value Chains*, World Economic Forum 2020.

⁶ See *Natural Resources for the Future We Want*, United Nations Environment Programme (UNEP), 2019.

⁷ See *Energy Transitions Commission, Mission Possible: Reaching Net-Zero Carbon Emissions by Mid-Century*, 2018.

- 2.8 The EESC has on several occasions expressed its views on the need for sustainable and inclusive growth. It has launched – together with the European Commission – the European Circular Economy Stakeholder Platform (ECESP)⁸, stressing that "there are obvious barriers to achieving a circular economy, despite the successes to date".
- 2.9 As pointed out by the ECESP Platform Coordination Group, the transition to an inclusive, climate neutral and circular economy should start now⁹.
- 2.10 On 6 April 2020, the EESC adopted a joint statement in which it underlined that: "In these times of great uncertainty only a comprehensive European economic recovery plan would allow [...] to face the consequences of the COVID-19 pandemic and rebuild a more sustainable European economy."

3. The European Commission's proposal

- 3.1 The new **Circular Economy Action Plan (CEAP)** sets out a series of new initiatives covering the entire cycle of product design and lifespan, to enable individuals and businesses to participate fully in the circular economy.
- 3.2 As part of the EU's industrial strategy, measures are proposed to:
- **make sustainable products the norm in the EU**, with legislation to be introduced on sustainable product policy, to ensure that products placed on the EU market are designed to last longer;
 - **empower consumers**, with access to reliable information, and a true "right to repair";
 - **focus on the sectors that use the most resources and where the potential for circularity is high**, such as:
 - **electronics and ICT**: a "Circular Electronics Initiative";
 - **batteries and vehicles**: new regulatory framework for batteries;
 - **packaging**: new mandatory requirements on what is allowed on the EU market;
 - **plastics**: new mandatory requirements for recycled content;
 - **textiles**: a new EU Strategy for Textiles to strengthen competitiveness and innovation in the sector;
 - **construction and buildings**: a comprehensive strategy for a sustainable built environment;
 - **food**: a new legislative initiative on re-use to substitute packaging, tableware and cutlery in food services;
 - **reduce waste**: avoiding waste altogether and transforming it into high-quality secondary resources;

⁸ EESC-2017-02666-05-00-decbur – Terms of reference for the coordination group.

⁹ [Joint statement on the new Circular Economy Action Plan \(CEAP\) by members of the Coordination Group \(CG\) of the European Circular Economy Stakeholder Platform, March 2020.](#)

- **make circularity work for people, regions and cities;**
- **enhance the role of standardisation;**
- **cross-cutting measures:** circularity as a prerequisite for climate neutrality;
- **efforts at global level;**
- **monitoring progress.**

The plan encompasses some 35 measures over the three-year period of mid-2020 to mid-2023, with initiatives in the areas of electronics and waste, and in services to people and environmental services.

4. **General comments**

4.1 The EESC firmly believes that sustainability is one of the pillars of Europe's future development and that, through an informed and participatory transition to a circular economy, individuals, consumers, businesses and workers will be able – with significant investments – to address the challenge and contribute not only to respecting the environment but also to developing the idea of an open and inclusive society that safeguards resources for future generations.

4.1.1 In particular, farming practices and the food system can greatly benefit from the circular economy, with a view to reducing waste and improving people's well-being.

4.1.2 Significant investments will be needed to develop green technologies, new organic fertilisers and biomethane.

4.2 The Committee welcomes the set of legislative and policy measures proposed in the CEAP and considers that the measures aimed at making the transition to a circular economy should be taken into due account, especially after the devastating situation caused by COVID-19.

5. **Coherence at EU level**

5.1 We believe that it is essential to recognise the complementarity that exists between climate change and circular economy policies. It is essential that energy input also comes from renewable energy sources, and is not linear like fossil fuels.

5.1.1 Circularity in energy use also involves a focus on energy saving and energy efficiency, which is becoming even more urgent in the transport sector.

5.2 Building the capacities that are needed to advance the circular economy should be encouraged at all levels. The proposed pact for skills and jobs in the European Social Fund Plus is an excellent opportunity to implement the envisaged programmes.

5.3 The role of public procurement should not be underestimated in achieving this transition. The minimum environmental criteria (MECs), already included in the public procurement

directives¹⁰, should become mandatory, with appropriate technical specifications¹¹. Specific training should be provided for contractors, to ensure that all circular opportunities are offered and to prevent any barriers impeding circular procurement.

- 5.4 The Committee believes it essential that the many initiatives that are due to be put in place in the coming months give explicit consideration to how to improve the circularity and sustainability of the investments concerned, especially in the most structurally and financially vulnerable countries.
- 5.4.1 These initiatives should be rolled out in cooperation with local authorities and the social partners, with a particular focus on creating new and better jobs.
- 5.5 The EESC is in favour of opting for legal requirements to boost the market for secondary raw materials, especially for packaging, vehicles, construction materials and batteries.
- 5.6 The eco-design of products is an essential factor in implementing circular processes. The scope of eco-design must continue to expand so that it becomes an integral part of all stages of production, encouraging the recovery of components as a driver for a dynamic secondary raw materials market.
- 5.6.1 In the light of this, and as was the case with "energy-using products"¹², the Commission should issue delegated acts to determine the characteristics of various commonly used products, which, after use, may feed into other products.
- 5.7 Technical standardisation in the circular economy is of particular importance. Given how cross-cutting and complex this issue is, it is essential to put in place a high level of coordination between the various stakeholders, the standardisation bodies and the activities of the legislator.
- 5.8 The process of technical standardisation, especially in resource-intensive sectors, is particularly important, especially in the process of awarding green procurement contracts and in the classification of raw materials and secondary materials.
- 5.9 The EESC calls for all of the proposed measures to be subject to appropriate impact assessments, which consider their environmental, social and economic implications.
- 5.10 The ongoing debate about the principles of the circular economy and how useful and necessary they are can be an opportunity to decisively address the recurring issue of going beyond traditional GDP, i.e. of including new elements other than those relating to economic performance currently used in the three systems of GDP calculation¹³, such as: creating

¹⁰ Directives 2014/23/EU, 2014/24/EU, 2014/25/EU.

¹¹ See UNI/prassi di riferimento: *Linee guida per la modalità di verifica del contenuto di riciclato e/o recuperato e/o sottoprodotto presente nei prodotti regolati da CAM (Criteri Ambientali Minimi)* (Guidelines for verifying the recycled and/or recovered and/or by-product content in products subject to minimum environmental criteria).

¹² See Directive 2005/32/EC, recast by Directive 2009/125/EC.

¹³ See SEC 2010 EU.

solidarity-based systems for an inclusive society; living within the limits of our planet; and a fair distribution of resources.

6. Education and culture

6.1 The EESC believes that there is a vital need for a stronger emphasis on the dissemination of a "circular culture" through education, capacity building and increased accountability, and by stepping up dialogue with civil society, so as to encourage people to adapt and change their day-to-day habits and behaviour. Close cross-sectoral cooperation is also essential.

6.1.1 Corporate social responsibility as a specific element of a functional economy goes hand in hand with the culture of the circular economy, since it enables an extraordinary synergy between the interests of business owners and employees, united in the goal of sustainable development, and mindful of reducing waste.

6.2 Proposals should be put forward to incorporate circular economy principles into school curricula and higher education programmes, as well as the financing of high-capacity technical education and support for creative skills.

6.3 The Erasmus+ programme would have been a very useful means of promoting an exchange of knowledge on the circular economy between the different countries of Europe.

6.4 The study commissioned by the EESC¹⁴ and its related opinion NAT/764 on the development of synergies between the different circular economy roadmaps, together with the network active in the European Circular Economy Stakeholder Platform, provide a solid basis for information sharing and knowledge creation by the stakeholders.

6.5 Economic operators and civil society – making use of suitable funds, such as the "Missions" fund under the Horizon Europe programme – could roll out practical pilot programmes to test circular economy processes in a range of sectors across a considerable number of suitable European municipalities.

6.6 In any case, the essential factor in implementing circular processes is the eco-design of products.

7. Consumers as key players in implementation

7.1 The practical implementation of the circular economy will require a strong network of stakeholders to be informed, involved and connected. Key policies and structural support for the different stakeholder groups should be identified, regularly reviewed and effectively communicated.

¹⁴ <https://www.eesc.europa.eu/en/our-work/publications-other-work/publications/circular-economy-strategies-and-roadmaps-europe-executive-summary>.

- 7.2 The role of advertising should also be addressed, with a view to moving away from its highly consumerist orientation and, with due respect for free market rules, focusing on product durability and new use possibilities, while avoiding misleading advertising.
- 7.2.1 Advertising should be more focused on realism, trends and typical features, whereby specific examples, the pursuit of sustainable development, and the positive characteristics of the durability of goods are presented as being of value to the consumer and society.
- 7.3 The right to have products repaired at fair and proportionate prices must be recognised and incorporated into the guarantees that come with products, including through tax measures and local repair networks and facilitated access¹⁵. Here, the fight against planned obsolescence should become an integral part of the new technical specifications and standards of environmentally friendly products that can be easily repaired and recovered.
- 7.4 The EESC recognises the success of the partnership between it and the European Commission in developing an innovative inter-institutional platform (the ECESP), and looks forward to extending its mandate in the future.
- 7.4.1 The EESC feels that a shift in the distribution of taxation should be considered, easing the tax burden on labour and increasing it on resources and, in particular, on less sustainable products and those with clear obsolescence.
- 7.4.2 The principle of more stringent taxation should be applied to products imported into the EU that appear to have little regard for the criteria of the circular economy.
- 7.5 There should be explicit recognition and support for the role of social enterprises in the circular economy, so as to enable areas of activity with experience in re-use, repair and regeneration to benefit from greater social value, since they are committed to developing the skills of the most vulnerable people in society.
- 7.6 The EESC stresses the need to provide European consumers with better information on product management, including the benefits of circular design and manufacturing, and on traceability and transparency, including through the use of product passports and digital technologies, such as blockchain, to enable the flow of information on composition, repair possibilities and end-of-life.
- 7.7 Reliable, comparable and verifiable information plays an important part in enabling buyers to make more sustainable decisions and reduces the risk of "green washing".
- 7.8 Local authorities are key players in managing water and waste and secondary raw material hubs. They can launch partnership-based pilot schemes, which are essential for the development of circular innovation.

¹⁵ See Council Directive 1999/85/EC of 22 October 1999 as regards the possibility of applying a reduced VAT rate on labour-intensive services: small-scale repair services for bicycles, footwear and leather goods, clothing and household linen, repairs and renovations of private homes, home help services.

7.9 The EESC supports the development of the principles of "socially responsible regions and cities" set out in previous opinions, which ensures public and private accountability for the circular sustainability of regions and cities.

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