



*European Economic and Social Committee*

**NAT/676**  
**Circular Economy Package**

Brussels, 27 April 2016

**OPINION**

of the

European Economic and Social Committee

on the

**Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Closing the loop - An EU action plan for the circular economy – COM(2015) 614 final**

**Proposal for a directive of the European Parliament and of the Council amending Directive 94/62/EC on packaging and packaging waste - COM(2015) 596 final – 2015/0276 (COD)**

**Proposal for a directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste - COM(2015) 595 final – 2015/0275 (COD)**

**Proposal for a directive of the European Parliament and of the Council amending Directive 1999/31/EC on the landfill of waste - COM(2015) 594 final - 2015/0274 (COD)**

and on the

**Proposal for a directive of the European Parliament and of the Council amending Directives 2000/53/EC on end-of-life vehicles, 2006/66/EC on batteries and accumulators and waste batteries and accumulators, and 2012/19/EU on waste electrical and electronic equipment - COM(2015) 593 final - 2015/0272 (COD)**

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Rapporteur: **Mr Cillian Lohan**

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On 2 December 2015, 14 December 2015 and 15 December 2015 respectively, the Commission, the European Parliament and the Council decided to consult the European Economic and Social Committee, under Articles 192 (1), 114 (1) and 304 of the Treaty on the Functioning of the European Union, on the

*Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Closing the loop - An EU action plan for the circular economy - COM(2015) 614 final*

*Proposal for a directive of the European Parliament and of the Council amending Directive 94/62/EC on packaging and packaging waste - COM(2015) 596 final - 2015/0276 (COD)*

*Proposal for a directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste - COM(2015) 595 final - 2015/0275 (COD)*

*Proposal for a directive of the European Parliament and of the Council amending Directive 1999/31/EC on the landfill of waste - COM(2015) 594 final - 2015/0274 (COD)*

*Proposal for a directive of the European Parliament and of the Council amending Directives 2000/53/EC on end-of-life vehicles, 2006/66/EC on batteries and accumulators and waste batteries and accumulators, and 2012/19/EU on waste electrical and electronic equipment - COM(2015) 593 final - 2015/0272 (COD).*

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 12 April 2016.

At its 516th plenary session, held on 27 and 28 April 2016 (meeting of 27 April), the European Economic and Social Committee adopted the following opinion by 192 votes to 4 with 12 abstentions.

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## **1. Conclusions and recommendations**

- 1.1 The EESC is hopeful that the Commission's ambition to boost transition to a circular economy will be a first step to achieving a paradigm shift in behaviour and practice. It recalls its opposition to the withdrawal of the previous Circular Economy Package published in 2014.

- 1.2 The EESC also welcomes the fact that the Commission took on board some of its recommendations on the 2014 Package (the focus on the upstream part of the product lifecycle for example). However, there is room for improvement when it comes to the level of ambition of the package. The targets from the 2014 Package provided greater economic and environmental benefits<sup>1</sup>. The EESC recommends reinstating the targets of the 2014 Package on waste treatment, while making sure they can be cost-effectively achieved. Overall, the delay of 18 months does not seem warranted by the scope or ambition content of the new Package when compared to the previous Package.
- 1.3 Circular economy policies should ensure that circles are long-lasting, small, local, clean. For specific industrial activities the size of the loops can tend to be large.
- 1.4 The Commission's proposals do not address sufficiently the social and labour-related benefits and risks of the transition to a circular economy<sup>2</sup>. It does not provide for the necessary adaptation, through training and education, of the workforce. The most vulnerable sectors and workers need to be identified so that a full complement of supports structures can be established for them.
- 1.5 The EESC welcomes the inclusion of the mandatory reporting on use of adequate economic instruments to drive the achievement of the waste reduction targets but this should be applied in a broader context. The use of economic instruments to drive the transition should be made stronger and more systemic.
- 1.6 The Committee is willing to explore the feasibility of an open European platform for the circular economy bringing together stakeholders and civil society from the public, semi-public or private sectors involved in resource-efficiency, hosted by EESC. This platform would provide opportunities for exchanging and raising awareness around best practices.
- 1.7 Education in all its forms at all levels will form an essential part of the transition to a circular economy. This must include the identification of the training needs of workers who needs to be part of an immediate change as well as the longer term action of educating future generations.
- 1.8 The transition to the circular economy must deliver for the business community. Measures to support SMEs have been identified in NAT/652<sup>3</sup>. Access to finance will be an issue for SMEs and entrepreneurs wanting to take advantage of the opportunities that open up in the circular economy space.

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<sup>1</sup> SWD(2015) 259 final.

<sup>2</sup> [OJ C 230, 14.7.2015, p. 99–106.](#)

<sup>3</sup> [OJ C 230, 14.7.2015, p. 99–106](#), in particular point 5.

- 1.9 The foreseen revision of the Eco-design Directive must take the full life cycle of the product into account, including: durability, reparability, availability/affordability of spare parts, unconditional disclosure of repair and service information by manufacturers. The EESC emphasises the need to have the principles of eco design applied to all manufacturing sectors. This would facilitate the economically and technically viable recovery of the raw materials and component parts of products as their use was discontinued. The example of electronic goods especially mobile phones is commonly used to highlight this.
- 1.10 More comprehensive labelling is required to include life expectancy of products. It is not enough to examine the possibility of the existence of planned obsolescence. The EESC reiterates its call on policy-makers to consider a total ban on products with built-in defects designed to end the product's life<sup>4</sup>.
- 1.11 Behaviour change can be best achieved through clear price signals, *i.e.* by offering convenience and competitive pricing to consumers. Products or services which adhere to the principles of circularity should be differentiated in price in a clear way on the basis of availability/scarcity of resources or how the product is designed. These can initially be achieved through Extended Producer Responsibility (EPR) schemes and/or green taxation. The EESC emphasises the importance of viability testing of any new measure.
- 1.12 The EESC welcomes the introduction of minimal requirements for EPR schemes; however, it is necessary to further clarify roles and liabilities of the various stakeholders along the chain. The EPR schemes should be mandatory for adoption by Member States.
- 1.13 Support mechanisms that allow poorer people access to higher quality (and initially higher cost) goods and services need to be developed. These may include a government-backed lending scheme, or a manufacturer-backed financing scheme exclusively applied with lower rates to products with a certain minimum life expectancy, and designed to incorporate all elements of circularity.
- 1.14 Specific policy tools such as deposit return schemes and integrated management systems have been shown to be effective and should be encouraged as part of the package. Reduced rates or exemption on VAT for recycled products as well as reuse and repair activities can incentivise entrepreneurs to be active in this space, and offer consumers a competitively priced product, which will help promote widespread behavioural change. Subsidies should shift to support use of secondary raw materials, and encourage the application of the principles of eco-design across all manufacturing sectors.
- 1.15 Governments and their institutions should take a lead role in applying Green Public Procurement to all purchases of products and services within their power. The greenest option should be chosen by default, with any other option requiring justification.

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<sup>4</sup> [OJ C 67, 6.3.2014, p. 23–26.](#)

- 1.16 Separate collection of waste streams is critical for achieving circularity. The addition of the binding requirement to immediately provide a separate collection for bio waste is welcomed. The requirement in the directive should be strengthened for all separate collection, so that it becomes mandatory unless a specific exemption is granted where there is a practical feasibility constraint.
- 1.17 Food waste reduction can only be achieved with the inclusion of milestones along the road to reaching the SDG n.2. The development of a mechanism to quantify food loss and waste should be included in the annex with a specific deadline, building on the work already done<sup>5</sup>.
- 1.18 Circular economy concepts cannot develop in isolation. There is a need for an oversight body, such as the Resource Efficiency Platform, with a remit to ensure that other sectoral strategies coming from the Commission are in harmony with the principles of a circular economy.
- 1.19 The Semester process through the Country Specific Recommendations can be used to ensure implementation at Member State level, and ensure prioritisation of a transition to a circular economic model.

## 2. Introduction

- 2.1 On 2 December 2015, the European Commission unveiled a revised package on the circular economy. The proposals include a non-legislative section including a Communication *Closing the loop – An EU action plan for the Circular Economy* and a section proposing a series of modifications to the European existing legislation on waste treatment and recycling.
- 2.2 The new proposals replace the previous package which the European Commission, headed by José Manuel Barroso, issued in July 2014 in the framework of the EU2020 Flagship Initiative "A Resource Efficient Europe". The new package has some improvements – in particular, it is more comprehensive and covers all stages of the product lifecycle – and some areas where ambition has been reduced. There is a danger that the package becomes recycling focussed, and does not introduce policy tools that match the desire to achieve a new economic model of circularity. Increased recycling rates are not synonymous with a more circular economy. Overall, the delay of 18 months does not seem warranted by the scope or ambition content of the new package when compared to the previous package.

## 3. General comments

- 3.1 Switching from a linear extract-transform-use-throw away economy to a circular one where waste can be turned into resources is a critical challenge for Europe. It makes the economy more sustainable and reduces its environmental footprint through better resource

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<sup>5</sup> See for instance the FP7 EU FUSIONS project: <http://www.eu-fusions.org/index.php>.

management, reduced extraction and pollution; it also enables businesses to gain a competitive edge thanks to a better management of raw materials, while making the economy less dependent on imported – potentially critical and rare – materials; it also provides new economic opportunities and new markets, within and outside Europe, and leads to the creation of new local jobs.

- 3.2 The recognition of the need to transition to a circular economy is welcome. The challenge is to achieve a systemic change if the full potential of the multiple economic and social benefits are to be realised. Policies in favour of a circular economy should ensure that the loops are durable, small, local, clean. However, the size of the loops can be variable. In a circular economy using is more important than owning; product-service systems and collaborative consumption patterns can contribute in a very positive way in this respect and will be further developed in two upcoming EESC opinions. A circular economy is not just a linear economy where we try to feed the waste back in to production but aims to achieve a complete reshuffle of the economy, where the very concepts of liability and ownership need to be redefined. Such elementary changes must be implemented while being cognisant of the interconnected global context of the existing economic model. It is rarely fruitful to act only at a regional level when dealing with global issues and a global initiative needs to be started.
- 3.3 The effects on the economy from a transition to a circular economy must be continually analysed. As outdated business practices become obsolete those most affected must be identified and offered the support to ensure a just and fair transition to a circular economy. The social and labour-related benefits and risks must be addressed<sup>6</sup>.
- 3.4 There is a lack of economic instruments to drive the transition. The EESC has identified the need for a combination of market-based instruments and regulatory instruments to achieve a resource efficient economy<sup>7</sup>. Article 4.3 requires Member States to make use of economic instruments, and includes a reporting mechanism at 18 months and again after 5 years. This could be strengthened to include a 3 year interim report and a recommendation to use green taxation. The development of best practice instruments in Member States should be shared and adoption encouraged through the European Semester process.
- 3.5 The Commission needs to provide more clarity about the coherence of different action plans issued in previous years and their interrelation in terms of hierarchy and cross compliance: the Roadmap to a Resource Efficient Europe<sup>8</sup>, the 7th Environment Action Programme (EAP) to 2020<sup>9</sup> and the EU Action Plan for the Circular Economy. Many of the activities brought

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6 [OJ C 230, 14.7.2015, p. 99–106](#), in particular point 4.

7 [OJ C 226, 16.7.2014, p. 1–9](#).

8 COM(2011) 571 final.

9 Decision 1386/2013/EU.

forward by the recent Action Plan have already been mentioned in the previous initiatives. A full assessment of the successes and failings of previous initiatives is critical.

- 3.6 The Circular Economy package is a step in the right direction. However, a critical question remains: is the sum of the measures sufficient to shift European economies from the current development path (which will also increase resource efficiency) to a truly circular model which would decouple economic prosperity from the use of natural resources (absolute decoupling) and multiply economic and social benefits<sup>10</sup>? The action plan needs to be suited to addressing the underlying systemic challenges and create a sufficient framework to start the transition<sup>11</sup>.
- 3.7 The EESC welcomes the impact assessment which accompanies the Commission's legislative proposals on waste<sup>12</sup>. The reduced benefits in terms of economics, employment and emissions reduction of this Package over the withdrawn Package are noted. A cost benefit analysis on the non-legislative Action Plan would be useful in identifying the most effective and proportionate measures to achieve a transition to a circular economy<sup>13</sup>.
- 3.8 Implementation is the key to success. The EESC calls for a specific body responsible for coherence and for cross compliance, similar to the Resource Efficiency Platform<sup>14</sup> which fed into the 7th EAP and the Circular Economy Package.
- 3.9 The Committee acknowledges the efforts of the Commission to involve a broad range of stakeholders and experts, as called for in the opinion NAT/652<sup>15</sup>. The transition to a circular economy is a long-term process and needs ownership at all levels and sectors. The Commission underlines its intention to actively engage stakeholders in the implementation of the Action Plan<sup>16</sup>; the detail of this will be critical.
- 3.10 The EESC repeats its offer put forward in its NAT/652 opinion for the Committee to actively promote networks of civil society actors advocating the transition to a circular economy model and also explore the setting up and management of a European forum for the circular economy. There are a number of existing forum which offer a technical sectoral perspective.

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10 Ellen MacArthur Foundation, McKinsey, *Growth within: A circular economy vision for a competitive Europe*, p. 32, p. 39, [http://www.mckinsey.com/client\\_service/sustainability/latest\\_thinking/growth\\_within\\_-\\_a\\_circular\\_economy\\_vision\\_for\\_a\\_competitive\\_europe](http://www.mckinsey.com/client_service/sustainability/latest_thinking/growth_within_-_a_circular_economy_vision_for_a_competitive_europe).

11 For systemic challenges, see European Environment Agency, *The European environment — State and Outlook 2015*, synthesis report, 2015, p. 141, <http://www.eea.europa.eu/soer>.

12 SWD(2015) 259 final

13 Proposed examples for reference include: Ellen MacArthur Foundation, McKinsey, *Growth within, op. cit.*, p. 34, table 1, selected literature on the macroeconomic impact of the circular economy, including *Circular Economy & Benefits for Society*, report by the Club of Rome, October 2015 (EN), <http://www.clubofrome.org/?p=8851>.

14 [http://ec.europa.eu/environment/resource\\_efficiency/re\\_platform/index\\_en.htm](http://ec.europa.eu/environment/resource_efficiency/re_platform/index_en.htm).

15 [OJ C 230, 14.7.2015, p. 99–106](#), point 1.3.

16 COM(2015) 614/2, p. 20.

The EESC is well positioned to offer a visible forum to facilitate key stakeholder reporting and engagement on the circular economy. This can be organised in collaboration with the Commission to establish a cross sectoral, multi stakeholder engagement platform. The EESC already has a Migration Forum which may form a suitable model to replicate.

- 3.11 The role of workers in the transition and after transition in a circular economy model and creation of quality jobs are critical. The EESC stated its position<sup>17</sup> that *despite the Green Employment Initiative*<sup>18</sup> *the withdrawn Package didn't sufficiently address the specific socio-economic benefits and challenges of the circular economy*. This still holds true for the 2015 Package. Industries and businesses that will be affected negatively by the transition must be the focus of some of the support in order to ensure a just transition. Workers must be protected, and allowed to benefit from the many opportunities<sup>19</sup> afforded by the new circular model.
- 3.12 Education needs to extend to all levels from primary schools to companies, SMEs, investors and financiers. Education and training need to be linked in a coherent program that addresses the identified socio-economic challenges. Education will be one of the drivers of wholesale behaviour change and can help establish a new generation of responsible consumers with accurately priced, convenient, high quality, ethical consumption options.
- 3.13 The transition to the circular economy must deliver for the business community. Measures to support SMEs have been identified in NAT/652<sup>20</sup>. Access to finance will be an issue for SMEs and entrepreneurs wanting to take advantage of the opportunities that open up in the circular economy space. The Cohesion fund, European Structural and Investment Funds, the European Strategic Investment Fund, as well as thematic funds such as LIFE and COSME, are a possible source of financing, and within these, specific financing options should be made available.

#### 4. **Specific comments**

##### 4.1 **Production**

- 4.1.1 The expected revision of the Eco-Design Directive<sup>21</sup> must take the full life cycle of the product into account, including: durability, planned obsolescence (or "life expectancy"), reparability, availability/affordability of spare parts, unconditional disclosure of information by manufacturers.

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17 [OJ C 230, 14.7.2015, p. 99–106](#), point 4 and [OJ C 230, 14.7.2015, p. 91–98](#), points 1.5 and 4.8.

18 COM(2014) 446 final.

19 European Parliament, *Leasing Society*, November 2012, study available at: [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2012/492460/IPOL-ENVI\\_ET%282012%29492460\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2012/492460/IPOL-ENVI_ET%282012%29492460_EN.pdf).

20 [OJ C 230, 14.7.2015, p. 99–106](#), in particular point 5.

21 2009/125/EC.



- 4.1.2 The Eco-Design Directive currently only applies to energy-related products. In previous publications<sup>22</sup>, mobility, housing and food have been identified as being responsible for 70-80% of the adverse environmental impact. This highlights the need for the eco-design principle to be applied across all sectors. This is a critical cross cutting element. In particular, for development of regional SMEs in the opportunistic areas of repairing, reusing, preparing for reuse and recycling, the source material needs to have been designed with multiple varied uses and dismantling and reprocessing in mind.
- 4.1.3 Extended Producer Responsibility (EPR) schemes should take fully into consideration all the loops. It is recognised that regulating material efficiency is a more complex matter than energy efficiency but the challenge must be met with an innovative approach. New EPR incentives must ensure that they translate into a substantive change in behaviour at the producer level, which translates into consumer level behaviour change. Manufacturers should be obliged to communicate the expected lifetime of their products.
- 4.1.4 SME-friendly sectoral symbiosis on the basis of local economic and social ecosystems with the support of regional green industry policies will need support and promotion in the delivery phase of the transition. The first phase of circularity will involve regional economies with a multitude of SMEs. Increased use of industrial by-products as raw materials for other industries shall contribute to a more efficient use of resources. Information is lacking on how the Commission will use the amended Art. 5 of Directive 2008/98/EC on waste in order to achieve this objective.
- 4.1.5 The circular economy can develop further, at a later stage, to support Europe's sustainable reindustrialisation. A developmental phase with a clear industrial dimension, based on standardisation, to ensure it can be an efficient, large-scale model has potential to emerge.
- 4.1.6 A genuine circular economy focuses on ownership and liability. Producers should be encouraged to develop functionality-based business models where leasing and selling goods as services become a standard practice, where all costs are internalised. This is the link between production of goods and services for a circular model with the establishment of a "performance economy" where business models take full consideration of resource scarcity.
- 4.1.7 The potential of reuse and repair activities in terms of economic activities and local job creation could be better exploited through better cooperation with products' manufacturers. In particular information on products and availability and affordability of spare parts during a minimum amount of time after the product is introduced on the market are key elements which could help repair and reuse operators expand. Voluntary schemes for better cooperation involving manufacturers should be encouraged and legal requirements for disclosure of

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<sup>22</sup> COM(2011) 571 final, *Resource-Efficiency Roadmap*, chapter 5.

information on products could be explored. Similarly, reuse and repair operators should have an easier access to end-of-life products to drive innovation and job creation in the sector.

- 4.1.8 The EESC welcomes the fact that the Commission views built-in obsolescence as an issue to address. Planned obsolescence can be effectively countered by promoting innovative business models which are services/performance focussed. In a previous opinion dedicated to sustainable consumption and products' lifetime<sup>23</sup>, the Committee called on policy-makers to consider a total ban on products with built-in defects designed to end the product's life. A mere Horizon 2020 testing programme to identify planned obsolescence practices, as put forward in the Action Plan, is insufficient to fully address this issue. The EESC calls on the Commission to rapidly come forward with more ambitious proposals.

## 4.2 Consumption

- 4.2.1 Behaviour change can be achieved by offering convenience and competitive pricing to consumers. Products or services which adhere to the principles of circularity should be differentiated in price on the basis of availability/scarcity of resources or how the product is designed. These can initially be achieved through EPR schemes and/or green taxation. The EESC emphasises the importance of viability testing of any new measure.
- 4.2.2 The EESC looks forward to the Commission proposal to rationalise green labels and prevent false green claims. Accurate labelling of the critical information required by purchasers will facilitate better choices being made by consumers and allow decisions to be made by consumers on truly comparable aspects of a product. For example, a more expensive initial price for a kitchen appliance may actually be the more economical choice over time due to longevity, quality and the performance of the appliance.
- 4.2.3 The access and affordability, for all consumers, to the higher performing appliances is an issue. Support mechanisms that allow poorer people access to higher quality initially higher cost goods and services need to be developed. This could take the shape of a government-backed lending scheme, or a manufacturer-backed financing scheme exclusively applied with lower rates to products with a certain minimum life expectancy, and designed to incorporate all elements of circularity. This issue would be addressed by a move away from ownership towards a leasing type model for products.
- 4.2.4 The circular option must be affordable for the consumer. Typically a product of higher quality with a longer life expectancy will cost more for the initial purchase. However over the lifetime of the use of the product, this cost disadvantage commonly evens out. Improved labelling and information coupled with financial instruments that incentivise longer life,

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[OJ C 67, 6/3/2014, p.23-26](#). See also SIRCOME agency, University of South Brittany and University of South Bohemia, *The Influence of Lifespan Labelling on Consumers*, study commissioned by the EESC, March 2016.

cleaner component parts, improved ability to repair and to disassemble for reuse, will incentivise behaviour change.

- 4.2.5 The 7th EAP (paragraph 41 (d)) provides for the creation of a more coherent framework for sustainable consumption and production and the setting of targets for the reduction of the overall impact of consumption. The UN SDG n.12 on Sustainable Consumption and Production is referenced but the need for targets identified in the 7th EAP is not reflected in the Action Plan or the annex.
- 4.2.6 The potential of the digitalisation of the economy for reducing the environmental footprint of consumption and production and increase multiple use and repair must be linked to achieving transition to circularity.
- 4.2.7 Responsible consumer choices require meaningful consumer information. Therefore the development of a product environmental footprint methodology is to be welcomed. However, testing was already mentioned in the Resource Efficiency Roadmap in 2011<sup>24</sup>.
- 4.2.8 The EESC calls for stand-alone, quantitative targets for reuse, separate from those for recycling. The necessary conditions must be created in order to meet these targets.
- 4.2.9 Boosting reuse and repair schemes could be a good example for the use of economic instruments. The application of lower VAT rates to products that are prepared for reuse or repaired and sold should be examined. This would transform the competitiveness of repaired goods, driving innovation and entrepreneurial activity in the area.
- 4.2.10 In the field of collaborative consumption messages from previous EESC opinions should be considered<sup>25</sup>. Promising developments provided by the latest scientific research, especially regarding behavioural sciences and the "nudge" concept, should be factored in to help consumers make more responsible choices; the Committee will deliver shortly an opinion on this topic.
- 4.2.11 Green Public Procurement is an important driver to promote sustainable consumption. An assessment of the current share of GPP compared to total public consumption is needed. Currently the default option for public procurement is the lowest price. This default should be set as the green option, so that any option other than the green one would require extenuating circumstances and a suitable explanation.

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24 Chapter 3.1.

25 [OJ C 177, 11.6.2014, p.1.](#)

### 4.3 Waste management

- 4.3.1 Proper implementation of the existing European legislation on waste across the EU is essential. The EESC reiterates its support to the waste hierarchy and urges all public and private stakeholders to fully implement it.
- 4.3.2 The legislative part of the Circular Economy Package amending various directives on waste has clearly been weakened compared to the proposal made in 2014. The EESC notes that the Commission proposal is also not matching the ambitious targets on waste prevention and recycling called for by the European Parliament in July 2015<sup>26</sup>.
- 4.3.3 The proposal of an obligation of Member States to introduce economic instruments to promote the waste hierarchy<sup>27</sup> and to take waste prevention measures<sup>28</sup> is to be appreciated. However, it is not clear whether Member States will have to revise existing waste prevention programmes with regard to the new provisions<sup>29</sup>.
- 4.3.4 The EESC believes that EPR schemes should be mandatory for adoption by Member States. It welcomes the introduction of minimal requirements for EPR schemes considering the very different performances of EPR schemes across EU Member States. Nonetheless, these provisions could be enhanced so that minimum requirements are further harmonised, in particular by clarifying roles and responsibilities of stakeholders across the value chain as well as their financial liability. In addition, legislators should consider including specific EPR requirements into the Packaging and Packaging Waste Directive<sup>30</sup> to make them more effective.
- 4.3.5 The EESC notes that the Parliament had called for prevention targets for municipal, commercial and industrial waste, but the legislative proposal does not provide any of these.
- 4.3.6 The recycling targets for municipal waste and packaging waste for 2030 have been reduced compared to the previous proposal, although the accompanying staff working document<sup>31</sup> comes to the result that higher recycling targets are associated with greater financial, societal and environmental benefits<sup>32</sup>. It is acknowledged that the Commission has set up an elaborate implementation strategy addressing the specific circumstances of individual Member States

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26 A8-0215/2015.

27 Art. 4(3) Directive 2008/98.

28 Art. 9 Directive 2008/98.

29 Art. 29 Directive 2008/98.

30 Directive (EU) 2015/720

31 SWD(2015) 259 final.

32 SWD(2015) 259 final , pp. 13, 15 and 17.

and combining the measures with financial instruments of the EU Cohesion Policy and other instruments<sup>33</sup>.

- 4.3.7 Ireland has made quick progress, over 10 years, going from almost 100% landfill to meeting all its recycling targets. There is a waste prevention plan, and 3 regional waste plans in place. Ireland was a world leader in introducing a plastic bag tax, which has been since adopted around the world. There are still difficulties to overcome, such as the almost complete control of the waste management activities by the private sector, and the replacement of landfill with incineration in too many cases. As a model for what can be achieved quickly Ireland remains a strong example. This highlights the lack of a need for such a broad derogation for achieving the targets for an additional 5 years for some Member States.
- 4.3.8 Separate collection of waste streams seems indispensable in order to ensure closing loops with high quality secondary raw materials. Art. 11(1) of Directive 2008/98/EU on waste requires separate collection schemes for at least paper, metal, plastic, glass by 2015. The previous proposal strengthened that by introducing separate collection for bio-waste by 2025 under Art. 25. Instead of these strict separate collection requirements the new proposal entails a "soft" – in practice less effective – provision requiring separate collection "where technically, environmentally and economically feasible and appropriate". The EESC calls for this to be strengthened. Given the new provision on separate biowaste collection will enter into force without an adequate transition period, such an explicit "escape clause" may result, at Member States level, in a complete lack of achieving the ambition in practical terms.
- 4.3.9 It is important to note that high recycling rates alone will not conserve the resource in the scenario of fast moving products, such as aluminium drinks containers, with a production to disposal lifecycle of anywhere between 3 weeks and 6 months<sup>34</sup>.
- 4.3.10 The EESC welcomes the Commission's efforts to harmonise definitions and calculation methodologies to ensure the collection of reliable and comparable data. It is essential to make sure that the proposed definitions, in particular the definitions of "preparation for reuse" and "final recycling process"<sup>35</sup>, do not create barriers and/or obstacles for economic stakeholders involved in reuse and recycling. These definitions should instead closely reflect their needs and help develop their activities.

#### 4.4 **From waste to resources**

- 4.4.1 With the uncertainty about the quality of secondary raw materials and the legal uncertainties in the interaction of legislation on waste, products and chemicals, the Commission is addressing major obstacles for a functioning of the secondary raw materials market. The

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<sup>33</sup> Commission staff working document SWD(2015) 260 final.

<sup>34</sup> EEA report on Circular Economy, page 25.

<sup>35</sup> Art. 1 Directive 2008/98/EC.

Commission does not evaluate why the vehicle of the current Directive 2008/98 on waste, the establishment of "end-of-waste" criteria has not proven to be successful.

- 4.4.2 There must be a distinction made between responsibility for the performance of products and the associated warranties/liabilities and the responsibility for the component parts of the products. The former will be a driver for consumer behaviour change. The latter is critical for the preservation of resources, and for the removal of waste from the system. Extended liability for the component parts of a product would mean that wasted resources continue to have an owner with not only a liability but also a competitive advantage for reuse of the resource.
- 4.4.3 Stronger measures to increase the demand for secondary raw materials are required. The Commission had committed in the Resource Efficiency Roadmap to more ambitious measures, such as assessing the introduction of minimum "recycled material rates" for key products.
- 4.4.4 Improving the use of secondary raw materials in the production of new goods might also be a field for public-private partnerships at EU level, such as the European Innovation Partnership on Raw Materials. Some European sectors seem to be ready for commitments on the circular economy. For example, the European paper industry recently announced that they will commit to increasing the current paper recycling rate of nearly 72%<sup>36</sup>.

#### 4.5 **Priority areas**

The EESC notes the seemingly arbitrary allocation of five priority areas, with a very notable exclusion of the identification of "water" as a priority area.

### **Plastics**

- 4.5.1 The EESC welcomes the announcement of a strategy for plastics due in 2017 and looks forward to having a detailed input into this.
- 4.5.2 It will be critical to address the issue of marine pollution from plastics in this strategy and specific targets for this area will be required. The specific action to reduce marine litter identified in the annex, in line with the SDG, will be greatly enhanced by the setting of a quantifiable target in the plastics strategy.
- 4.5.3 There is also an opportunity to address the issue of ownership and EPR specifically in relation to plastics. This is critical given that we are now living in a geological epoch, the Anthropocene, likely to be officially recognised by the levels of plastics in the geological strata now being formed.

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<sup>36</sup> <http://www.cepi.org/pressrelease/CircularEconomyDec2015>.

## **Food waste**

- 4.5.4 The EESC does not accept that the measurement of food waste is too difficult to achieve nor that the setting of target in this area is premature. The work has already been done on establishing the criteria for assessing the levels of food waste<sup>37</sup>.
- 4.5.5 The reference to the SDG is not enough on its own to achieve a reduction in food waste. Milestones need to be included with timelines for achievement, so that progress can be measured in the run up to 2030, with interim reviews.

## **Critical raw materials**

- 4.5.6 The often cited example of the mobile phone highlights the issue around the recovery of critical raw materials. Such a ubiquitous product will provide an interesting barometer for the success of many aspects of the Circular Economy Package, from eco-design to obsolescence to recovery of critical raw materials.

## **Construction and demolition**

- 4.5.7 The backfilling option must be removed.
- 4.5.8 Existing buildings must be managed as the resources that they are, with strategies in place to maximise the re-use and recycling of the abundant resources contained within.

## **Other areas**

- 4.5.9 Water as a resource should be an important part of the circular economy<sup>38</sup>. The use of closed loops, reducing waste, and removal of pollutants are essential aspects of water resource management in a circular model. Details of how this will be achieved are required.

## **4.6 Monitoring progress towards a circular economy**

- 4.6.1 In the previous Circular Economy Package<sup>39</sup>, the Commission had announced that it would assess the Resource Efficiency platform's recommendation to introduce a headline target for resource efficiency in the review of the Europe 2020 Strategy. This would be a way to integrate this aspect into key policy sectors. The outcome of these assessments should be

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<sup>37</sup> See for instance the FP7 EU FUSIONS project: <http://www.eu-fusions.org/index.php>.

<sup>38</sup> European Commission, *The Junction of Health, Environment and the Bioeconomy: Foresight and Implications for European Research & Innovation Policies*, 2015, p. 43.

<sup>39</sup> COM(2014) 398 final, p. 14.

published and a usable metric for monitoring development of the circular economy should be developed.

- 4.6.2 The European Semester process is an existing mechanism that can use both the Country Specific Analysis of Investment Challenges, and the Country Specific Recommendations to use the data from the Annual Growth Survey and other databases to promote the implementation of the circular economy initiatives and the transition from the current unsustainable linear model. The European Semester process and its toolbox should be used as the policy instruments to drive the implementation and promotion of the circular economy. The re-greening of the European Semester process is a critical element in achieving the goals set. The EESC calls for an assessment of the phasing out of environmentally harmful subsidies, and the inclusion of a recommendation that fiscal options should be used to promote the circular economy, such as the use of environmental taxes.
- 4.6.3 The cross sectoral nature of the Circular Economy requires a cross sectoral monitoring body to be established. This would need to have a remit to examine the horizontal integration required as well as the vertical integration necessary to implement the action plan.
- 4.6.4 Each Member State should identify a specific point of contact for reporting on implementation for the transition if it is to happen on the scale that the Commission has identified as being required.

Brussels, 27 April 2016.

The President  
of the  
European Economic and Social Committee

Georges Dassis

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