TOP TEN PRIORITIES FOR CIRCULAR ECONOMY PACKAGE

JUNE 2015

reloop

resources remain resources

This position paper was prepared by the Reloop Platform, an international non-profit association registered in Brussels. The aim of this position paper is to provide a series of specific recommendations as input into the ongoing discussions on the development of the new Circular Economy Package.

WHAT IS THE RELOOP PLATFORM?

Reloop is a broad platform of like-minded interests representing industry, government, and non-governmental organizations that share a common vision for a circular economy.

Collectively, we envision a world where resources remain resources and where they create jobs in a circular economy; a world where we prioritize waste prevention, advocate reuse, and promote closed-loop recycling, while incineration, landfill, and litter are minimised and ultimately eliminated.

Reloop was born to connect stakeholders and citizens, allow for information sharing, and influence decision makers to implement policies and systems that promote a circular economy. Operating as a network with members coming from different sectors across Europe, the platform aims to work as a catalyst in order to generate economic and environmental opportunities for all stakeholders in the value chain. This includes producers, distributors, recyclers, academia, NGOs, trade unions, green regions, cities and citizens.

A HISTORY OF SUPPORT FOR A CIRCULAR ECONOMY LEGISLATIVE PACKAGE

Predating the introduction and recent withdrawal of the European Commission's Circular Economy Package is a long history of positions and policies supporting circularity within the economy, starting in 1975 with the Waste Framework Directive (75/442/EEC). One of the EU's key documents in support of a circular economic model was a Commission Communication entitled 'Declaration on the Guiding Principles for Sustainable Development,' adopted in 2005. Among other things, the declaration reaffirmed sustainable development as one of the EU's main objectives, and as a principle that governs all the Union's policies and activities. More recently, in June 2015, the European Parliament Committee on the Environment, Public Health, and Food Safety (ENVI) adopted a report outlining the need for Europe to transition to a more resource efficient economic model. When formulating the new CEP, it is important to acknowledge the existing concepts, priorities, indicators, goals, and targets that have already been developed and agreed upon by the Commission, as these serve as the building blocks for a circular economy. For a full list of EU policies and positions adopted over the past 20 years that support a progressive Circular Economy Package, please see the Appendix.

THE "WHY"

Reloop is concerned that Europe is not doing enough to conserve resources, mitigate climate change, and manage secondary resources in an innovative and efficient manner. In order to unlock the full potential of a circular economy in Europe, systemic and systematic change in the way resources are viewed, consumed, and managed is vital.

European-wide legislation for a circular economy will support a level playing field among member states, stimulate innovation in products design, and incentivize reverse distribution systems for higher quantity and quality recycling. This translates into more jobs for European citizens, less resource scarcity in the short and long term, and better environmental outcomes—in terms of climate change, litter and pollution mitigation—for all.

THE OPPORTUNITY

Much research and analysis has been carried out to assess what actions can be taken to reverse the problems associated with linear consumption patterns. There is no debate over the fact that our current systems of manufacturing and consumption are unsustainable, and that the economy must transition towards a circular economic model where resources remain resources and where disposal to landfill and incineration are avoided and littering is minimised.

Among other things, a move towards a truly circular economy requires effective governance. This, in turn, relies on the establishment of specific social, economic, and environmental targets and indicators to measure progress towards circular economy goals, and to keep countries and individual organizations accountable for their own performance. Now is the time to pass laws that direct member states to implement new or better systems where they do not currently exist, or that fall short of achieving their desired outcomes.

Ten Considerations for Circular Economy Package (CEP)

Below are ten important considerations for input into the ongoing discussions on the development of the new Circular Economy Package ("CEP"), which the European Commission is working to deliver by the end of 2015. These considerations represent our views of what should form part of the new initiative. It is important to note that these considerations are consistent with the system conditions that have been identified by Reloop as critical to achieving a successful circular economy. (To learn more about these system conditions, watch our PREZI entitled 'Reloop Position on Circular Economy' available at http://prezi.com/pk6wdaajdvup/?utm_campaign=share&utm_medium=copy)

1—

Introduce **policy measures, which directly influence product design** in a manner that supports durability, repair, reuse and recyclability. Eco-design policies should also support the goals of toxics use reduction as well as resource efficiency (including energy efficiency) in the production and use phases of a product's lifecycle.

The logical efficiency of a socio-economic system built around the concepts of sharing, exchanging, trading, borrowing, lending, as opposed to individual ownership is clear. Such systems incentivize smart design for product durability, reuse, remanufacturing and ease of disassembly because the product responsibility remains with the producer (i.e. designer) for the life of the product, instead of with the user.

2—

Definitions in the revised waste legislation of the new CEP should be made consistent with those in the Waste Framework Directive (2008/98/EC) and should include a definition of "backfilling" to ensure that this application is not considered as recycling, which would undermine the opportunity to supplant virgin equivalents and incentivize a downgrade of quality where the economics may not justify recycling over material recovery. In addition, definitions in Directives 94/62/EC; 1999/31/EC; 2000/53/EC; and 2006/66/EC should also be made consistent with Directive 2008/98/EC.

3—

Include material-specific preparation for reuse and recycling targets for packaging from proposed CEP COM(2014)397. These targets are realistic, as proven by many countries around the world, as well as numerous public and privately initiated programs operated by producers to take back their products for reuse or high-quality recycling. The schedule for meeting these targets is as follows:

	2020	2025	2030
Plastic	45%	60%	60%
Wood	50%	65%	80%
Ferrous metal	70%	80%	90%
Aluminum	70%	80%	90%
Glass	70%	80%	90%
Paper and cardboard	85%	90%	90%
TOTAL	**60%**	**70%**	**80%**

For certain product types, such as waste electronics and electrical equipment (WEEE), separate reuse and recycling targets should be part of the legislated targets schedule. Separate reuse targets may offer significant opportunities to develop the reuse sector further and extend the life of quality products where such opportunities exist, but are currently overshadowed by collection systems and economic investment aimed at recycling over reuse.

4—

Introduce targeted collection programs for marine debris packaging like plastic bags and beverage containers. Although implementing a general marine litter reduction target would be ideal, it would create massive obstacles in terms of inserting it into a legal framework. There are many challenges associated with measuring baseline levels, assigning geographic boundaries, determining enforcement jurisdiction, and deciding who ultimately bears responsibility for non-compliance. These are but a few of the intricate complexities when it comes to dealing with our marine mess. Marine litter reduction requires a more strategic approach, one that relies on product specific strategies with a proven track record.

There are many working examples of countries that have introduced targeted economic instruments designed to curb consumption and/or collect packaging for reuse or recycling. We should capitalize on these successes and introduce targeted programs, which work directly to reduce marine litter.

For example, plastic bags are one of the top ten packaging items (by unit) found in marine debris, making up approximately 12% of this segment of marine litter[1]. Specific collection programs used to target this material include **design specifications, consumption levies, or taxes on plastic shopping bags**, as per the recently adopted Directive 2015/720 on reducing the consumption of lightweight plastic carrier bags.

Also on the top ten list of packaging items found in marine debris (by unit) are beverage containers. While beverage containers represent approximately 23%[2] of the top ten packaging items found in marine litter (by unit) (up from 17% five years ago[3]), by volume, they make up more than half. One of the tools proven to be effective at collecting high quantities of empty beverage containers for reuse and recycling is **deposit return**. To illustrate how effective these programs can be in reducing litter, consider the findings of the International Coastal Clean Up Report 2015[4], which compared the number of beverage containers (PET, aluminum and glass) found along a strip of coastline in Germany (with deposit return) and Spain (without deposit return). There were 15 times more beverage containers found littered on the coast of Spain than in Germany, where most beverages carry a deposit of 0,25€.

In addition to achieving high collection rates, deposit return can also contribute to curbing consumption of resources by fostering more favourable economics and logistics for reusable bottles over one-way containers. For every refillable container that is produced and sold on the market, an estimated 15 to 50 one-way containers (and the resources used to make and dispose and/or recycle them) are avoided and therefore do not end up in the marine environment.

1 International Coastal Clean up 2014
2 Ibid.,
3 International coastal clean up 2009
4 Source: http://www.oceanconservancy.org/our-work/marine-debris/2015-data-release/2015-data-release-pdf.pdf

5—

Consider **closed-loop recycling targets** as part of the target schedule. Closed-loop recycling returns the material to the original production process, which effectively replaces virgin equivalents. In a closed-loop system, most materials (like plastics, glass and metal) can be functionally recycled into the same products over and over again without any significant change in the inherent properties or quality of the material, which ultimately extends the life of these valuable finite resources. Closed-loop recycling, in its simplest form, is illustrated by glass bottles being recycled back into glass bottles or aluminum cans being recycled back into aluminum cans. Compared to open-loop recycling, where a product made from one type of material is recycled into a different type of product, closed-loop recycling achieves the best environmental outcomes in terms of climate change mitigation and also maintains the highest economic value of the resource for the longest period of time.

We suggest consideration of **closed-loop recycling targets** embedded within the preparation for reuse and recycling targets. These targets will help support manufacturers' goals of utilizing greater amounts of recycled content in their products, which often cannot be attained due to a lack of supply of clean secondary feedstock.

6—

Include a harmonised recycling rate calculation methodology. We recognize that current recycling rates are considerably overstated because of the inclusion of the weight of contaminants and other impurities, which should have been removed prior to shipping of the recyclables. This extra weight increases the value of the numerator.

In addition, the numerator may also include imported material, which was never consumed in that region or country in the first place, but was imported post-consumption, for recycling purposes.

Further to this, the estimates for the amount of material which is sold or "generated" in the jurisdiction is often under-estimated because it excludes material which was not reported as sold by producers in the first place – known as "free riders" (decreasing the value of the denominator).

In order to provide the most accurate reflection of success in recycling, the recycling calculation method must:

- Exclude the weight of material lost during the sorting (pre-treatment), recycling (conversion), and manufacturing (secondary resource input) stages of the downstream recycling chain;
- Exclude the weight of imported post-consumption materials as well as other material, which falls outside of the boundary being targeted (like commercially generated material not part of the municipal system boundary);
- Include an estimate for the amount of material, which was not reported as sold in the jurisdiction;
- Include reusable packaging in the recycling calculation. This will help member states by crediting environmentally friendly refill/reuse systems towards the achievement of recycling targets;
- Be transparent for public review; and
- Be verified by an independent third-party.

Over the upcoming months, Reloop proposes to work closely with the Commission to refine an accurate, fair, consistent, and verifiable methodology.

7—

Consistent with the waste hierarchy, prioritise and promote resource conservation and circularity through waste prevention and material reuse. While we recognise that recycling is beneficial and has an important place in the waste hierarchy, prevention and reuse are the keys to Europe successfully achieving circularity more quickly. As such, it is imperative that the CEP includes provisions that direct member states to introduce programs and policy instruments that incentivise prevention and reuse over recycling. These include:

- Establishing **resource consumption reduction targets** for products and packaging. For some packaging items, such as shipping containers, crates, and food and beverage container material (e.g., aluminum, PET and glass), the use of refillables with high trip rates[5] can play a significant role in helping countries achieve resource conservation goals because reusing packaging over and over has a significant multiplier effect in terms of avoided primary resource extraction. Similarly, Directive 2015/720 on reducing the consumption of lightweight plastic carrier bags also contributes to achieving higher resource consumption reduction targets.
- Promoting the benefits of reuse through public education as well as **mandatory labelling on products where reuse and one-way options exist** to help inform consumers.
- Implementing **"eco-taxes," "eco-levies," or "green-fees" on single-use products and packaging** (where reusable alternatives exist) to discourage their use.
- **Establishing mandatory deposit return systems for products (i.e. lead–acid batteries; some electronics) and packaging (i.e. beverage containers, expanded polystyrene foam fishing boxes)**. This supports a level playing field and helps to not only maintain but also grow the market for reusable products because they are collected back in large quantities and kept clean, thereby allowing for reuse, repair, refurbishment and remanufacturing.

5 The number of times a package is reused before it is recycled or disposed.

8—

Include minimum criteria for Extended Producer Responsibility (EPR) (as per criteria 1-9 in Annex VII from (COM(2014)397). These criteria will help member states to introduce effective EPR that works proactively to support all legally-binding targets.

9—

Introduce deposit return as a measure to be considered in the early warning system plan as proposed in the old CEP (Annex VIII, corresponding to Article 11a of former waste legislation) for those member states that fail to meet, or are on track to fail to meet, legislated targets. Deposit return systems have proven to be a highly effective way to recover products and materials purchased by consumers. These systems support waste prevention, reuse, closed-loop recycling, as well as significant litter reduction, and are widely supported by all ENGOs, most cities, and most industry. Deposit return systems have also been recommended in Commission waste management roadmaps of 2012[6] for worst performing member states and listed in the Commission Guidance on the Interpretation of the Waste Framework Directive[7] as an example of a waste prevention measure.

Another important aspect to bear in mind when closing resource cycles is that secondary raw materials should not contain chemical substances that are no longer authorised in Europe. Under Europe's REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation, certain chemicals are banned if they are persistent, bioaccumulative and toxic. Collecting beverage containers exclusively (as an example) via a deposit return system guarantees that all collected recyclables meet the end-of-waste criteria under the Waste Framework Directive without risking not complying with the REACH Regulation.

10—

Ensure that Article 11(1) of the Waste Framework Directive—which states that by 2015 separate collection shall be set up for paper, metal, plastic and glass—is enforced. Mandating separate collection for segregated recyclable materials will improve the quality of materials available for recycling, boost recycling rates and reduce the amount of valuable materials landfilled or incinerated.

6 Links to individual roadmaps for each Member State are available at: http://ec.europa.eu/environment/waste/framework/support_implementation.htm
7 European Commission. Directorate-General Environment. Guidance on the interpretation of key provisions of Directive 2008/98/EC on waste. Available at: http://ec.europa.eu/environment/waste/framework/pdf/guidance_doc.pdf

MAKING THE CASE FOR A CIRCULAR ECONOMY PACKAGE

Initiatives and Policy from the EU which supports a strong Circular Economy Package

• 1975

JULY
Waste Framework Directive (75/442/EC)

1994 •

DECEMBER
Packaging and Packaging Waste Directive (94/62/EC)

• 2000

MARCH
Lisbon Strategy

SEPTEMBER
End-of-Life Vehicles (ELV) Directive (2000/53/EC)

2001 •

MAY
Commission Communication on 'A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development' (COM(2001)264 final)

JUNE
Commission Communication entitled 'Integrated Product Policy: Building on Environmental Life-Cycle Thinking' (COM(2003) 302)

JULY
Commission Communication entitled 'European Governance: A White Paper' (COM(2001)428 final)

• 2005

JUNE
Commission Communication entitled 'Draft Declaration on Guiding Principles for Sustainable Development (COM(2005)218 final)

DECEMBER
Commission Communication entitled 'Thematic Strategy on the sustainable use of natural resources' (COM(2005)670 final)

Commission Communication entitled 'Taking sustainable use of resources forward: A Thematic Strategy on the prevention and recycling of waste' (COM(2005)666 final)

2006 •

SEPTEMBER
Battery Directive (2006/66/EC)

DECEMBER
Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

• 2008

JUNE
Marine Strategy Framework Directive (2008/56/EC)

JULY
Communication on the Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan (SCP/SIP) (COM(2008)397 final)

NOVEMBER
Waste Framework Directive (2008/98/EC)

Commission Communication entitled 'The raw materials initiative – meeting our critical needs for growth and jobs in Europe' (COM(2008)699 final)

2009 •

MAY
Commission Communication entitled 'Beverage packaging, deposit systems and free movement of goods' (2009/C 107/01)

OCTOBER
Ecodesign Directive (recast) (2009/125/EC)

ZeroWIN (Towards Zero Waste in Industrial Networks) – project funded under the 7th Framework Programme (FP7) of the European Commission

MARCH
Commission Communication entitled 'Europe 2020 – A strategy for smart, sustainable, and inclusive growth' (COM(2010)2020)

OCTOBER
ECO-INNOVERA – project funded under the 7th Framework Programme (FP7) of the European Commission

• 2010

JANUARY
Commission Communication entitled 'A resource-efficient Europe – Flagship initiative under the Europe 2020 strategy' (COM(2011)0021)

MARCH
Commission Communication entitled 'A Roadmap for moving to a competitive low carbon economy in 2050' (COM(2011)112 final)

Commission White Paper entitled 'Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system' (COM(2011)144 final)

2011 •

JUNE
Restriction on the Use of Hazardous Substances (RoHS) in Electrical and Electronic Equipment Directive (recast) (2011/65/EU)

AUGUST
Guidelines on the Preparation of Food Waste Prevention Programmes

SEPTEMBER
Roadmap to a Resource Efficient Europe (COM(2011)571)

DECEMBER
Commission Communication entitled 'Energy Roadmap 2050'

JANUARY
Cycling resources embedded in systems containing Light Emitting Diodes (cycLED) – project funded under the 7th Framework Programme (FP7) of the European Commission

FEBRUARY
Commission Communication entitled 'Innovating for Sustainable Growth: A Bioeconomy for Europe' (COM(2012) 60 final)

MAY
Environmental Indicator Report 2012: Ecosystem Resilience and Resource Efficiency in a Green Economy in Europe (European Environment Agency)

• 2012

JUNE
Guidance on the interpretation of key provisions of Directive 2008/98/EC on waste

European Resource Efficiency Platform

JULY
Waste Electrical and Electronic Equipment (WEEE) (recast) Directive (2012/19/EU)

SPREE (Servicizing Policy for Resource Efficient Economy) – project funded under the 7th Framework Programme (FP7) of the European Commission

OCTOBER
Commission Guidance Document on Preparing a Waste Prevention Programme

CU-PV project (Cradle to cradle sustainable PV modules) – project funded under the 7th Framework Programme (FP7) of the European Commission

Development of Resource-efficient and Advanced underGrOund techNologies (DRAGON) – project funded under the 7th Framework Programme (FP7) of the European Commission

HydroWEEE Demo (Innovative Hydrometallurgical Processes to recover Metals from WEEE including lamps and batteries – Demonstration) – project funded under the 7th Framework Programme (FP7) of the European Commission

IDREEM (Increasing Industrial Resource Efficiency in European Mariculture) – project funded under the 7th Framework Programme (FP7) of the European Commission

NOVEMBER
RESFOOD (Resource Efficient and Safe Food Production and Processing) – project funded under the 7th Framework Programme (FP7) of the European Commission

• 2012

MARCH
Commission Green paper on a European Strategy on Plastic Waste in the Environment

APRIL
Commission Communication entitled 'Building the Single Market for Green Products: Facilitating better information on the environmental performance of products and organisations' (COM(2013)196 final)

Commission Recommendations on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (2013/179/EU)

NOVEMBER
Environmental Indicator Report 2013: Natural Resources and Human Well-Being in a Green Economy (European Environment Agency)

DECEMBER
Decision of the European Parliament and of the Council on a General Union Environment Action Programme to 2020

SMEs, Resource Efficiency and Green Markets – Report conducted by TNS Political & Social at the request of the European Commission, Directorate-General for Enterprise and Industry

Commission Roadmaps for worst performing Member States

2013 •

JULY
Commission Communication entitled 'Resource efficiency opportunities in the building sector' (COM(2014)445 final)

Commission Communication entitled 'Towards a circular economy: A zero waste programme for Europe' (COM(2014)398 final)

Commission Communication entitled 'Green Employment Initiative: Tapping into the job creation potential of the green economy' (COM(2014)446 final)

Commission Communication entitled 'Green Action Plan for SMEs: Enabling SMEs to turn environmental challenges into business opportunities'

Bio-based Industries (BBI) Joint Undertaking (Public-Private Partnership between the EU and the Bio-based Industries Consortium)

AUGUST
Scoping study to identify potential circular economy actions, priority sectors, material flows and value chains – Funded under DG Environment's Framework contract for economic analysis

OCTOBER
Environment Council conclusions on 'Greening the European semester and the Europe 2020 Strategy – Mid-term review'

Environmental Indicator Report 2014: Environmental Impacts of Production-Consumption Systems in Europe (European Environment Agency)

Development of Guidance on Extended Producer Responsibility (EPR) – Final Report

• 2014

JUNE
Opinion of the Committee on Industry, Research and Energy for the Committee on the Environment, Public Health and Food Safety on resource efficiency: moving towards a circular economy (2014/2208(INI))

Report entitled 'Resource efficiency: moving towards a circular economy' adopted by the Committee on the Environment, Public Health, and Food Safety

Opinion of the Committee on Employment and Social Affairs for the Committee on Environment, Public Health and Food Safety on resource efficiency: moving towards a circular economy (2014/2208(INI))

2015 •

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