

Submission to European Commission's Public Consultation on the Circular Economy

August 2015

Section 8 (uploaded document)

An ambitious plan to build a circular economy for the EU is both extremely necessary and long overdue. The capacity to create waste was once seen as a sign of affluence and prosperity. Our economic model needs to reject and go beyond this outmoded approach, as part of a rethinking of prosperity, which takes into account the finite nature of resources and the full impacts of their consumption. In particular, we must de-link economic activity from resource consumption.

A circular economy to deliver a 'one planet' economy. A circular economy is essential to re-align economic activity with environmental limits. This is something linear economics fails to do, by treating both inputs and outputs as potentially infinite. A circular economy can put the EU on a pathway towards becoming a one planet economy. (That is, only using its fair share of the planet's finite resources, rather than assuming an infinity of resources or that there are more planets to go round.) This fundamental shift in economic thinking and policy is essential for the long-term prosperity and success of the EU.

Restructure the whole economy on circular economy principles. The Commission needs to maximise the beneficial potential of the circular economy model, by applying it to the restructuring of the entire economy. This is necessary in order to make the EU economy resource-efficient, environmentally sustainable, and deliver the huge potential for green jobs and skills.

Moving to a circular economy will only be achievable with robust and far-reaching legislation and targets which are legally binding and which strengthen existing provisions in key areas. This should include specific waste reduction and resource efficiency targets, and an explicit commitment to becoming a zero waste EU.

Waste policies

Effective development of the EU's circular economy will not be possible without ambitious waste reduction policies with legally binding targets. These should include the following provisions:

Binding waste reduction targets for municipal, commercial and industrial waste to be met by 2025. It is not sufficient to have an aspirational target.

Binding food waste reduction target, of at least 30% by 2025. It is essential that this target is binding and not simply aspirational, as was previously proposed by the Commission.

Increase **recycling targets to at least 70% of municipal solid waste and 80% recycling of packaging waste** by 2030.

A ban on incineration and landfilling of recyclable and biodegradable waste by 2020. A staged target should be set for maximum amounts of residual waste per capita per year to be incinerated or landfilled.

Separate collection of biodegradable should be required by no later than 2020.

Product-related policies

As called for by the European Parliament, the EU must commit to an absolute reduction in the consumption of resources to sustainable levels, **so that the EU is fully sustainable by 2050.**

By the end of 2015 the Commission should propose an ambitious and binding resource-efficiency target. In July the European Parliament called for a target of 30% improved resource efficiency by 2030, compared to 2014. The European Environment Bureau recommends a 40% improved resource efficiency target by 2030, calculated as raw material consumption per GDP. [EEB, 2015, *10 Green Tests for the Luxembourg Presidency.*] For an ambitious circular economy proposal to be properly effective, it is essential for the resource efficiency target to be legally binding and for individual targets for each member state. Sectoral approaches also have an important part to play.

Key resource efficiency indicators should be proposed by the end of 2015. The Commission should propose a lead indicator and sub indicators for resource efficiency by the end of 2015, based on footprint methodology and which include the measuring of land, water, materials, energy, carbon and other greenhouse gas use.

Toxic substances must be phased out, as part of the development of non-toxic material cycles.

There needs to be **product policy legislation on all products** to increase product lifetime, durability, reparability, reusability and recyclability, which should include specifying of minimum standards. Product policies should take a lifecycle-oriented approach.

Minimum levels of recycled content should be stipulated for new products.

Mandatory product passports should be developed, which detail a product's material components, including reusable and recyclable parts and how they can be accessed, repaired, refurbished, re-used and recycled. The European Parliament's vote for mandatory regulation/certification to prevent **conflict minerals** entering relevant EU supply chains should also be taken forward by the Commission.

Sustainable buildings. Given that 90% of the EU's 2050 built environment already exists, particular focus is needed to improve the energy and resource efficiency of existing buildings, and to maximise the re-use and high quality recycling of building materials, both in refurbishment and new-build. Extraction and transportation of building materials needs to be fully taken into account. Use of on-site recycling and material sorting should be maximised. A **building passport** should be developed, based on the whole lifecycle of a building.

Address obstacles arising from the single market. The Commission needs to acknowledge and analyse the specific ways the EU's single market rules can undermine or obstruct the development of a circular economy. The Commission should identify such obstacles and propose ways to overcome them, including, where necessary, changes to single market rules.

Maximise green jobs potential. The circular economy's potential for job creation is huge. Commission proposals need to ensure that this potential is maximised, in accordance with the objectives of the Commission's Green Employment Initiative. (*European Parliament resolution of 8 July 2015 on the Green Employment Initiative: Tapping into the job creation potential of the green*

economy, 2014/2238(INI) <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2015-0264+0+DOC+PDF+V0//EN>)

Green MEPs continue to stress that a truly ambitious resource efficiency target and circular economy package can create two million extra jobs, and the Commission's own calculations show it could lead to savings of around EUR 600 billion per year.

There is particular employment potential in labour-intensive sectors and sectors which cannot be relocated or off-shored. These sectors need to be identified and become a focus for accelerating the circular economy.

'*Growth Within: a circular economy vision for a competitive EU*', by the Ellen MacArthur Foundation, the McKinsey Center for Business and Environment, and SUN, also shows that considerable economic and employment benefits could be achieved, with a coherent policy framework, backed by the appropriate policy measures.

(See http://www.mckinsey.com/client_service/sustainability/latest_thinking/growth_within_-_a_circular_economy_vision_for_a_competitive_europe, June 2015.)

Skills. New skills will be needed in the circular economy, and investing in skills will increase the job creation benefits. This requires comprehensive skills audits and financing of skills and training in order to meet the needs of the circular economy as it develops and the employment needs in Member States. EU funds need to provision and facilitate this skills investment in the circular economy.

Ensure a just transition. The circular economy transformation must be planned and undertaken on the basis of a just transition, the five pillars of which are: consultation/trade union voice; investment in green and decent jobs; green skills; respect for labour and human rights; social protection for workers and communities, especially those most affected by the transition. The EU has already committed to a just transition approach and the employment transformations arising from radical shifts to a circular economy make it important for the EU to reaffirm the application of just transition principles in this area.

Shortening supply chains. A greater focus is needed on the value of measuring and shortening supply chains. A successful circular economy will shorten supply chains and establish virtuous supply chain circles. Developing shorter, more resource-efficient supply chains, particularly within the EU, will benefit job creation, add economic value and reduce transport emissions. Particular proposals are needed which incentivise the shortening of supply chains. This should include an assessment of internal market rules which may act as disincentives and proposals to address the problem.

Regarding trade policy, free trade should be acknowledged as a potential impediment to shortening and localising supply chains. Given its importance to the circular economy, the shortening of supply chains should be given precedence over free trade and this should be reflected in EU trade rules and agreements.

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