



# THE NEXT CIRCULAR ECONOMY ACTION PLAN: PRIORITY MEASURES FOR THE EUROPEAN COMMISSION



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## Summary

In the political guidelines for the next European Commission 2019-2024, President-elect Ursula Von der Leyen declares that she wants to make Europe “a world leader in circular economy and clean technologies”.

The next generation Circular Economy Action Plan needs to move away from policies focussed on targeting waste, to shift clearly towards more transformational design and systemic solutions strengthening the synergies between circularity and environmental emergencies such as fighting climate change and biodiversity loss. The underlying aim should be to achieve an absolute reduction in resource use.

This next Action Plan should be a core part of the European Green Deal, released within the first 100 days of the next European Commission, and focus on:

- Ecodesign of products;
- Exclude hazardous chemicals;
- Better integrating the bio-economy and the circular economy;
- Strengthening efforts on reducing plastic use and improving its environmental footprint;
- Preventing waste;
- Reinforcing environmental assessment tools;
- Financing the transition to a circular economy.

## 1. Ecodesign products

Despite 20 years' work on product policy, the EU still lacks a consistent and ambitious product policy framework on the sustainable design of products, and patchy circular design requirements only apply to a very limited group of products. A sustainable and circular product policy framework needs a strong focus on product design, based on ecodesign principles. Today, despite their tremendous resource intensity, key sectors remain largely untouched by Europe's circularity measures.

The European Commission should target the sectors of textiles, construction products, furniture, and electrical and electronic products including batteries, and introduce:

- Ambitious and homogeneous ecodesign requirements on all key products, addressing issues from resource use and material selection to chemicals, pollution and circularity;
- A product information tool to increase transparency, make environmental information available along the value chain and assist in identifying future products and issues for policy attention;
- A label to communicate to consumers the product performance in terms of sustainability and circularity (in the case of energy-related products, the information could be included on the energy label);
- A new legislative framework consisting of a series of coordinated measures to boost reuse, remanufacturing, repair and the sharing economy. This would include financial incentives, targets and requirements to foster the development of the necessary infrastructure and systems such as deposit-return, take back and refill schemes.

## 2. Exclude hazardous chemicals

To achieve a zero-pollution and toxic-free environment, the EU needs to exclude the use of substances of concern systematically, starting with endocrine disruptors, flame retardants, fluorinated compounds and toxic pesticides. This would ease product and material circularity, protect citizens' and workers' health, and build trust in recycled materials and products.

Hazardous chemicals need to be phased out from products, using both product policy and chemicals legislation. Building on the halogenated flame retardants ban within the Ecodesign Directive, chemicals bans in products should be carried out by class and groups of chemicals, and linked to parallel REACH restriction processes for wider product applications.

We call on the European Commission to:

- Produce a zero-pollution and toxic-free strategy to eliminate hazardous substances, in particular priority groups such as endocrine disruptors, flame retardants, fluorinated compounds and toxic pesticides; and systematically identify substances in products so as to eliminate or reduce unnecessary chemicals usage and ease circularity in materials and products;
- Ensure that product design requirements systematically address and prioritise the elimination of chemicals of concern

### 3. Better integrate the bio-economy and the circular economy

Use of biological resources for materials and energy is increasingly promoted by EU policies to help in the development of a circular economy and to address challenges such as the climate emergency. Yet overuse of biological resources leads inevitably to increased habitat destruction, biodiversity loss and land-use change. Policies promoting the use of biological resources need to go beyond substituting fossil raw materials with (sustainably sourced) bio-based ones. A sustainable and circular bio-economy requires policies designed to effectively promote multiple cascading uses of biomass.

We call on the European Commission to:

- Develop horizontal guidelines on cascading uses of bio-based materials, to support avoiding (indirect) land-use change, to steer bioeconomy developments to uses providing considerable reduction in environmental impacts, and prioritising material circularity over nutrient or energy generation;
- Clearly develop and integrate bio-economy aspects into the sustainable and circular product policy framework legislation.



### 4. Strengthen efforts on reducing plastic use and improving its environmental footprint

Plastic remains the fastest growing pollutant globally. The Plastics Strategy and the Single-use Plastics Directive have shown that the EU can be a true leader in tackling important societal challenges. However, the focus of policy measures now needs to shift towards plastic use prevention, using an ecodesign approach. The endless supply of cheap raw material for plastics production should also be reduced through fiscal measures. Biodegradable and/or compostable plastics should also be subject to the same prevention measures as conventional plastics. Finally, microplastics emissions need to be limited through sector-specific design and production requirements, addressed in a coordinated manner.

We call on the European Commission to:

- Define a plastic use reduction target and apply ecodesign principles to plastic;
- Make plastic prices reflect true costs by eliminating fossil fuel subsidies, introducing an EU plastic tax and reducing ETS emissions quotas for plastic polymer production;
- Eliminate intentional microplastics use and address microplastics emissions through product requirements and standardisation on emissions assessment methods (textiles & tyres);
- Address plastic pellet through a mandatory supply chain approach;
- Limit uses of biodegradable plastics to applications where reusable solutions do not exist.



### 5. Prevent waste

In the transition to a circular economy, sustainable waste management remains a necessity. Landfilling and incineration of untreated municipal waste must be halted as soon as possible.

Revision of the Waste Shipment Regulation should be based on the proximity principle, while respecting the waste hierarchy. Strict enforcement of the Basel Convention should prevent waste from being shipped to other countries with less stringent regulations and inadequate recycling infrastructure. Specific attention should be given to WEEE and mixed plastic waste.

The EU should also focus on waste prevention and (preparation for) reuse to drive reduced resource use through product and service design. A quantitative waste prevention target (e.g. max. 120 kg residual waste per capita by 2030) would help drive this agenda. A (preparation for) reuse target is also needed, alongside mandatory objectives for specific waste streams such as food (reduction of 30% by 2025 and 50% by 2030).

We call on the European Commission to:

- Ensure a sustainable waste management by halting landfilling and incineration of untreated municipal waste, and ensuring that both the proximity principle and waste hierarchy are integrated in EU legislation and enforced;
- Create waste prevention and (preparation for) reuse targets, driving reduced resource use through product/service design.

## 6. Strengthen environmental assessment tools

Environmental assessment instruments such as the Product Environmental Footprint initiative should better reflect the circular economy principles, follow the polluter pays principle and account for the negative externalities of certain product characteristics or end-of-life options.

Robust methodologies should be developed to ensure that harmonised Life Cycle Assessment rules account for the environmental benefits of waste prevention and reuse and stop focusing on single use products. Improved tools should reconsider the way end-of-life options which rank low in the waste hierarchy, such as waste-to-energy, are rewarded (in considering that the energy from material incineration replaces fossil fuels) and consider the environmental impacts of leakage and littering of products.

Resources should also be invested in defining sound functional units enabling the comparison between single use and multiple use products. Further methodologies and metrics beyond LCA should be developed in order to assess the durability, reusability, repairability of products.

We call on the European Commission to:

- Further develop Life Cycle Assessment rules and other environmental metrics to provide robust methodologies to assess and promote circularity.

## 7. Finance the transition to a circular economy

In its Sustainable Finance Action Plan, the European Commission commits to identify economic activities significantly contributing to the “transition to a circular economy, waste prevention and recycling” while not causing significant harm to the environment to help channel investor money to these activities. This classification should be about scaling alternative business models

based on the inner loops of circular material and product cycles. This means providing the necessary framework conditions and tools to scale and mainstream the sharing economy, repair activities, service-based models and re-use systems across Europe.

A complementary mapping exercise is needed to identify economic activities hampering the transition to a circular economy (the so-called “brown taxonomy”). Activities relying on virgin materials and not internalising end-of-life treatments and material recovery should be flagged as preventing the transition to a circular economy. This will allow investors to make better-informed decisions as well as to be held accountable for them.

Based on this classification, ambitious targets should be set for allocating the budget of the European Commission, similarly to the climate mainstreaming target.

**We call on the European Commission to:**

- Make the EU budget completely “green proof” by 2030 and ensure no EU funding is used to support brown activities.

ECOS, the European Environmental Citizens’ Organisation for Standardisation, defends environmental interests in the standards development process at European and international level. As part of this, ECOS is heavily involved with work on Ecodesign, providing expert input on all products covered by the legislation. ECOS is also an official member of the Ecodesign Consultation Forum. Find out more about ECOS on: [www.ecostandard.org](http://www.ecostandard.org)

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