EUROPEAN ENVIRONMENTAL CITIZENS ORGANISATION FOR STANDARDISATION

ECOS

ORGANISATION EUROPÉENNE ENVIRONNEMENTALE CITOYENNE POUR LA NORMALISATION

Brussels, 13 March 2019

Evaluating the Circular Economy Action Plan: where does the EU really stand?

Three years after the adoption of the Circular Economy Action Plan, the European Commission has released a report assessing the results achieved so far. ECOS recognises the progress made in several areas, but we also believe that many measures are delayed, inadequate or lacking, or far from being completed. Most importantly, an integrated EU Product Policy based on circular principles is urgently needed to address all the life-cycle stages of products, from design to circular end-of-life management. Therefore, even though the overall balance is positive, ECOS considers it premature to conclude that the CE Action Plan is "fully completed".

In spite of a good progress on the 54 actions the Commission committed to, the EU is still only at the beginning of the transition to a circular economy. Many challenges still lie ahead, including:

Ecodesign

- only one third of all the measures announced in the Ecodesign Working Plan 2016-2019 were finalised on time
- repair and recycling of electronics, notably smartphones, have not received nearly enough attention
- the standard to assess the repairability of energy-related products has not yet been adopted
- the Energy Label does not communicate product durability and repairability

Plastics

The EU Strategy for Plastics and the Single-Use Plastics Directive are two major achievements, but a lot still needs to be done. To cut plastic pollution at source, Europe needs EU Product Policy measures to reduce overall plastic use, improve the (eco)design of plastic products, and limit the release of microplastics into the environment.

Chemicals

The presence of chemicals in products and materials continues to be a problematic barrier to circularity and protection of environmental and human health. Overarching policy objectives on reducing the use and hazardousness of chemicals needs to go hand in hand with EU Product Policy driving circular products and new business models such as product-service systems.

Financial incentives

Pricing of linear goods and services should reflect their environmental impacts, and all environmentally-harmful subsidies must be eliminated. At the same time, more financial incentives, such as a reduction in VAT for repair activities, are needed to support circular practices.

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Monitoring framework

The EU can only decouple economic development from natural resource use if we look beyond GDP. This requires natural capital accounting at all levels within the public and private domains.

In addition, the report briefly mentions policy gaps that impede further mainstreaming of circular thinking in all policy domains, most importantly: **food, textiles and construction**. While ECOS agrees with these challenges, we believe the biggest blind spot in the EC Action Plan is the **use and import of raw materials and commodities**, such as soy and palm oil, from unsustainable sources. As long as no stringent action is taken to create a net positive ecological footprint, the transition will remain incomplete.

Finally, it needs to be pointed out that there is a **significant gap between circular policies on paper and the reality**. Implementation of basic environmental legislation, for instance regarding air, water and soil quality, is still a big challenge in some Member States. The "polluter-pays" principle is hardly followed in practice. It is time for companies to pay the real price for natural resources extraction and pollution, both inside and outside the EU. Improved law enforcement and market surveillance would make sure that industries follow environmental regulations and product standards.

In conclusion, although a number of milestones have been reached during President Juncker's mandate, **to realise a circular economy will require even more ambitious product policies using ecodesign principles, including for textiles and construction,** from the next European Commission. Only then will the EU establish a truly regenerative system that strengthens our natural, social and economic capital.

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