

# European Circular Economy Stakeholder Platform



**Joint statement on the new  
Circular Economy Action Plan (CEAP) by  
members of the Coordination Group (CG) of the  
European Circular Economy Stakeholder Platform**

represented by

**CG Chair Ladeja Godina Košir**

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BusinessEurope

European Federation of Waste Management and Environmental Services (FEAD)

World Business Council for Sustainable Development

Public Waste Agency of Flanders (OVAM)

Ecoembes

Department for Sustainability, Italian national agency for new technologies, environment and sustainable economic development (ENEA)

Circle Economy

Circular Change

The Finnish Innovation Fund Sitra

Ellen MacArthur Foundation

Collaborating Centre on Sustainable Consumption and Production

Waste Management and Recycling Cluster

Institute for Research in Circular Economy and Environment "Ernest Lupan"

Institut National de l'Economie Circulaire

Reuse and Recycling European Union Social Enterprises (RREUSE)

European Sustainable Business Federation (Ecopreneur.eu)

Association of Cities and Regions for sustainable Resource management (ACR+)

COPA-COGECA

Eurocities

Circular Economy Coalition for Europe (CEC4Europe)

The Product-Life Institute

Municipal Waste Europe

European Environmental Bureau

industriALL European trade union

## Opening remarks from the CG Chair

In the context of COVID-19, the rules of our economy and our society are already being rewritten. In these challenging times, the importance of public health and wellbeing, the fragility of global supply chains, and the economic sectors upon which society depends have become more apparent than ever. When Europe's governments are looking for inspiration for their recovery packages, the European Green Deal and the Circular Economy Action Plan (CEAP) should provide a greenprint for a more resilient future. Europe's response requires the highest level of ambition ever. The transition to an inclusive, climate neutral and circular economy must start today. We have an urgent duty to make sustainable choices and also flatten the curve of environmental and social pressures.

The CEAP offers us guidelines that should be taken into account while co-creating the scenario for the recovery of both our economy and our society. Only by understanding and embracing the limits of our planet and through robust governance can a thriving future for all emerge. NOW we have the opportunity to walk the talk - to implement - what we have already agreed, following the SDGs and the Green Deal. Our Platform is recognized as a "network of networks" by stakeholders in the EU and beyond. As a network of pioneering organisations at the forefront of circularity, we see an impressive uptake of circular strategies and practices across government and industry. Yet we know there is more to be done and are willing and capable of extending our role as the catalyst and channel for different circular practices, experiences, initiatives, knowledge providers, experts, empowering people on the ground, supporting creativity and innovation, bridging top-down and bottom-up approaches, connecting the dots to collectively achieve more than individuals can achieve on their own. This is what we believe in.

Let's make CEAP 2020 more than just another plan - together we can start making it real right now!

# 10 pivotal points for CEAP 2020

## 1. Europe is taking the lead by making circular products and services the norm

We believe the new CEAP is a critical step towards creating a living model of a circular economy across our continent. Its scope has grown considerably from the first CEAP, proving that the circular economy is now an established vision for the economy of the future in the EU.

## 2. We lack measures to ensure an absolute decoupling and decreased material use

Circular procurement (for pre-owned, reused, repaired, remanufactured products and associated services) should be strongly encouraged as they contribute to minimising emissions and non-renewable resource use.

## 3. Focus on waste prevention (not only waste management)

Extended Producer Responsibility (EPR) will continue to play a major role in turning waste that cannot be avoided into a resource. It is also essential to make a clear distinction between what is “avoidable” (waste) and what is “non-avoidable” (loss). When defining food losses, several factors affect primary agricultural production that are out of farmers’ control, such as adverse weather conditions and climate change, pests and diseases, and market disturbances.

## 4. Strengthening supply and demand for secondary raw materials

We urgently need a functioning transparent market for secondary raw materials and circular products.

## 5. EU targets can be engines for change

The CE Monitoring Framework should be continuously improved. Indicators measuring the “softer” side of the circular transition should be included. Programmes for creating material flow assessments (with lifecycle assessment) on company, city, regional, national level should be introduced or, where they already exist, continue to be developed.

## 6. Welcoming sectoral approaches for impactful value chains

The expansion of the list of critical sectors to be addressed is important and we stress that each of these sectors is heavily influenced by consumer behaviour. Industrial companies must gain the

support of their consumers and business customers in order to ensure a successful transition, and the CEAP, supported by ICT solutions to ensure digital sustainability, will play a key role in enabling this.

## 7. Linking CE as a key enabler for climate change is an important step

We believe that it is essential to recognize the complementarity of climate change and circular economy policies. Policymakers should also be aware that many resources embodied in objects (water, CO2 emissions) will be lost in recovering used resources. This is one reason to give service-life extension of objects priority over e.g. recycling.

## 8. The transition to a circular economy is strongly linked to the industrial and SME strategy

Since the circular economy is a key enabler for a sustainable transformation of European industry, a clear link should be made between the new Industrial strategy and the Action Plan. There should be explicit recognition and support for the role of social enterprises in the circular economy to allow the job-rich activities of re-use, repair and remanufacturing to bring increased social value through giving skills and empowering the most vulnerable. Because it is a renewable resource, labour and skill-intensive work is a renewable resource and should not be taxed.

## 9. More emphasis on the cultural dimension and education

Capacity building for the circular economy should be encouraged on all levels, so we feel that a vision is needed for integrating circular economy principles into school curricula and higher education programmes, funding high-skill technical education and supporting creative skills.

## 10. Role for civil society and ECESP

The European Circular Economy Stakeholder Platform’s role deserves to be strengthened and its full potential to serve as a moderator of debate between the EU institutions and civil society expanded. With circular economy movements being developed across the globe, ECESP should be leveraged for the exchange of good practices and the creation of programmes for stakeholder engagement.

## General comments

While the new CEAP shows progress in many areas, its success will depend on its implementation in the Member States, and, more importantly, on the appropriate and timely progress in sector-specific legislation changes or new strategies it identifies, such as the Farm to Fork initiative. As a general remark, we miss a stronger emphasis on building a “**Circular Culture**” through education, capacity building, empowering civil society, and working with citizens on adapting their everyday habits. Cross-sectoral cooperation, a stronger focus on new value cycles and a systemic approach are needed to transition from doing business as usual to making a circular future that is just and inclusive for all a reality.

A major shortcoming of this Action Plan is also the vulnerable spot for the success of this transition: the reference to the need for an absolute decoupling of growth from resource use and related environmental impacts has regrettably disappeared. Our experience shows that the successful closing of cycles alone is not enough to reduce the pressure on natural resources, we also need to use fewer materials while mitigating activities to guard against the potentially negative socio-economic effects of closing loops within Europe and reducing resource use, without replacing industry in less developed countries. Moreover, our consumption and material footprint has unfortunately faded into the background of the Action Plan. All that remains is the intention to reduce the carbon and environmental footprint and environmental impact of products and the development of consumption and material footprint indicators in the EU monitoring system. We hope that the development of these two measures bring with them the long-awaited European targets for using less natural resources.

We welcome that the CEAP recognises the potential of circular bioeconomy and of the implementation of the EU’s Bioeconomy Strategy in enabling greater circularity. In order for bioeconomy to reach its full potential it must continue to be a priority for the EU and coherent measures and funding must be made available, including in the future CAP.

So, while in general, we welcome the new CEAP, we also ask that the many initiatives consider how to improve investment predictability, particularly in the current economic scenario. We stand behind the **European Green Deal** and its **Circular Economy Action Plan**: it should be at the core of the recovery of the EU’s economy once the immediate impacts of

the pandemic have been addressed. Connecting the short-term and the long-term challenges will make best use of available funding and lead the way to an accelerated transition towards a more sustainable and circular EU economy.

Crucially, given the sectoral focus of the Plan, the engagement of specific **sectors should be considered in the Stakeholder Platform**.

### On a sustainable products policy framework....

Designing with circular and sustainability principles from the beginning is indeed key, not only focussing on mountains of waste to be dealt with at the end of the chain. While tackling the **design** of electrical products remains a priority, we welcome indications that **other product categories such as textiles and furniture** will also be addressed within a new Sustainable Product Policy. Addressing our soaring consumption levels with actions such as ensuring a ‘Right to Repair’ through EU Consumer Law is highly commendable. Repair activities are difficult to delocalise, whereas supporting the sector and making it user-friendly will boost inclusive, local jobs and circular skills while offering citizens the option to repair rather than replace.

CG members and the European Environmental Agency (EEA) are currently investigating how a circularity label or the expansion of existing labels could incentivise the design of circular materials, components and products. It is critically important that consumers (and public buyers) be informed and empowered in demanding circular and sustainable products that are **durable, repairable, reusable**. Community engagement, social listening and localised versions of global concepts are among the tools to fully empower EU citizens’ behavioural change. This will incentivise suppliers towards a more sustainable business model. The Consumer Insights Action Panel, established within the ECESP, will be scaled up to understand, apply and test consumer behavioural insights in circular strategies for textiles, plastics and electronics and how we should innovate to enable consumers to reuse, repair, share, recycle, and lease. Besides the much needed focus on supplying European consumers with better information, it is also important to educate the consumers – without proper handling of products, the benefits of circular design and manufacturing might be lost. Traceability and transparency on key issues such as toxicity and material efficiency could

be enabled by the European data space and product passports. Digital technologies such as **Blockchain** may help to enable the flow of information in value chains.

While the CEAP rightfully recognizes that the design phase is a critical step, the role of designers and the **creative sector** as a whole is not mentioned. Cross-cutting programmes to support stronger cooperation between designers and companies would represent a welcome addition.

**Circular Procurement** is one of the most useful instruments for sending signals to the market. We hope to see an introduction of standardised methods which integrate lifecycle assessment for the circularity of products in the buying process in forthcoming legislation. We welcome initiatives to set mandatory procurement requirements and targets in specific sectors and believe services should be included in order to create incentives for new business models.

The spatial component is one of the major determinants for deciding on questions related to production, industrial symbiosis, feasibility of circular practices, such as using secondary raw materials, etc. A recommendation that governments align **Spatial Planning strategies** with the programmes that support a long-due overhaul of industry towards circularity would be a welcome addition. In this context, activities on the level of “circular cities” should be integrated in the industrial collaboration process.

The ECESP has the potential to significantly contribute to the **transfer of knowledge and good practices** – together with the Enterprise Europe Network and the European Resource Efficiency Knowledge Centre. **Closer collaboration among different networks** is highly recommended.

## On Key product value chains

The expansion of the list of critical sectors to be addressed is important and we stress that each of these sectors is **heavily influenced by consumer behaviour**. Industrial companies must gain the support of their consumers and business customers in order to ensure a successful transition, and policy makers and the CEAP, supported by ICT solutions to ensure **digital sustainability**, will play a key role in enabling this:

**Electronics:** the current crisis shows that disruptions in the supply of raw materials and components are a real threat to our economy. We believe that clearer signals should be given to producers on the issue of circular

design and recyclability of electronic products, notably for high-impact product groups such as smartphones. Due to the critical role of digital technologies for the functioning of the economy, Europe should assess its dependence on imported electronics. Careful consideration should be given to the role of software (such as operating systems and diagnostics tools) as well as hardware in defining product lifetimes.

**Batteries and vehicles:** a more systemic approach to mobility as a whole is needed, with expectations running high for the upcoming European Strategy on Sustainable and Smart Mobility.

**Plastics and Packaging:** cross-cutting action is needed to empower and educate citizens and companies for the appropriate use of plastic polymers in products, for handling of packaging waste and other plastic waste.

**Textiles:** a strong focus on the textile sector is one of the Action Plan’s best features, but since the majority of negative environmental and social impacts are found outside the EU, international cooperation in the field of environmental and labour standards is key to providing credibility to the strategy.

**Construction and buildings:** EU-wide measures to make construction materials and buildings sustainable, circular and adaptable throughout their lifecycle, will help to make the European built environment more climate-neutral and resource-efficient. We welcome a cross-cutting European Strategy for a Sustainable Built Environment, which also focuses on the sustainable and circular use of soil and the rehabilitation of brownfields.

**Food, water and nutrients:** this chapter is lacking in both depth and scope. It is essential to make a clear distinction between what is “avoidable” (waste) and what is “non-avoidable” (loss). When defining food losses, several factors affect primary agricultural production that are out of farmers’ control, such as adverse weather conditions and climate change, pests and diseases, and market disturbances. Tackling food waste may encourage the European Union to jointly address climate change, job creation and food insecurity. However, as farmers earn 46.5% of the average income of the rest of the economy, financial support is necessary to promote the sector’s adaptation. We need a coherent legislative framework, tailored economic support and science-based political will to reposition agriculture at the centre of the circular economy, improving the farmers’ toolbox and their access to innovation (biological,



technological and societal). While food waste is an important issue, the CEAP should provide a clearer plan to systematically overhaul the EU's agricultural policies with a view to creating a regenerative, healthy and secure food system in Europe.

## On less waste, more value

With Europe wasting up to EUR 4.8 billion annually due to non-compliance with the EU existing waste legislation, minimising waste generation and maintaining the value of raw materials and products for as long as possible is therefore not just good for the environment, it also makes business sense. We urgently need a **functioning transparent market for secondary raw materials and circular products**. In addition, an enabling context that fosters innovation, legal certainty and appropriate incentives, both financial and non-financial, will be pivotal to ensuring this works. The Action Plan has the potential to help realise this market, by leading to better consumer awareness of wasteful behaviour, much higher demand for circular products, access to finance for SMEs, new technologies and improved waste management systems.

**Extended Producer Responsibility (EPR)** will continue to play a role to prevent waste, besides turning waste that cannot be avoided into a resource. The adequate implementation and enforcement of **harmonised EPR** minimum requirements will be key to its success moving forward. These include the eco-modulation of fees, which should reflect and incentivise the waste hierarchy, a transparent governance and clear targets reflecting the waste hierarchy.

In food and biowaste, we continue to seek ways to **reduce food waste** and are also working with cities, households and companies to demonstrate innovative solutions to transform urban food waste into high value products (e.g. production of organic fertilizers and biogas), helping to increase recycling rates and creating new circular economy business opportunities.

An important point of attention remains the increase of both **supply and demand for secondary raw materials** in a balanced way. Mandatory recycled content in certain products is already one way to go. Mandatory minimum criteria for public tenders also play an important role here. In addition, we are happy to see that the Commission is reviewing its position and wants to investigate the need for European end-of-waste criteria for certain waste streams and considers limiting the export of waste outside Europe, so as to stimulate the growth of a European reuse/recycling industry that produces high quality reused/

recycled products and materials. The export of quality recycled waste should be allowed under conditions ensuring environmentally-sound further treatment and use. We welcome an EU model for separate waste collection.

We welcome an EU model for separate waste collection but underline that there is no unique way to source separate waste from households and that local authorities need the flexibility to adapt systems that are suitable for their local situations. Instead of one system, a set of available systems should be picked out and promoted. To secure successful models, local authorities must be included in the development of such policies.

## On making circularity work for people, regions and cities

It would be useful to have "Acceleration Houses" in all Member States: public-private partnerships funded by the Commission, to **assist SMEs and larger companies with circular design, access to finance, and to assist municipalities with circular procurement**. These would be accompanied by national/regional Green Deals on Circular Procurement, including commitments by large companies, and by national/regional Circular Economy Roadmaps aligning stakeholders to a common agenda. Acceleration Houses are crucial to create regional eco-innovation networks, to generate demand and increase supply – and also to convince all stakeholders that "circular" is good for the economy.

Capacity building for the circular economy should be encouraged on all levels. The proposed Pact for Skills and the employment of the European Social Fund Plus are good ways to build on existing programmes. What is missing from the document is a vision for **integrating circular economy principles into school curricula and higher education programmes, funding high-skill technical education and supporting creative skills**. We find it strange that an opportunity was missed to use the Erasmus+ programme to promote knowledge exchange and education between different parts of Europe.

Cities are the hubs of circular activity. However, smaller units, and especially **rural** areas are also of key importance. A proposal to connect these with initiatives, such as Smart Villages is missing in this chapter.

The **European Circular Economy Stakeholder Platform's** role deserves to be strengthened and its full potential to serve as a **moderator** of debate between

the EU institutions and civil society expanded.

### On cross-cutting actions

While we believe that the European Industry Strategy regrettably misses out on important opportunities to put industry truly on a circular, carbon neutral path, we welcome the first steps in this Action Plan to link **materials use and climate** more closely.

There should be explicit recognition and support for the role of **social enterprises** in the circular economy to allow the **job-rich activities of re-use, repair and remanufacturing** to bring increased **social value** through giving skills and empowering the most vulnerable. We believe that it is essential to recognize the complementarity of climate change and circular economy policies. To make this complementarity a reality, we advocate for the creation of a “material” content into customs policy, like the “carbon” content. Furthermore, all the regulations on eco-design, repair, reuse and processing of materials which aim to develop new production and consumption methods should be aligned with climate policies, while ensuring a competitive European industry. Policymakers should also be aware that many resources embodied in objects (water, CO2 emissions) will be lost in recovering used resources. This is one reason to give service-life extension of objects priority over e.g. recycling.

While the European Commission is working on the revision of the VAT directive, Member States should be given more **flexibility in the use of reduced rates**, in order to support the necessary transformation of production and consumption patterns.

Responding to society’s strong expectations, **extra-financial accounting** makes it possible to reconnect the economy with environmental and social issues. Indeed, traditional accounting systems are based on an incomplete vision of capital: beyond its financial dimension, it must be considered as a systemic concept covering financial, natural and human capital. A broader debate should be held on the need to **correct prices for externalities**, for example the need to shift taxation from labour to products to enable the shift from ownership to leasing. A comprehensive overview of possible environmental **tax reforms** should be prepared and a set of recommendations created and communicated to all Member States.

### On leading efforts at global level

Operationalising the notion of a Safe Operating Space would be a true breakthrough and should be the focus of EU’s “**Green diplomacy**”.

There are circular economy movements coming up in all parts of the globe. **ECESP should be leveraged for the exchange of good practices and the creation of programmes for stakeholder engagement.**

### On monitoring progress

There should be a second SME impact assessment at the end of each EU policy making process.

The CEAP lacks emphasis on the **need for separate reuse targets** at EU level. Under its own new circular economy strategy and following the footsteps of Spain and Flanders, France recently announced its plan to set targets for reuse. The Commission should closely look at these cases when assessing the possibility of preparing for re-use targets by 2025, a legal obligation under the recently revised Waste Framework Directive. This should go hand-in-hand with work on creating waste prevention targets in the near future.

While promoting the use of digitalisation in the transition to a circular economy, its environmental impact should be measured, communicated, and accounted for; that consumer empowerment efforts address the need for more and better education on sustainability and systems thinking of adults and youth; and that minimum mandatory criteria and targets should be set for green public procurement. Most importantly, we insist that the measures proposed in the plan need to be turned into binding rules as soon as possible.

The CE Monitoring Framework should be continuously improved. Indicators measuring the “softer” side of the circular transition should be included.

Programmes for creating **material flow assessments** (with lifecycle assessment) on company, city, regional, national level should be introduced or, where they already exist, continue to be developed.

Finally, we call for all policy proposals to be based on independent and solid **science-based policy making**, driven by appropriate **impact assessments** that consider the environmental, social and economic implications alongside measurement tools that help us monitor the application of the new measures.