

ACR+ position paper on the Circular Economy Package 2.0

ACR+ welcomes the European Commission's Circular Economy Package 2.0 and supports once more the efforts to make all actors of the value chain aware of the need to abandon the current linear economic model. Producers, consumers, retailers, decision-makers and all other stakeholders should aim to **accelerate the transition to circular economy**, towards a more resource-efficient Europe and the development of new businesses and life styles.

Local and regional authorities are key actors in this shift. They should develop territorial circular economy strategies focusing on measures that promote material resources savings and the safeguarding of human well-being. They can play **a crucial role in boosting a new economic model towards less resource wastage** by implementing a large range of legal and economic instruments as well as voluntary measures to facilitate this transition.

1. The Communication on Circular Economy and its Action plan

ACR+ welcomes the European Commission's new proposal for an EU action plan for the circular economy. ACR+ is convinced that a **strategic framework supporting circular economy** should be created. The beginning of the circle is crucial, especially the **design phase** that defines most of the environmental impacts of a product over its life-cycle. Instruments promoting systemic eco-innovations at the beginning of the circle are needed. We call now for concrete actions.

- **Sectorial initiatives**

Sectorial initiatives at EU level should be supported, based on the conclusions of impact assessment studies / multi-stakeholder consultations on flows and products used to:

- Define hazardous components which impede efficient recycling and that should be banned;
- Define sectorial minimum recycled content.

Plastic (packaging) could be a first priority sector.

- **Improving Green Public Procurement (GPP), Public Procurement of Innovation & Consumer choice orientation**

Public procurement is rightly identified as a key lever given its share in EU gross domestic product (between 18 and 20%). The following actions are necessary and need to be implemented as soon as possible: enhanced integration of circular economy requirements (including the way of promoting local economic activities which usually have less environmental impact) and the training and use of the Product Environmental Footprint. In addition, evaluations should be conducted in order to establish whether additional specific EU legal requirements could help to promote a territorial circular economy.

- **Other legal and economic instruments**

ACR+ considers that suitable measures should now be designed and implemented, such as: a reduction of the value-added tax applied to repair-reuse activities and recycled products.

In addition, ACR+ would like to see the implementation of extended guarantee periods for products and would like to see further development on displaying the life cycle of a product on its label next to the energy efficiency information.

- **Energy-from-Waste**

First of all, it should always be borne in mind that important energy savings can be achieved by promoting prevention, reuse, repair and recycling activities. Further research should be conducted to provide a more comprehensive view of the impacts of (product) life cycle thinking on our energy consumption and CO2 emissions.

That being said, energy recovery from waste will still be part of the solution in most European countries in the coming years. Although energy-from-waste is not a renewable energy, it provides local energy from residual waste. Nevertheless, it is crucial to adopt all necessary and suitable measures and incentives to divert recyclable waste from end of pipe solutions (landfilling) as well as from incineration, to avoid measures that could threaten the transition to a circular economy model.

- **Circular economy monitoring**

Currently economic growth inevitably results in higher resource use. Therefore, in order to move to a circular economy, we should introduce resource efficiency indicators (including water, land, primary raw material and energy ...) as a regulatory target, as was the case in the first package.

These indicators should be worked on and decided at European level.

2. The Waste Package

ACR+ is convinced that the waste legislation is an important driver towards more resource efficiency through circular economy. ACR+ welcomes the new waste package and considers it as a strong support to some objectives laid down in the circular economy communication. However, some provisions could be improved or added.

- **Definitions**

ACR+ welcomes all new definitions. The harmonisation of definitions between the different legal texts is certainly a first step in the right direction.

In particular, ACR+ welcomes the definition of municipal waste which helps to gather comparable data and conduct a more reliable monitoring of the situation, **on the condition that this definition is perfectly in line with the definition used for statistical purposes.**

Nevertheless, with such a definition, it is crucial to foresee provisions concerning commercial and industrial waste, knowing that municipal waste represents only 7% to 10% of the total waste produced¹. Building a Circular economy implies having a strong policy applying to all types of waste/resources. The European Commission should define a common way to collect this data in order to be able to set a separate recycling target for commercial and industrial waste in the near future.

- **Prevention**

ACR+ regrets that the first level of the waste hierarchy, prevention, has not been strongly addressed. Indeed, no legally binding target has been introduced. As already mentioned in previous position papers, ACR+ feels that, in a circular economy system, **both quantitative and qualitative prevention should be a priority.** A binding prevention target could help to develop new business models like sharing economy or product service systems, and contribute to boosting repair and reuse activities.

The European Commission should clarify that the existing obligation of a waste prevention programme (art.29 directive 2008/98) must be interpreted as an obligation to formulate some quantitative targets. Without any clarification, ACR+ suggests to add at least the following words to the first sentence of article 9: *“Member States shall take measures to prevent waste generation **by 2020**”.*

¹ COM/2015/0595 final - 2015/0275 (COD) – Recital 4

- **EPR Minimum legal requirements**

ACR+ welcomes the new provisions of the Waste Framework Directive (WFD) concerning Extended Producer Responsibility (EPR), particularly the full cost coverage principle (art.8a.4.a), the modulation of the producers' contribution to the system (art.8a.4.b) and the optimised cost (art.8a.4.c).

Based on its experience gained within the EPR Club activities, ACR+ considers that each material flow should have its own set of detailed EPR rules. Those specific rules should be defined for each material flow in specific directives as it already exists for packaging, Waste Electrical and Electronic Equipment (WEEE) or batteries. Therefore, following the example of the successive revisions of the WEEE directive, a stronger revision of the packaging directive should be considered.

Regarding packaging and the waste packaging directive modifications, the Belgian system where two different systems co-exist, one for the “business to business” and another one for “business to consumer” should be taken as a best practice. Furthermore, ACR+ would like to reiterate its position on the cost coverage of littering: the full cost coverage principle should include not only the information costs relating to littering but also part of the effective cost for the collection of littered waste, with reference to an optimised cost agreed upon by all actors of the value chain.

ACR+ notes that plastic packaging targets are only set for 2025, and that nothing is foreseen for afterwards. As a result, ACR+ believes that the plastic challenges have yet to be fully addressed. There is an urgent need to have a clear European plastic strategy that tackles the issue in a comprehensive way and goes beyond setting a single target. ACR+ suggests that the European industry should be a leader in the field of “new plastics”, which would help to reach an increased recycling rate.

- **Calculation method**

A **unified reporting and calculation method** based on input into the “final recycling” process is welcome for harmonisation purposes. Unfortunately the proposed modification still allows two different methods: the weight of the output of sorting plants, or the weight of the output sent into a final recycling process. A final choice should be made in order to keep one single method. ACR+ notes that the calculation method considering the output of the sorting plant bears a strong resemblance to the Destination RECYcling (DREC) methodology developed in the framework of the Regions for Recycling project², which has already demonstrated its concrete applicability and thus should be the point of reference.

ACR+ considers that §5 of article 11a, allowing Member States to add metals from clinkers for the recycling target calculation, is in complete contradiction with high

² Regions for Recycling (R4R) is a 3-year European project (2012-2014) funded by the INTERREG IVC Programme. It aimed to enable its partners to improve their recycling performance through consistent comparisons and an exchange of good practices. More information: www.regions4recycling.eu

quality recycling. It gives the wrong message to the stakeholders concerned and should therefore be deleted.

- **Targets**

ACR+ notes that the targets proposed in the new proposal are less ambitious than the ones proposed in July 2014. Even if less ambitious, **these targets are nonetheless crucial** and must be preserved and supported by all actors of the value chain, who, in turn, must find the most effective method of reaching them.

In addition to the lack of a quantitative general prevention target (as previously mentioned), ACR+ regrets that the food waste prevention target foreseen in the previous package has been cancelled. A quantitative prevention target should be clearly mentioned in support of the United Nations 2030 sustainable development goals. Therefore, ACR+ suggests re-introducing the previous proposal of reducing food waste by 30 % by 2025.

A specific quantitative target for preparing for reuse as well as for biowaste collection should also be introduced (cf. below).

- **Reuse and preparation for reuse**

Reuse and preparing for reuse activities should be promoted and supported alongside of the waste legislation.

1. Including preparing for reuse (with the new definition) for the calculation of the recycling target makes sense if there is a prevention target which would help to decrease the generation of waste.

In any case, in order to promote reuse activities, specific preparation for a reuse target should be added, using current Spanish, French or Flemish legislation as a frame of reference. Eventually, this target could be set for specific flows such as WEEE and would be part of the global recycling target.

Therefore, ACR+ proposes to add the following sentence in article 11(1): *“Member States shall set quantitative targets for preparing for reuse by 2018”*.

2. Article 8a.4.b could be modified as follows: *“are modulated on the basis of the real end-of-life cost of individual products or groups of similar products, notably by taking into account their **ease of repair**, re-usability and recyclability”*

3. Reuse is part of prevention. A clear link could be done by mentioning under article 9 “*prevention of waste and reuse*” and by modifying article 9 as follows: “*Member States shall take measures to prevent waste generation. These measures shall:*
 - *encourage the setting-up of systems promoting reuse, including in particular electrical and electronic equipment, textiles, furniture and construction materials and products*
 - *encourage the support for social and solidarity enterprises working in waste management through measures including economic instruments, procurement criteria, information provisions or other measures*”
4. In the first sentence of article 11.1, “*as appropriate*” should be deleted.

- **Landfilling**

ACR+ welcomes the **phasing out of landfilling** without a drastic ban and draws attention to the fact that landfilling must not simply be replaced by incineration. In countries where there is still a need for new infrastructures, strictly controlled and tailored landfilling can be an option as a way of transition, to avoid building oversized waste-to-energy plants.

The phasing out of landfilling should be stricter concerning direct landfilling than for the landfilling of the residual waste fraction of a recovery process.

- **Biowaste**

ACR+ feels that a separate recycling **target for biowaste** should be introduced. In order to get high quality level recycling, all experts in waste management recognise the need for separating the wet fraction from the dry fraction. The new wording of article 22 does not help to achieve this objective. A clear progressive obligation of separate collection at source for biowaste is needed.

- **Defining Quality standards & Golden Rules for national End-of-Waste (EoW)**

The Package clearly addresses the quality issue of Secondary Raw Materials (SRM) at EU level with planned actions on quality standards and the “End-of-Waste” definition. ACR+ believes that **quality standards need to be defined at EU level for the main flows**, such as plastics. Furthermore, to ensure that national EoW definitions are in line with European standards, the Commission should develop **Golden Rules harmonising national methodologies** for determining EoW, setting appropriate EU quality standards and cross-border transportation rules between Member States in order to prevent distortions in the Single Market.