THE NEW CIRCULAR ECONOMY ACTION PLAN

#EUIndustrialStrategy
#CircularEconomy

Fulvia Raffaelli, GROW C1
Europe is embarking on a transition towards climate neutrality and digital leadership. European industry can lead the way as we enter this new age, as it has done in the past.
TRANSFORMING OUR INDUSTRY

GREEN TRANSITION
The European Green Deal is Europe’s new growth strategy. At the heart of it is the goal of becoming the world’s first climate-neutral continent by 2050.

GLOBAL COMPETITIVENESS
The right conditions are needed for entrepreneurs to turn their ideas into products and services and for companies of all sizes to thrive and grow. The EU must leverage the impact, the size and the integration of its single market to make its voice count in the world and set global standards.

DIGITAL TRANSITION
Digital technologies are changing the face of industry and the way we do business. They allow economic players to be more proactive, provide workers with new skills and support the decarbonisation of our economy.

#EUIndustrialStrategy
#CircularEconomy
THE EUROPEAN INDUSTRIAL STRATEGY

Fundamental factors in making Europe’s industrial twin transformation happen:
Towards the NEW CIRCULAR ECONOMY ACTION PLAN

10/03/2019
The CEAP1 Implementation Report

4/10/2019
Council Conclusions on Circular Economy

10/10/2019
EC President Mission Letters to Commissioners

10/12/2019
EU Green Deal

20/12/2019
New CEAP Roadmap Consultation

19/02/2020
Digital Package

20/01/2019
CEAP2 Roadmap Consultation Closed

14/01/2020
Sustainable Investment Plan & Just Transition Mechanism

10/03/2020
New Industrial Strategy

11/03/2020
New Circular Economy Action Plan
“To achieve climate-neutrality by 2050, to preserve our natural environment, and to strengthen our economic competitiveness, requires a fully circular economy. [...] With today's plan we launch action to transform the way products are made and empower consumers to make sustainable choices for their own benefit and that of the environment.”

Frans Timmermans
THE NEW CIRCULAR ECONOMY ACTION PLAN

Sustainable Product Policy

Key Value Chains

Less Waste
More Value

Design Sustainable Products
Empower Consumers
Circular Production

Waste Prevention
Toxic substances
Internal Market
Waste Exports

Electronics
Batteries
Packaging

Plastics
Textiles
Construction and buildings

Food, water and nutrients
THE NEW CIRCULAR ECONOMY ACTION PLAN

**Food, water and nutrients**

- Legislative initiative to **substitute single-use** packaging, tableware and cutlery in **food services**
- Facilitate **water reuse** and efficiency,
- Develop an **Integrated Nutrient Management Plan**
- **Review directives** on wastewater treatment and sewage sludge
THE NEW CIRCULAR ECONOMY ACTION PLAN

Getting the Economics Right
- EPR modulation
- VAT rates and other taxes
- Mandatory Green Public Procurement

Financial Markets
- Sustainable Finance Taxonomy
- Corp. Governance Framework
- Non-financial reporting

Global Level Playing Field
- Global Agreements on Plastics
- Global Circular Economy Alliance
- Partnership with Africa
- FTAs

Sustainable Product Policy

Investments and R&I
- LIFE
- Horizon Europe
- Intellectual Property Strategy

Nobody Left Behind
- Skills Agenda + Pact for Skills
- Social Fund Plus
- Cohesion Policy
- European Urban Initiative
- European Circular Economy Stakeholder Platform

Monitoring
- Footprint indicators
- New indicators for focus areas
- Measuring climate neutrality and zero pollution
- HorizonEurope projects

Less Waste More Value
Key Value Chains
THE NEW CIRCULAR ECONOMY ACTION PLAN

Need to drive efforts at global level:

• Global agreement on plastics
• Global Circular Economy Alliance
• ‘Safe operating space’ for natural resource use
• Initiate discussions on int’l agreement on natural resource management
• Promote CE bilaterally, regionally and multilaterally, incl. through development and international cooperation programmes
• Regional focus: Africa, Western Balkans
• Free trade agreements to reflect enhanced CE objectives
• Outreach activities through European Green Deal diplomacy, circular economy missions and enhance coordination with EU MSs
THE SUSTAINABLE PRODUCTS INITIATIVE
Sustainable Products Initiative

DESIGNING SUSTAINABLE PRODUCTS

To make products fit for a climate-neutral, resource-efficient and circular economy, reduce waste and ensure that the performance of front-runners in sustainability progressively becomes the norm.

The core of this legislative initiative will be to widen the Ecodesign Directive beyond energy-related products so as to make the Ecodesign framework applicable to the broadest possible range of products and make it deliver on circularity.
Sustainable Products Initiative

**Business journey**
- Gathering information from the value chain
- Meeting sustainability requirements
- Marketing and selling
- Delivering
- Aftersales
- EPR contributions
- Environmental taxes and fees
- Staff and skills
- Investing and R&D

**Consumer journey**
- Gathering product information
- Product Purchase
- Product Delivery
  - Packaging
- Product Use
  - Maintenance
  - Repair
- Product Discard

**Sustainable Products Initiative**
SUSTAINABLE PRODUCTS INITIATIVE

Sustainable Products Initiative

- Establish **sustainability principles**
- Improving product **durability**, **reusability**, **upgradability** and **reparability**
- Address presence of **hazardous** substances
- Increasing **recycled content** in products
- Enable **remanufacturing** and high-quality recycling
- Reducing carbon and environmental **footprint**
- Restricting **single use** articles and countering **premature obsolescence**
-Rewarding different **sustainability performance**
- Banning destruction of unsold durable goods.

Examples:
- energy, material and water efficiency,
- longevity,
- reparability,
- non-toxicity
- recyclability.

European Dataspace for Smart Circular Applications

- Data on value chains and product information

Market Surveillance

- Cooperation with national authorities on enforcement of applicable sustainability requirements

To be tabled in 2021

Applicable to the **broadest possible range of products** and make it deliver on circularity

Priority will be given to addressing product groups identified in the context of the value chains featuring in the Circular Economy Action Plan, such as **electronics**, **ICT** and **textiles** but also **furniture** and high impact intermediary products such as **steel**, **cement** and **chemicals**.
### The New Circular Economy Action Plan

<table>
<thead>
<tr>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative proposal empowering consumers in the green transition</td>
<td>Legislative proposal for a sustainable product policy initiative</td>
<td>Launch of an industry-led industrial symbiosis reporting and certification system</td>
<td>Regulatory framework for the certification of carbon removals</td>
</tr>
<tr>
<td>Legislative proposal on substantiating green claims</td>
<td>Legislative and non-legislative measures establishing a new “right to repair”</td>
<td>Review of the rules on proper treatment of waste oils</td>
<td></td>
</tr>
<tr>
<td>Proposal for a new regulatory framework for batteries</td>
<td>Mandatory Green Public Procurement (GPP) criteria and targets in sectoral legislation and phasing-in mandatory reporting on GPP</td>
<td>Waste reduction targets for specific streams and other measures on waste prevention</td>
<td></td>
</tr>
<tr>
<td>Supporting the circular economy transition through Cohesion policy funds, the Just Transition Mechanism and urban initiatives.</td>
<td>Circular Electronics Initiative, common charger solution, and reward systems to return old devices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving measurement, modelling and policy tools to capture synergies between the circular economy and climate change mitigation and adaptation at EU and national level</td>
<td>Review of the (ROHS) Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment and guidance to clarify its links with REACH and Ecodesign requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leading efforts towards reaching a global agreement on plastics</td>
<td>Review of the rules on end-of-life vehicles</td>
<td>Review to reinforce the essential requirements for packaging and reduce (over)packaging and packaging waste</td>
<td></td>
</tr>
<tr>
<td>Mainstreaming circular economy objectives in free trade agreements, in bilateral, regional and multilateral processes and agreements, and in EU external policy funding instruments</td>
<td>Review of mandatory requirements on recycled plastic content and plastic waste reduction measures for key products such as packaging, construction materials and vehicles</td>
<td>Mandatory requirements on recycled plastic content and plastic waste reduction measures for key products such as packaging, construction materials, and vehicles</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Restriction of intentionally added microplastics and measures on unintentional release of microplastics</td>
<td>Restriction of intentionally added microplastics and measures on unintentional release of microplastics</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Policy framework for bio-based plastics and biodegradable or compostable plastics</td>
<td>Policy framework for bio-based plastics and biodegradable or compostable plastics</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EU Strategy for Textiles</td>
<td>EU Strategy for Textiles</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strategy for a Sustainable Built Environment</td>
<td>Strategy for a Sustainable Built Environment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Initiative to substitute single-use packaging, tableware and cutlery by reusable products in food services</td>
<td>Initiative to substitute single-use packaging, tableware and cutlery by reusable products in food services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Methodologies to track and minimise the presence of substances of concern in recycled materials and articles made thereof</td>
<td>Methodologies to track and minimise the presence of substances of concern in recycled materials and articles made thereof</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Harmonised information systems for the presence of substances of concern</td>
<td>Harmonised information systems for the presence of substances of concern</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Scoping the development of further EU-wide end-of-waste and by-product criteria</td>
<td>Scoping the development of further EU-wide end-of-waste and by-product criteria</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revision of the rules on waste shipments</td>
<td>Revision of the rules on waste shipments</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reflecting circular economy objectives in the revision of the guidelines on state aid in the field of environment and energy</td>
<td>Reflecting circular economy objectives in the revision of the guidelines on state aid in the field of environment and energy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mainstreaming circular economy objectives in the context of the rules on non-financial reporting, and initiatives on sustainable corporate governance and on environmental accounting</td>
<td>Mainstreaming circular economy objectives in the context of the rules on non-financial reporting, and initiatives on sustainable corporate governance and on environmental accounting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Proposing a Global Circular Economy Alliance, and initiating discussions on an international agreement on the management of natural resources</td>
<td>Proposing a Global Circular Economy Alliance, and initiating discussions on an international agreement on the management of natural resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Updating the Circular Economy Monitoring Framework to reflect new CEAP</td>
<td>Updating the Circular Economy Monitoring Framework to reflect new CEAP</td>
<td></td>
</tr>
</tbody>
</table>
COVID19 & CIRCULAR ECONOMY

• In the near future, our focus will be on overcoming the COVID19 crisis and addressing its economic and social impact.

• As announced in the Joint Roadmap from 15 April, the re-start of the economic activity should be phased in, thus ensuring that authorities and businesses can adequately adjust to increasing activities in a safe way.

• As we look ahead at the recovery, the European Green Deal and new Circular Economy Action will be highly relevant in guiding the EU policy response to the crisis and relaunching the economy, as it provides a long-term vision for the future of European industry.

• The importance of industrial ecosystems along value chains became ever more evident since the COVID-19 crisis. We saw what impact the disruptions in supply value chains, including waste recovery, could have not only on the economy, but also on our capacity to respond to the sanitary crisis.

• Therefore, looking ahead, in the context of the recovery plan we will need to mobilise substantial financing focusing both on the recovery and transformation of industrial ecosystems.
Thank you

Michał.Kubicki@ec.europa.eu

© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the CC BY 4.0 license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.