



Circular Economy Package: Questions & Answers

Brussels, 2 December 2015

Today the Commission adopted an ambitious new Circular Economy Package to stimulate Europe's transition towards a circular economy which will boost global competitiveness, foster sustainable economic growth and generate new jobs.

What is the Circular Economy?

To ensure sustainable growth for the EU we have to use our resources in a smarter, more sustainable way. It is clear that the linear model of economic growth we relied on in the past is no longer suited for the needs of today's modern societies in a globalised world. We cannot build our future on a 'take-make-dispose' model. Many natural resources are finite, we must find an environmentally and economically sustainable way of using them. It is also in the economic interest of businesses to make the best possible use of their resources.

In a circular economy the value of products and materials is maintained for as long as possible; waste and resource use are minimised, and resources are kept within the economy when a product has reached the end of its life, to be used again and again to create further value. This model can create secure jobs in Europe, promote innovations that give a competitive advantage and provide a level of protection for humans and the environment that Europe is proud of. It can also provide consumers with more durable and innovative products that provide monetary savings and an increased quality of life.

What is in the Commission's Circular Economy Package?

To facilitate the move to a more circular economy, the Commission is putting forward a Circular Economy Package, which includes revised legislative proposals on waste, as well as a comprehensive Action Plan setting out a concrete mandate for this Commission's term of office. The Waste Proposals establish a clear and ambitious long-term vision to increase recycling and reduce landfilling, while proposing concrete measures to address obstacles on the ground in terms of improvement of waste management and taking into account the different situations across Member States.

The Action Plan on the Circular Economy complements this proposal by setting out measures to "close the loop" of the circular economy and tackle all phases in the lifecycle of a product: from production and consumption to waste management and the market for secondary raw materials. The action plan also includes a number of actions that will target market barriers in specific sectors or material streams, such as plastics, food waste, critical raw materials, construction and demolition, biomass and bio-based products, as well as horizontal measures in areas such as innovation and investment.

The aim of the plan is to focus on issues where EU level action brings real added value and is capable of making a difference on the ground.

How will the transition to a circular economy reduce costs and create jobs?

Waste prevention, ecodesign, re-use and similar measures could bring net savings of €600 billion, or 8% of annual turnover, for businesses in the EU, while reducing total annual greenhouse gas emissions by 2-4 %. In the sectors of re-use, re-manufacturing and repair, for example, the cost of remanufacturing mobile phones could be halved if it were easier to take them apart. If 95% of mobile phones were collected, this could generate savings on manufacturing material costs of more than €1 billion.

A shift from recycling to refurbishing light commercial vehicles, where collection rates are already high, could save material inputs by €6.4 billion per year (about 15% of material budget) & €140 million in energy costs and reduce GHG emissions by 6.3 million tonnes.

What measures are foreseen at the production stage?

Better product design is key to facilitate recycling and help make products that are easier to repair or more durable, thus saving precious resources, promoting innovation and providing consumers with better products, which are less costly to use. At the same time, current market signals are not always sufficient to make this happen, hence incentives are needed.

The Commission will:

- support reparability, durability, and recyclability in product requirements under the next working plans implementing the Ecodesign Directive, taking into account specific requirements of different products;
- prepare an independent testing programme under Horizon 2020 to help the identification of issues related to potential planned obsolescence;
- propose requirements making it easier to dismantle, reuse and recycle electronic displays;
- propose the differentiation of financial contributions paid by producers under an Extended Producer Responsibility scheme on the basis of the end-of-life-costs of their products. This provision under the revised legislative proposal on waste creates economic incentives for the design of products that can be more easily recycled or reused;
- examine options for a more coherent policy framework for the different strands of work on sectoral EU product policies and their contribution to the circular economy.
- consider proportionate requirements on the availability of repair information and spare parts in its work on Ecodesign;
- propose rewards for the promotion of certain preparation for reuse activities at national level in the revised proposal on waste;
- work towards better enforcement of the guarantees on tangible products and examine possible options for improvement, as well tackle false green claims;
- take action on Green Public Procurement (GPP), by emphasising circular economy aspects in new or revised criteria, supporting higher uptake of GPP, and leading by example through Commission procurement and EU funds.

What does the Commission propose on the production process?

Production processes can be improved to use resources more efficiently and produce less waste. This can create business opportunities and boost innovation, at the same time as preserving our environment.

The Commission will:

- include guidance on best waste management and resource efficiency practices in industrial sectors in Best Available Techniques Reference documents (BREFs);
- issue guidance and promote best practices on mining waste to improve the recovery of raw materials;
- clarify rules on by-products in the revised proposal on waste in order to facilitate industrial symbiosis and create a level-playing field across the EU.

How will the Commission ensure responsible sourcing of primary raw materials?

Sustainable production of raw materials – both within Europe and across the globe – is very important. In addition to the regulatory action already taken by the Commission – e.g. on illegal logging, extraction of minerals from conflict zones or corporate transparency on payments made to governments by extractive and logging industries – we will continue to promote sustainable sourcing in policy dialogues and partnerships with non-EU countries and through EU trade and development policy. Industry also has a crucial role to play in making commitments to sustainable sourcing and cooperating across value chains.

What are you doing to promote reparability of products and to fight planned obsolescence?

The Commission will take initiatives in a number of areas that will aim at supporting more repairable products:

- Future work on revised or new Ecodesign implementing measures will systematically consider the reparability of products (starting in 2016);
- The standardisation request on material efficiency under Ecodesign includes work on standards that make repair easier (by 2019);
- The Commission will also explore the possibility of horizontal requirements on the provision for repair information under the Ecodesign directive;
- The Commission will also prepare an independent testing programme on issues related to possible planned obsolescence practices.

What measures are foreseen on waste management?

Europe currently loses around 600 million tonnes of materials contained in waste each year, which

could potentially be recycled or re-used. Only around 40% of the waste produced by EU households is recycled, with recycling rates as high as 80% in some areas, and lower than 5% in others. Turning waste into a resource is an essential part of increasing resource efficiency and moving towards a more circular economy.

The Commission will:

- Set a common EU target for recycling 65% of municipal waste by 2030;
- Set a common EU target for recycling 75% of packaging waste by 2030;
- Set a binding landfill target to reduce landfill to maximum of 10% of all waste by 2030;
- Step up its work with Member States to improve waste management on the ground;
- Simplify and improve waste definitions and harmonise calculation methods;
- Ensure that structural funds are used to support the objectives of the EU waste legislation and guided by the EU waste hierarchy – which establishes a priority order guided by the best environmental outcome, progressing from prevention, preparation for reuse, recycling and energy recovery through to disposal, such as landfilling.
- Propose minimum criteria for Extended Producer Responsibility schemes - rewarding producers who put greener products on the market and encourage their recovery and recycling at the end of their lifecycle

What will happen with end-of-waste criteria?

The Commission will modify the legislation to enable recycled materials to be reclassified as non-waste whenever they meet a set of general conditions, which are the same across the whole EU. This amendment is meant to simplify the legislative framework for operators in the recycling business and ensure a level-playing field. Existing EU-wide end-of-waste criteria (e.g. for glass or copper scrap) will remain in force.

The legislative proposal on waste only targets municipal waste. How is the rest of the waste addressed?

The revised waste proposal also includes increased recycling targets for packaging materials, which will reinforce the municipal waste targets. For industrial waste, a legislative approach appears unsuitable in view of the diversity of this stream. An industry-oriented approach using Best Available Techniques reference documents (BREFs) to address the specific issues related to the management of a given type of waste is a more suitable solution. In addition, industrial and commercial packaging waste are covered by Directive 94/62/EC and Directive 2008/98/EC.

What will the Commission do to stop illegal shipments of waste to non-EU countries?

The recently strengthened EU Waste Shipment Regulation gives more powers to inspectors. Member States are also required to establish inspection plans by January 2017 that will determine the minimum number of inspections to be carried out. The Commission cooperates with the network of EU environmental inspectors, INTERPOL and Europol. Other initiatives are also on-going for specific waste streams such as waste electrical and electronic equipment and end of life vehicles.

What is the Commission doing to promote the conversion of waste into resources (secondary raw materials)?

Secondary raw materials still account for only a small proportion of production materials used in the EU. There are important barriers to their take-up in the economy, for example due to the uncertainty of their composition. Standards are needed to build trust.

The Commission will:

- launch work to develop quality standards for secondary raw materials where needed – in particular for plastics;
- take measures to facilitate legal transport of waste between Member States while taking further measures to bring down the number of illegal shipments;
- revise the EU regulation on fertilisers to facilitate the recognition of organic and waste-based fertilisers thus developing an EU-wide market;
- take action to facilitate water reuse - this will include a legislative proposal on minimum requirements for reused water, for example for irrigation and groundwater recharge;
- develop analysis and propose options on the interface between chemicals, products and waste legislation, including on how to improve the tracking of chemicals of concern in products. This will help industry secure a stable supply of raw materials by using recycled materials.

Will your proposals allow Member States to send their waste to landfill in other countries?

The current restrictions to cross-border transfer of waste will continue to apply. No shipment between Member States is possible without "prior notification and consent". In addition, the landfilling reduction targets proposed by the Commission would require all EU countries to significantly reduce landfilling rates by 2030, thus reducing the scope for any cross-border circulation of waste for landfilling.

Is incineration of waste still allowed under your proposals?

When waste cannot be prevented or recycled, recovering its energy content is in most cases preferable to landfilling it, in both environmental and economic terms. 'Waste to energy' can therefore play a role and create synergies with EU energy and climate policy, but guided by the principles of the EU waste hierarchy. The Commission will examine how this role can be optimised, without compromising the achievement of higher reuse and recycling rates, and how the corresponding energy potential can best be exploited. To that end, the Commission will adopt a 'waste to energy' initiative in the framework of the Energy Union.

What are you doing to promote innovation and investment and tackle horizontal issues?

The circular economy needs more research and innovation to boost the competitiveness of EU industry. Public and private investment will be necessary to make it happen. Horizon 2020, COSME, the Structural and Investment Funds, the Fund for Strategic Investments and other EU programmes will be important support instruments. SMEs, including social enterprises, are particularly active in fields such as recycling, repair and innovation. They will play an important role in the development of a more circular economy.

The Commission will:

- help SMEs benefit from the business opportunities of increased resource efficiency with the creation of the European Resource Efficiency Excellence Centre;
- fully exploit the Horizon 2020 Work Programme for 2016-2017, which includes a major initiative on 'Industry 2020 in the circular economy' with funding of over €650 million ;
- together with the EIB, and the European Investment Advisory Hub, encourage applications for funding and support the development of projects relevant to the circular economy.

How will private financing contribute to investments in the Circular Economy? Can EFSI be used to boost investments in Circular Economy?

The circular economy will create business opportunities that will attract private funding. We've already seen how labelling has created demand for more energy efficient products. Increasing public awareness of the challenges we face will help stimulate choices of responsibly produced products. The European Fund for Strategic Investments (EFSI) complements existing support for circular economy projects through European Investment Bank (EIB) advisory and financing tools under the InnovFin programme. The Commission is also assessing the possibility of launching a platform together with the EIB and national banks to support the financing of the circular economy.

What are you doing to address specific challenges in the plastics industry?

Increasing plastic recycling is needed for the transition to the circular economy. Nowadays, the use of plastics is growing, but the efficiency of recycling is lagging behind – less than 25% of plastic waste collected is recycled, and about 50% goes to landfill. Innovation in this sector is also an important aspect - it can contribute to the circular economy by better preserving food, improving the recyclability of plastics or reducing weight of materials used in vehicles.

The Commission will:

- adopt a strategy on plastics in the circular economy, addressing issues such as recyclability, biodegradability, the presence of hazardous substances in certain plastics, and marine litter.
- propose a more ambitious target for the recycling of plastic packaging in the revised legislative proposal on waste.

How is the issue of marine litter tackled in the circular economy package?

The Commission aims to prevent and significantly reduce marine pollution of all kinds, including marine litter. It is estimated that the implementation of the waste legislation will reduce marine litter by at least 25%. The package also proposes specific actions to reduce marine litter, implementing the 2030 Sustainable Development Goals and the existing EU headline target on marine litter. This topic will also be examined in the strategy on plastics in the circular economy.

What are you proposing to tackle food waste?

Food waste is a significant concern in Europe: it is estimated that around 100 million tonnes of food are

wasted annually in the EU. Food is lost or wasted along the whole food supply chain: on the farm, in processing and manufacture, in shops, in restaurants and in the home. Apart from the related economic and environmental impacts, food waste also has an important social angle – donation of surplus food should be facilitated so that safe, edible food can reach those who need it most.

In September 2015, the United Nations General Assembly adopted Sustainable Development Goals for 2030 including a target to halve per capita food waste at the retail and consumer levels and reduce food losses along production and supply chains. The EU and its Member States are committed to meet this goal. The new waste legislative proposal calls on Member States to reduce food waste at each stage of the food supply chain, monitor food waste levels and report back in order to facilitate exchange between actors on progress made.

The Commission will:

- develop a common EU methodology to measure food waste and define relevant indicators;
- create a platform, bringing together Member States and all actors of the food chain, to help define the measures needed to achieve the Sustainable Development Goals on food waste and share best practice and results achieved;
- take measures to clarify EU legislation relating to waste, food and feed, and facilitate food donation as well as the safe use of former foodstuffs and by-products in feed production.
- examine ways to improve the use of date marking by actors of the food chain and its understanding by consumers, in particular the "best before" label.

What will the Commission do to avoid the discarding of edible food?

Together with Member States, the Commission will take measures to clarify EU legislation relating to waste, food and feed in order to facilitate the redistribution of safe, edible food to people in need and, where safe to do so, the use of former foodstuffs as a resource for animal feed. For instance, the waste legislative proposal has clearly excluded feed materials from its scope. This will ensure that former foodstuffs (for instance, broken biscuits or stale bread) which are safe but cannot go into the food chain for marketing reasons, are not considered as "waste" anywhere in the EU and can therefore be utilised as a resource to produce animal feed. The Commission will also develop, in co-operation with Member States and stakeholders, EU food donation guidelines for food donors and food banks on how to comply with relevant EU legislation (food safety, traceability, legal liability, VAT, etc.).

What are you doing on critical raw materials?

Critical raw materials (CRMs) combine a high economic importance to the EU with a high risk associated with their supply. They are used in many electronic devices of everyday use – for example, a smartphone might contain up to 50 different kinds of metals, including CRMs. The very low rate of recycling of these materials means that significant economic opportunities are lost. Increasing the recovery of CRMs must be addressed in the move to a more circular economy.

The Commission will:

- take action to encourage recovery of CRMs, and prepare a report on best practices and options for further action at the EU level;
- encourage action by Member States on this topic in its revised proposal on waste
- consider product requirements under the Ecodesign directive to improve the recyclability of electronic devices and the development of high-efficiency recycling standards

What is proposed for the construction and demolition sectors?

Waste originating from construction and demolition represents one of the highest volumes of waste type in Europe. One tonne of construction and demolition waste is produced per person per year – this means 500 million tonnes in the whole EU every year. Valuable materials are not always identified and recovered. Improving waste management in this sector can have a significant impact on the circular economy.

The Commission will:

- take a series of actions to ensure recovery of valuable resources and adequate waste management in the construction and demolition sector, as well as facilitate assessing the environmental performance of buildings.
- develop pre-demolition guidelines to boost high-value recycling in the sector as well as voluntary recycling protocols aimed to improve quality of and build confidence in recycled construction materials.

What is proposed on biomass and bio-based products?

Bio-based material, such as wood, crops or fibres, can be used for a wide range of products and energy uses. Apart from providing an alternative to fossil-based products, bio-based materials are also renewable, biodegradable and compostable. At the same time, using biological resources requires attention to their lifecycle, environmental impacts and sustainable sourcing. In a circular economy, a cascading use of renewable resources should be encouraged together with its innovative potential for new materials, chemicals and processes.

The Commission will:

- promote an efficient use of bio-based resources through a series of measures, such as guidance and dissemination of best practices of the cascading use of biomass and support to innovation in the bio-economy.
- the revised legislative proposal on waste contains a target for recycling wood packaging and a provision to ensure the separate collection of bio-waste.

How will you monitor the implementation of the Circular Economy Action Plan?

The Commission will propose a simple and effective monitoring framework to monitor the main elements of the circular economy action plan. It will include indicators in areas such as security of supply for key raw materials, repair and reuse, waste generation, waste management, trade in secondary raw materials in the EU and with non-EU countries, and use of recycled materials in products. The Commission will also develop a common EU methodology to measure food waste and define relevant indicators.

How have the results of the public consultation been taken into account?

The public consultation on the Circular Economy gathered around 1500 replies, reflecting the views from the main stakeholder groups: 45% from the private sector, 25% from individuals, 10% from civil society organisations, and 6% from public authorities. The contributions have inspired the preparatory work on the circular economy action plan and are reflected, for example, in the choice of priority sectors.

For more information

[Press Release](#): Closing the loop: Commission adopts ambitious new Circular Economy Package to boost competitiveness, create jobs and generate sustainable growth

[General Factsheet](#): Closing the Loop: An Ambitious EU Circular Economy Package

[Factsheet](#): Closing the Loop: Helping consumers choose sustainable products and services

[Factsheet](#): Closing the Loop: The Production Phase of the Circular Economy

[Factsheet](#): Closing the Loop: Clear Targets and Tools for Better Waste Management

[Factsheet](#): Closing the Loop: From Waste to Resources

[Communication](#): Closing the loop - An EU action plan for the Circular Economy

[Annex to Communication on Circular Economy](#)

[Proposed Directive on Waste](#)

[Proposed Directive on Packaging Waste](#)

[Proposed Directive on Landfill](#)

[Proposed Directive on electrical and electronic waste](#)

[Public consultation results](#)

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