

“Fast-tracking a circular economy in the EU” GLOBE EU Recommendations

Introductionⁱ

The European Commission has placed a circular economy in the EU within its strategic agenda for jobs, growth, and investment. It published its **Circular Economy Package** in December 2015 with the objective of enhancing sustainability and competitiveness for EU industry, fostering its sustainable economic growth, and generating new jobs.

Several key initiatives and actions have been put forward since the adoption of the Package, such as the new Directive on Waste, the EU Strategy for Plastics, the Single-use Plastics Directive, and the Monitoring Framework on progress towards a circular economy.

Several member states have adopted strategies and government-wide programs for a circular economy. Examples include Spain, France, Portugal, the Netherlands, and Finland. Some governments have put forward their own targets: e.g., the Netherlands wants to achieve a 50% reduction in the use of primary raw materials (from minerals, fossils, and metals) by 2030.

Despite the above advancements in EU and national level policy, achieving a large-scale industrial ‘circular’ transformation is by no means an easy task; multiple challenges need to be overcome in the next few years. For example, demand for circular products and services is still too low, especially compared with products developed through linear business models.

Not only will the next Commission have to keep the circular economy as a strategic priority and ensure that all measures adopted so far are correctly implemented and enforced; it will also have to accelerate progress in other policy areas.

The sections below present recommendations for action in areas where the existing EU legislative framework should be strengthened in order to fast-track Europe's transition towards a circular economy.

Anchor Circularity in EU Policies

A circular economy in the EU will help support many Sustainable Development Goals (SDGs). It is critical, therefore, that the Commission stays focused on its current goals while adapting its vision of circularity as that of a societal transformation and develops a comprehensive plan to mainstream circularity in all policies. Circularity should be a cornerstone of the EU strategy towards a climate neutral economy in 2050. Sustainability roadmaps should be implemented urgently for agri-food systems, buildings, textiles, and finance.

GLOBE EU asks that:

the Commission adopts circularity as a tool for societal transformation, going beyond environmental protection and sustainable economic growth. As a matter of urgency, roadmaps should be adopted to address the sustainability of food systems, buildings, textiles, and finance.

Existing governance structures are, however, ill-suited to consider the many facets of a transition and reap maximum benefit of circularity principles becoming embedded in the EU's societal fabric. Moreover, allocation of resources should match the broadening scope of the Eco-design Directive (see further below).

GLOBE EU asks that:

structured collaboration across and between the European Commission's various Directorates General become the rule so that the advantages—but also the risks—of transitioning towards a circular economy receive the broadest consideration. This would also ensure that scientific data is used systemically in the development of policies addressing SDGs so that measures having a positive effect on one SDG do not cause harm in others.

Speed up Circular Design

Achieving a circular economy in the EU will be very difficult without having in place an ambitious and effective framework for eco-design. Certain circular economy aspects have been introduced for energy-related products albeit only to a limited extent. The EU should accelerate the introduction of circularity requirements (such as modular design, design for reuse or design for disassembly) that hold potential for offering significant environmental improvement. These requirements should apply to products and packaging that are manufactured in, or imported into, the EU. Moreover, they should avoid the loss of material value or degradation and always give precedence to the most resource-efficient solution.

GLOBE EU asks that:

the European Commission accelerate the process of setting circular economy design requirements for different energy-related product groups.

In addition to energy-related products that fall within the scope of the Eco-design Directive, there is a wide range of non-energy related products whose circularity performance would benefit from eco-

design requirements, such as buildings and textiles. Priority non-energy related product groups should be identified based on their potential for providing significant environmental benefits through circular economy design requirements, such as reparability, durability, upgradability, and recyclability.

GLOBE EU asks that:

the European Commission expand the scope of the eco-design Directive to include non-energy related products and identify in cooperation with member states the product groups that should be prioritized for future circularity design requirements.

Boost Demand for Circular Goods and Services

Demand-side policy instruments can support the growth of markets for circular products and services across the EU. One such instrument is public procurement, which accounts for fourteen percent of overall demand for goods and services.

In order to facilitate circularity among the various actors in the value chain it is important to improve transparency on the impact of products and materials over their life cycle: e.g., their chemical composition, their associated health and environmental risk, and their recycled content or recyclability. These data should be documented according to open standards and methods aligned with EU legislation on substances and available along the supply chain allowing for data exchange and digitalization.

GLOBE EU asks that:

the European Commission develops circularity criteria for public procurement and offers education to Member States to step up using such processes. It should propose a comprehensive approach to introducing material passports in the EU.

Provide Finance to Support a Circular Transition

Europe needs to invest €180 billion each year in low-carbon and energy-efficient technologies to meet the Paris climate goals. Getting private finance to support innovation and solutions for a circular economy would greatly accelerate the transition. The EU's sustainable finance package integrates sustainability indicators, including indicators of circularity, and Life Cycle Analyses with the disclosure rules for assessing sustainability risks and with the taxonomy for a sustainable financial product. In future, these indicators should be part of all financial services legislation.

GLOBE EU asks that:

the European Commission fully integrate in all financial legislation sustainability indicators and a Life Cycle Analysis for assessing sustainability impacts and risks to ensure cross-cutting support.

Protect Natural Capital

The Commission should integrate natural capital and biological cycles with its circular economy approach. A circular economy is a restorative economy and more attention should be paid to how scarce natural resources are managed. From this perspective, the Commission should deepen its efforts towards developing more sustainable agri-food systems; by using the CAP and existing food legislation but also by facilitating and boosting collaboration to achieve circularity amongst all stakeholders in the food value chain. From an industrial perspective, the review of the Industrial Emissions Directive could be an opportunity to foster efficient use and reuse of natural resources.

GLOBE EU asks that:

the European Commission fully integrates natural capital with its circular economy approach. Collaborative measures to achieve sustainable food systems and optimizing the possibilities already made available by existing policies and legislation should be on the next circular economy agenda.

Increase International Cooperation

During the new five-year policy cycle the circular economy should not be a separate agenda but rather be embedded in the strategy for delivering on the United Nations 2030 Agenda and achieving the SDGs. In this context, specific targets for the implementation of the SDGs, including those for a circular economy, can be defined and monitored through the European Semester process.

GLOBE EU asks that:

the next European Commission not only integrate the circular economy in the sustainable development agenda but also set specific SDG implementation targets to be monitored through the European Semester or other policy coordination mechanisms.

The new Commission should continue and step up its cooperation with governments around the world with the objective of aligning policies in the circular economy field. Not only should future agreements seek to facilitate trade but also establish rules on the responsible use of secondary raw materials and remanufactured goods. One example is the EU–Vietnam Free Trade Agreement, which has introduced the concept of remanufactured goods.

GLOBE EU asks that:

the European Commission step up its efforts to establish agreements and forms of cooperation on the circular economy with countries and regions around the world with the aim of eventually establishing a global system of integrated circular economies.

ⁱ This document follows the outcomes of the Task Force report on “[The Role of Business in the Circular Economy: Markets, Processes and Enabling Policies](#)” published by the Centre for European Policy Studies (CEPS).