



EUROCITIES response to the circular economy package

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Executive summary:

- As European cities, we play a crucial role in improving waste management and transforming waste into raw materials for European industry. As the level of government closest to citizens, we are also well placed to raise awareness of sustainable consumption and to stimulate new resource efficient business models.
- The EU legislative framework should ensure that products do not feature built-in obsolescence; are designed for reuse and recycling; are easy to maintain and repair and use recycled materials. Also, we need a more ambitious strategy for using the eco-design directive to ensure effective product design provisions for easy reuse and repairs, efficient dismantling and recycling.
- To enhance sustainable consumption and recyclability, a label on resource efficiency would be a useful tool. Such a label should provide information on hazardous substances, amount of virgin or recycled materials, and repair and maintenance. A harmonised label for packaging would also be welcome, with information about composition and recyclability to increase separate waste collection and consumer awareness.
- Clear common rules on extended producer responsibility (EPR) will be helpful to provide economic incentives for more sustainable product design. EPR schemes should concentrate on waste streams that require financial support for separate collection and recycling as a viable means to deliver an efficient circular economy.
- We need a common definition of municipal waste and a clearer calculation method. The quantitative criterion must be excluded from the scope of the definition. This is to avoid a negative impact when comparing historical with future data. It is also to avoid excluding waste streams no longer covered by the definition of municipal waste for the preparing for reuse and recycling, and from the gradual limitation of landfilling to 10%.
- Knowledge sharing platforms on priority areas, such as food waste and plastic, to exchange best practices between key stakeholders - including cities - would be useful to ensure we move towards a strong circular economy for the EU. Circular textiles must be included in the scope of the package as a priority area.
- The European Commission and member states should facilitate and finance cooperation between cities and industry, to make products more sustainable and promoting behavioural changes in consumption patterns.

Introduction

As European cities, we are committed to the transition to a more circular economy, where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste minimised. It is essential to the EU's efforts to develop a sustainable, low carbon and resource efficient economy, and create better conditions for secondary raw materials. This transition is the opportunity to transform our economy and generate new and sustainable competitive advantages for Europe.

City authorities play a crucial role in improving waste management and transforming waste into raw materials for European industry. European cities have extensive experience in providing sustainable waste management as a service of general interest and are ready to use resource management further to ensure that we maximise the benefits of the circular economy. We integrate resource efficiency measures with economic and social policies, stimulating local job creation.

The Commission's proposals to review recycling and other waste related targets are an important step towards improving resource efficiency and moving towards a European circular economy. The proposals set out ambitious goals to increase the share of recycling and preparing for reuse of municipal waste. These goals will be challenging, in particular for city authorities with the current pressure on public finances. In addition, ambitious objectives towards a more circular economy can only be fully achieved if production methods are changed, notably to increase product lifespans and to facilitate their upgrading, repair, reuse and recycling through changes in the use of materials and in product design.

The EU currently loses out on many secondary raw materials that can be found in waste streams. The total waste stream is composed of 90% commercial and industrial waste and only 10% municipal waste. Municipal waste is amongst the most complex waste streams to manage, characterised by a highly mixed composition. It is important to also target commercial and industrial waste streams if the EU is to generate more significant amounts of secondary raw materials.

Production

Product design

We need better design that can make products more durable, easier to repair, upgrade, remanufacture or to disassemble, in order to recover valuable materials and components. The Commission's proposal on mandatory product design and requirements should be broadened to packaging, notably plastic packaging, and include a ban on hazardous substances in products and furniture. Separate targets for recycling of packaging set out in the packaging directive, electric and electronic products in the WEEE directive and end-of-life vehicles or vehicle parts in the end-of-life vehicles directive would give strong signals to the producers to develop more recyclable designs.

The EU legislative framework should ensure that products:

- do not feature built-in obsolescence
- are designed for reuse
- are easy to maintain and repair

- are designed for recycling
- use recycled materials during production

We need a more ambitious strategy for using the eco-design directive and Extended Producer Responsibility (EPR). The proposal to encourage better product design by differentiating the financial contribution paid by producers and how implementation is foreseen in the revised waste framework directive is a step in the right direction.

Future revisions of the eco-design and the packaging waste directives should complement the EPR provisions. In particular, the eco-design regulations to implement the directive should include specific, effective product design provisions for easy repairs with good availability of spare parts, upgrading, reusing, efficient dismantling, and recycling, as well as provide information on using recycled material for production or on minimum recycled content.

New business models

We would welcome an EU initiative promoting new business models such as leasing, buy-back, modular conception and repair. Shifting from being the sole user of a product to accessing a product through a service has the potential to create important social, environmental and economic benefits, and prevent overconsumption. These business models, that some of our cities are testing, also increase incentives for producers to provide resource efficient products. Financial incentives for the collaborative economy should be explored and emphasised in the circular economy package.

Consumption

As the level of government closest to citizens, city authorities work directly with their citizens and community groups to raise awareness about resource efficiency and the links between more sustainable consumption, waste prevention and waste management. EU and national financial support for local authorities are important to launch and sustain awareness-raising actions essential to changing consumption patterns.

A label for resource efficiency and for packaging

A resource efficiency label for products, similar to the existing energy efficiency labels, would be a valuable tool for awareness-raising, designing sound, transparent financial incentives, and facilitating resource-efficient procurement. For this label to be effective, the Commission should explore how it could reflect relevant product characteristics such as the amount of virgin materials used, hazardous substances, durability, reusability, repair and maintenance, including upgrading or updating products and recyclability. We would welcome the introduction of a harmonised label for packaging, with information on composition and recyclability, to increase separate waste collection and raise consumer awareness. This could cover different types of waste: plastic, paper, glass, cardboard, aluminium, tin, drink cartons, styrofoam and residual waste.

Reuse and repair

Resource efficiency should be integrated with economic and social measures¹. The repair and maintenance sectors can create local jobs in the EU, and city authorities play an important role in supporting those sectors. Member states now need to promote preparing for reuse activities and in addition, we believe they should also promote the reuse of products.

The proposal of the Commission now includes reuse and repair activities carried out by recognised partners. However, it will be essential to define how this will be implemented at member state level. We need more detailed guidelines in line with the waste framework directive to prevent a broad variety of interpretations across the EU, potentially leading to reporting on results, which is not comparable between member states.

The establishment and support of reuse and repair networks, in cities and at waste collection points, is essential to make reuse of products a first option for citizens. The Commission should support, including through funding, modern city amenity sites where reuse and repair activities are integrated as part of the sites' activities.

Producer guarantees

Regulation on producer guarantees should be revised and the scope extended to include, for example, guarantees on electric and electronic devices, as well as introducing longer guarantees for construction materials.

Public procurement for consumption

Green and social clauses in public procurement account for nearly 20% of EU GDP and can play a key role in supporting a more sustainable consumption. The EU and member states should provide clear guidelines and recommendations to facilitate the use of public procurement to support the circular economy. Public procurement should promote more resource efficient consumption, for example, guidelines could require consideration of recycled sources for inputs and reuse opportunities for waste streams, especially in infrastructure contracts.

Waste management

City authorities, other public authorities, businesses and investors involved in waste management, all depend on a stable and long term framework at EU level, including consistent enforcement of existing rules.

Implementing the systems needed to achieve the new set of targets should not lead to significant cost increases for city authorities, who have already invested in thermal treatment systems with energy recovery, supplying energy and heat for district heating and cooling systems, dealing with historical waste and minimising greenhouse gas emissions.

¹ EUROCITIES publication on green jobs for social inclusion (<http://bit.ly/1EF9s3u>) gives some examples of how cities integrate waste management and employment.

Economic instruments and incentives

The Commission's proposal now requires member states to use adequate economic instruments to provide incentives for the application of the waste hierarchy, and the inclusion in Extended Producer Responsibility (EPR) of the modulation of product fees on the basis of the real end-of-life cost of products. We propose a more detailed list of adequate incentives be annexed to the waste framework directive:

- a progressive increase of landfill taxes for all categories of waste
- incentivising municipal waste producers, including citizens and local businesses, to reuse products, and to reduce and sort their waste through a progressive extension of 'pay-as-you-throw' systems
- financial support for local authorities to promote waste prevention, develop and optimise separate collection schemes, as well as support to develop related technologies

Extended Producer Responsibility

Across Europe there are significant differences amongst member states both in terms of implementation and results on EPR. Likewise, within the same country there are sometimes differences in the rules applied and the practical functioning of EPR systems. This results in increased costs and complications for cities. At worst, EPR systems promote recycling combined with a short lifetime of products, thus a high turnover of material and a large demand for resources. The proposal to revise articles 8 and 8a of the waste framework directive on Extended Producer Responsibility (EPR) and to establish clearer common rules will be helpful.

When properly designed, EPR schemes can provide important economic incentives for more sustainable product design, making it a useful tool for achieving the objectives of the waste targets review.

Effective EPR schemes should concentrate on waste streams that require financial support for separate collection and recycling, and on industrial symbiosis as a viable means to deliver an efficient circular economy.

Waste management in public spaces, street cleaning and cleaning of litter at beaches, in parks and other public recreational areas is costly for city authorities, adding pressure on budgets. EPR schemes should take partial financial responsibility for littering caused by products covered by the scheme and for single-use products. We recommend including part of the costs of both litter prevention and clean-up initiatives in the scope of EPR.

Definition and calculation of municipal waste

We recognise the need for a common definition of municipal waste and we support the proposal that it only be used for reporting and statistics and not as basis for determining responsibilities for handling of waste within a member state.

However, the quantitative criteria should be excluded from the scope of the definition. It would otherwise have a negative impact when comparing historical with future data², and exclude waste streams that would no longer be covered by the definition of municipal waste for the preparing for reuse and recycling, and from the gradual limitation of landfilling to 10%.

The producer must be clearly defined. It is essential to clarify that the term producer used in the proposal includes importers and actors placing goods on the EU market. We recommend explicitly including both ‘producers of products’ and ‘importers’. Producer responsibility for imported goods and products purchased online should also be addressed in the circular economy package.

The methods currently used for calculating the amount of waste prepared for reuse and recycling differ greatly. We support the methods for calculation set out in Article 11a of the waste framework directive where the weight of municipal waste recycled should be understood as the weight of the input waste entering the final recycling process.

The Commission also proposes an alternative method for calculation using the output of any sorting operation by means of derogation. We clearly see the need for an alternative to the input-based method outlined in the proposal due to the difficulties of following waste for recycling to its final stage as raw material for industry. However, there is a potential reporting cost for cities if they have to track materials to their final destination throughout multiple treatment and recycling plants. Local authorities should be able to report outputs providing they are of an adequate quality that guarantees recycling. Moreover, reporting an amount for recycling that includes up to 10% of pollution would undermine the efforts put in raising the quality of waste as a raw material. It could lead to misleading reports from member states on the amount of recycling, higher than the actual figures.

All recycled materials replacing virgin materials should count towards recycling targets. This includes incinerator bottom ash, where it has been taken through a recycling process (screening/mechanical refinement/clean-up processes) to produce resources (such as thermal blocks for building industry or in road construction). Clarifying the definition of recycling will encourage investment in the recycling of secondary process materials that would otherwise be lost to landfill.

The combination of high targets and a new method of calculation is a clear challenge for city authorities all over Europe and we welcome the Commission making European funding available to cities.

A key provision for better resource and waste management in the new proposal is the limitation on landfilling of municipal waste, requiring member states to take the necessary measures to ensure that by 2030 the amount of municipal waste landfilled is reduced to 10% of the total amount of municipal waste generated. This provision would have a much greater impact if the scope of the ban went beyond municipal waste, to ensure we do not lose valuable raw materials to landfill.

A better management of resources in waste generated by household, businesses, industry and mining or the construction sector, is a key factor towards a circular economy. However, after having done the maximum to decrease waste generation (prevention, reuse, recycling), any modern society with high rates of recycling still needs a basic infrastructure for the treatment of the residual waste, both the daily waste collected and for unforeseen situations as fires, natural catastrophes or diseases. This underlines

² The suggested definition of municipal waste with the quantitative criteria does not correspond with the Eurostat definition used for data collection and preparation

the need for waste management plans by member states as stressed in the article 28 of the waste framework directive. Within national waste management plans, there should be possibilities for cities to secure financing for basic waste management infrastructure.

Markets for secondary raw materials

The EU and member states should develop markets for secondary raw materials through

- legislation and financial incentives that promote
 - incorporating recycled materials into products
 - recyclability of products
 - secure quality of recycled materials
- a quality label for recycled materials: the label should provide clarity on key characteristics of recycled materials.

New calculation methods for recycling should ensure that only material that has actually been recycled, or refined to an adequate standard, is counted as such. Recycling materials into the same material (closed loop recycling) should be rewarded.

We encourage the European Commission to explore how to better address hazardous substances in the waste stream, including through improvements to the REACH regulation³ as well as support for research on the environmental and health risks of substances used in materials to be recycled

We also strongly recommend a clear strategy on construction and demolition waste. The amount of construction aggregates in the waste stream is expected to increase dramatically in the future, due to a large number of buildings, built after World War II, reaching the end of their lifetime.

Priority areas

Plastics

City authorities face huge challenges in collecting, sorting and preparing plastic waste for recycling. The plastic industry uses numerous additives to attain the desired quality in their products. Many of these additives are hazardous substances that prohibit recycling, or affect the quality of recycled materials. Better cooperation between industries and city authorities is necessary to achieve higher recyclability and manage plastic waste. Fossil plastics account for a considerable part of waste incineration GHG emissions so higher recyclability and a transition from fossil to renewable plastic materials are both necessary.

³Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, <http://bit.ly/1o9mAH5>

Food waste

We support the Commission's initiative on reducing the generation of food waste. The environmental impact of the losses throughout the value chain for food is significant and reducing this is one of the most important challenges when moving towards a circular economy. As city authorities, we can play an important role by, for example, implementing separate collection of food waste (where applicable together with garden waste) as proposed in article 22 of the waste framework directive. Separate collection of food waste can be costly for local authorities but can raise citizens' awareness of the amount of food waste produced on a daily basis and is a key factor in achieving reductions.

Separate collections must be combined with treatment of food waste through composting or biogas production for example, which need financial support including through EU funding. We support the need for a common EU methodology to measure food waste. Many cities have developed methods and are carrying out analysis of the residual waste of municipal waste.

We welcome the initiative to create a platform dedicated to food waste, bringing together member states and all stakeholders involved in the food chain. City representatives should also be involved in the platform. We would also welcome similar initiatives for knowledge sharing platforms on other priority materials like plastics.

Critical raw materials

We support the Commission's initiative on critical raw materials, especially from electronic waste. We also support the proposal for waste management plans to include specific solutions for waste containing significant amounts of raw materials that are of high importance to the EU economy and whose supply is associated with a high supply risk. This could help waste holders to focus on waste products of high importance for better resource management.

Construction and demolition waste

The amount of construction material that aggregates in the waste stream is expected to increase dramatically in the future, due to a large number of buildings, built after World War II, reaching the end of their lifetime.

The target of 70% of recycling for construction and demolition waste by 2020 is an ambitious but reachable target, and the definition and calculation of backfilling is essential for this. Backfilling could be an obstacle for separate collection without an effective control system established by member states and hide uncontrolled dumping of waste.

As land use authorities, cities have a crucial role in approving applications for constructing and demolishing buildings, and we are committed to securing good waste handling practices. In the long term, the EU should also consider the need for criteria to improve the circularity of the construction sector, for example integrating refurbishment considerations to improve the reuse of materials when constructing new buildings.

Biomass and bio based products

City authorities can, in cooperation with industry, play an important role in developing new technologies and markets for the use of bio waste. Together with sorting systems for wood waste from construction and demolition waste, a huge amount of bio waste could be made available as resource for a better management. We support the implementation of separate collection of wood waste, and underline the potential of better use of resources in bio waste if complemented with clear quality standards.

Textiles

Circular textiles must be included in the scope of the proposal as a priority area. Raw materials for textile production have a high environmental impact but it is relatively easy to reuse textiles in products or to use bio cotton textiles in the organics cycle. Most of discarded textiles end up being landfilled or incinerated. Recycling of textiles through mechanical and chemical processes has a positive effect on the environment and there is high potential for reducing greenhouse gases from recycled textiles.

Innovation, investment and horizontal measures

Horizon 2020, in addition to European Structural and Investment Funds for financing infrastructure and installations, should finance pilot projects in cities that develop, test and roll out innovative waste management and technologies. It should also support the exchange of existing good waste management practices between city authorities, and efforts to scale up and deployment of innovative solutions. We welcome the inclusion of industrial symbiosis measures but ask for more recognition of what this could generate in terms of green growth, economic development and creating a demand foster innovation. In addition, the European Commission and member states should facilitate and finance cooperation between cities and industry to make products more sustainable, building on existing positive experiences⁴ as well as innovative ways of promoting behavioural changes in consumption patterns

⁴Examples are the Plastic Zero Project, a public private cooperation for avoiding plastics as a waste (<http://www.plastic-zero.com/>) and the MED-3R, the Euro-Mediterranean Strategic Platform for a suitable waste management (<http://www.med-3r.org/index.php/en/>)