

ACR+ position paper on the Circular Economy Package

ACR+ takes the opportunity of the public consultation on the Circular Economy to reaffirm its position and conviction that circular economy strategies are the way towards resource efficiency and sustainable development.

ACR+ supports the campaign 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 a circular economy, towards a more resource-efficient Europe.

- As mentioned in its position paper published in November 2014, ACR+ insists on the need to have a **framework supporting circular economy** where product policy and waste policy are closely linked. Consequently, ACR+ is convinced that:

- The “Multi-R” approach helps structure circular economy;
- Circular economy must be combined with the development of territorial economies (if territoriality is designed at multiple scales, it must first translate into short-circuit actions);
- Efficient circular economy will emerge from the implementation of both bottom-up initiatives and top-down approaches. By bottom-up initiatives we understand concrete activities involving local organisations which look for synergies with partners at the same level or which wish to extend or diversify their activities; the top-down approaches include coordination and planning in order to facilitate connections between lower level actors;
- Local and regional authorities are key actors in this shift and should develop territorial circular economy strategies focusing on measures to promote material resources savings and the safeguard of human well-being;
- Circular economy strategies should be based on a shared governance in which each actor of the value chain should be allowed to be part of the decision-making power.

- Furthermore, **ACR+ supports the “waste legislation”** as an important part of the puzzle. Binding targets are needed to incentivize prevention and reuse and to secure investments on recycling plants. Therefore, this waste legislation should aim to:

- Standardise definition and calculation methods;

- Reduce the generation of waste;
- Increase the general and specific rates of waste recycling;
- Phase out landfilling and stop subsidies for incineration;
- Introduce an early warning system for monitoring compliance with the recycling targets.

Specifically, ACR+ insists on the importance to have ambitious new targets which give public authorities at national, regional and local level the possibility to better secure their investment, as well as to choose the infrastructure in a more efficient way.

The initial legislative proposal of July 2014 planned to increase recycling-reuse of municipal waste to 70% in 2030, increase packaging waste recycling/reuse to 80% in 2030, and phase out landfilling by 2025 for recyclable waste. **These targets are 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.

Moreover, ACR+ hopes to see:

- **Prevention**, the first level of the waste hierarchy, **better addressed** in the European legislation; legal binding instruments are needed (e.g. a compulsory prevention target or “take-back” schemes for certain products). In a circular economy system, **both quantitative and qualitative prevention should be a priority**. Examples in certain Member States such as France show that a global prevention target (7% reduction in municipal waste) is in fact feasible;

ACR+ furthermore calls to include a provision that incentivises both reuse and prepare for reuse through quantitative targets, that ensures access to the waste stream via approved reuse centres, and that support the development and consolidation of reuse, repair infrastructures and networks;

- **Recycling targets** not only related to municipal waste (household waste and assimilated) but also to **industrial waste** of the same nature;
- An obligation for Member States to develop **national food waste prevention strategies** and to ensure that food waste in the manufacturing, retail/distribution, food service/hospitality sectors and households is **reduced by at least 30%** by 2025;
- **Minimum legal requirements for Extended Producer Responsibility (EPR)**, in order to secure a level playing field in the EU. ACR+ regards EPR as a **major economic instrument** that functions not only as a waste collection system but mainly as a tool to **support each level of the waste hierarchy**, including eco-design, prevention, and preparation for reuse. For that purpose, **full cost coverage**, including **communication costs**, is crucial.

- Moreover, the issue of **eco-design of products and services** should be better addressed in European legislation and policy, in particular through public procurement and fiscal measures, as it is a key element for more sustainable production and consumption.

The EU should urgently start setting requirements on incorporating circular design principles to increase the resource efficiency of products using the ecodesign framework. A **strong framework for product design** should include, at least the following general objectives: extending the longevity of the products (upgradability, durability, reparability, availability of spare parts, countering planned obsolescence), increasing the reuse, refurbishment and remanufacturing and increase the recovery of key components and materials to facilitate reuse, remanufacturing and refurbishment. To incentivise sustainable investments in reuse and recycling it is important to **incorporate external costs into the economic system**.

Additionally, ACR+ promotes the use of **economic incentives**, such as close to zero VAT rates for reuse, repair and preparation for reuse or tax allowances for businesses that repair goods and/or promote reuse. The **PAYT system** should become a standard practice, and it should be promoted as such. We furthermore see the need for a fiscal framework that is in accordance with the 'polluter pays principle', providing the right signals for investment in resource efficiency.

Finally, ACR+ would like to see the Commission working on how to secure the **secondary raw material market**.

ACR+ believes that **local and regional authorities** are key stakeholders and facilitators. Therefore, they need **greater support** in order to secure a full and effective transition towards a circular economy and sustainable development.