

ACR+'S RESPONSE TO THE COR'S PUBLIC CONSULTATION ON THE CIRCULAR ECONOMY ACTION PLAN

1. GENERAL REMARKS

The Association of Cities and Regions for sustainable Resource management (ACR+) is a network of over 100 LRAs hailing from 23 countries that works to facilitate the exchange of technical know-how about circular economy and resource management. Our network has actively worked to develop better local and regional policies and strategies concerning these topics for over 25 years. In recent years, we have closely followed the developments related the EU's Circular Economy Action Plans and their impact at the local level.

We believe that the CoR has correctly chosen the topics of discussion for its ENVE commission. Below are our answers to the questions posed in the working document. We hope that they will enrich the discussion and look forward to receiving the opinion about the New Circular Economy Action Plan.

2. ANSWERS TO THE QUESTIONS LAID OUT IN THE WORKING DOCUMENT

The role of the LRAs in delivering the circular economy

Question 1: What role do you expect LRAs to play in implementing the CEAP?

LRAs can facilitate the implementation of the CEAP in their role as facilitators and regulators overseeing local fiscality and legislation in general; as influencers that can inspire behavioural change in citizens towards greater prevention and sustainable consumption; that can steer the producers on their territories through suggested voluntary actions and conditional permits; and as the institutions that often manage municipal waste management.

Question 2: In what key areas do you expect LRAs to take action?

As consumers themselves that account for 14% of the EU's GDP, engaging in circular procurement is one of the key areas LRAs should target. In addition, LRAs can have a sizeable impact on the construction sector through permits and in incentivising sustainable and, where possible, local food production.

Question 3: How can the regions' capacity to deliver circular best practices be boosted?

This can be accomplished through cooperation between the different levels of governance; through networking and exchange of practices among European regions, while being mindful of the different

socio-cultural contexts of each region; and through coordinating different local stakeholders to enable cooperation and knowledge exchange.

Question 4: What kind of EU-level long-term targets would deliver circularity in the EU's regions and cities?

A useful tool to expedite the transition towards circularity at the local level are **targets for waste prevention and reuse**, building on the targets for recycling and preparation for reuse stipulated in the amended Waste Framework Directive. Likewise, more funds and effort need to be invested in **documenting the impact of the circular economy on climate change mitigation and adaptation**. Quantifying this impact will provide useful indicators and instruments to LRAs to enable them to shape their regional circular economy strategies. To facilitate the implementation of this key issue, ACR+ has initiated a [campaign](#) to support LRAs in reducing their greenhouse gas emissions associated with local resource management by 25% in the next five years. Our campaign could serve as a source of inspiration for EU policy-makers looking to empower LRAs to carry out circular economy strategies at the local level.

Shift in economic system

Questions 5: In order to shift the economic system in the right direction, the circular economy requires that scarce or polluting components be taxed, while components that are abundantly available and environmentally friendly are tax-free. What is your view on shifting from taxes on labour to taxes on resources?

Taxation is an important instrument to motivate economic actors to shift to different modes of production. We encourage the passing of a “green tax” or, at the very least, the availability of fiscal and economic incentives for frontrunners who do well in areas like circular procurement. Modulating taxes based on virgin material content, recycled content, and the presence of hazardous chemicals can be effective ways to trigger changes at source. In practice, we anticipate that such a policy would be made difficult by the difficulty in monitoring and complications related to the traceability of materials.

A source of inspiration for fair green taxation could be some of the extended producer responsibility (EPR) schemes in Europe, such as the French one, which is a progressive fee system that takes reparability into account for streams like electric and electronic equipment.

Question 6: Sustainable production is key: how prescriptive should the CEAP be towards the private sector?

We encourage EU policy-makers to put in place bans on certain processes and substances, taxes that reflect the environmental impacts of production and consumption, and binding measures to speed up the uptake of circularity among economic actors.

Question 7: How will the CEAP improve the EU's competitive edge?

The CEAP can improve the EU's competitiveness by including all the stakeholders in the value chain in the transition to circularity; for instance, by bringing in retailers and consumers, rather than just

producers. It could also help reduce our reliance on raw materials from other regions, the extraction of which comes with environmental, social, and economic costs.

Question 8: What lessons can we learn from the COVID-19 crisis as we move towards a circular and fair society?

The crisis demonstrates how important it is to engage in environmental protection to a greater degree by assigning clear economic costs to environmental impacts and by identifying a straightforward strategy to decouple economic growth from resource intensity. It has also laid bare how vulnerable our economic system is to exogenous shocks and that perturbations can worsen the already significant social inequalities we are facing. The key takeaways from COVID-19 for the circular economy are that social considerations and measures need to be taken into account when devising policies; that short supply chains for primary commodities are important to security; and that environmental protection is closely linked with public health.

There is no waste, there are just resources

Question 9: Should the EU set clear targets and devise a strategy on (key) materials: pollution and waste?

Targets are most certainly needed, but they need to be consistent with other environmental policies concerning, for instance, climate change and biodiversity and must have a clearly defined calculation method.

Question 10: Under that strategy, should the EU consider specific legislation and closing borders are regards waste?

Before such a decision is taken, we recommend that the EU take stock of the existing waste management infrastructure at the European level, and not just at the local level. More collaboration is needed among regions to avoid overcapacity, particularly as regards waste-to-energy plants. To begin with, we encourage policy-makers to set consistent quality and waste treatment standards across the EU in order to avoid waste being transported from one member state to another for downcycling.

Question 11: What about a deposit system for a much wider range of materials?

Our experience shows that deposit-refund systems work for a variety of types of packaging; we encourage its use for other resource streams.

Question 12: How can a system of digital passports, watermarks and a digital register of materials help prevent the collection of waste?

In our understanding, this question refers to the “accumulation” of waste. Among others, the techniques and technologies listed can serve to limit and monitor the hazardous substances used in products and thus enhance their recyclability and reuse potential, as well as the value of secondary raw materials. Legacy additives tend to be a significant impediment when seeking to close materials loops. Digital registers and passports could also be used to make information available about different products and thus facilitate their repair.

Question 13: Does your region have clear insight into flows of critical materials?

As an association of LRAs, we are familiar with efforts carried out to track critical materials in Flanders under the Materials Programme launched by public waste management agency OVAM, but are not aware of the publication of a clear mapping of such flows. There is an obvious information gap in this area, because, after products like e-waste and old vehicles are sent to dismantling plants, public authorities generally lose the ability to track the trajectory of the secondary raw materials.

This slightly dated [report](#) by the Fraunhofer Institute sheds light on the availability of data about critical raw materials at the EU level.

Question 14: Should LRAs develop a strategy to get insight into how (companies in) their regions are dependent on raw materials and how to control this dependency?

Given the scarcity of accurate and detailed data, we believe that this is a very good idea.

Setting targets/framing legislation

Question 15: What is your view on target setting? Can the other planetary boundaries be incorporated into target setting and monitoring?

We believe that this is necessary, though complicated to accomplish. In any case, when setting targets, policy-makers should take into consideration the availability of data and work with experts to define calculation methods in order to avoid having situations where targets are differently monitored and quantified in different member states.

Question 16: Should the European Commission set equal targets for every member state or for the EU as a whole?

We believe that the targets should be set equally for member states, though perhaps with different timeframes for reaching them based on their level of readiness.

Question 17: What are your views on devising stronger, more mandatory regulation to achieve the targets?

We believe that these are necessary.

Question 18: What kind of legislation is needed and what should we legislate?

As mentioned above, we recommend the urgent setting of waste prevention and reuse targets. We also encourage legislation that reflects the polluter pays principle in order to incorporate the cost of environmental impacts and resource depletion into market prices.

Should incentives focus on frontrunners or on regions which are lagging behind? Or should they assist both?

We believe that appropriate incentives need to be devised to assist both in order to avoid a two-speed transition.

Question 19: As a follow-up to the previous question: what should a just transition in Europe to the circular economy look like?

Our envisioned roadmap consists of the setting of the same, clear targets for all member states (but perhaps with different timeframes for implementation if necessary). Socio-cultural factors need to be taken into account when setting the timeframes in order to ensure that targets are well understood and feasible to apply in different member states and European regions.

Question 20: Could we consider the Climate Law to be a legal arm of the circular economy?

Yes. Seeing how the production of food and materials accounts for up to half of the EU's carbon footprint (different sources cite figures ranging from 33% and 45%), the transition to the circular economy will undoubtedly support the EU's climate change mitigation efforts. As stated above, more links need to be made between the circular economy and climate change through research, clear indicators but also policy. Connecting the CEAP with the regulation proposal for the Climate Law would be an important step in the right direction.

General questions on the transition from the 2015 Action Plan to the Action Plan 2.0

Question 21: What conclusions can we draw from the comparison between the 2015 and 2020 Action Plans?

The 2020 Action Plan certainly tries to scale-up the circular economy approach by tackling more systematically products and eco-design rules. It contains more concrete actions, like the ones regarding reuse, repair, and IT products. But the difficult point will be when and how those intentions will be translated into EU legislation and concrete actions.

Question 22: Following up on the 2015 Action Plan, which incentive schemes proved to be particularly useful?

Extended producer responsibility – as a principle to be applied to all products (and not limited to extended producer responsibility schemes like the ones in force for the packaging sector) – has proven to be a useful approach.

Question 23: How far or close are we to meeting Goal 12 (responsible production and consumption) of the 17 Sustainable Development goals to which we committed?

We are far from attaining this goal, although we have observed growing public awareness about the topic. Connecting sustainable consumption and production with climate change efforts is necessary in order for more consumers/citizens to engage in such practices and for decision-makers to invest more budget in it. Binding targets at the EU level (at least) will be needed to further the goal of sustainable production.

Question 24: Given that, unlike other policy areas such as education and employment, circularity may not be easily measurable, what kind of evaluation criteria could be envisaged for following up on the implementation of the Action Plan?

The reduction in greenhouse gases resulting from the implementation of circular economy strategies and actions could be a useful metric, once the research gap connecting circular economy and emission reductions is addressed.

Question 25: Did sustainable and green procurement yield substantial results? What consideration should be given to the idea of ‘circular procurement’?”

Circular procurement is an important instrument, but its concrete implementation remains very complicated. European criteria and standards are needed. Instead of promoting strict technical criteria, it would be more useful to elaborate “positive criteria” that would enable compliant stakeholders to gain points when using certain types of products/services.