



# THE NEW CIRCULAR ECONOMY ACTION PLAN

[#EUIndustrialStrategy](#)

[#CircularEconomy](#)

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European  
Commission



# Industrial policy as a cornerstone of the European Green Deal

*“To help drive the change we need, I will put forward my plan for a future-ready economy, our new **industrial strategy**”*

The European Green Deal includes the following « **game changer** » objectives:

- ✓ Climate neutrality by 2050
- ✓ Need to change the way we produce, consume and trade
- ✓ Zero-pollution strategy

**Industrial  
policy**



# Industrial policy and climate neutrality

## Industrial policy

- ✓ Creation of **lead markets** through policy actions and large investments on a selected number of strategic actions:
  - Sustainable batteries
  - Energy Intensive Industries (e.g. low-carbon steel, chemicals, cement)
- ✓ Industrial symbiosis and interconnectivity
- ✓ Creation of low-carbon infrastructures and systems' integration



# Industrial policy and sustainable production, consumption, and trade

## Industrial policy

- ✓ New performance-based **product-policy framework** to better assess and monitor the environmental and social performance of products, services, and organisations.
- ✓ Leverage existing tools (e.g. Product Environmental Footprint method) to develop a **digital**, integrated and consistent “**knowledge base**” for each supply chain accessible to industry, market operators, policy makers, enforcers, and citizens
- ✓ Ensure **resource security** (strategic autonomy) through international partnerships, monitoring of needs and advancing sustainable sourcing
- ✓ Make better use of trade policies and development aid policy (consistent with climate-neutrality and sustainable development goals)

# THE NEW CIRCULAR ECONOMY ACTION PLAN



## Getting the Economics Right

- EPR modulation
- VAT rates and other taxes
- Mandatory Green Public Procurement



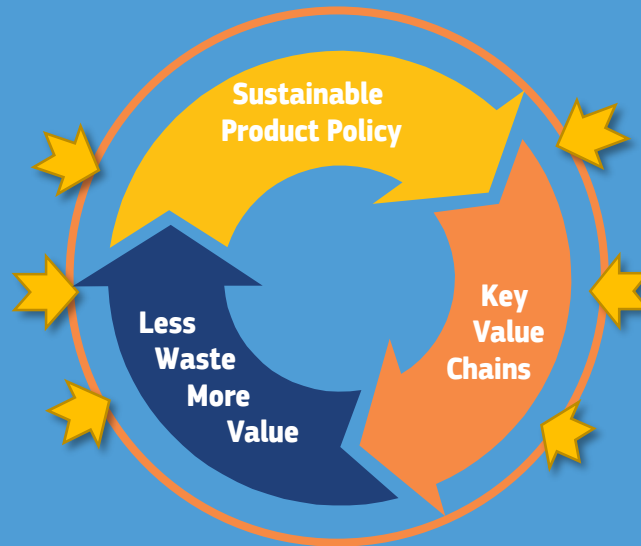
## Financial Markets

- Sustainable Finance Taxonomy
- Corp. Governance Framework
- Non-financial reporting



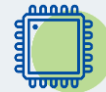
## Global Level Playing Field

- Global Agreements on Plastics
- Global Circular Economy Alliance
- Partnership with Africa
- FTAs



## Investments and R&I

- LIFE
- Horizon Europe
- Intellectual Property Strategy



## Nobody Left Behind

- Skills Agenda + Pact for Skills
- Social Fund Plus
- Cohesion Policy
- European Urban Initiative
- European Circular Economy Stakeholder Platform



## Monitoring

- Footprint indicators
- New indicators for focus areas
- Measuring climate neutrality and zero pollution
- HorizonEurope projects



# Sustainable Products Initiative

MAKING SUSTAINABLE PRODUCTS BECOME THE NORM



To **make** products **fit** for a climate-neutral, resource-efficient and circular economy, reduce waste and ensure that the performance of front-runners in sustainability **progressively becomes the norm**.

The core of this legislative initiative will be to **widen the Ecodesign Directive** beyond energy-related products so as to make the Ecodesign framework applicable to the broadest possible range of products and make it deliver on circularity.



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# SUSTAINABLE PRODUCTS INITIATIVE

## Sustainable Products Initiative

Eco-  
Design  
Directive

- Establish **sustainability principles**
- Improving product **durability, reusability, upgradability** and **reparability**
- Address presence of **hazardous** substances
- Increasing **recycled content** in products
- Enable **remanufacturing** and high-quality recycling
- Reducing carbon and environmental **footprint**
- Restricting **single use** articles and countering **premature obsolescence**
- Rewarding different **sustainability performance**
- **Banning destruction** of unsold durable goods.

Examples:

- energy, material and water efficiency,
- longevity,
- reparability,
- non-toxicity
- recyclability.

Revised  
Eco-  
Design

## European Dataspace for Smart Circular Applications

- Data on value chains and product information

## Market Surveillance

- Cooperation with national authorities on enforcement of applicable sustainability requirements



To be tabled in 2021



Applicable to the **broadest possible range of products** and make it deliver on circularity



Priority will be given to addressing product groups identified in the context of the value chains featuring in the Circular Economy Action Plan, such as **electronics, ICT** and **textiles** but also **furniture** and high impact intermediary products such as **steel, cement** and **chemicals**.

# Problem definition

1

## Product-related externalities are not fully internalised



- Not enough incentives to producer to go circular & sustainable
- Single use/short life span still prevails at design phase
- Growing concerns related to social impacts

2

## EU initiatives and legislation only partially address sustainability aspects of products



- Ecodesign has been an effective tool for the products in its scope
- Voluntary approaches have shown their limits in terms of uptake and, therefore, impact
- There is lack of coherence and consistence among different policies and tools, both at EU and national level

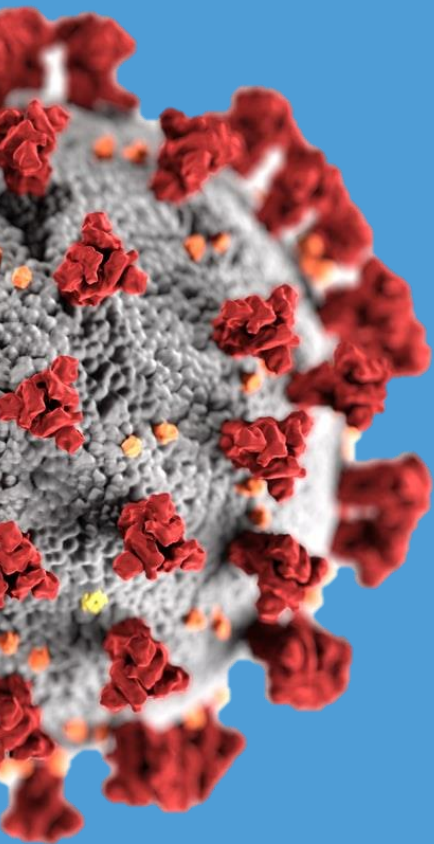
3

## Lack of reliable sustainability information along the value chains



- Empowerment of the different market actors come from access to information. This is vastly missing and the market has shown no interest in going autonomously in that direction.

# COVID19 & CIRCULAR ECONOMY

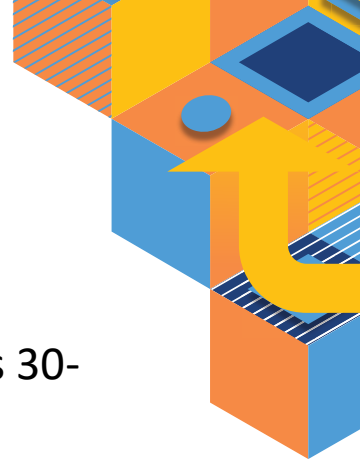


- In the near future, our focus will be on overcoming the COVID19 crisis and addressing its economic and social impact.
- As announced in **the Joint Roadmap** from 15 April, the re-start of the economic activity should be phased in, thus ensuring that authorities and businesses can adequately adjust to increasing activities in a safe way.
- As we look ahead at the recovery, the **European Green Deal** and new **Circular Economy Action** will be highly relevant in **guiding the EU policy response to the crisis and relaunching the economy**, as it provides a long-term vision for the future of European industry.
- The **importance of industrial ecosystems** along value chains became ever more evident since the COVID-19 crisis. We saw what impact the disruptions in supply value chains, including waste recovery, could have not only on the economy, but also on our capacity to respond to the sanitary crisis.
- Therefore, looking ahead, in the context of the recovery plan we will need to **mobilise substantial financing** focusing both on the recovery and transformation of industrial ecosystems.

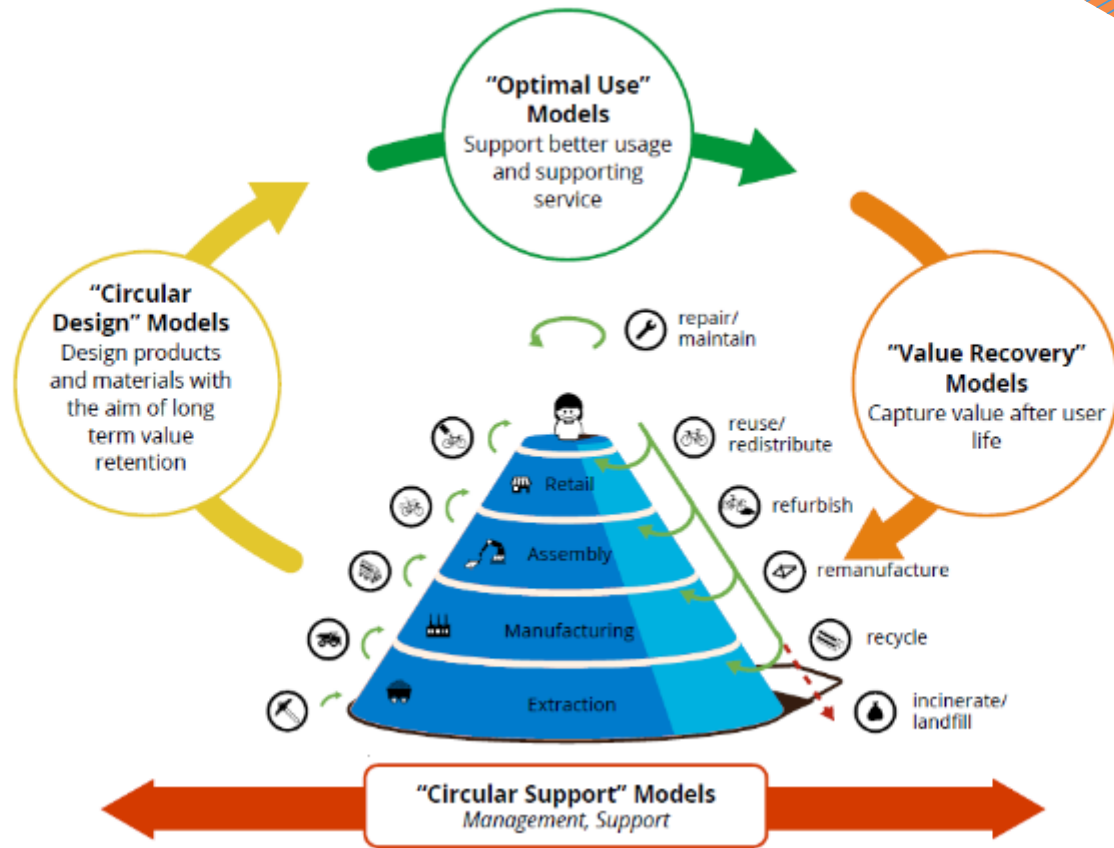


# Business opportunities

- **De-risk/hedge future commodity supply uncertainty and price volatility**
- **Reducing manufacturing costs.** As an example, the remanufacturing of car parts is 30-50% less expensive than producing new parts and generates 70% less waste.
- **Avoided costs and new revenue streams.** For example, companies turn to resource management or reverse logistics partners rather than waste management companies to identify potential uses for their by-products and waste, an approach that cuts costs and increases efficiency while reducing resource consumption and environmental impact.
- **New business opportunities and new markets**



# The business model



Circular economy business models in the Value Hill (Achterberg et al, 2016)

# Circular design and production models

- Design and production of products and assets that enable circular economy strategies through e.g. (i) increased resource efficiency, durability, functionality, modularity, upgradability, easy disassembly and repair; (ii) use of materials that are reusable, recyclable or compostable
- Development and sustainable production of new materials that are reusable, recyclable or compostable
- Substitution or substantial reduction of substances of concern
- Substitution of virgin materials with secondary raw materials and by-products



# Circular use models

- Reuse, repair, refurbishing, repurposing and remanufacturing of end-of-life products and their components that would otherwise be discarded
- Refurbishment and repurposing of immovable assets (buildings/infrastructure/ facilities)
- Product-as-a-service, reuse and sharing models based on, inter alia, leasing, pay-per-use, subscription or deposit return schemes that enable circular economy strategies
- Rehabilitation of degraded land to return to a useful state and remediation of abandoned or underutilised brownfield sites in preparation for redevelopment



# Circular value recovery models

- Separate collection and reverse logistics of wastes as well as redundant products, parts and materials enabling circular value retention and recovery strategies
- Recovery of materials from separately collected waste
- Recovery and valorisation of separately collected biomass waste and residues as food, feed, nutrients, fertilisers, bio-based materials or chemical feedstock
- Reuse/recycling of wastewater



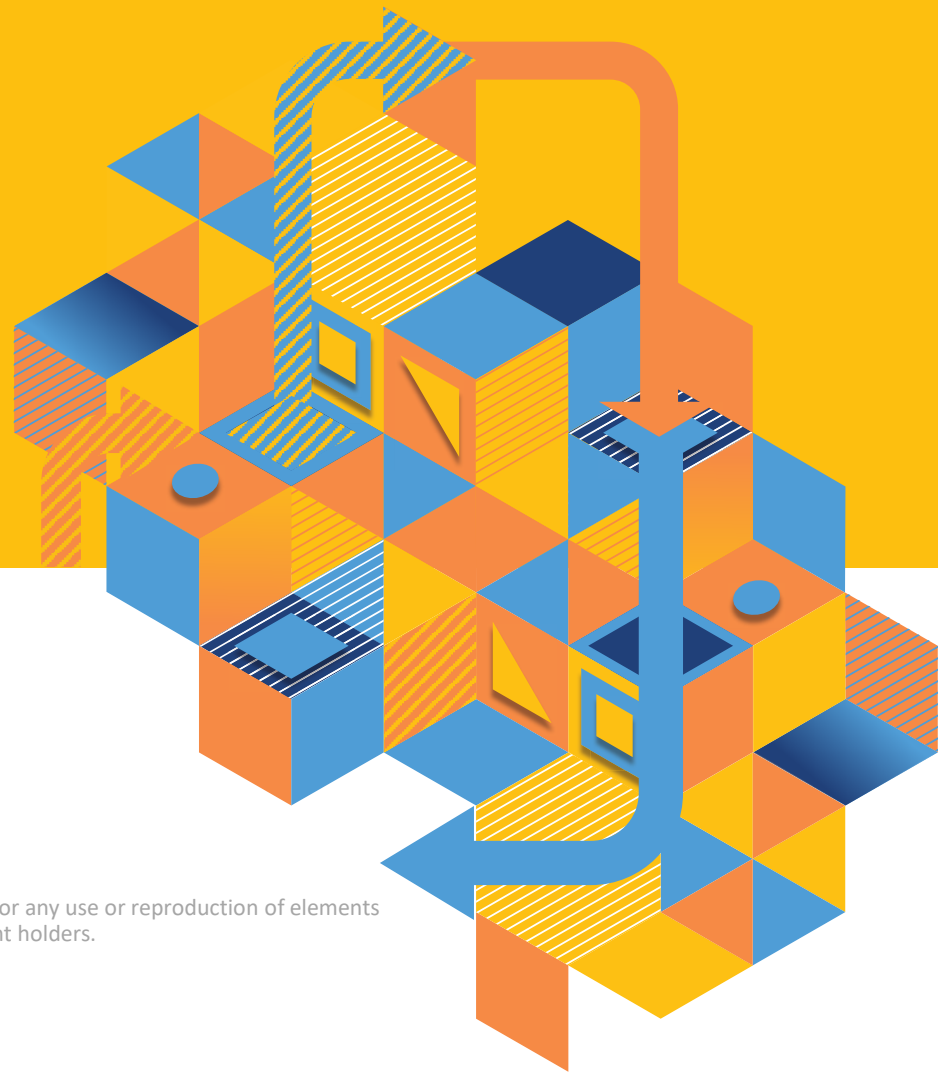
# Circular support

- Development/deployment of tools, applications and services enabling circular economy strategies: For example:
  - Digital tools and applications to enable reverse logistics (tracking, take-back of products for reuse, repair or recycling),
  - Virtual marketplaces for secondary raw materials or second-hand/repaired/upgraded products
  - Digital material passports and related data repositories to facilitate the tracing, marketing and trade of secondary raw materials in end-of-life products and constructions
  - Digital tools and applications for consumer awareness raising/education on the application and benefits of different circular economy strategies
  - Advisory services to companies and public authorities



# Thank you

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