



WWF

POSITION
PAPER

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WWF INPUT TO THE PUBLIC CONSULTATION OF THE CIRCULAR ECONOMY PACKAGE

RECOMMENDATIONS

WWF welcomes the European Commission's initiative for a new Circular Economy Package. This work presents an important opening to address the challenges facing our environment, our societies, and our economies, both now and in the future. The circular economy package provides a unique and timely opportunity for contribution to fulfil commitments already made by the European Union, such as the Sustainable Development Goals.

The European Commission's proposal for a communication on an action plan on circular economy that takes an approach towards a "full circle" in circular economy is important. We do fear however, that the public consultation on circular economy does not properly address approaches to better sourcing, consumption and EU footprint issues from a broader perspective. Overall, environmental and social aspects of better sourcing and consumption are not properly discussed in the public consultation:

From a WWF point of view, three main elements need to form part of the EU's circular economy strategy:

1. Better sourcing of products (including processing)

The EU needs to ensure that the products it sources are not harmful to the environment and our natural resource base, and do not lead to the destruction or degradation of other ecosystems, nor to social conflict. Resource efficiency for production and processing along the supply chains should be improved. Criteria for sustainable products on the EU market need to be developed and drivers of ecosystem destruction and degradation such as bad governance or corruption, especially in sourcing regions, need to be addressed, including through proper land-use and land use planning. Public and private investments should be responsible and should not harm the environment.

2. Better consumption policies

The EU should use policy, regulatory, fiscal and financial instruments to halt the destruction and degradation of valuable ecosystems by encouraging better consumption patterns and by reducing overconsumption. Where possible, existing policy instruments should be applied, and if not suitable or available new ones should be developed. Water and energy should form part of a circular economy, particularly water efficiency and energy efficiency. Food should also be integrated in the package through development of specific targets and indicators for food consumption and setting of binding targets for food waste prevention.

3. Setting an EU wide resource efficiency target

Set up and monitor an EU-wide binding resource efficiency target by 2030 with the aim to reduce EU resource consumption in absolute terms. The target should lead to the reduction of the EU's footprint with a dashboard of binding and relevant indicators that address water, land, carbon, and biodiversity, as well as other related aspects.

BACKGROUND

Current resource use in the European Union is an important barrier to sustainable development both at home as well as abroad. The EU is heavily dependent on the natural capital and resources of other countries, effectively outsourcing large parts of its footprint. If everyone were to live as the average European, we would need 2.6 planets to maintain our current lifestyle (WWF Living Planet Report, 2014).

The circular economy initiative provides an opportunity to reduce the EU's footprint and to achieve the goal of living within the sustainable limits of the planet and to benefit from a unique momentum for business, public policy makers and other stakeholders to work together and to find holistic approaches. Therefore, the circular economy must be defined outside of the narrow borders of reducing waste and longer products lifetimes.

OPPORTUNITIES OF THE CIRCULAR ECONOMY PACKAGE

WWF welcomes the initiative of the European Commission for a new Circular economy package as an opportunity to address the challenges for our natural resource base and, therefore, for our future economies through a more holistic approach. WWF was concerned about the withdrawal of the previous Circular economy package and expects that the new one will be more ambitious. In particular, the proposal for a communication on an action plan should propose measures that will bring the EU closer to being a truly “full circle” circular economy.

WWF supports the need for better product design, use, reuse and recycling. Longer product life-cycles and better reparability and reuse will reduce demand on resources, as will an increased recyclability of products and their components. The absolute amount of waste in the EU needs to be reduced through the full implementation and respect of the waste hierarchy: waste prevention first (reduce waste in absolute terms), then re-using, recycling, etc.

In WWF's view, the circular economy has to look at all aspects of the production, consumption and disposal of products. The role of water, energy and biodiversity need to be acknowledged as well as social elements such as human rights. The action plan should not only reflect intentions but include tangible and legally binding measures, clearly defined milestones and timelines.

The circular economy package is the ideal and timely opportunity to contribute to the implementation of the commitments made. In particular the Sustainable Development Goals (SDGs) and their targets are relevant for the development and implementation of this new package not just for the goal for sustainable production and consumption but also for other goals and targets such as energy and economic growth, the protection of our natural resources and combatting climate change.

The circular economy should embrace commitments already made by the European Union. Those commitments include:

- *In September 2015 the UN will put in place the Sustainable Development Goals, a set of universal goals and targets relating to future sustainable development in all countries. Europe wants a set of goals “that are underpinned by human rights and designed to end poverty, transform lives, and protect the planet” and has committed to take these goals and targets forward in its domestic and international policies.*
- *The 7th Environmental Action Programme of the European Union acknowledges the need to address the environmental impact of “Union*

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consumption of food and non-food commodities and, if appropriate, developing policy proposals to address the findings of such assessments, and considering the development of a Union action plan on deforestation and forest degradation”. Through the 7th EAP, Member States have committed to make sure that by 2020, structural changes in production, technology and innovation, as well as consumption patterns and lifestyles have reduced the overall environmental impact of production and consumption, in particular in the food, housing and mobility sectors;

- *In its Biodiversity strategy for 2020, the European Commission has committed to halting the loss of biodiversity and ecosystem services in the EU by 2020.*
- *The EU has signed up to the 2014 UN New York Declaration on Forests pledging to “at least halve the rate of loss of natural forests globally by 2020 and strive to end natural forest loss by 2030” and to support and help “the private sector meet the goal of eliminating deforestation from the production of agricultural commodities such as palm oil, soy, paper and beef products by no later than 2020”.*
- *In its energy strategy, the EU has committed to a 40% cut in greenhouse gas emissions compared to 1990 levels, at least a 27% share of renewable energy consumption and at least 27% energy savings compared with the business-as-usual scenario*

CHALLENGES OF THE CIRCULAR ECONOMY PACKAGE

According to the road map of circular economy, the package will not only propose binding measures on waste but also an action plan to identify key measures across the whole value chain. The Commission proposed the following areas of intervention (but does not limit it to it): material production and use, product design, distribution, use (consumption phase), public procurement, labelling and product information, waste management, development of markets for secondary raw materials (e.g. organic fertilizers), improving framework conditions in priority sectors such as sustainable chemical production, bio-economy, extraction of secondary raw materials, food, construction, plastics, crucial raw materials (including phosphorus), water use, improving cross-sectoral cooperation, report and reuse. Illegal waste flows, including hazardous waste, are also a concern for the European Commission.

The public consultation on circular economy fails to properly address matters such as the sourcing of raw materials and products, their consumption, and the overall EU footprint from a broader angle. Measures to improve the overall environmental and social impacts of sourcing and consumption, as well as resource efficiency, are underrepresented. The circular economy strategy should not put further pressure on the natural resource base but help to reduce this pressure – making the EU a frontrunner in sustainable sourcing, production, consumption and disposal.

Better sourcing and consumption needs to take into consideration the embedded land-use of products, which needs to be efficient, without increasing the threats for the environment. Circular economy should therefore address better land-use planning inside and outside the EU. Participatory approaches are needed with all stakeholders affected by the process, not only in the EU but also in sourcing regions to ensure that raw materials, commodities and products are really renewable and sustainable, not harming the environment and that consumption stays within planetary boundaries.

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Prioritising certain sectors and products as proposed in the public consultation could lead to short term improvements but it would be lacking an overall approach to reduce the EU's footprint through extraction, production, manufacturing, sale, consumption and disposal.

Energy and water are limited resources and should be addressed within the circular economy. Energy waste should be minimized through energy efficiency and the deployment and use of renewable energy sources should be accelerated. However, the use of bio-energy, a renewable source, should be carefully considered as it can have significant negative consequences for the environment and our climate. Bioenergy is often sourced from wood, leading to competition for resource use between products and sectors. While it is important to respect overall limits of sustainably available biomass in Europe, as well as from third countries, the implementation of the principle of cascading use could ensure the efficient use and re-use of biomass sources. Water is essential for many extraction, production and processing processes. Water scarcity is an increasing problem, as is water pollution. Problems associated with water management and inefficient water use cannot be solved only by improvements in technology (e.g. better irrigation technology will not necessarily help to change unsustainable behaviour). Addressing governance is crucial. Participative planning and integrated river basin management and planning in line with the EU Water Framework Directive (WFD) are also a must to address the biggest water pressures.

WWF asks for circular food systems to be a central feature of the Commission's circular economy proposal. The EU's footprint related to food, especially through livestock, is enormous. A recent study by WWF shows that the average EU citizen consumes about 61 kg of soy each year¹. Land used for soy production has been converted from forests, savannahs and grasslands - endangering valuable habitats and species. Average protein consumption in Europe is 70% above healthy diet recommendations, and healthy levels of meat consumption would greatly improve the sustainability of the food system. Food is not part of the public consultation as it is considered to have been sufficiently addressed in an earlier public consultation². However, the European Commission communication Building a Sustainable European Food System has still not been published. WWF expects the Commission to include the Communication's earlier findings on sustainable food systems in its circular economy proposal. A sole focus on the end of the linear food chain (waste) would surely be insufficient to address the structural changes in production and (particularly) consumption required to move to a circular food system.

In the legally binding 7th Environmental Action Programme³, Member States and the European Parliament⁴ agreed that the EU should establish indicators and set targets for resource efficiency, and assess the appropriateness of a lead indicator and target in the European Semester. Rising commodity prices increase costs for businesses and households.

¹ <http://hiddensoy.panda.org/>

² <http://ec.europa.eu/environment/eussd/food.htm>

³ Decision No 1386/2013/EU of 20 November 2013 on a General Union Environment Action Programme to 2020, *Living well, within the limits of our planet*.

⁴ The European Parliament also issued the resolution of 24 May 2012 A resource-efficient Europe (2011/2068(INI) asking for targets and indicators.

WWF RECOMMENDATIONS FOR THE CIRCULAR ECONOMY PACKAGE

FOR WWF, BETTER SOURCING, BETTER CONSUMPTION AND RESOURCE EFFICIENCY ARE ESSENTIAL ELEMENTS FOR A CIRCULAR ECONOMY.

For WWF, better sourcing (including processing), better consumption and resource efficiency are essential elements for a circular economy. They need to be addressed through policies that encourage more sustainable production/extraction and discourage overuse and wasteful production/extraction and consumption and through policies that better regulate markets. Better consumption and resource efficiency can also be addressed through engagement in the relevant business sectors via improved production/extraction and processing methods, through changes in consumption patterns and behaviour addressing the overuse of commodities and products; through identification of points of intervention (local, national, etc.) both within the EU and beyond.

For the Circular economy package, WWF calls upon the Commission to include the following elements:

Better Sourcing of Products

Better sourcing has to include extraction, production and sourcing of commodities & raw materials as well as processing. It needs to take a broader land-use approach to ensure that no indirect land-use change occurs due to the EU's consumption demand. Better management of resources and ecosystems needs to be ensured. The EU should evaluate criteria for sustainable products on the EU market and analyse the sustainability limits of natural resources. Drivers of ecosystem destruction and social conflict such as bad governance or corruption need to be addressed. Public and private investments should be responsible and must not harm the environment. To address the impact of the EU's consumption on deforestation, the proposed Action Plan on Deforestation and Forest Degradation in the 7th Environmental Action Programme should be pursued.

Improved design of products

The improved design of products is a prerequisite to ensure better re-use, reparability and dismantling of products after initial use. Currently, EU product policy focuses on reducing the waste of energy from certain products through the Eco-design Framework Directive and its implementing Regulations. While reducing energy demand through minimum energy efficiency standards for products should remain one of the core objectives of the Eco-design directive as energy consumption in the use-phase is still one of the most significant environmental impacts, this directive should be extended to cover as well other environmental performance indicators such as improved durability, reparability of products and material efficiency.

Better Consumption Policies

The EU should use policy, regulatory, fiscal and financial instruments to halt the destruction and degradation of valuable ecosystems by encouraging better consumption practices and the reduction of overconsumption. Energy and water are a resource that do play a significant role and should be integrated in circular economy together with food as one of the main impacts areas of the EU.

Water

Measures to increase efficient use of water should not be focused only on technological solutions, despite the latter being crucial. Inadequate management of water needs to be addressed through non-technological solutions, such as ensuring participative planning and adoption of ambitious River Basin Management Plans, effectively addressing the main

water users groups, most notably agriculture, industry and energy, but also households, in line with the Water Framework Directive (WFD), including its cost recovery provisions. Similarly also as regards the Commission's initiative on water re-use, whether of legally binding or voluntary nature, it should be ensured that water re-use does not go against the good status objective of the EU WFD; water re-use should not increase pressure on water resources and should not negatively impact ecological flows

Bio-energy

Bioenergy represented 62% of the EU's renewable energy use in 2012 and is expected to grow substantially up to 2020. Certainly, sustainable bioenergy has a role to play in Europe's transition to an energy system based on renewable energy and energy efficiency. However, to avoid serious negative consequences for carbon emissions, biodiversity and land conflicts, the EU should introduce four main safeguards for bioenergy use as part of the EU's 2030 climate and energy policies: to introduce a cap to limit the use of biomass for energy production to levels that can be sustainably supplied; ensure efficient and optimal use of biomass resources, in line with the principle of cascading use; include correct carbon accounting for biomass; introduce comprehensive binding sustainability criteria.

Food

The EU co-funded LiveWell for LIFE project showed how consumers, business and governments can make healthy and sustainable food consumption a reality⁵. The European Commission must act too, and already has a range of existing policies that could be better geared to encourage sustainable consumption. The European food chain industries have already showed their commitment to take sustainability forward in the framework of the EU's High-level Forum on a Better-functioning Food Chain⁶. One existing policy tool that can be boosted today is public procurement. It has a large potential for further social, economic and environmental benefits and requires EU-level coordination to ensure equal standards. Developing smart targets and indicators will also be crucial for ensuring focused and justifiable progress on the sustainable food consumption agenda – and its contribution to the reduction of resource use from the EU's food supply chain. Those indicators could be linked to limits for overconsumption or waste. A relevant indicator would be the % overconsumption of protein compared to healthy diet recommendations. Binding targets for food waste prevention should be set, not only targets for food waste reduction.

Set a Resource Efficiency Target

Resource efficiency delivers: €270 to 630 billion per year of savings in material costs for the EU business according to different scenarios – the equivalent of one to two Juncker investment plans every year and 100,000-200,000 new jobs for every percentage point reduction in resource use. A 30% improvement of EU resource productivity by 2030 could create over 2 million jobs. WWF considers that a resource efficiency target is a necessity to ensure that the EU sends a clear political signal to industry and investors.

The EU should set a resource efficiency target as suggested by the former Commission that is binding for 2030 and leads to reduction of the EU's footprint with a dashboard of indicators that address water, land, carbon, biodiversity as well as other related aspects. The target needs to be mainstreamed, part of the Europe 2020 strategy, relevant with binding and clear indicators, ambitious and leading to the reduction of EU consumption in absolute terms and improve sustainable sourcing of resources consumed in the EU.

⁵ *LiveWell for LIFE final recommendations (2014) On our plate today: Healthy, sustainable diets:*
<http://livewellforlife.eu/key-recommendations>

⁶ <http://www.fooddrinkeurope.eu/news/statement/securing-a-sustainable-food-chain/>