

EuRIC comments on the Roadmap for a New Circular Economy Action Plan

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The European Recycling Industries' Confederation (EuRIC) would like to thank the European Commission for the opportunity to provide comments on the Roadmap for a New Circular Economy Action Plan (hereafter "the new CEAP").

The European recycling industry, [as highlighted in its 5 top priorities for 2019-2024](#), strongly welcomes the European Commission's renewed ambition to put, thanks to the European Green Deal, the Circular Economy and Climate policy on top of its strategic priorities for the next 5 years.

Recycling is a job-intensive industry, creating local, non-outsourcable jobs, which is both resource and climate efficient. It enables to decouple economic growth from material use by recovering raw materials from waste which are then re-introduced into the economy. By doing so, recycling saves greenhouse gas emissions and energy.

As rightly emphasized in the Green Deal, "The EU's industry (...) remains too 'linear', and dependent on a throughput of new materials extracted, traded and processed into goods, and finally disposed of as waste or emissions. Only 12% of the materials it uses come from recycling". Such a low percentage shows the very substantial room for improvement that has to be met in order to achieve the overarching target set by the Green Deal, namely a climate-neutral Europe by 2050.

As the low-hanging fruit have already been picked, it is absolutely essential to drastically change important policy and regulatory-drivers applicable to recycling activities and throughout the value chain, based on three equally important priorities:

1. **Adapt legislation to circular material flows** by inter alia "modernizing (...) certain waste laws";
2. **Lay down market and fiscal based-instruments** to incentivise the use of raw materials from recycling and level the playing field with primary materials;
3. Put in place **requirements** and **incentives** to **design circular products** and **empower consumers' sustainable choices through proper labelling**.

These three priorities are essential to develop a much needed EU market for secondary raw materials rightly identified in the Roadmap as problem to be tackled.

1. Regarding the need to adapt legislation to material flows and unlock obstacles to an European market for recycling, there are five main priorities:

- i. **Simpler and faster waste shipment procedures** suited to the business pace of circularity relying, as far as possible, on electronic procedures to improve traceability, speed up administrative procedures and protect business confidentiality which will reduce room for diverging interpretations among Member States.

This objective to be achieved by revising the waste shipment regulation (WSR) is absolutely crucial. Currently, it is administratively easier in many instances to import extracted ores, concentrates and base materials from non-EU countries applying much lower social and environmental standards than to ship waste for recycling and secondary raw materials between two Member States.

- ii. **Address the stark legal dichotomy between "waste" and "products, materials or substances"** with far-reaching consequences attached to them **is not adapted to circular material flows**. To overcome the obstacles it poses, EuRIC calls for:

- ⇒ **Harmonized EU end-of-waste criteria** in particular for recovered paper, for prepared for re-use textiles or tyre-derived rubber materials to ease cross-border EU market access of recycled materials meeting quality specifications;
 - ⇒ **Mutual recognition of national end-of-waste criteria meeting EU harmonized conditions** by all Member States to boost **the internal market for recycling** as done with goods decades ago;
 - ⇒ Work towards **the creation of a new status of “secondary raw materials”** in the European waste legislation for processed waste meeting industry specifications or quality standards, without prejudice to existing end-of-waste criteria;
- iii. **Improve the interface between waste and chemicals legislation which, in the absence of a systemic and pragmatic approach, represents major obstacles for many value chains to the circular economy.** EuRIC calls in particular for:
- ⇒ **A balanced risk-based approach** for waste classification purposes taking into consideration life cycle thinking and overall environmental and socio-economic contributions;
 - ⇒ **Phasing out substances of concern at design stage** whenever proven better alternatives which do not affect recyclability exist to prevent as much as possible legacy issues;
 - ⇒ **Expand producers’ responsibility to cover the costs of unrecyclable products**;
 - ⇒ **Test methods adapted to waste** – intrinsically heterogeneous – for classification purposes and harmonized in all Member States;
 - ⇒ **Information for treatment operators suited to recycling operations.** While information on the composition of products is important, the approach taken by the SCIP database is not tailored to the recycling of discarded products, be them simple or complex, which are not recycled on an article per article basis but at industrial scale, thanks to dedicated treatment technologies to recover materials. As a result, information for treatment operators should be made on a stream by stream basis based on physical or digital channels suited to the needs of each value chain (QR-codes, labelling obligations, etc.) instead of setting up a database that will in most cases prove to be of little support to recycling operators;
- iv. **Striving for a competitive recycling sector in Europe and globally**
- ⇒ **In a circular economy rightly valuing waste as a resource**, enforcing competition principles to the waste management and recycling sector is vital to forbid reserved waste-markets to publicly-owned companies and cross-subsidization;
 - ⇒ **While EuRIC fully supports preventing exports of untreated waste to third countries with sub-standard treatment facilities, it is equally important to ensure that secondary raw materials** – globally priced on commodity markets – **benefit from free and fair trade** which is vital to balance supply and demand and support a market-based circular economy.
- v. **Pragmatic approach to residual waste treatment capacities:** over the last two decades, the recycling industry has heavily invested in technologies (post-treatment facilities, advanced separation and recycling techniques) to increase material recovery and minimize residual waste in order to meet recycling targets. These investments have in some circumstances been done at the expense of short-term profitability given the lack of incentives and requirements to incorporate raw materials from recycling into products. Capacity shortages for treatment through waste to energy (WtE) and disposal of residues from recycling activities have become more acute over the last two years and have sometimes directly impacted recycling operations (temporary closure of facilities due to capacity shortages for WtE accepting residual waste with high calorific value such as RDF / SRF or for final disposal for the mineral fractions). EuRIC, which only represents recycling activities (material recovery), calls for a fact-based discussion aiming at quantity and quality-wise short, medium and long-term capacity needs for the treatment and disposal of residues from recycling activities in Europe.

2. Instruments and incentives to reward recycling environmental benefits and pull the demand for recycled materials

Recycling is key to de-carbonise energy-intensive industries. Yet, commodity markets fail to reward these environmental benefits.

To quote only a few examples based on robust studies, when compared to the use of primary materials, using steel scrap collected and processed in Europe to produce steel corresponds to the CO₂ savings of the emissions from the entire automobile fleet in France, Great Britain and Belgium combined¹. When it comes to plastics, recycling 1 million tons of plastics saves CO₂ emissions equivalent to taking 1 million cars off the road². Using recovered paper instead of primary materials saves 70% for paper and 77% for cardboard of the energy needed to produce new paper³. Last but not least, tyre recycling into rubber granulates saves 58,4% of CO₂ when compared with end-of-life tyre's co-incineration⁴ and can reach 95% of carbon footprint reductions when compared to those of virgin materials substituted⁵.

In addition, up until the Single-Use Plastics (SUP) Directive, the waste legislation was, thanks to recycling targets, primarily a market-supply type of legislation but never included any measures to pull the demand for raw materials from recycling.

EuRIC calls for measures aiming at internalizing those benefits in prices and at pulling the demand for recycled materials into products to level the playing field with primary materials:

- a. **Market-based instruments and fiscal based-instruments (reduced VAT)** rewarding the use of recycled materials in value chains (metals, papers, plastics, textiles, tyres, etc.);

Such market-based instruments should be linked to greenhouse gas emissions' savings from recycling to bridge circular economy and climate policy. It will directly contribute to the 2050 climate-neutrality objective and can in turn allow to constantly measure CO₂ savings from recycling at European level, as already done in some studies made with Environmental Protection Agencies, at national level;

- b. **Mandatory green public procurement (GPP) requirements** rewarding circular products using recycled materials and easier to re-use and recycle at end-of-life stage;
- c. **Binding recycled content targets** for streams such as plastics, tyres or textiles in sectorial or future legislation (e.g. packaging, thermoplastics from automotive and electronics' sectors) to boost investments and speed up the transition to circular value chains.

3. Making circular product design a consistent priority

80% of products' environmental impacts are determined at design stage. Still, the vast majority of products placed on the market are designed without any consideration for their end-of-life stage. Design for circularity is hence of paramount importance to move towards a circular economy and needs to be extended to all products' categories.

¹ [Study of the Fraunhofer UMSICHT for BDSV, "The future of steel scrap" 2nd edition, February 2019](#) AND [SCHROTTBONUS – Externe Kosten und fairer Wettbewerb in den globalen Wertschöpfungsketten der Stahlherstellung, Fraunhofer IMWS, Im Auftrag der BDSV, October 2019](#)

² [A European Strategy for Plastics in a Circular Economy, 16.1.2018 COM\(2018\) 28 final](#) relying on the [Impact Assessment of ADEME / FEDEREC on recycling environmental benefits based on a LCA approach, April 2017](#)

³ [ADEME/FEDEREC LCA quoted above.](#)

⁴ [Comparative life cycle assessment of two options for waste tyre treatment: material recycling vs. co-incineration in cement kilns, By FORCE Technology, Copenhagen Resource Institute & Institut für Energie- und Umweltforschung Heidelberg, 2009](#)

⁵ [Carbon Footprint of USA Rubber Tire Recycling 2007, ISRI, November 2009](#)

To quote only a handful of examples, lithium-ion batteries found in an increasing amount of cheap products are everything but designed to be easily dismantled and recycled. They easily catch fire during transport, storage or handling stages posing a risk for human health and the environment and physically damaging recycling facilities, which in turn pose substantial insurability matters directly impacting the ability to operate any industrial facility in Europe. A number of additives found in plastics directly hinders their recycling when the products they are made of reach end of life stage. Gluing and welding techniques often used in complex products such as electronics can render impossible proper dismantling without cross-contamination or damaging components which in turn render any material recovery impossible. Last but not least, sealants used in certain types (puncture-free tyres) are impossible to sort from normal tyres when they reach end-of-life stage (ELTs) and can simply not be recycled. The worse is that in certain instances, be it for some additives in plastics or sealant in tyres, is that these substances also contaminate recyclable materials and can damage best available recycling processes, directly impacting the entire material stream in which they are found.

Hence, EuRIC calls for:

- a. **Extending eco-design requirements to all product categories** as a number of them (such as tyres) are not at all covered either by eco-design regulations including resource efficiency requirements nor by sectorial waste and product legislation (e.g. packaging);
- b. **Systematically linking end-of-life treatment requirements and targets set in waste legislation** (dismantling and depollution requirements for example in the ELV or WEEE Directives) **with product design requirements** to bridge the gap between both stages (design and recycling);
- c. **Set minimum binding requirements to improve products' recyclability and recycled content on a product by product category**, either via the inclusion of resource efficiency criteria in the eco-design regulations or of essential requirements in instruments covering other product categories (e.g., packaging);
- d. **Reward mechanisms such as eco-modulation of fees to ensure that EPR schemes bridge the**
- e. **design phase with the re-use and recycling stage;**
- f. **Eco-labelling based on objective criteria to empower consumers' sustainable choices.**

You can access some of our latest position paper on more specific topics via these links:

- [Top 5 Priorities of the Recycling Industry for the Period 2019 -2024](#)
- [EuRIC Textiles' position](#) to improve textiles circularity
- [EuRIC position on the revision of the End of Life Vehicles \(ELVs\)](#)
- [EuRIC \(Plastics Recycling Branch\) position on chemical recycling](#)
- [EuRIC position about the critical situation faced by the European paper recycling industry.](#)
- **More position papers available on:** <https://www.euric-aisbl.eu/>

For further information, please contact EuRIC Secretariat at euric@euric-aisbl.eu

EuRIC - The European Recycling Industries' Confederation - is the umbrella organisation for recycling industries. Through its Member Federations from 21 EU&EFTA countries, EuRIC represents across Europe over:

- 5,500+ companies generating an aggregated annual turnover of about 95 billion €, including large companies and SMEs, involved in the recycling and trade of various resource streams;
- 300,000 local jobs which cannot be outsourced to third EU countries;
- Million tons of waste recycled per year (metals, paper, glass, plastics, textiles, tyres and beyond) from different streams (household, industrial & commercial waste, ELVs, WEEE, Packaging, etc.;

By turning wastes into resources, recycling is the link which reintroduces recycled materials into the value chains again and again. Recyclers play a key role in bridging resource efficiency, climate change policy and industrial transition.