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NOTE

From: General Secretariat of the Council

To: Delegations

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Subject: The European Court of Auditors' Special Report No 17/2023 entitled
"Circular economy - Slow transition by member states despite EU action"
- Revised draft Council conclusions

DOCUMENT PARTIALLY ACCESSIBLE TO THE PUBLIC (16.10.2023)

Following the meeting of the Working Party on the Environment on 15 September 2023, delegations will find in the Annex revised draft Council conclusions on the European Court of Auditors' Special Report No 17/2023 entitled "Circular economy – Slow transition by member states despite EU action".

New additions are marked in **bold underlined**, deletions in ~~strikethrough~~.

An informal silence procedure is hereby launched. In the absence of objections, to be sent to the Presidency (~~DELETED~~, ~~DELETED~~) with copy to the Council Secretariat (~~DELETED~~, ~~DELETED~~) by **Thursday, 21 September 2023 at 12:00 (Brussels time)**, the text of the Council conclusions will be deemed to be agreed and subsequently transmitted to Coreper/Council for approval.

**The European Court of Auditors' Special Report No 17/2023 entitled
"Circular economy - Slow transition by member states despite EU action"**

- Revised draft Council conclusions -

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING its conclusions on improving the examination of special reports drawn up by the Court of Auditors in the context of the discharge procedure ¹:

1. WELCOMES the Special Report No 17/2023 by the European Court of Auditors entitled "Circular economy - Slow transition by member states despite EU action";
2. TAKES NOTE of the conclusions and recommendations of the Special Report and ACKNOWLEDGES them as an important and useful contribution to speed up the progress towards the common goal of transforming the economy to circular systems in production and consumption;
3. WELCOMES, in that context, the adoption in May 2023 by the Commission of a revised monitoring framework which includes additional indicators that contribute to monitor product design activities, and SUPPORTS further efforts to fill gaps in data relevant to, **among others,** circular product design;
4. WELCOMES the Commission's commitment to analyse investment needs for the circular economy transition for 2030 and beyond with a view to further policy developments and enhance uptake of funds;

¹ 7515/00 + COR 1.

5. Further INVITES the Commission to assess, together with Member States, if the regulations and guidelines on Structural Funds, and all other available sources of funding, adequately facilitate and encourage the financing of projects along the whole value chain of circular economy, **particularly where the environmental impacts are higher, and** especially regarding circular design, as well as whether other EU-wide economic instruments could be beneficial in this regard;
6. WELCOMES the progress made in Member States so far, while ACKNOWLEDGING that the transition to full circularity requires a deep systemic transformation of the economy and the society, involving the whole value chain and all stakeholders, with special attention to the role of consumers, and that different starting points and circumstances of Member States, such as the use of secondary raw material, should be taken into account, including when measuring progress;
7. INVITES all Member States to use all available funds for investing in circularity throughout the whole value chain, and particularly where the environmental impacts are higher, to further accelerate progress, while taking into account their own specificities and specific needs;
- 7a. CALLS UPON Member States to further enhance their efforts in circular product design and to increase their circularity rates;
8. RECALLS the 2020 Action Plan "A new Circular Economy Action Plan: For a cleaner and more competitive Europe" ² that aims at deepening and widening the scope of actions on circularity, notably in regards to circularity in design, and the Council conclusions thereon "Making the Recovery Circular and Green" ³;

² 6766/20 + ADD 1 - COM(2020) 98 final.

³ Conclusions adopted on 20 December 2020 (document 14167/20).

8a. RECALLS as well in this context the 2020 “EU Chemicals Strategy for Sustainability: Towards a Toxic-Free Environment”⁴, necessary for safe and sustainable by-design circularity, and the 2021 Council conclusions thereon “Sustainable Chemicals Strategy of the Union: Time to Deliver”⁵;

9. NOTES the publication in the Official Journal of the Regulation on batteries and waste batteries⁶, ~~and~~ WELCOMES the other recent initiatives, including legislative proposals, submitted by the Commission that concern the different aspects of circularity: from eco-design and sustainable products policy to waste policy; **and LOOKS FORWARD to new proposals by the Commission to further develop the framework for circular, safe and sustainable products and waste, including those already announced;**

10. REAFFIRMS its commitment to pursue the implementation of the Action Plan.

⁴ **11976/20 + ADD 1 - COM(2020) 667 final.**

⁵ **Conclusions adopted on 15 March 2021 (document 6941/21).**

⁶ **OJ L 191, 28.7.2023, p. 1–117** OJ: to be added.