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NOTE

From: General Secretariat of the Council

To: Council

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Subject: Draft Council conclusions on Making the Recovery Circular and Green
- Approval

1. On 11 March 2020, the Commission presented its Communication on "A new Circular Economy Action Plan For a cleaner and more competitive Europe"¹. The Action Plan is a key element of the European Green Deal and sets out a comprehensive framework for actions aimed at accelerating the transition towards a "regenerative growth model" that will make a significant contribution to achieving climate neutrality by 2050 and to decoupling growth from resource use while ensuring the long term competitiveness of the EU and leaving no one behind. This transition is also an integrated part of the European Industrial Strategy² presented by the Commission at the same time.
2. The Circular Economy Action Plan envisages some 35 action points with a sustainable product policy framework as a key feature encompassing initiatives on design of products, production processes and on empowering consumers and public buyers. Focused initiatives will address key product value chains such as electronics and ICT, batteries, packaging, plastics, textiles, construction and buildings and food. Further, a revision of waste legislation is foreseen. Stepping up action at international/global level is also an important component of the Action Plan. contribute to the economic recovery from COVID-19 and in this context to enhancing the resilience and autonomy of an open European economy.
3. Initial discussions on the Action Plan were held at Working Party level in the spring. On 23 June 2020 Environment Ministers in an informal videoconference had an exchange of views on the contribution of environmental and climate policies, including the circular economy, to the recovery from COVID-19.
4. Against that background, the Presidency presented a set of draft Council conclusions entitled "Making the Recovery Circular and Green" in response to the Action Plan aimed at providing comprehensive political guidance on the broad range of actions foreseen by the Commission therein. The draft conclusions also highlight the role of the circular economy in the recovery from COVID-19 and make a link to digitalisation, underlining its importance for achieving the full potential of the circular economy.

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

² 6782/20 - COM(2020) 102 final.

5. The draft conclusions were discussed at Working Party level in a number of informal videoconferences resulting in very large support to the latest draft proposed by the Presidency. Subsequently, they were provisionally agreed through an informal silence procedure.
 6. The agreement on the draft conclusions was confirmed by the Committee of Permanent Representatives on 9 December 2020.
 7. Accordingly, the Council is invited to approve the draft conclusions as set out in the Annex to this note.
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Making the Recovery Circular and Green
- Draft Council conclusions -

THE COUNCIL OF THE EUROPEAN UNION

RECALLING:

The European Council conclusions of 21 July 2020 on the Multiannual Financial Framework and the European Union Recovery Instrument "Next Generation EU"¹;

The European Council conclusions of 12 December 2019 on climate change²;

The Commission's Communications on:

- "A Clean Planet for all: A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy"³;
- "The European Green Deal"⁴;
- "Europe's moment: Repair and Prepare for the Next Generation"⁵;
- "A new Circular Economy Action Plan: For a cleaner and more competitive Europe"⁶;
- "Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability"⁷;
- "Chemicals Strategy for Sustainability Towards a Toxic-Free Environment"⁸;

¹ EUCO 10/20.

² EUCO 29/19.

³ 15011/18 - COM(2018) 773 final.

⁴ 15051/19 + ADD 1 - COM(2019) 640 final.

⁵ 8136/20 - COM(2020) 456 final.

⁶ 6766/20 + ADD 1 - COM(2020) 98 final.

⁷ 10435/20 - COM(2020) 474 final.

⁸ 11976/20 + ADD 1 - COM(2020) 667 final.

- "EU Biodiversity Strategy for 2030 Bringing nature back into our lives"⁹;
- "A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system"¹⁰;
- "A New Industrial Strategy for Europe"¹¹ and "An SME Strategy for a sustainable and digital Europe"¹²;
- "Identifying and addressing barriers to the Single Market"¹³ and "Long term action plan for better implementation and enforcement of single market rules"¹⁴;
- "Shaping Europe's digital future"¹⁵ and "A European strategy for data"¹⁶;

Previous Council conclusions on circular economy and in particular those of 25 June 2018 "Delivering on the EU Action Plan for the Circular Economy"¹⁷ and of 4 October 2019: "More circularity - Transition to a sustainable society"¹⁸;

The Council conclusions of 26 June 2019 "Towards a Sustainable Chemicals Policy Strategy of the Union"¹⁹;

Council conclusions of 23 October 2020 on "Biodiversity - the need for urgent action"²⁰;

Council conclusions of [...] on "Digitalisation for the Benefit of the Environment"²¹;

⁹ 8219/20 + ADD 1 - COM(2020) 380 final.

¹⁰ 8280/20 + ADD 1 - COM(2020) 381 final.

¹¹ 6782/20 - COM(2020) 102 final.

¹² 6783/20 - COM(2020) 103 final.

¹³ 6779/20 - COM(2020) 93 final.

¹⁴ 6778/20 - COM(2020) 94 final.

¹⁵ 6237/20 - COM(2020) 67 final.

¹⁶ 6250/20 - COM(2020) 66 final.

¹⁷ 10447/18.

¹⁸ 12791/19.

¹⁹ 10713/19.

²⁰ 12210/20.

²¹ [xxxx/20].

The Resolutions of the European Parliament on resource efficiency: moving towards a circular economy; on the implementation of the Ecodesign Directive (2009/125/EC) of 31 May 2018; on the European Green Deal of 15 January 2020; on the Chemicals Strategy for Sustainability of 10 July 2020;

The UNGA Resolution on "Transforming our world: the 2030 Agenda for Sustainable Development", the Sustainable Development Goals (SDGs), the Ministerial Declaration of the UNEA-4, in which the global community agreed to advance sustainable consumption and production patterns through circular economy, UNEA Resolutions 2/8 on sustainable production and consumption, 4/1 on innovative pathways to achieve sustainable consumption and production, 4/6 on marine plastic litter and microplastics, 4/9 on single-use plastic products pollution, and 2/7 and 4/8 on sound management of chemicals and waste;

On the Road to Recovery from the COVID-19 Pandemic

1. UNDERLINES the importance of rebuilding our economy and society in a sustainable way in the wake of the COVID-19 pandemic; therefore STRESSES the importance of charting the right course from the very beginning with the European Green Deal as the roadmap towards a circular and climate neutral economy that is resilient, competitive and safe, which protects, restores and sustainably uses biodiversity as well as delivers zero pollution, where economic growth is decoupled from resource use and which takes into consideration the different starting points and specificities of Member States and delivers a just transition that leaves no one behind;
2. EMPHASISES the significance of the European Union Recovery Instrument (Next Generation EU) and the Multiannual Financial Framework (MFF) in creating jobs and repairing the immediate damage caused by the COVID-19 pandemic, whilst putting the Union firmly on the path to a sustainable and resilient recovery, supporting the effective, just and socially-balanced implementation of the European Green Deal policy objectives, and ensuring consistency of EU expenditure with the "do no harm" principle and the Paris Agreement objectives;

3. RECOGNISES the central role of the transition to a circular economy in boosting competitiveness, innovation, jobs and wellbeing, by fostering circular business models and purchasing practices, entrepreneurship and research, by prolonging the use-phase of products, by adding more value and functionality to products, buildings and assets, by preventing resource depletion and waste and further improving waste management through applying the waste hierarchy, by establishing a well-functioning single market for non-toxic, high-quality secondary raw materials and by use of data and digital technologies; UNDERLINES that in doing so supply chains may be shortened and diversified, and strategic dependencies on primary, in particular non-renewable resources, reduced, which will increase the EU's strategic autonomy and resilience while preserving an open economy;
4. RECALLS that decoupling our economic growth from resource use, and the shift to circular systems in production and consumption, will be instrumental to achieving the Sustainable Development Goals in the UN 2030 Agenda for Sustainable Development and the EU's climate neutrality by 2050, reversing biodiversity loss, conserving and restoring ecosystems and their services, increasing resource efficiency and achieving a toxic-free environment, thereby keeping the impact of resource use and greenhouse gas emissions within planetary boundaries and enabling us to live up to our responsibility towards future generations and CALLS UPON the Commission and Member States to strive for a full circular economy;
5. STRONGLY WELCOMES the new Circular Economy Action Plan (CEAP) as a central pillar of the European Green Deal, which is essential for delivering economic recovery and sustainable growth;
6. EMPHASISES the importance of focusing the new CEAP on a sustainable product policy, key product value chains and waste prevention and APPRECIATES that many of its actions reflect calls and recommendations made in the Council conclusions of 4 October 2019 on the circular economy;

7. CALLS ON the Commission to launch the actions and submit the legislative proposals set out in the CEAP as soon as possible in accordance with agreed Better Regulation principles²², notably by carrying out comprehensive impact assessments, and to devote the necessary resources to ensure and facilitate its implementation and enforcement, including by providing the necessary implementation documents and guidance in a timely manner as well as by regularly reporting to the Member States on the progress of implementation; ACKNOWLEDGES that when preparing new policy and legislative measures of the CEAP, the special challenges faced by islands should be taken into account; ACKNOWLEDGES the role of Member States in implementing and complementing the CEAP with their own actions and investment at national level;
8. CALLS FOR coherence in the design and implementation of different policies; POINTS OUT that when substantiating the key actions laid down in the new CEAP, in line with the UN 2030 Agenda for Sustainable Development and the Paris Agreement, clear links must be established with relevant existing and upcoming strategies, agreements and initiatives in particular, but not exclusively, under the Green Deal; HIGHLIGHTS that when substantiating the key actions it is important that administrative and economic burdens remain proportionate;

Making Sustainable Products the Norm

(Designing Sustainable Products)

9. WELCOMES the initiative announced by the Commission to submit legislative proposals as part of a comprehensive and integrated sustainable product policy framework that promotes climate neutrality, energy and resource efficiency and a non-toxic circular economy, protects public health and biodiversity, empowers and protects consumers and public buyers;

²² Interinstitutional Agreement on Better Law-Making of 13 April 2016 (OJ L 123, 12.5.2016, p. 1).

10. UNDERLINES that the product sustainability principles in the Sustainable Products Policy Framework must be based on a lifecycle approach that reduces environmental impacts, maximises value retention, prioritises more durable products and keeps materials in the economic cycle for as long as possible (rethink, refuse, re-use, reduce, repair, redesign and recycle), while taking into account social aspects; in this context CALLS ON the Commission to make proposals to ensure that design of products to be placed on the European market combines these circularity principles with the principle of safe and sustainable-by-design chemicals and energy efficiency while ensuring their quality, performance and product safety; CALLS ON the Commission to develop, together with the Member States and stakeholders, relevant verification methods for recycled content in products and to address, where appropriate, mandatory recycled content for specific product groups;
11. CALLS ON the Commission to address "overconsumption" and the reduction of certain single-use products based on an impact assessment and also to address premature obsolescence especially of electric and electronic devices, including software; WELCOMES the Commission's intention to introduce a ban on the destruction of unsold durable goods unless for valid reasons;
12. STRONGLY WELCOMES the Commission's commitment to minimise, and substitute as far as possible, the presence of substances of concern in products; SUPPORTS enhancing circularity in a toxic-free environment; CALLS ON the Commission to strengthen safety and sustainability by design as a principle, also leading to further innovation and sound management of chemicals and waste; EMPHASISES the importance of product safety including avoiding substances of concern in products, in particular for non-essential use, and ensuring easy access to information on the chemical content throughout the product lifecycle, including for waste operators and, upon request, for consumers;

13. WELCOMES the Commission's intention to present a core legislative initiative to widen the scope of the Ecodesign Directive to make its framework applicable to a broader range of products; CALLS ON the Commission to develop new criteria that aim to ensure notably resource and material efficiency and non-toxic material cycles whilst continuing to pursue progress related to energy efficiency and taking into account product-specific particularities and ensuring product safety; STRESSES that these criteria must be specific and verifiable;
14. UNDERLINES that the process to establish Ecodesign criteria needs to fully take into account product and market developments and should therefore become more efficient, whereby unnecessary delays and administrative burdens should be avoided; URGES the Commission to speed up the process and finalise each product group within three years;
15. NOTES that the Product Environmental Footprint (PEF) has the potential of being one underlying methodology for various product policy tools in the EU and the framework for sustainable products, taking also other suitable methodologies into account;
16. CALLS ON the Commission to examine the potential of new business models which could optimise the efficiency and sustainability of products and services along the entire value chain such as sharing, leasing, remanufacturing products, providing them as a service or second-hand, and producer-ownership and support models while acknowledging the key role of SMEs and consumers in these new business models; EMPHASISES the economic and job creation potential of the repair sector in Europe;

(Empowering Consumers and Public Buyers)

17. HIGHLIGHTS the need to provide comprehensive, verifiable, standardised and easily accessible product sustainability information (for instance in digital formats) that prevents greenwashing and respects trade secrets and intellectual property; therefore CALLS ON the Commission to define environmental information requirements for products, including their reparability, and study the feasibility of introducing a regulatory environmental label;

18. WELCOMES the intention of the Commission to establish a "right to repair", which should allow consumers to have their products repaired at reasonable costs; HIGHLIGHTS the need for stronger consumer rights to stimulate the durability of products; UNDERLINES that any new requirements for durability should build on those already established in the relevant EU Ecolabel Commission Decisions, the Ecodesign and Energy Labelling Package (such as availability of spare parts, repair and maintenance information, disassembly with commonly available tools etc.), extending these to relevant product categories and increasing their ambition;
19. APPRECIATES the Commission's intention to ensure that green claims are substantiated on the basis of environmental impacts along the products lifecycle, using Product Environmental Footprints and other life-cycle based methods; INVITES the Commission to also consider, in this context, existing instruments such as the Eco Management and Audit Scheme and Environmental Product Declarations with regard to business-to-business-information, while giving priority to certain proven and reputable established European and national type I- ecolabels;
20. WELCOMES the intention of the Commission to underline the importance of public procurement of circular products and services in boosting circular markets and investments and SUPPORTS, as far as appropriate and feasible, mandatory Green Public Procurement (GPP) criteria based on life-cycle impact analyses and targets and stresses the need for reporting and monitoring to evaluate outcomes of GPP policies while minimising administrative burdens; UNDERLINES the importance of relevant training;

(Circularity in Production Processes)

21. RECALLS that circular economy is instrumental for achieving the objectives of the EU Industrial Strategy; therefore WELCOMES the actions included in the Strategy, mainstreaming circular economy principles across the EU's industries, while ensuring that the competitiveness of the EU's industries benefits from increased circularity;

22. WELCOMES the announcement by the Commission that it will assess options for further promoting circularity in industrial processes in the context of the review of the Industrial Emissions Directive²³ and Best Available Techniques reference documents while clarifying the applicability of waste legislation; SUPPORTS the Commission in scaling up the EU Environmental Technology Verification Scheme and increasing its visibility;
23. WELCOMES the updated EU Bioeconomy Strategy²⁴ and its focus on incorporating circular economy across sectors using bio-based materials and RECOGNISES that a circular bioeconomy can support developing new high value products made from suitable industrial waste or from by-product inputs; POINTS OUT that in order to play a substantial role in the future, bio-based products and materials have to be, like any other products, safe for the environment and must not compromise recycling of waste streams or waste prevention measures; UNDERLINES the need to apply full life cycle methodologies to determine their environmental and energy consumption impacts;
24. CALLS FOR investment in European capacity for applying circular and closed loop systems, giving special attention to processing energy and resource intensive materials and to critical raw materials and to developing the associated necessary sustainable technologies;

Strategic Approaches to Key Value Chains

(General Aspects)

25. ENDORSES the focus of the CEAP on the proposed seven high-impact value chains as they account for an important proportion of the EU economy, employment, environmental impact and greenhouse gas emissions; WELCOMES the Commission's intention to establish the sustainable product policy framework by addressing the key value chains through systemic sector-based strategies while EMPHASISING the need to ensure coherence between those strategies and to address also social impacts;

²³ Directive 2010/75/EU.

²⁴ 13229/18 - Commission Communication COM(2018) 673 final.

26. SUPPORTS the Commission's plan to present a Circular Electronics Initiative to address the environmental impact of consumer electric and electronic devices and fight premature obsolescence, particularly by prolonging their life through ecodesign requirements, facilitating upgrading and repair activities, ensuring accessibility of spare parts, tackling this growing waste stream, and ensuring that the valuable components and raw materials, in particular critical raw materials, are recovered and used again within the European Union, harnessing, at the same time, innovation and technological capacities and setting minimum requirements for energy efficiency; WELCOMES the intention of the Commission in this context to propose the introduction of a common charger;
27. SUPPORTS the Commission's plan to review the RoHS Directive²⁵ in order to assess its effectiveness and efficiency, as well as the coherence with other legislation in particular the scope, definitions, requirements, exemptions and application dates under the REACH-Regulation²⁶, the WEEE Directive²⁷, the POPs Regulation²⁸, and the Ecodesign Directive²⁹ in order to solidify and strengthen the EU Chemicals legislative framework and to streamline the decision making process;

²⁵ Directive 2011/65/EU (amended by Directive 2017/2102/EU).

²⁶ Regulation 1907/2006/EC.

²⁷ Directive 2012/19/EU.

²⁸ Regulation 2019/1021/EU.

²⁹ Directive 2009/125/EC.

28. SUPPORTS the Commission in all initiatives that encourage the prevention of waste electrical and electronic equipment (WEEE) and the separate collection of WEEE, especially high value waste electronic devices, to improve preparing for re-use or recycling; UNDERLINES that action on the promotion of such measures should take into account subsidiarity aspects and already existing national systems and should as far as technically possible and economically reasonable maximise the remaining value and functionality of electronic devices; UNDERLINES the importance of preventing illegal shipment of used electrical and electronic equipment no longer fit for re-use, in order to avoid negative impact on health and environment and to keep critical raw materials inside the EU;
29. CALLS ON the Commission, building, *inter alia*, on the Joint Research Centre report, to propose a reparability scoring system on electric and electronic products with a view to informing consumers about the level of reparability of these products;

(Batteries and Vehicles)

30. WELCOMES the proposal of the Commission for a new regulatory framework for batteries³⁰ that aims at ensuring a safe, circular and sustainable battery value chain for all batteries and will introduce measures for value retention and optimisation from design and production through to use and re-use, remanufacturing and recycling and at incentivising, where appropriate, the use of rechargeable batteries;
31. SUPPORTS the Commission's intention to propose a revision of the Directive on end-of life vehicles³¹, with a view to enhancing circularity in the automotive sector, through – among others – provisions on sustainable design and the highest possible degree of reparability as well as better enforcement to address the problems of "missing" vehicles and illegal exports of end-of life vehicles;

³⁰ 13944/20 + ADD 1 - COM(2020) 798 final.

³¹ Directive 2000/53/EC.

(Packaging)

32. WELCOMES the intention of the Commission to propose a review of the Directive on packaging and packaging waste³² with a view to ensuring that all packaging is reusable or recyclable in an economically feasible manner by 2030, reducing packaging, overpackaging and thereby packaging waste; at the same time NOTES that hygiene and food safety standards have to be respected; NOTES that the Directive was revised in 2018 and Member States need adequate time for its implementation; ENCOURAGES the Commission to include, where appropriate, provisions related to recycled materials in packaging similar to the approach used for plastic bottles in the Single Use Plastics Directive³³;
33. UNDERLINES that in order to achieve these goals, the revision of the Directive on packaging and packaging waste should update and establish more concrete, effective and easy to implement provisions to foster sustainable packaging in the internal market and minimise the complexity of packaging in order to foster economically feasible solutions and to improve the reusability and recyclability as well as minimise substances of concern in packaging material, especially with a view to food packaging materials; UNDERLINES that bulk sales can bring a contribution to the reduction of packaging waste; also HIGHLIGHTS that public access to drinking water fountains and to drinkable tap water can contribute to reducing packaging waste and ENCOURAGES the Commission and Member States to promote such measures; STRESSES the necessity of labelling packaging in an easily understandable way to inform consumers about its recyclability and where its waste must be discarded to facilitate recycling;
34. WELCOMES the intention of the Commission to establish rules for the safe recycling of all plastic materials into food contact materials; REQUESTS the Commission to define a timetable for the delivery of authorisations for mechanical processes for polyethylene terephthalate (PET) and to develop rules for plastics other than PET in close cooperation with the manufacturers concerned;

³² Directive 94/62/EC.

³³ Directive 2019/904/EU.

(Plastics)

35. SUPPORTS the Commission's objectives set out in the EU Plastics Strategy³⁴ and CALLS ON the Commission to implement the actions foreseen therein and INVITES the Commission to report on its implementation and impacts on the environment, such as greenhouse gas emissions and lessons learned that can influence future policy;
36. RECALLS the importance of reducing the consumption of single use items, when this is the best environmental solution, of a harmonised interpretation of the products covered by the Single Use Plastics Directive, of the labelling of products and of developing standardised methods for measuring recycled content in products preferably based on harmonised verification methods; HIGHLIGHTS in that context the possible benefits of extended producer responsibility (EPR);
37. NOTES that the Single Use Plastics Directive already constitutes a good starting point for a single quota on recycled content for single use plastic beverage bottles; STRESSES the importance for Member States of strengthening the collection, sorting and recycling of plastic waste and the strategic infrastructure for high quality recycling and CALLS ON the Commission to propose, without delay, further measures to foster a stronger demand for recycled material, limit the export of plastic waste outside the EU and to close recycling loops for plastic packaging, for instance by fostering deposit and return schemes or EPR and by setting EU minimum requirements for recycled content in plastic products;
38. ENCOURAGES the Commission and the Member States to support pilot projects and the upscaling of emerging innovative technologies such as advanced mechanical or chemical recycling of plastics, while ensuring that these reduce overall environmental impacts in a life-cycle perspective; INVITES the Commission to explore the potential of chemical recycling to become a sustainable way of recycling plastics and to define the conditions under which it is to be considered as a waste recycling option as defined in the Waste Framework Directive³⁵;

³⁴ 5477/18 + ADD 1 - Commission Communication COM(2018) 28 final.

³⁵ Directive 2008/98/EC (last amended by Directive 2018/851/EU).

39. UNDERLINES that any potential application of bio-based, "biodegradable" or "compostable" plastics should be based on lifecycle assessments of the impacts on the environment taking into full consideration the role of renewable materials in climate change mitigation, in biodiversity conservation and in food security; therefore CALLS ON the Commission to develop a clear policy framework for bio-based, "biodegradable" or "compostable" plastics to prevent misleading consumers, and to reduce plastic littering and unintended pollution, to ensure adequate treatment and to avoid undermining recycling of other types of plastic waste;
40. SUPPORTS the Commission in restricting intentionally added microplastics as soon as possible and tackling pollution from plastic pellets, in order to protect both the environment and human health, and in further developing and harmonising methods for measuring unintentionally released microplastics from products such as textiles, tyres, paints and coatings, with a view to take further measures to tackle pollution from these sources, and SUGGESTS to build on ongoing work in the Common Implementation Strategy of the Marine Strategy Framework Directive³⁶;
41. SUPPORTS all efforts to close the gap in scientific knowledge on microplastics in the environment, including on land and in the air, drinking water, biota and food, their sources and effects on human health;
42. CALLS ON the Commission to come forward with its commitments on microplastics including preventive measures to reduce microplastics in the environment; STRESSES that preventive measures have to be taken along the entire life-cycle, such as manufacturing products in a way that prevents microplastics emissions or equipping washing machines with filters;

³⁶ Directive 2008/56/EC.

(Textiles)

43. WELCOMES the Commission's announcement of a comprehensive EU strategy on textiles and CALLS ON the Commission to develop the strategy in line with the concerns and recommendations already expressed by the Council³⁷ including through ecodesign and consumer information (labelling system) measures and, if appropriate, EPR schemes, and minimising and phasing out substances of concern, taking into account the complete lifecycle of yarns, fabrics and textiles including their contribution to greenhouse gas emissions, impact on environment and health and working conditions; INVITES the Commission to consider sector-specific legislation; SUPPORTS the inclusion of a proposal to ban the destruction of unsold durable goods in the upcoming EU Strategy on textiles; NOTES that the Strategy should not only include new requirements for EU producers but also tools to stimulate behavioural change of consumers, sustainable recycling technologies and demand for recycled textiles, given that from 2025 onwards Member States are obliged to introduce the obligatory separate collection of textile waste; ENCOURAGES the Commission to analyse the environmental impact of "fast fashion";
44. HIGHLIGHTS the particular impact of the COVID-19 crisis on this sector globally and the need to work with stakeholders, including consumers and social repair networks, to regenerate it in line with more sustainable, circular and competitive business models, creating value, jobs and resilient, environmentally friendly and socially just value chains, including phasing out of substances of concern from material cycles, in Europe and beyond;
45. NOTES that the recovery process in response to the COVID-19 crisis provides an opportunity to increase investments in sustainable solutions and business models, including production of bio- and waste-based fibres, including wool, efficient separate collection and preparing-for-re-use facilities, clothing-to-clothing recycling, high-quality recycling technologies and facilities to create value from subsequent waste streams as well as in sustainable innovative design solutions such as "intelligent textiles";

³⁷ 12791/19 - Council conclusions of 4 October 2019: "More circularity - Transition to a sustainable society".

(Construction and Building)

46. REITERATES that the construction and building sector is highly material, energy and greenhouse gas intensive, and in need of integrated whole life cycle sustainability and circularity principles; therefore, WELCOMES the comprehensive approach of the Commission to the built environment in view of the significant embodied and operational greenhouse gas emissions and environmental impact from construction works (buildings, infrastructure and constructed assets) during their life cycle and NOTES that this entails requirements and possible contributions of the construction product manufacturing industry, as well as the construction and real estate industry, to a climate neutral, biodiversity friendly, energy and resource efficient and circular Europe; SUGGESTS taking into account social aspects of greening the construction and building sectors; RECALLS its request to the Commission to examine the possibilities of using EPR schemes in stimulating circular-business models in the construction and building sector; STRESSES the importance of appropriate training and upskilling for all construction related employment to meet these objectives;
47. WELCOMES the adoption of the Commission Communication on "A Renovation Wave for Europe"³⁸ POINTING OUT that such a renovation wave has significant potential to increase sustainability of the built environment by reducing resource and energy consumption and greenhouse gas emissions during building operation (resource- and energy-efficient renovation) and embodied in the building, by using built-in resources and required energy longer as a contribution to slowing material cycles, also by re-using construction elements and products, by using bio-based products, materials and secondary raw materials, by reducing substances of concern in materials along their life cycle, by preserving cultural heritage and urban structures and by safeguarding or creating highly-skilled jobs; POINTS TO the benefits of introducing requirements such as digital building passports and Environmental Product Declarations; NOTES that renovation works need to be carried out to the highest performance standards in order to contribute to a climate-neutral Europe and avoid energy- and CO₂ lock-in effects for decades;

³⁸ 11855/20 + ADD 1 - Commission Communication COM(2020) 662 final.

48. HIGHLIGHTS the importance of addressing the sustainability performance of all construction products including secondary raw materials as well as buildings, infrastructure and other constructed assets in combination with the fulfilment of technical, functional, energy- and resource-efficient, social, environmental and health requirements; HIGHLIGHTS that a life cycle related assessment of the environmental impacts, use of resources as well as the assessment of greenhouse gas emissions for buildings, cities, regions and national building stock can support the development towards a circular, biodiversity friendly and climate neutral building stock in Europe as part of achieving the EU's sustainability targets; NOTES that the EU's Level(s) framework offers a platform for life cycle assessment and comparison³⁹; RECALLS that the Waste Framework Directive obliges the Commission to consider targets for recycling of construction and demolition waste;
49. WELCOMES the Commission's proposal to promote initiatives to reduce soil sealing and rehabilitate brownfields and increase the safe, sustainable and circular use of excavated soil, recognising that circularity could reduce land consumption footprint and contribute to ecosystem restoration; STRESSES the the need for Member States to fully implement current legislation, especially Natura 2000⁴⁰, aiming at preventing adverse effects on biodiversity by new constructions;
50. UNDERLINES that as a basis for the construction or renovation of buildings in accordance with sustainability and circularity principles, the availability of safe, high-quality resource- and energy-efficient construction products, for which technical, climate, environmental and health-related construction product information is available, is a prerequisite and HIGHLIGHTS that, as far as possible, high-quality and certified secondary raw materials, or sustainably produced bio-based products and materials should be used to manufacture them;

³⁹ https://ec.europa.eu/environment/topics/circular-economy/levels_en.

⁴⁰ Under Directives 92/43/EEC (Habitats) and 2009/147/EC (Birds).

(Food, Water and Nutrients)

51. POINTS OUT that any new initiative on substituting single-use products in the food sector in a technically and economically feasible way should be closely linked to the evaluation of measures put in place in the implementation of the Single Use Plastics Directive and to the preparation of the sustainable product policy initiative;
52. POINTS OUT that water is an increasingly valuable resource and RECALLS that valuable materials can be recovered in the process of wastewater treatment and from sewage sludge and that water re-use in agriculture and in other sectors, such as in industrial processes, can contribute to an efficient use of water; HIGHLIGHTS that treated urban waste water re-use for irrigation purposes may, in some cases, have a lower environmental impact than the exploitation of natural sources of water; WELCOMES the intention of the Commission to adopt an integrated nutrient management action plan and the intention of the Commission to consider reviewing the Directives on wastewater treatment⁴¹ and sewage sludge⁴² as soon as possible to increase their contribution to the circular economy while ensuring the protection of the environment and human and animal health, including phasing out of substances of concern from material cycles, also in coherence with the Fertilizer Regulation⁴³;

Preventing Waste, Creating Opportunities

(Prevention, Preparing for Re-use, Recycling and other Recovery)

53. WELCOMES the focus on waste prevention in the CEAP and UNDERLINES that many of the solutions relate to an effective product policy that needs to be translated into concrete actions and measures promoting waste prevention such as extending the lifetime of products;

⁴¹ Council Directive 91/271/EEC.

⁴² Council Directive 86/278/EEC.

⁴³ Regulation 2019/1009/EU.

54. HIGHLIGHTS that the Waste Framework Directive review has set a high ambition, and NOTES that achieving this could be facilitated by investments boosted by Next Generation EU and the MFF and other financial instruments; NOTES the remaining challenges in implementation and the need for application of best practices in the use of economic instruments such as EPR; in this context HIGHLIGHTS the role of EPR in achieving the targets related to waste prevention and management as well as fostering the circular economy; CALLS ON the Member States to strengthen the implementation of existing EPR schemes and ENCOURAGES the Commission to examine the possibility to extend EPR, where appropriate, to further product groups;
55. ENCOURAGES the Commission to examine the establishment of a set of ambitious and verifiable waste reduction targets for the most impactful waste streams; while UNDERLINING that any new proposals should be based on a comprehensive impact assessment and ACKNOWLEDGING that ambitious recycling targets for municipal waste and packaging and disposable plastics were approved in 2018 and 2019 and are only now in the process of being implemented in Member States; ENCOURAGES the Commission to address the several upcoming revisions of waste legislation by grouping related initiatives; STRESSES the need to strengthen repair and re-use systems in the EU and CALLS ON the Commission to consider intensifying the EU-wide discussion on repair and re-use systems for certain products;
56. SUPPORTS strengthening separate collection systems and selective sorting systems in the EU that ensure clarity and convenience for EU citizens, allowing not only the achievement of the increased recycling targets but also the improvement of the quality and cost- and resource-effectiveness of secondary raw materials, however, UNDERLINES that any streamlining of separate collection systems at EU level needs to respect the specificities of Member States and the principle of subsidiarity and proportionality and build on best practice; POINTS OUT the necessity to develop separate collection, innovative sorting and recycling techniques and to scale up capacities in order to ensure adequate treatment of separately collected waste within the EU;

57. STRESSES the need to improve waste management and circular waste systems consistent with the waste hierarchy, and therefore UNDERLINES the importance of phasing out substances of concern, hence SUPPORTS an enhanced circularity of non-toxic secondary raw materials in a toxic-free environment; thus WELCOMES the adoption the Commission's Communication "Chemicals Strategy for Sustainability Towards a Toxic-Free Environment"⁴⁴;
58. POINTS OUT the need for further investments in innovation and infrastructure regarding technologies and capacities for preparing for re-use, for sorting and for high-quality recycling within Europe, while noting the need to build and operate relevant infrastructure, including, in certain cases, for other recovery whilst respecting the waste hierarchy and in a way that minimises harmful impacts to environment and climate, and if necessary to support SMEs in the sector; HIGHLIGHTS further that improving and expanding the recycling capacity and promoting "recycled in Europe" can be an effective way to reduce waste exports;

(Strengthening the European Market for Secondary Raw Materials; Waste Shipment)

59. WELCOMES the upcoming revision of the EU Waste Shipment Regulation⁴⁵ to further regulate shipments of waste, notably exports of waste to third countries that could be harmful to the environment and human health in the countries of destination, as well as to ensure effective controls of shipments and to strengthen enforcement against illegal shipments of waste while at the same time using digital solutions and electronic data interchange for making procedures more effective, without affecting the level of protection of the environment, to ensure a smoother functioning of waste shipments within the EU which is crucial for building up a strong single market for secondary raw materials based on high environmental standards and transparency;

⁴⁴ 11976/20 + ADD 1 - Commission Communication COM(2020) 667 final.

⁴⁵ Regulation 1013/2006/EC.

60. HIGHLIGHTS the importance of strengthening the internal market for secondary raw materials based on high environmental, safety and quality standards and transparency, in order to improve the supply and optimise the use of secondary raw materials, and in so doing reduce the EU's dependency on primary resources and increase strategic autonomy while preserving an open economy; STRESSES the need to stimulate the use of secondary raw materials in new products; UNDERLINES in this context the importance of developing European and promoting global standards and certification on the content and quality of secondary raw materials for the benefit of the full value chain and of using public procurement in stimulating their demand and CALLS ON the Member States and European institutions to make use of these tools;
61. ENCOURAGES the Commission to assess the feasibility of the establishment of a market observatory for key secondary raw materials, using a digital platform in order, amongst others, to map the supply and demand for recycled secondary raw materials and thus facilitate an internal market for secondary raw materials and to enable the successful cooperation between businesses, thereby promoting industrial symbiosis and industrial alliances;
62. UNDERLINES the importance of harmonised end-of-waste criteria and standardisation which can significantly improve the market for secondary raw materials; WELCOMES the Commission's plans on scoping the development of further EU-wide end-of-waste criteria for certain waste streams where appropriate; NOTES that these criteria should be administratively operable; ENCOURAGES the Commission to extend the scoping exercise to by-products;

(Landfilling and Incineration)

63. STRESSES the need to treat waste as high-up the waste hierarchy as possible and end landfilling of untreated municipal waste in all the Member States, taking into account the specific situations of the outermost regions, as soon as possible and RECALLS the harmful effects of landfilling on the environment, climate change and the goal of establishing a circular economy; STRESSES the importance of separate collection, sorting and high-quality recycling and of minimising the need for incineration; EMPHASISES the need for more targeted actions to prevent illegal dumping of waste and to manage waste in an environmentally sound manner; STRESSES the need to build and operate relevant infrastructure in a way that harmful effects on health, the environment and climate change are minimised;

Circular Economy and Digital Technologies

64. UNDERLINES that digitalisation is key to making the circular economy work, by enhancing resource efficiency and value retention along value chains, for instance by enabling the flow of product information, thereby creating transparency and trust for businesses, regulators and consumers while ensuring a high level of data security; URGES the Commission to bring forward a proposal on digital product passports that enables tracking and tracing of products and contains information on origin, composition including the presence of substances of concern, critical raw materials content, recycled material content, possibilities or instructions for re-use, repair and collection upon discarding, dismantling and handling as waste, among others; STRESSES the opportunities of digital technologies for a more efficient waste management, from the collection, sorting, recovery and treatment of waste to the improved planning of recycling capacities;

65. ENCOURAGES the Commission, in cooperation with the Member States and stakeholders, to establish a standardised European Data Space for Smart Circular Application with data on value chains and product information; REQUESTS the Commission to evaluate, in cooperation with the Member States, which existing data bases as well as data collected under legislative instruments can be used as the starting point for digital product passports; STRESSES the need for standards and protocols for data sharing to ensure interoperability and safety of data use;
66. CONFIRMS the need to reduce the carbon, energy and material footprint of ICT, digital technologies, digitally-enabled solutions and related services; URGES the Commission to establish or adjust existing ecodesign requirements for ICT systems, electrical and electronic devices to increase reusability, durability, reparability and recyclability, and to facilitate the disassembly and extraction for re-use of components and non-hazardous substances, with a particular focus on critical raw materials;
67. ENCOURAGES the Commission and relevant stakeholders to include all options of sustainable digitalisation in the implementation of the actions of the CEAP; URGES the Member States to mobilise public and private investments, including via recovery and resilience plans, that support the achievement of climate neutrality and circular economy also by the contribution of the ICT sector;

Enabling, Promoting and Mainstreaming Circularity in the Single Market

(A Well Functioning Single Market)

68. EMPHASISES that the well-functioning of the Single Market is key for the success of the green and digital transitions, as it creates a critical mass for boosting innovative and sustainable production and consumption;

69. HIGHLIGHTS the need for a clear and consistent framework of effective regulatory and non-regulatory tools, in particular harmonisation and mutual recognition, to enhance the competitiveness of sustainable and circular models, and to create confidence and stability for stakeholders; POINTS in this context to the need for promoting investment and the important leverage economic instruments can provide to incentivise the competitiveness of circular business models;
70. STRESSES the issue of asymmetry that will occur in the single market which will be caused by the simultaneous presence of linear products (manufactured at low cost, without environmental restrictions) and circular products (manufactured according to circular economy principles) – not least due to the increased online trade of products –; therefore UNDERLINES the role of an effective EU-wide market surveillance based on the new Market Surveillance Regulation⁴⁶ and enforcement not just for the benefit of consumers but also for ensuring a level playing field for businesses;
71. HIGHLIGHTS the importance of a clear and consistent regulatory framework for steering both public and private investment towards innovative circular entrepreneurship and infrastructure, in order to ensure the transition towards a climate neutral EU by 2050; UNDERLINES the importance of the sustainable finance agenda and especially the EU Taxonomy which will provide guidance for the identification of activities that contribute to the transition to a circular economy; therefore HIGHLIGHTS the potential of Next Generation EU and MFF funding to leverage private capital in support of investments in circular practices and CALLS ON all Member States to use their Recovery and Resilience Plans to boost circular investment; CALLS ON the Commission to develop circular criteria in the context of the Taxonomy Regulation⁴⁷ and appropriate disclosure in the context of the Non-Financial Reporting Directive⁴⁸ whilst ensuring coherence between the two;

⁴⁶ Regulation 2019/1020/EU.

⁴⁷ Regulation 2020/852/EU.

⁴⁸ Directive 2014/95/EU.

72. EMPHASISES that the reduction and phasing out of environmentally harmful subsidies are key components of the transition to circular economy;
73. RECOGNISES the complementary function of national stimulus packages in restarting and transforming our economies towards circularity and APPRECIATES the recent focus of the country-specific recommendations under the European Semester process in guiding such actions; NOTES that effective allocation of funding can be supported through peer-to-peer learning, advisory services and technical advice;

(Research, Information, Education and Training and Empowering Civil Society)

74. UNDERLINES that research, innovation, information, education and training and cooperation with business and industry are key to a transition to a circular economy, particularly in raising awareness among the general public, policy makers and other relevant stakeholders to enable them to play a full part in moving towards more sustainable lifestyles and consumption patterns;
75. STRESSES the need to take into account the social dimension of the transition to circular economy by considering the needs for skills development (re- and up-skilling), life-long learning, adapting and modernising education and training systems, behaviour change and the need for a social inclusive and just transition as well as specific challenges of specific social groups and of Member States and regions; HIGHLIGHTS the importance of the new "European Skills Agenda"⁴⁹ in the context of a circular and green recovery and a digital transition;

⁴⁹ 9349/20 - Commission Communication COM(2020) 274 final.

76. EMPHASISES the important role and potential that cities and regions hold for the transition to a circular economy underlining the importance of local approaches, and NOTES the significant potential of the Next Generation EU and Cohesion Policy funding in supporting urban and regional circular initiatives and creating local jobs;
77. EMPHASISES that dedicated research and innovation funding under the proposed Horizon Europe Programme for 2021-2027 can contribute to further developing Europe's lead in sustainable and circular technologies and innovative circular business models;
78. RECOGNISES the important challenges for SMEs and the need to support capacity building in SMEs by using existing networks such as the European Resource Efficiency Knowledge Centre (EREK) or the Enterprise Europe Network (EEN) and HIGHLIGHTS the importance of clusters which facilitate transitions, and of the deployment and uptake of circular innovations, new technologies and industrial symbiosis by SMEs; STRESSES that competence centres and innovation infrastructure to which entrepreneurs have the widest possible access and where they will be able to acquire skills on ecological design and green business management play an important part in achieving a circular economy;
79. UNDERLINES the key role of stakeholders' engagement in the transition towards a circular economy and invites the Commission to exploit the potential of the European Circular Economy Stakeholder Platform, which is led jointly with the European Economic and Social Committee, and of other platforms existing in the Member States;
80. NOTICES a multiplication of sustainability initiatives, notably in the apparel sector, including from the civil society, and CALLS ON the Commission and the Member States to accompany and encourage this trend;

Leading Efforts at Global Level

81. SUPPORTS the Commission's ambition to promote the global shift to a circular economy also by strengthening international cooperation in this regard;
82. EMPHASISES the findings of the International Resource Panel concerning global resource use and the impact of the extraction and processing of material resources, INVITES the Commission to explore the feasibility of defining a "Safe Operating Space" for the sustainable use of natural resources and to launch a global conversation on the governance of natural resources and options to improve the current situation, including through an international agreement;
83. WELCOMES the Commission's initiatives to facilitate bilateral and multilateral dialogues and mainstream circular economy in free trade agreements, in EU external policy funding instruments and in creating understanding and support for circular economy principles worldwide such as through the Circular Economy Missions; INVITES the Commission and the Member States to continue cooperating in all relevant fora, including the UN General Assembly and the UN Environment Assembly; in this context WELCOMES the Commission's proposal to launch a "Global Alliance on Circular Economy and Resource Efficiency - Toward Just Transitions" at the fifth meeting of the UN Environment Assembly (UNEA-5);
84. WELCOMES the Commission's initiative to reach a global agreement on plastics to minimise the negative impact of plastics, including plastic waste, on the environment and COMMITS to work towards such a global agreement especially with a view to reducing plastic marine litter and microplastics and ENCOURAGES Member States and the Commission to continue to take action at the national and regional level in the meantime;

85. STRESSES the importance of the process under the Strategic Approach to International Chemicals Management (SAICM) to decide upon a strong framework for the sound management of chemicals and waste beyond 2020 at the next International Conference on Chemicals Management (ICCM) meeting;
86. SUPPORTS ambitious international measures in all policy areas relevant to accelerate the global transition to a circular economy, such as waste management, chemicals management, and the fight against illegal shipments of waste and chemicals in multilateral environmental agreements like the Basel Convention on the control of transboundary movements of hazardous wastes and the Rotterdam Convention on the prior informed consent procedure for certain hazardous chemicals and pesticides in international trade;

Monitoring Progress Towards Circularity

87. EMPHASISES the importance of an effective monitoring framework (including the use of space infrastructure such as Copernicus and Galileo/EGNOS) to assess the progress towards a safe and sustainable, climate-neutral, biodiversity-friendly and resource-efficient circular economy;
88. WELCOMES the Commission's intention to strengthen the monitoring of the transition and update the Monitoring Framework for the circular economy and NOTES the valuable contribution of the Bellagio Process in this regard; UNDERLINES, however, the importance of avoiding unnecessary administrative and economic burdens and using effectively the existing statistical and monitoring systems;
89. RECALLS the need to further improve the indicators or consider developing new ones in order to better cover, along the full value-chain, the life cycle of products and services, and the uptake of new and circular business models and approaches to manage resource consumption; in this regard ENCOURAGES the Commission, in close cooperation with the Member States, to explore how these indicators could set a benchmark for an indicative EU circular economy goal;

90. ENCOURAGES the Commission and other EU institutions to cooperate in identifying innovative metrics to better assess circularity by taking advantage of digitalisation while fully respecting Member States' socio-economic contexts; HIGHLIGHTS the benefits of aligning the updated framework with other existing sustainability instruments and initiatives in view of fully implementing the Sustainable Development Goals.
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