

New circular economy package

A shift towards a circular economy could deliver environmental and economic benefits, but it would also face a number of barriers and challenges. The European Commission is expected to present new legislative proposals and an action plan on the circular economy at the December I plenary session.

What is a circular economy?

Unlike the traditional linear economic model based on a 'take-make-consume-throw away' pattern, a [circular economy](#) is based on reuse, repair, refurbishment and recycling, in an (almost) closed loop, where products and the materials they contain are highly valued. Moving towards a more circular economy has both an environmental and economic rationale. It could reduce pressures on the environment, with positive effects on ecosystems, biodiversity and human health. It could also increase the security of supply of raw materials, as the EU currently imports, in raw material equivalents, about half the resources it consumes. By 2030, it could reduce net resource spending in the EU by €600 billion annually, bringing total benefits estimated at €1.8 trillion per year with multiplier effects (according to the [Ellen MacArthur Foundation](#)) and creating 2 million new jobs (according to European Commission [estimates](#)).

However, a transition towards a more circular economy would face a number of barriers and challenges. It involves considerable transition costs. It requires a systemic shift in consumer behaviour and business models, and could threaten jobs in specific sectors. Key enablers for the transition (such as markets for secondary raw materials) are still missing. There are wide differences in waste treatment methods across Member States. Such a transition would also be a significant multi-level governance challenge.

A new proposal by the European Commission

In July 2014, the Commission put forward a [circular economy package](#). However, in December 2014, Commission First Vice-President, Frans Timmermans, announced to the Parliament that the Commission would put forward 'a more ambitious proposal that will cover the whole of the circular economy', and in early 2015 the Commission withdrew the [legislative proposal on waste](#) included in the earlier package. New legislative proposals, together with an action plan on the circular economy, are expected to be adopted by the Commission on 2 December 2015 and presented to Parliament in plenary the same day.

European Parliament's views

In its July 2015 own-initiative resolution on '[Resource efficiency: moving towards a circular economy](#)' (rapporteur: Sirpa Pietikäinen, EPP, Finland), Parliament urged the Commission to put forward an ambitious package by the end of 2015, as it has announced. On the expected legislative proposal on waste, Parliament advocated, inter alia, strictly limiting incineration of recyclable and biodegradable waste by 2020; gradually implementing, by 2030, a ban on landfilling (except for certain hazardous waste and residual waste); and increasing targets for recycling and preparation for re-use to at least 70% of municipal solid waste and 80% of packaging waste by 2030.

Parliament called for EU and national targets to increase resource efficiency by 30% by 2030 compared to 2014 levels, and for a 'dashboard' of indicators to measure various aspects of resource consumption. It also requested a review of eco-design legislation and relevant product-policy legislation in order to gradually include mandatory resource-efficiency requirements, measures promoting the development of markets for secondary raw materials, public procurement rules that favour resource-efficient products and solutions, and mobilisation of EU funds for resource efficiency. Parliament also pointed out that education and training policies will have to take into account the 'green skills' needed in the shift towards a circular economy.