

# More prosperity, new jobs:

## A business perspective on the Circular Economy Package



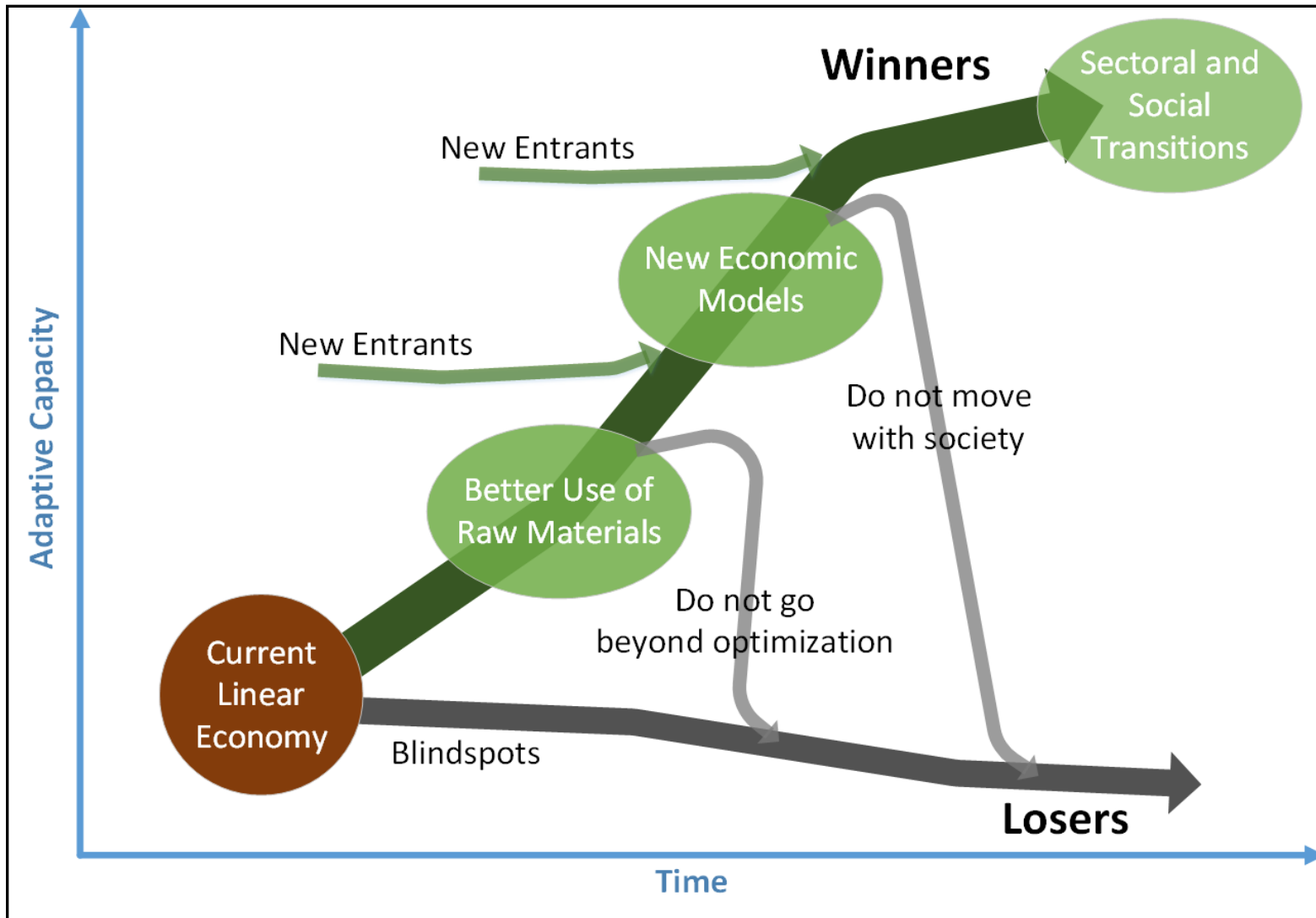
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Brussels, 2 December 2015



# View on Circular Economy



Translated from: OPAi and MVO Nederland, Entrepreneurship in the Circular Economy, 2014 (in Dutch)

# Business Manifesto

## More prosperity, new jobs

Manifesto on Circular Economy Policy in the EU

## Supported by



# Huge opportunities

- 3 million jobs by 2030
- Up to € 600 billion per year in the EU (€ 4 trillion globally)
- Resource resilience
- Waste reduction and reduced environmental impact (e.g. 70% cut in carbon emissions)



# Circular business models



- Short cycle: Pay per use, repair, waste reduction, sharing platforms
- Long cycle: Performance based contracting, take back management, next life sales, refurbish & resell
- Recycling, cascading, upcycling, collaborative production
- Pure circles: Cradle to cradle, circular sourcing
- From physical to virtual: Digitisation
- Produce on demand: Produce on order, 3D printing

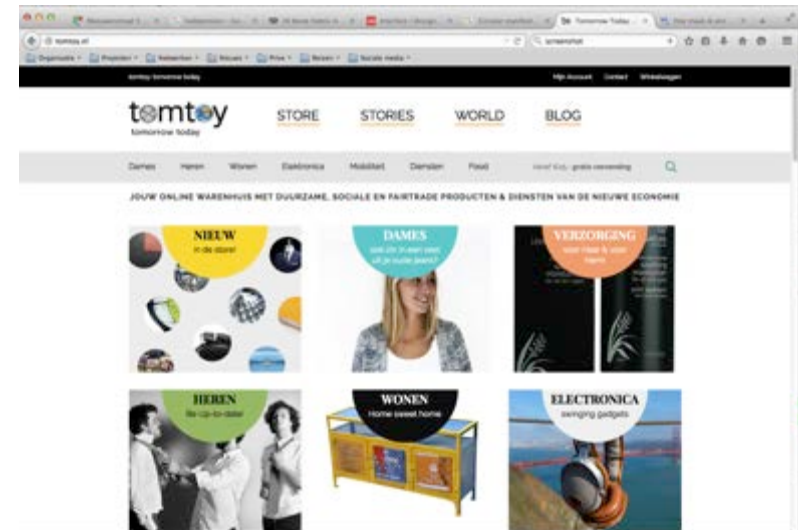
Source: K. van Renswoude, D.J. Joustra and A. ten Wolde, 2015

# Just 2 examples (De Groene Zaak)



repurpose

tomtoy  
tomorrow today



# The need for government policies

- Government policies are needed to accelerate and mainstream the circular economy
- Remove existing obstacles
- Improve the 'rules of the game' of our economy in a systems approach





# Governments are going circular

wbcsd Regional Network Partner

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Developed by De Groene Zaak in cooperation with



## Governments Going Circular – Global Scan Best Practices

Home

Keyword:



Policy area



Waste



Resources



Spatial  
planning

Governmental instrument



Fiscal  
measures



Laws &  
Regulation



Partnerships



Public  
Procurement



Subsidies

Business Model





# What we ask: (1)

## Strong government policies

- Extend binding targets to cover the full chain (reuse, repair etc.)
- Use EU-wide legislation, harmonisation, national action plans, Green Deals and guidelines for member states



# What we ask: (2)

## Financial incentives

Introduce financial incentives for companies and consumers to favour circular business models:

- Implement Circular Public Procurement
- Taxation:
  - Allow for VAT differentiation
  - Tax shift from labour to resources (Green Deal)
- Extended Producer Responsibility 2.0



# What we ask: (3) Adapt and exploit existing measures, including:

- Extend Ecodesign Directive to Circular Design
- Horizon 2020 and the Eco-Innovation Programme, including calls for change of the system (economic mechanism design), an EU Institute for Circular Economy and programmes for frontrunners, sectors and cross sectoral



# Response to leaked draft Package: Overall impression

- Positive: Procurement, Extended Producer Responsibility, Ecodesign directive, Quality standards for secondary resource materials, European Resource Efficiency Excellence Centre, link with GAP for SMEs, developing Monitoring KPIs 😊
- Concerns: All depends on implementation of concrete measures. Risk of being ineffective like the EU-ETS 😞



# Response to leaked draft Package: Main comments

- No targets, no milestones, little enforcement: risk of being ineffective
- Serious flaw: No economic incentives for consumers. No VAT directive amendment, no Ex'Tax Tax shift; and we consider “Eco” labels ineffective
- Research: fundamental lack of access and attractiveness for SMEs, lack of systemic policy research
- Still EU funding for incineration plants



# Response to leaked draft Package: Specific comments (1)

- Create an overall strong policy, with clear price signals to consumers and producers, and enforcement of regulations, and solving these shortcomings
- Ecodesign: Differentiation down to product and company level is needed to incentivise companies to become frontrunners. Beware of red tape



# Response to leaked draft Package: Specific comments (2)

- Also quality criteria for other secondary raw materials besides plastics
- Extend European Resource Efficiency Centre to cover research on circular economy, system change, business models, policy and “precycling<sup>1</sup>”
- Keep monitoring the resource efficiency as an overarching Key Performance Indicator

<sup>1</sup> See [www.govsgocircular.com](http://www.govsgocircular.com)





