

EEB priorities for EU Council Conclusions promoting Eco-Innovations

Key enabler for the transition to a more Circular Economy

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The EEB welcomes the priority given by the Estonian EU Presidency to prepare Council Conclusions on promoting Eco-Innovations for Material Circularity, developing Sustainable Finance solutions, and strengthening the EU Ecolabel Scheme as important tools for the transition towards a more Circular Economy. EU Member States should make best use of this opportunity to complement the EU Circular Economy Action Plan (COM/2015/0614) with additional policy measures at European and national level targeting the following key areas:

1) Promoting Eco-Innovations for increased Material Circularity

Developing an EU harmonized approach for Digital Product Passports

- **Making relevant information on products and services available and transparent is one of the foundations of a free market economy claimed by most business actors.**
- Different stakeholders agreed on the basic idea at the European Resource Efficiency Platform (EREP) in its [policy recommendations to the European Commission](#) in March 2014 that stated: **“Inadequate business-to-business information on what resources a product contains and how it can be repaired or recycled is hindering resource efficiency. To tackle this barrier, the possible use of a ‘product passport’, such as an Environmental Product Declaration, should be explored that would make such information easily accessible and applicable to the supply chain, thus facilitating efficient material flows and encouraging the creation of value in the circular economy.”**
- National pilots and collaboration between member states could pave the way to a practical European solution. Standardising the technical and environmental information on product properties relevant to facilitate a circular economy could build on the experiences with existing voluntary schemes, such as cradle-to-cradle® certification, chemicals or recycling passports. **Establishing an EU harmonised product information system would reduce administrative costs for business according to the principle of ‘report once and use several times’.**
- There are already different pieces of EU legislation that demand for mandatory disclosure of specific information from manufacturers who want to sell their products and services on the European single market. These include the implementing measures under the Ecodesign and Energy Labelling Directives, Article 15 WEEE (Waste Electrical and Electronic Equipment) Directive and Article 33 of the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation. **An EU harmonised product information system would go one step further in combining these single bits of different environmental information into a standard digital format and making them more easily accessible for distinctly defined target groups.**

Promoting a meaningful voluntary Ecodesign approach to non-energy related products

- The Commission should identify **which sectors currently out of scope of the EU Ecodesign Directive would benefit most from minimum Circular Economy standards** that could be referenced at a later stage in legislation as requested both by the Environmental Council and the European Parliament.
- Based on existing initiatives, discussions on voluntary product design standards could be initiated e.g. in the furniture and textiles industries. **Providing funding to priority sectors to develop their own Ecodesign work programme should be tied to similar rules like those established in the [European Commission's Guidance for Voluntary Agreements under the EU Ecodesign Directive](#) or for the [Environmental Footprint pilot phase](#) to ensure sufficient market coverage.**

Integrating circular economy into the digital economy agenda

- **Pairing a circular economy approach with smart appliances makes sense.** IT solutions for a circular economy should focus on more granular usage information to improve product design, automated guidance for usage to avoid appliance wear or to facilitate shared use, predictive maintenance and replacement of components prior to failure, accurate information for decision-making on future loops (e.g. reuse versus recycling), automated localisation of appliances available for reuse or recycling, optimised route planning for customer and repair services or reverse logistics for recycling and more digital marketplaces for refurbished appliances and/ or spare parts.
- **More investments are needed to develop a combination of technologies that allow for creating a single product identity making related information accessible along the supply chain.** Better information on material composition and product design is essential for improving sorting and recycling processes, tracing hazardous substances through chemical markers, ensuring a high-quality output of secondary raw materials.
- **An open-source based policy approach should address those barriers to greater circularity that cannot be overcome by individual companies who only implement solutions within their own factory walls or a limited portfolio of products and services.** Intelligent digital architectures and crowd platforms will accelerate dissemination and market coverage of eco-innovations.

2) Developing sustainable finance solutions and economic incentives

A portfolio of tailor-made support measures is needed

- The purely virtual approach of the [European Resource Efficiency Excellence Centre](#) must be enhanced **to develop financial and non-financial supporting tools for SMEs** enabling them developing products and services and to create jobs for tomorrow's markets fit for purpose in a more circular economy.
- The Council should mandate the European Commission **to develop criteria and guidance for modulated fees that can be implemented in existing Extended Producer Responsibility**

Schemes across Europe to incentivize Ecodesign practices for better reusability and recyclability within different product and packaging categories.

A reinforced approach towards Green Public Procurement (GPP)

- **Prioritise those products, services and works mostly procured by public entities with the highest environmental improvement potential from a Circular Economy perspective** and make it mandatory for all EU Member States to tackle them through their National Action Plans (NAPs) on GPP.
- **Develop a structured approach towards Circular Economy related criteria to be applied consistently in the priority areas as outlined in the national action plans.** This could build on the [ongoing standardisation work for material efficiency aspects carried out under the Ecodesign directive](#), and should **include at least durability and reparability aspects, increase recycling efforts and avoid chemicals preventing circular use of materials.**
- Encourage a sectoral approach to the above-mentioned aspects to improve product circularity which are linked directly to the priority areas in the NAPs and build procurement knowledge with a view to using Circular Economy criteria in a more proactive way, addressing sourcing, as well as the use and disposal of products and materials. **Provide assistance and offer tools to EU Member States that focus on the process for procuring innovative circular solutions that are not yet widely established on the European market, including new models for sharing, reusing or refurbishment.**

3. Strengthening the EU Ecolabel Scheme as a sign-post for Eco-Innovation and Circular Economy

Building on its major assets and the recommendations of the [EU Ecolabel REFIT](#)

- **The EU Ecolabel Scheme is the only existing European wide, third-party verified process that can identify products and services of environmental excellence in a reliable manner.** It can guide citizens towards the greenest products and services, through clear, comprehensive and yet easy to understand information on the environmental impacts of products. As they struggle with a proliferation of green claims, the EU Ecolabel should be strengthened as a trustworthy information tool against companies' self-claims.
- The Ecolabel REFIT has backed its relevance to promote sustainable consumption and production and the transition to a circular economy in the EU. The REFIT has also identified shortcomings in the levels of uptake by industry and has proposed measures to increase the efficiency and effectiveness of the scheme. **The full involvement and collaboration of Member States and the Commission is crucial to boost the performance of the Ecolabel and its positive impacts for the environment.**

Increasing its effectiveness as a scheme of environmental excellence

- Within a coherent product policy framework, **the EU Ecolabel must have a clear role as benchmark for future market developments and inspire other policy instruments like Ecodesign requirements and Green Public Procurement.**
- The Commission and Member States should enhance the EU Ecolabel as a sign-post for the circular economy and non-toxic environment. Based on the life-cycle approach, **the Ecolabel criteria should continuously address the most relevant impacts of products and services for the environment and health, including on the substitution of hazardous chemicals.** Whenever technically feasible, the scheme can contribute to reduce harmful substances in material cycles and empower consumer's choice, as citizens are increasingly concerned by their daily exposure to toxic chemicals in products.
- The Commission and Member States should preserve the environmental excellence of the scheme when considering the reduction of cost-compliance for industry. **Administrative and verification mechanisms should underpin the scheme's reliability and be coherent and consistent with other product policy instruments and regional/national labels.**
- The Ecolabel should be made more attractive for companies by increasing public recognition and awareness of the label. **With the support of the European Commission, the EU Member States should develop a Communication Action Plan for the EU Ecolabel and strengthen their promotion efforts towards consumers, retailers and manufacturers.** The EU Ecolabel should also be better promoted through Green Public Procurement and **other national support schemes, including financial incentives for consumers and/or companies using ecolabelled products.**
- The Commission and Member States should allocate sufficient human and financial resources at the EU and national level to ensure that the scheme works properly. **The efficiency of the scheme must also be increased by optimising all the procedures offered by the legislation for criteria development or revision.**

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