Technical Assistance for Assessment of Turkey's Potential on Transition to Circular Economy

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Unpacking the Circular Economy Package - European Environmental Bureau

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REPUBLIC OF TURKEY
MINISTRY OF ENVIRONMENT,
URBANIZATION AND CLIMATE CHANGE

Environment and Climate Action
Sector Operational Programme

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Circular Economy Action Plan

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Unpacking the Circular Economy Package

What's in the package?

- **Making sustainable products the norm (SPI)**

- **Ecodesign laws and Work Plan 2022-2024**

- **Empowering Consumers**

- **Textiles Strategy**

- **Construction Products Regulation**

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Why this briefing?

On 30 March 2022 the European Commission released a set of initiatives aimed at speeding up the transition towards a **circular economy.**

This includes a **Sustainable Products Initiative** to boost the circularity of products on the EU market, a **reform of Ecodesign laws and an Ecodesign Work Plan for 2022-2024,** a **Strategy for Sustainable and Circular Textiles**, a proposal for the revision of the **Construction Products Regulation (CPR)**, and new rules to reinforce the **power of consumers.**

The package has the potential of a game changer, but bolder and more effective action is needed to truly make sustainable products the norm and reduce emissions and resource use, while respecting planetary boundaries and human rights.

In this document, EEB experts 'unpack the package' and provide an assessment of the different policy and legislative files.

Making Sustainable Products the norm (SPI)

The Commission's Communication "On making sustainable products the norm" (SPI) provides an overview of the initiatives presented in the Circular Economy package released on 30th March. The document helps to illustrate the Commission's vision for how a number of instruments will work together and be applied to different sectors under different legislative settings.

Positive

- The SPI significantly enhances the EU product policy framework, increasing its depth and breadth, with the potential to apply more measures to more sectors in the economy
- The Commission restate its ambition to make sustainable products the norm
- The Commission refers to considering impacts in third countries when assessing the impacts of regulatory measures

Promising

- There is a vague target to "ensure that by 2030 a significant part of products available to EU consumers will be designed to be durable and energy and resource efficient, reparable, recyclable, and with a preference for recycled materials"
- The SPI also launches a new initiative to support Circular Business Hub. However, it is not clear what safeguards will ensure that new business models will actually save resources, be fair and inclusive. Moreover, no economic incentives have been proposed to make such business models mainstream, simply guidance.
- At a global level, the EU will continue to pursue the circular economy agenda in multilateral fora, in the G7 and G20, and in the context of the GACERE. There is an ambition to create a global Sustainable Consumption and Production Forum together with the UN

Problematic

- The SPI fails to take into account social sustainability, thus ignoring one of the three pillars of sustainability. This is a step backwards from ongoing work on the batteries regulation, where due diligence is being addressed.
- While the document refers to the need to improve well-being, resilience and our impact on planetary boundaries, as well as the ambition to double the circularity rate of material use by 2030, there is no reference to consumption and resource use reduction in absolute terms.

What's next?

The Commission's legislative proposals on Ecodesign, CPR and Consumer Empowerment will initiate respective co-decision process, while the communication on the Textiles Strategy will certainly be reacted to by the EU Parliament and the Council.

Ecodesign

The proposed Ecodesign for Sustainable Products Regulation (ESPR) presents the cornerstone of the EU's new approach to product policy. This revision of the existing Ecodesign Directive for energy-using products will roll out the potential to set minimum market entry requirements for almost any product on the EU market, alongside other instruments such as establishing Digital Product Passports and mandatory public procurement criteria.

Positive

- Ecodesign has been one of the EU's climate success stories: applying Ecodesign measures to a broader set of products through regulatory acts has the potential to increase their circularity, address their most problematic life cycle impacts, and consequently make a significant contribution on the EU Green Deal objectives.
- The multi-stakeholder Ecodesign Forum will continue to ensure balanced representation in the development of requirements.
- There are provisions to enhance market surveillance, notably a minimum number of checks and the use of 'self reporting' for energy products on their energy use.

Promising

- Stated potential to act at a horizontal level, meaning across different product groups at once, rather than continuing to act on products one by one (increasing the effectiveness and speed of the policy), but this is still to be confirmed in subsequent steps.
- The possibility to establish mandatory Green Public Procurement criteria through delegated acts in this legislation, and a reference to the EU Ecolabel to drive market incentives in member states.
- The establishment of Digital Product Passports for all regulated products, including the information on substances of concern. However, this may not address the risk of a toxic legacy if all chemicals are not traced.

Problematic

- The possibility to ban the destruction of unsold and returned goods is postponed to future legal acts. Such a ban could be proposed immediately, rather than including a reporting obligation for this bad practice with a range of exemptions.
- Online market places and fulfilment service providers have limited responsibility compared to bricks-and-mortar shops and importers, potentially creating a major loophole for a huge share of the EU's online sales of goods.
- The continued support for self-regulatory measures, which have so far failed to deliver comparable performance to genuine Ecodesign requirements.
- The slow pace of decision-making processes without clear deadlines is not really addressed. As all future measures will be set through future legal acts, it may take decades to set rules on products if the decision-making process continues to require more than 3 years per product.

What's next?

The Commission's proposal for a revised Ecodesign Regulation will kickstart a co-decision process during which the European Parliament and the Council will debate on formulations tabled by the Commission. It is expected that the new text will be finalised and adopted by the end of 2023 or the start of 2024. Timetables will be more clearly established once rapporteurs are nominated in the Parliament.

Empowering the consumers for the green transition

The initiative "Empowering Consumers for the Green Transition" presents a number of specific amendments to existing consumer legislation: the Unfair Commercial Practices Directive (UCPD) and the Consumer Rights Directive (CRD). The amendments target in particular more stringent rules for countering commercial practices that hamper sustainable purchases, notably early obsolescence and greenwashing.

Positive

- Bans on specific greenwashing practices, such as making general green claims when the environmental performance of the product cannot be demonstrated by trustworthy schemes such as the EU Ecolabel, or making green claims on an entire product when only a specific sustainability aspect is addressed (e.g. it will not be possible anymore to claim that a product is "made with recycled materials" when in fact only the packaging is recycled).
- Listing of specific practices which lead to premature obsolescence of products, including limiting software updates, features which limit durability, or false reparability claims.
- Greater transparency on the length of commercial guarantees of durability, on how long software updates are available for, and how reparable products are, by displaying the reparability score (if developed by law) or through alternative repair information, such as the availability of spare parts and repair manuals.

Promising

- Sustainability labels not based on credible certification schemes or established by public authorities cannot be displayed on products. However, clear minimum transparency and credibility conditions for certifications schemes are missing. Beyond third party verification, it is crucial that the criteria are public, developed through an independent process, and represent significant improvement.
- The information requirement for goods which limit functions when non-Original Equipment Manufacturer consumables are used is welcome, but these practices should be banned completely.

Problematic

- The proposals do not include a general prohibition of obsolescence, which would complement and reinforce the proposed measures.
- Although the proposal blacklists general claims such as "climate neutral", companies will still be allowed to make these claims if they are specific (e.g. "carbon neutral based on a given standard or scheme"). All carbon neutral claims should be blacklisted where they rely on offsetting.
- The UCPD does not introduce the "No data, no market" principle. Based on an ex-ante approach, public registration of green claims and supporting evidence should be required to facilitate random checks by market surveillance authorities.
- A positive list of green claims which are allowed under specific conditions, as well as a pre-approval process for updating it, has not be taken on board. This would effectively prevent risk of greenwashing and enable efficient enforcement.

What's next?

This initiative will kickstart a co-decision process during which the European Parliament and the Council will debate on formulations tabled by the Commission. The timeline for the progress of the co-legislative process will clearer when rapporteurs will be nominated at the Parliament.

Textiles Strategy

The 'Textiles Strategy' sets out the European Commission's plans for new policies to bring more sustainability to one of the world's most polluting, wasteful and exploitative sectors.

Positive

- Businesses are encouraged to reduce the number of collections per year, and a clear link is made between fast fashion and fossil-fuel based synthetic fibres.
- Commitment to binding Ecodesign requirements for textiles that will cover durability, reusability, reparability, fibre-to-fibre recyclability, mandatory recycled fibre content, the presence of substances of concern, and microplastic shedding.
- Inclusion of harmonised EU extended producer responsibility rules for textiles with eco-modulated fees that help support waste prevention.
- Review of the EU Ecolabel to support more producers to adopt it and make it more recognisable for consumers.
- Commitment to drawing up new specific measures to stop the build-up of textile mountains beyond the EU when products that could be reused are exported as waste.

Promising

- Commitment to mandatory targets for preparing for re-use and recycling of textile waste. However, it will be important to safeguard the role of social enterprises and ensure targets are set separately and reflected in EPR schemes.
- Member states are encouraged to adopt favourable taxation measures for the reuse and repair sector as well as guidance to promote social enterprises active in the collection, sorting, re-use and resale of textiles. However, this may not be enough given that taxation is not an EU competence.
- Commitment to introduce a Digital Product Passport for textiles based on mandatory information requirements on circularity and other key environmental aspects, but it is not yet clear if all necessary information will be conveyed.
- Plans to ban the destruction of textiles are set out, but there are no assurances that the new rules would not come with loopholes, and the measure is postponed to future legal acts.
- Commitment to substitute and minimise substances of concern in textile products, but the details are vague.

Problematic

- Social aspects and workers protection are significantly left out of the equation, and not enough attention is given to ensuring a Just Transition for all workers and regions.
- Harmful purchasing practices are not addressed and no more details are given on how the Commission's proposal for Corporate Sustainability Due Diligence (CSDD) will apply to the specific challenges in the textile sector, and be reflected in the Digital Product Passport.
- Targets to reduce resource use and consumption in absolute terms are missing.

What's next?

The European Parliament and Council will give their opinion on the Strategy and the Commission will start to implement the related actions listed in the annex until 2024.

Construction Products Regulation (CPR)

The CPR is not well-equipped to address the footprint of the construction sector, which is the source of 35% of EU carbon emission. The current revision sets a low bar for product performance, by proposing neither a timeline to define minimum sustainability and environmental performance requirements, nor an obligation to disclose product information transparently through Digital Product Passports. Faced with an upcoming Renovation Wave, the CPR is also on a tight deadline to include measures for functional performance (i.e., when products are applied in projects) on top of considerations for inherent performance.

Positive

- Products are regulated for environmental performance. The integration of product requirements is a good first step to reducing the environmental impacts of products that should entail the development of minimal requirements, at least on Inherent Product Requirements (e.g., minimising whole-life-cycle greenhouse gas emissions, maximising recycled content, and separating different materials of construction products).
- The Commission will be able to define these requirements per product group through legal acts. This will make regulating construction products more transparent and participatory.
- Manufacturers will have to deliver environmental information about the life-cycle of their products.
- The CPR covers the integration of re-used products in the market.

Promising

- If the Commission develops minimum requirements per product category restricting the access to the market, this could phase out the worst performing products.
- The Commission could establish sustainable requirements applicable to public contracts through legal acts, but there is no timeline defined for it.
- The CPR opens the door to creating a framework for used construction products that will be used differently from the intended use assigned by the initial manufacturer.
- Manufacturers will be required to design products in a way that facilitates re-use, remanufacturing and recycling, namely by separation of components and materials. This could be an important step towards circular materials, if the implementation and requirements for these characteristics are properly defined.

Problematic

- There is no timeline or workplan for the development of minimum requirements through legal acts. Establishing a procedure (i.e. an impact assessment to set a workplan and priority products) and a clear timeline for the development of these legal acts is crucial.
- Manufacturers are still allowed to set standards and classes of performances, which could hamper the implementation of the minimum requirements approach.
- A Digital Product Passport is not required for construction products as per all other products under the SPI. There is an open door for implementing it through legal acts, but a timeline and a deadline should be defined for its implementation.
- No timeline is defined to establish sustainable requirements applicable to public contracts through

What's next?

With an upcoming reaction from other EU institutions, followed by a trilogue, the CPR now relies on the European Parliament and the Council, that should introduce the lacking environmental considerations and bring the file back in line with the commitments of the EU Green Deal.

Ecodesign Work Plan 2022-2024 *(focus on energy products)*

The Ecodesign and Energy Labelling working plan for 2022–2024 provides the roadmap for the existing Ecodesign Directive until the new Ecodesign for Sustainable Products Regulation (ESPR) enters into force. Focused on energy related products, the workplan will both cover new product groups and finalise ongoing work as well as reviews of products already covered by the measures.

Positive

• New products added to the workplan represent an energy-saving potential of around 250 Petajoules. This includes radiators, professional laundry and dishwashers, external power supplies (EPS), and electric vehicle chargers.
• The Commission rejected the voluntary agreement for printers, which failed to address flagrant obsolescence from the sector regarding printer lifetime and cartridge waste, and have therefore included this product group in the workplan for a regulation.

Promising

• Three horizontal areas are being explored for product-specific requirements on recycled content, durability, firmware and software, and critical raw materials.
• The document clearly highlights the challenges of effective market surveillance which is generally underfinanced.

Problematic

• 40% of the previous workplan is still ongoing and will be "rolled over to the current planning period". The working plan notes that "this policy area will require a better match between ambition and resources". Despite the success of this measure in reducing energy demand, further resources in the Commission and member states are not being allocated to it.
• Work on computers seems to have stalled, and several other ICT products originally foreseen for the workplan have been dropped, notably network equipment and base stations. It remains unclear how the ongoing JRC study on the impacts of ICT will lead to concrete measures.

What's next?

The new Working Plan will dictate the work of the existing Ecodesign and Energy Labelling framework for the coming years until the new Regulation enters into force. In the case of new product groups, dedicated preparatory studies will be launched.

Quotes

Stéphane Arditi, Director of Policy Integration and Circular Economy at the EEB
 "This package could help drive the much needed market and industry transformations to achieve a resource-efficient, sustainable and fair economy - but it still lacks teeth to truly make sustainable products the default choice for all."

Jean-Pierre Schweitzer, Policy Officer for Products and Circular Economy at the EEB
"Applying Ecodesign to a broader set of products will save Europe emissions, resources, and increase our resilience, but we are still a long way from these measures being put into practice."

Emily Macintosh, Policy Officer for Textiles at the EEB
"You can't green fast fashion. Today the European Commission has named overproduction as the problem by calling out the number of collections brands put out every year.Now we need to ensure that the actions set out in this strategy are translated into real industrial accountability for all companies regardless of size, and that there are no get-outclauses when it comes to the destruction of goods and ensuring fairness for workers."

Gonzalo Sánchez, Policy Officer for Circular Economy and Carbon Neutrality in the Building Sector at the EEB
"Defining a workplan to set minimum environmental performance requirements as soon as possible and a mandatory Digital Products Passport for construction products are key to decarbonise Europe's built environment by 2050. Postponing these actions will mean an unsurmountable task in the next decade to decarbonise the building stock, due to the delay in implementing circular measures and investing in low-emission materials."

Blanca Morales, Senior Coordinator for EU Ecolabel at the EEB
"We need bolder measures to prohibit unreliable credentials, especially on climate neutrality, and list those that are based on harmonised, robust methods. We call on the Commission to reinforce these provisions in the upcoming regulation on Green Claims. Companies should be obliged to publicly register their claims and evidence before use. No data, no market!"

More information

- EEB reaction to the **Circular Economy Package**, 30 March 2022
- EEB position and briefs on **Making sustainable products the norm**
- Prohibiting the destruction of unsold goods (policy briefing)

- **Delays in ecodesign implementation threaten 55% climate target and cost citizens billions** (Coolproducts report)

- **Wellbeing Wardrobe: A wellbeing economy for the fashion and textile sector** (report and summary)
- **A New Look for the Fashion Industry – EU Textile Strategy and the crucial role of Extended Producer Responsibility** (Briefing)

- Joint NGO letter on the **revision of the Construction Products Regulation**
- **Sufficiency and circularity: the two overlooked decarbonisation strategies in the 'Fit For 55' Package** (report)

- EEB feedback on **Empowering Consumers in the Green Transition**
- EEB position on the **Legislative proposal on Substantiating Green Claims**

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