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

## EuropeAid/140562/IH/SER/TR

European Green Deal and the New Circular Economy Action Plan &
Recent Package of Measures Proposed

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REPUBLIC OF TÜRKİYE
MINISTRY OF ENVIRONMENT, URBANIZATION AND CLIMATE CHANGE

Environment and Climate Action Sector Operational Programme

deep
Türkiye Circular Economy Action Plan

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# AGENDA

**March 2022
Green Deal package**



- ► New rules to make almost all physical **goods on the EU market more friendly to the environment**, circular, and energy efficient throughout their whole lifecycle from the design phase through to daily use, repurposing and end-of-life.

- ► New strategy to make **textiles** more durable, repairable, reusable and recyclable, to tackle fast fashion, textile waste and the destruction of unsold textiles.

- ► Boost the internal market for **construction products** and ensure that the regulatory framework in place is fit for making the built environment deliver on our sustainability and climate objectives.

- ► New rules to **empower consumers** in the green transition so that consumers are better informed about the environmental sustainability of products and better protected against greenwashing.

# 1

ECODESİGN FOR SUSTAİNABLE PRODUCTS

Our current 'take-make-replace' economic model depletes our resources, pollutes our environment, damages biodiversity and drives climate change.

It also makes Europe dependent on resources from elsewhere.

This is why the EU is moving to a circular economy model, based on more sustainable products.



Making sustainable products the norm in a more resilient Single Market

# KEY ACTİONS

The proposal for a Regulation on Ecodesign for Sustainable Products addresses product design, which determines up to 80% of a product's lifecycle environmental impact.

Make products greener, circular and energy efficient through **ecodesign requirements**

Improve products **environmental sustainability information** for consumers and supply chain actors by introducing **Digital Product Passports**

**Prevent destruction** of unsold consumer products

Promote **sustainable business models**

Set mandatory requirements for **green public procurement**

# ECODESİGN REQUİREMENTS

► The initiatives on sustainable products aim 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 preference for recycled materials.

► Minimum ecodesign and information requirements to be set for almost all categories of physical goods placed on the EU market.

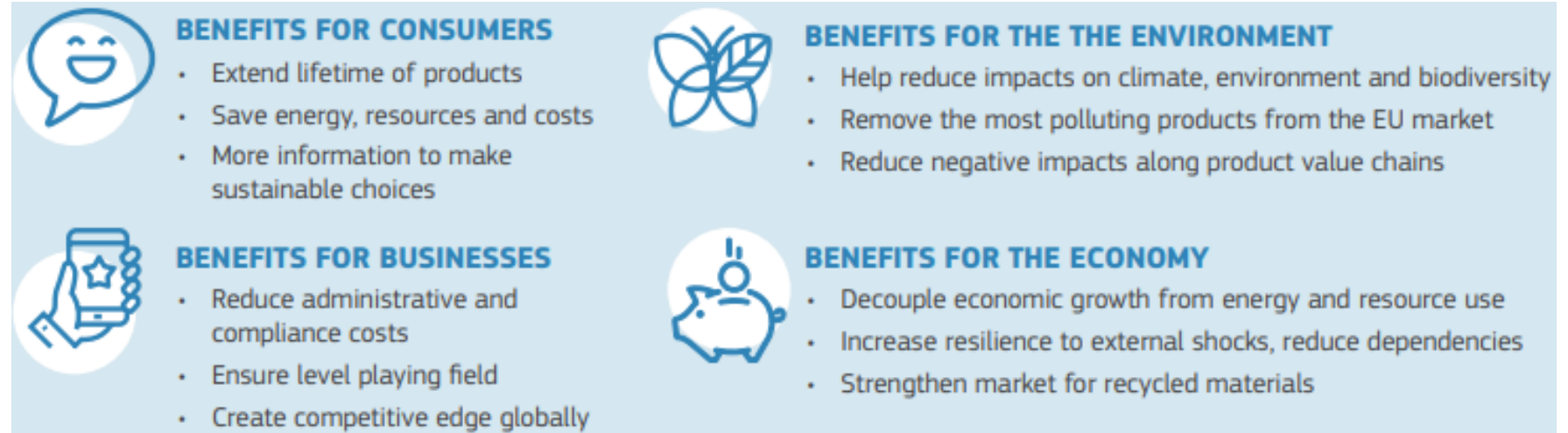► These ecodesign requirements will be tailored to the particular characteristics of the product groups concerned



Sustainable products

Ecodesign requirements

Extending product life cycle

Reducing carbon and environmental footprints of products throughout their life cycle

Ensuring products are fit for a climate neutral and circular economy

Preventing waste and boosting material recovery

Minimum uptake of recycled materials

# ECODESİGN REQUİREMENTS

The ecodesign requirements will, as appropriate for the product categories to be regulated, cover:

► product durability, reliability, reusability, upgradability, reparability, ease of maintenance and refurbishment;

► restrictions on the presence of substances that inhibit the circularity of products and materials;

► energy use or energy efficiency of products;

► resource use or resource efficiency of products;

► minimum recycled content in products;

► ease of disassembly, remanufacturing and recycling of products and materials;

► life-cycle environmental impact of products, including their carbon and environmental footprints;

► preventing and reducing waste, including packaging waste.

# BENEFİTS

**BENEFITS FOR CONSUMERS**
- Extend lifetime of products
- Save energy, resources and costs
- More information to make sustainable choices

**BENEFITS FOR THE THE ENVIRONMENT**
- Help reduce impacts on climate, environment and biodiversity
- Remove the most polluting products from the EU market
- Reduce negative impacts along product value chains

**BENEFITS FOR BUSINESSES**
- Reduce administrative and compliance costs
- Ensure level playing field
- Create competitive edge globally

**BENEFITS FOR THE ECONOMY**
- Decouple economic growth from energy and resource use
- Increase resilience to external shocks, reduce dependencies
- Strengthen market for recycled materials

► Addressing the **environmental impact** of products throughout their life cycle, will lead to more sustainable, circular and more resource efficient products in the EU. More sustainable electronics, furniture, textiles and other products will contribute to the resilience of the EU economy.

► **Companies** from all over the world will be able to compete without being undercut by companies that pass on costs to society and the environment.

► **Consumers** will also have access to the information they need to make more sustainable choices, will be better protected against practices harmful to the green transition, and will be able to keep their products functioning for as long as possible.

# WİDEN THE SCOPE OF ECODESİGN

Extend the existing Ecodesign framework in two ways: first, to cover the broadest possible range of products; and second, to broaden the scope of the requirements with which products are to comply. Setting criteria not only for energy efficiency, but also for circularity.

**Ecodesign**

**New Ecodesign for sustainable products Regulation**
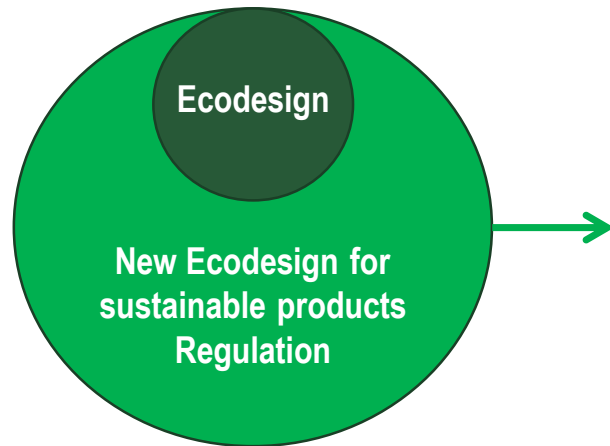
**Wider range of requirements and products covered:**

- product durability, reusability, upgradability and reparability
- presence of substances that inhibit circularity
- energy and resource efficiency
- recycled content
- remanufacturing and recycling
- carbon and environmental footprints
- information requirements, including a Digital Product Passport

# DİGİTAL PRODUCT PASSPORT



► **Digital product passports** will be the norm for all products regulated under the ESPR, enabling products to be tagged, identified and linked to data relevant to their circularity and sustainability.

► Provide information on the environmental sustainability of products. Depending on the product concerned, this can include information on energy use, recycled content, presence of substances of concern, durability, reparability, including a reparability score, spare part availability and recyclability.

► Help track the presence of substances of concern throughout the life cycle of materials and products.

► Help consumers and businesses make informed choices when purchasing products, facilitate repairs and recycling and improve transparency about products' lifecycle impacts on the environment.

► Help public authorities to better perform checks and controls.

# PUBLİC PROCUREMENT



► Member State's incentives and <u>public procurement</u> can play a great role.

► The Commission has already developed several **green public procurement criteria**, but their impact remains limited as their use is currently voluntary.

► Therefore, the ESPR aims to leverage the weight of public spending to boost demand for more environmentally sustainable products by setting <u>mandatory criteria for the public procurement</u> of these products, drawing where appropriate on existing voluntary criteria.

► This means that contracting authorities would be required to use green procurement criteria to purchase specific groups of products. In addition, incentives provided by Member States can be leveraged through environmental sustainability requirements on the products those incentives concern.

# HOW WİLL RULES FOR PRODUCTS BE LAİD DOWN?

**Stakeholder Consultation:**

**Make your voice heard!**

► For products where there is no specific EU law setting mandatory requirements on environmental sustainability, the ESPR will be the legal framework under which to set EU rules. This is the case for textiles and footwear.

The proposed regulation sets a framework that will enable product-level rules to be laid down ***in a second stage***, through delegated acts, product by product or for groups of products if appropriate. This builds on the approach proved successful under the current Ecodesign Directive.

In all cases, the development of these rules will be underpinned by thorough preparatory processes, including inclusive stakeholder consultation and impact assessment, also as regards affordability for consumers, impacts on competitiveness and administrative burden.

# PRODUCTS PROPOSAL



▶ To ensure the right priorities are set in a transparent and inclusive way and ensure involvement of relevant parties, the Commission will launch a public consultation on the categories of products to be selected under the first Ecodesign for Sustainable Products Regulation working plan by the end of 2022.

▶ A preliminary assessment made by the Commission has identified that product categories such as **textiles**, **furniture**, **mattresses**, **tyres**, **detergents**, **paints**, **lubricants**, as well as **iron**, **steel** and **aluminium** have high environmental impact and potential for improvement, and are thus suitable candidates for the first working plan.

▶ Where sufficient commonalities across certain products exist (such as electronic appliances or textiles), rules covering groups of products at a time may be set.

▶ The **Ecodesign Forum**, building on the existing Consultation Forum under the Ecodesign Directive, will remain the platform for targeted exchanges across stakeholder groups and at all key phases of the process.

# SAFE THE MARKET



► Prohibit traders from making certain types of environmental claims deemed to be misleading. This includes vague environmental claims (e.g. "green", "eco-friendly", "good for the environment") that are not adequately justified and verified in line with the rules.

► Right consumer information and ensuring protection against green-washing, the EU would meaningfully empower its consumers for the green transition and make sustainable products the norm, the mainstream option

# CİRCULAR BUSİNESS
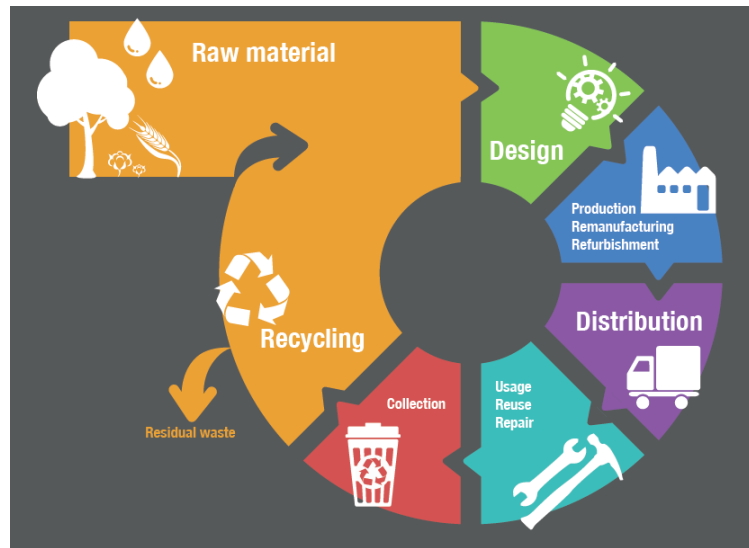
► Invest in and incentivise the uptake of **circular business models**. These include product-as-aservice models, peer-to-peer sharing and reverse logistics, on-demand manufacturing, reuse and repair services, to name a few.

► Ensure their profitability, make them increasingly attractive to consumers, exchange best practices, and provide tailored advice for new and existing businesses to switch to circular business models.

## The Commission wants:

► to bring different stakeholders together in the new European Circular Business Hub. The Hub will **support the uptake** of circular business models, channel information and services including awareness raising, cooperation, training and exchanges of best practices

► **prepare guidance** on boosting circular business models to help businesses, Member States and regions take action. guidance on directing investment and funding. Issue guidance on how to support uptake and partnerships for the circular economy between social enterprises and other actors, including mainstream businesses.

# UNSOLD GOODS



► The proposal contains several measures to prevent the destruction of unsold goods destined for consumers.

► Firstly, it will significantly increase **transparency**: large businesses that discard unsold products will have to disclose their number per year, the reasons for the discarding and information on the amount of discarded products that they have delivered for preparing for re-use, remanufacturing, recycling, energy recovery and disposal operations in line with the waste hierarchy.

► Secondly, the proposal enables the Commission **to ban the destruction of unsold consumers goods outright**, where it proves to be a particular problem for specific product categories.

# NETWORKİNG

1. The EU will step up its engagement with non-EU countries, at global, regional and bilateral level, to support the sustainability transition, and to facilitate compliance with the new rules, especially with low- and middle-income countries.

2. Bilaterally, the EU will work in partnership with non-EU countries on capacity building, enhanced dialogue, technical cooperation, access to business support networks, access to finance for circular economy investments, and exchanging best practices to identify potential technical barriers and to promote joint initiatives.

# ECODESİGN & ENERGY LABELLİNG



► The Commission adopted the new <u>Ecodesign and Energy Labelling working plan 2022-2024</u>.

► It strengthens the focus on the circularity aspects of ecodesign and labelling requirements for energy-related products and tyres.

► It also identifies priorities and new candidates for efficiency product groups and explores new product-specific requirements on material efficiency aspects, particularly on recycled content, critical raw materials, reparability and durability.

# ECODESİGN & ENERGY LABELLİNG

The actions outlined in the 2022-2024 working plan will further contribute in various ways to increasing energy savings and strengthening minimum efficiency requirements by:

► reviewing and updating **current rules** for products such as space and water heaters and tumble dryers, adding requirements in areas such as spare parts availability

► identifying **new product groups**, such as low temperature emitters and electric vehicle charges

► introducing new rules covering product groups currently not regulated such as **smartphones**, **tablets** and **photovoltaic solar systems** that contribute to improving their durability and reparability

► supporting effective national market surveillance and helping manufacturers, importers and retailers to comply with ecodesign rules

► Contribution to the **circular economy**: horizontal standards on durability, recyclability, ability to repair, reuse and upgrade, recycled contents etc. They can be the basis for developing product-specific material efficiency standards for energy-related products

# 2

SUSTAİNABLE AND CİRCULAR TEXTİLES

# WHY A STRATEGY ON TEXTİLE?



It is one of the **top three** pressures on water and land use, and the **top five** in terms of raw material use and greenhouse gas emissions.



European consumption of textiles has the **fourth highest impact** on the environment and climate change, after food, housing and mobility.



TEXTILE MOUNTAIN
THE HIDDEN BURDEN OF OUR FASHION WASTE

The <u>EU Strategy for Sustainable and Circular Textiles</u> sets out the vision and concrete actions to ensure that by **2030** textile products placed on the EU market are **long-lived** and **recyclable**, made as much as possible of recycled fibres, **free of hazardous substances** and produced in respect of social rights and the environment.

# ACTİONS OF THE STRATEGY



The Strategy proposes actions for the entire lifecycle of textiles products, while supporting the ecosystem in the green and digital transitions. It addresses the way textiles are designed and consumed, including by looking also at sustainable technological solutions and innovative business models:
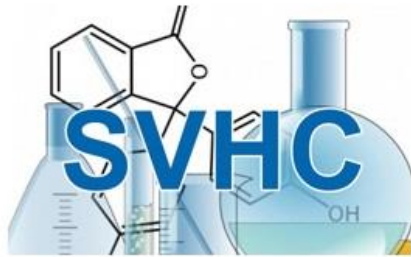
► New **design requirements for textiles** under the Ecodesign for Sustainable Products Regulation, setting mandatory minimums for the inclusion of **recycled fibers** in textiles, making them longer-lasting, and easier to repair and recycle. The proposal would also ban the destruction of unsold products under certain conditions, including unsold or returned textiles.

► Clearer information on textiles and a **Digital Product Passport** based on mandatory information requirements on circularity and other key environmental aspects.

# ACTİONS OF THE STRATEGY



GREENWASHING INSTRUCTIONS

EXAGGERATE POSITIVE CONTRIBUTIONS TO ETHICAL AND SUSTAINABLE FASHION.

USE MANIPULATIVE AND MISLEADING TERMINOLOGY AND IMAGERY.

DISTRACT FROM THE ONGOING MASS PRODUCTION OF FAST FASHION GARMENTS.

▶ Minimize and track the presence of **substances of concern**

▶ Tight controls on **greenwashing**, with stricter rules to protect consumers and direct links to the upcoming Green Claims Initiative.

▶ Action to address the unintentional release of **microplastics** from textiles.

▶ Harmonised EU rules on **extended producer responsibility** for textiles, and economic incentives to make products more sustainable ("eco-modulation of fees"), as part of the revision of the Waste Framework Directive in 2023.

▶ Support to research, innovation and investments and to the development of the skills needed for the **green and digital transitions**.

▶ Addressing the challenges related to **halting the export** of textile waste.

▶ The co-creation of a Transition Pathway for the Textiles Ecosystem to establish the way forward and set out concrete step on how to achieve the 2030 goals set by the Textiles Strategy.

# CONNECTİONS WİTH EU REGULATİONS



The Commission will introduce mandatory criteria for **Green Public Procurement**

The presence of **hazardous substances** used in textile products placed on the EU market, is a source of concern that the Commission is addressing under **REACH**.

By developing criteria for safe and sustainable by design chemicals and materials, the Commission will support industry to **substitute** as much as possible and otherwise minimise the substances of concern in textile products placed on the EU market, as announced in the Chemicals Strategy for Sustainability.

► Pursuing the zero pollution ambition in the production of textiles guides also the revision of the Industrial Emissions Directive and the on-going review of the **Best Available Techniques (BAT)** Reference Document (BREF) for the Textiles Industry

# TACKLİNG MİCROPLASTİCS



► Textiles made of synthetic fibres, such as polyester and acrylic, are one of the main sources of unintentional release of microplastics into the environment. These microplastics are shed at different stages of the product's life.

► The binding design requirements to be introduced under the Ecodesign Regulation for Sustainable Products, and the Commission initiative to address the unintentional release of microplastics in the environment, will both consider **measures to prevent and reduce the unintentional release of microplastics**. These may address product design, improved manufacturing processes, pre-washing at industrial manufacturing plants, labelling and the promotion of innovative materials.

# GREEN CLAİMS



- ▶ **Digital Product Passport** for textiles based on mandatory information requirements on circularity and other key environmental aspects

- ▶ Review the **Textile Labelling Regulation**, which requires textiles sold on the EU market to carry a label clearly identifying the fibre composition and indicating any non-textile parts of animal origin. Mandatory disclosure of other types of information, such as sustainability and circularity parameters

- ▶ Consumers are provided with **information at the point of sale** about a commercial guarantee of durability as well as information relevant to repair, including a reparability score, whenever this is available. General environmental claims, such as "green", "eco-friendly", "good for the environment", will be allowed only if underpinned by recognised excellence in environmental performance

- ▶ **Green Claims** Initiative,

- ▶ Review the **EU Ecolabel criteria** for textiles and footwear

- ▶ The Commission also encourages businesses to prioritise their efforts on **fibre-to-fibre** recycling

# EXTENDED PRODUCER RESPONSİBİLİTY



► Making producers responsible for the waste that their products create is essential to decouple **textile waste generation** from the growth of the sector.

► Extended producer responsibility (EPR) requirements have proven to be effective in improving **separate collection of waste** and its subsequent management in line with the waste hierarchy.

► EPR can incentivise **product design** that promotes circularity throughout the material life cycle and takes account of the end of products' life.

► Several EU Member States already have or are considering the introduction of EPR requirements for textiles, given the obligation under EU waste legislation to establish separate collection of textile waste **by 1 January 2025**

# FAST FASHİON



► Driving **fast fashion out of fashion**. A new paradigm of attractive alternatives to fast changing fashion trends. Companies should become the champions of this paradigm shift.

► Re-shaping the purchasing habits of consumers is difficult unless companies provide for new circular business models (product-as-service models, take-back services, second-hand collections and repair services). *Transition Pathway* to engage with stakeholders to facilitate the scaling up of resource-efficient manufacturing processes, reuse, repair.

► As fast fashion is linked to the growing use of fossil-fuel based synthetic fibres, shifting to more sustainable business models will reduce both the dependency of clothing producers on fossil fuels and their impacts on climate change and microplastic pollution.

# SCALE UP OF NEW BUSİNESS MODELS

► Member States also have an important role to play. In addition to measures to support the reuse and repair sector, **taxation** measures, can be a particularly useful tool.

► The Commission will develop **guidance** on promoting circular business models through investment, funding and other incentives, which will feature the opportunities to create circular value and jobs in the textiles ecosystem.

► **Financial support for the sector's transition** will be available under Horizon Europe's European Partnerships, the LIFE programme, and the Digital Europe Programme for the development of skilled experts to support the textiles industry in its digitalisation

► Boosting **social enterprises** active in the reuse sector is particularly important, as they have considerable potential to create local, green and inclusive businesses and jobs in the EU

# EXPORT OF TEXTİLE WASTE



► The Commission **proposal for new EU rules on waste shipments** will only allow the export of textile waste to non-OECD countries under certain conditions.

► Countries must notify the Commission that they wish to import this waste and demonstrate their ability to manage it sustainably.

► To avoid waste streams being **falsely labelled** as second-hand goods when exported from the EU, the strategy proposes the development of specific EU-level criteria to distinguish waste properly.

► The Commission will also work to increase transparency and sustainability in global trade in textile waste and used textiles.

# 3

REVİSED CONSTRUCTİON PRODUCTS REGULATİON

# ENVİRONMENTAL AND CLİMATE İMPACT OF THE CONSTRUCTİON ECOSYSTEM

Construction is one of the most resource-intensive sectors of the economy. A circular economy approach is therefore crucial to enhance its sustainability. Reducing emissions in the construction sector is essential to reach climate neutrality, especially by promoting energy efficiency and accelerating the renovation rate in buildings.

**Construction products**
30% of EU's annual waste generation

**Buildings**
40% of the EU energy consumption

**Construction and construction works**
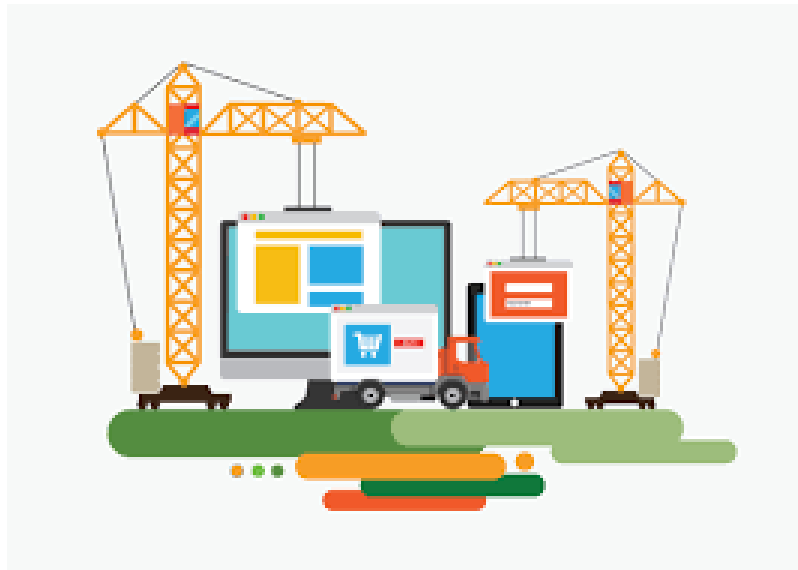9.4% of total domestic carbon footprint

**Cement, steel, aluminium and plastics**
15% of EU carbon emissions

# WHAT İS THE CONSTRUCTİON PRODUCTS REGULATİON



► The Construction Products Regulation aims to ensure that construction products can freely circulate within the Single Market. To achieve this, it lays down harmonised rules for putting construction products on the EU market.

► The existing harmonised rules focus on how to express the performance of construction products in relation to their essential characteristics (e.g. how they react to fire, how they conduct heat or insulate sound).

► The current legislative framework also provides harmonised rules on the CE marking of these products.

# OBJECTİVES OF THE CPR REVİSİON



► Improve the functioning of the **internal market** for construction products and respond to Member States' regulatory needs, by addressing shortcomings in the current rules.

► Enhance the sustainability of construction products and contribute to the objectives of the **green and digital transition** of our economy.

► Introduce **product requirements** for construction products to improve the protection of health, safety and the environment, in line with new Ecodesign for Sustainable Product Regulation.

# SİNGLE MARKET NOT ACHİEVED



▶ Outdated harmonised standards mean that they are not always market-relevant, as the process cannot keep pace with the developments in the sector.

▶ Due to these deficiencies, Member States apply national marks, certifications and approvals. This is in breach of the CPR.

▶ In order to achieve a well-functioning Single Market for construction products, the proposal presents a series of tools to unlock the technical harmonisation system through better standards; improve enforcement and market surveillance.

▶ The proposal will also provide more clarity in the rules through simplification thereby reducing the administrative burden and help to ensure safe construction products

# CPR AND SUSTAİNABİLİTY

Manufacturers will have to deliver environmental information about the **life-cycle** of their products. Moreover, they will have to comply with several obligations, including:

► Design and manufacture a product and their packaging in such a way that their overall environmental sustainability reaches the state of the art level;

► Give preference to recyclable materials and materials gained from recycling;

► Respect the minimum recycled content obligations and other limit values regarding aspects of environmental sustainability;

► Make available, in product databases, instructions for use and repair of the products;

► Design products in such a way that re-use, remanufacturing and recycling are facilitated.

# MEETİNG EU REQUİREMENTS

**CE Marking**

▶ To prove that products meet the EU requirements, the manufacturer shall draw up a declaration of performance and a declaration of conformity and affix the CE marking.

▶ The manufacturer shall draw up a technical documentation describing the intended use and all the elements necessary to demonstrate performance and conformity.

▶ This technical documentation shall include the mandatory or facultative calculation of environmental sustainability assessed in accordance with harmonised technical specifications.

# DİGİTALİSATİON



► The proposal makes maximum use of the potential of digitalisation to reduce administrative burden. All information and documentation may, in the future, be processed in a digital form (e.g. Digital Product Passport) and stored, shared and accessed in an information system.

► This will lead to greater transparency along supply chains, allow data linked to the Construction Products Regulation to be stored in Building Logbooks and used for calculations required under other legislation (e.g. the Energy Performance of Buildings Directive, EPBD)

► December 2021: **Staff Working Document** that proposes scenarios for construction to become more green, digital and resilient.

# 4

EMPOWERİNG CONSUMERS FOR THE GREEN TRANSİTİON

# BETTER İNFORMATİON
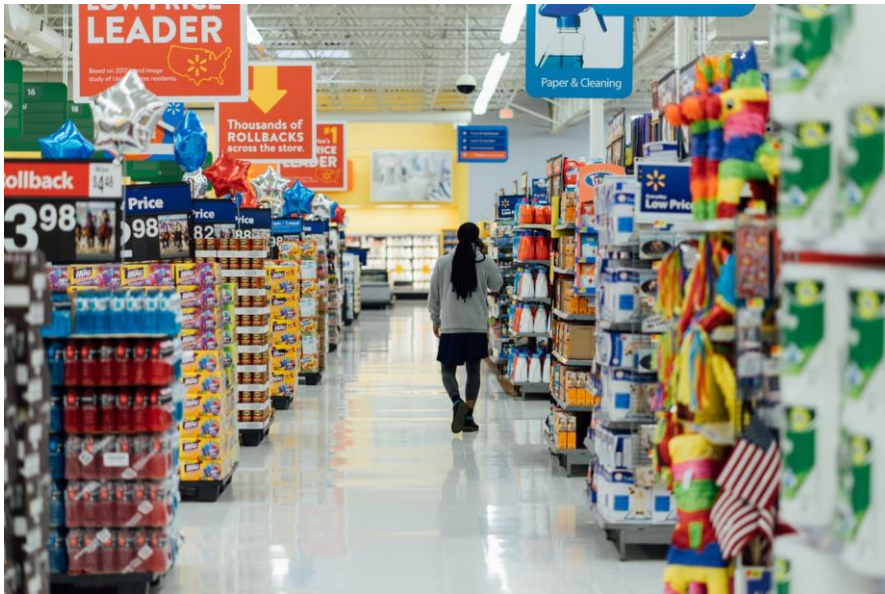


► The Commission's proposal will empower consumers to make informed and environment-friendly choices when buying products.

► Consumers will be better informed about how long the product is made to last and if it can be repaired. The new rules will also better protect consumers against misleading practices related to greenwashing or to early obsolescence of products.

# DURABİLİTY

The new rules will require traders to inform:

▶ if the producer of a consumer good offers a commercial guarantee of durability of 2+ years

▶ if the producer has not provided information on such guarantee, for energy-using goods

▶ if software updates are provided, for goods with digital elements, digital content and digital services

# REPARABİLİTY

The new rules will require traders to provide:

▶ information on the product's reparability score, where applicable, or

▶ other repair information given by the producer (availability of spare parts, repair manual, etc)

# A BAN ON GREENWASHİNG



**The new rules will require to:**

► ensure that traders do not mislead consumers about environmental and social impacts, durability and reparability of products

► ban making vague claims where environmental excellence cannot be demonstrated ('eco', 'green', etc.)

► ban making environmental claims about the entire product when they only concern parts of the product

► ban claiming that a good has a certain durability when it does not

# A BAN ON EARLY OBSOLESCENCE

The new rules will ban :

► not informing about: features (such as updates) introduced to limit durability and incompatibility of 'third party' consumables or spare parts

► inducing the consumer into replacing the consumables of good earlier than necessary

► wrongfully saying that products can be repaired, if they cannot be

► displaying sustainability labels which are not: based on an independent third party verification system established by public authorities

# Thanks for your attention.

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