

Circular economy 1.0 and 2.0: A comparison

When withdrawing the July 2014 circular economy package, the Commission pledged to put forward 'a more ambitious proposal.' The new package presented in December 2015 retains many elements from the initial one. Differences include somewhat lower waste-management targets, a weaker focus on food waste, and more detailed measures enabling a shift to a circular economy.

Background

Unlike the traditional linear economic model based on a 'take-make-consume-throw away' pattern, a circular economy is based on sharing, leasing, reuse, repair, refurbishment and recycling in an (almost) closed loop. In practice, this implies reducing waste to a minimum. Recognising the opportunities and the challenges a transition towards a circular model could bring, the European Commission put forward a circular economy package in July 2014.

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 the Commission subsequently withdrew the legislative proposal on waste included in the package. New legislative proposals, together with an action plan on the circular economy, were put forward on 2 December 2015.

Legislative proposals

Both 2014 and [2015 proposals](#) amend the same **six waste-related Directives** (Waste Framework Directive, Directives on landfilling, on packaging waste, on end-of-life vehicles, on batteries and accumulators, and on waste electrical and electronic equipment). The new proposals retain many elements, albeit sometimes slightly modified, from the 2014 proposal (e.g. streamlining of definitions, waste prevention, rules for calculating progress towards the targets, early warning system, and general requirements for 'extended producer responsibility schemes' whereby producers pay for the treatment of their products once they become waste). The new proposals set somewhat less ambitious waste-management targets (see Table 1 for details). They also further simplify reporting requirements and introduce new aspects (e.g. economic incentives supporting the waste hierarchy and clarification on end-of-waste status).

Table 1 – Waste management targets in 2014 and 2015 legislative proposals

	2014 proposal	2015 proposals
Municipal waste prepared for reuse and recycling	Target: 70% by 2030. Interim target for 2020: 50%. No derogation for specific Member States. No review foreseen.	Target: 65% by 2030. Interim target for 2025: 60%. Seven Member States are given five additional years to meet the targets. 2030 target to be reviewed by 2024.
Municipal waste landfilled	Binding 2025 target to landfill no more than 25% of municipal waste, together with ban on landfilling recyclable and compostable waste. Aspirational 2030 target: no more than 5% of municipal waste landfilled. No derogation for specific Member States. 2030 target to be reviewed by 2025.	Binding 2030 target to landfill no more than 10% of municipal waste, together with ban on landfilling separately collected waste. No interim target. Seven Member States are given five additional years to meet the target. 2030 target to be reviewed by 2024.

	2014 proposal	2015 proposals
Packaging waste prepared for reuse and recycling	Target: 80% by 2030. Interim targets for 2020 and 2025. Specific targets by material: plastic (60% from 2025), paper (90% from 2025), wood (80% from 2030), ferrous metal, aluminium, glass (90% from 2030).	Target: 75% by 2030. Interim targets for 2025. Specific targets by material: plastic (55% from 2025), wood (75% from 2030), paper, ferrous metal, aluminium, glass (85% from 2030).
Food waste	Aspirational target: 30% reduction in all sectors by 2025, compared with 2017.	No legislative target (but mention in action plan).

Communications

2014 communication: Towards a circular economy – A zero waste programme for Europe

The [communication](#) included in the 2014 package recommends two aspirational **targets**: increasing resource productivity – measured as gross domestic product relative to material consumption – by 30% by 2030 (compared with a 15% increase under a business-as-usual scenario), and reducing marine litter by 30% by 2020.

The measures outlined can be grouped into three **broad areas** besides waste management: design and innovation; financing; and consumer and business awareness. They combine smart regulation, market-based instruments, incentives, information exchange and support for voluntary approaches.

Planned measures include considering how to create an enabling policy framework, developing resource efficiency in the Ecodesign Directive, taking up innovative financial instruments, making EU funding available, preparing guidance on Green Public Procurement (GPP), launching broad stakeholder cooperation, supporting job creation and skills development, promoting research and innovation, and increasing the recycling of phosphorus (in particular in fertilisers).

2015 communication: Closing the loop – An EU action plan for the circular economy

The [action plan](#) included in the 2015 package drops the **target** on resource productivity, but retains the aspirational target on marine litter. On food waste, the Commission indicates that it is committed to the 2030 target set in the Sustainable Development Goals to 'halve per capita global food waste at the retail and consumer levels.'

The action plan highlights several **broad areas** besides waste management: production; consumption; markets for secondary raw materials and water reuse; innovation, skills and investments; and monitoring. In addition, it outlines specific measures in five priority sectors: 1) plastics, 2) food waste, 3) critical raw materials, 4) construction and demolition, 5) biomass and bio-based products.

Although **planned measures** include aspects already present in the 2014 communication (e.g. on the Ecodesign Directive, EU funding, GPP or fertilisers), the action plan generally goes into a greater level of detail on actions enabling a transition. Other measures include planned Commission reports (e.g. on waste-to-energy, plastics and critical raw materials), implementation efforts (e.g. on waste shipments and food donation), new indicators and standards (e.g. on recycling), support to businesses (e.g. on addressing possible regulatory obstacles).

Some measures proposed in both communications had already been mentioned in the 2011 Commission '[Roadmap to a Resource efficient Europe](#)', for instance strengthening requirements on GPP for products with significant environmental impacts, setting resource efficiency requirements under the Ecodesign Directive, and stimulating markets for secondary raw materials. Other measures mentioned in the roadmap include integrating resource efficiency aspects in the European Semester and considering how to take them into account in impact assessments of future policy proposals.

Stakeholders' views

Business associations, for instance [BusinessEurope](#) and [Eurochambres](#), generally welcomed the new package as better balanced and more holistic than the initial one. Environmental NGOs, for instance the [European Environmental Bureau](#) and [Friends of the Earth Europe](#), criticised the package for lowering waste management targets and not living up to the promise of more ambition.