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REPORT

on resource efficiency: moving towards a circular economy
(2014/2208(INI))

Committee on the Environment, Public Health and Food Safety

Rapporteur: Sirpa Pietikäinen

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on resource efficiency: moving towards a circular economy (2014/2208(INI))

The European Parliament,

- having regard to the Commission communication ‘Towards a circular economy: A zero-waste programme for Europe’ (COM(2014)0398),
- having regard to the Commission communication on ‘Resource efficiency opportunities in the building sector’ (COM(2014)0445),
- having regard to the Commission communication ‘Green Action Plan for SMEs: Enabling SMEs to turn environmental challenges into business opportunities’ (COM(2014)0440),
- having regard to the Commission communication entitled ‘A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy’ (COM(2015)0080),
- having regard to the Commission communication on ‘Building the Single Market for Green Products – Facilitating better information on the environmental performance of products and organisations’ (COM(2013)0196),
- having regard to the Commission communication on ‘Innovating for Sustainable Growth: A Bioeconomy for Europe’ (COM(2012)0060),
- having regard to the Commission communication on the ‘Roadmap to a Resource-Efficient Europe’ (COM(2011)0571),
- having regard to the Commission communication on ‘A resource-efficient Europe – Flagship initiative under the Europe 2020 strategy’ (COM(2011)0021),
- having regard to the Commission communication on ‘Europe 2020 – A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to its resolution of 12 December 2013 on eco-innovation – jobs and growth through environmental policy¹,
- having regard to its resolution of 14 January 2014 on a European strategy on plastic waste in the environment²,
- having regard to its resolution of 24 May 2012 on a resource-efficient Europe³,

¹ Texts adopted, P7_TA(2013)0584.

² Texts adopted, P7_TA(2014)0016.

³ Texts adopted, P7_TA(2012)0223.

- having regard to its resolution of 13 September 2011 on an effective raw materials strategy for Europe⁴,
 - having regard to the 7th Environment Action Programme,
 - having regard to the EU Sustainable Development Strategy (2006) and the 2009 review,
 - having regard to the Environment Council conclusions on ‘Greening the European semester and the Europe 2020 Strategy – Mid-term review’ of 28 October 2014,
 - having regard to the synthesis report by the European Environment Agency on ‘The European environment — state and outlook 2015’,
 - having regard to the Convention on Biological Diversity (CBD),
 - having regard to the UNEP (United Nations Environment Programme) Inquiry into the Design of a Sustainable Financial System,
 - having regard to the conclusions of the UNEP International Resource Panel on ‘Environmental Risks and Challenges of Anthropogenic Metals Flows and Cycles’ (2013),
 - having regard to the conclusions of the UNEP International Resource Panel on ‘Decoupling natural resource use and environmental impacts from economic growth’ (2011),
 - having regard to the opinion of the European Economic and Social Committee of 10 December 2014⁵,
 - having regard to the opinion of the Committee of the Regions of 12 February 2015⁶,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on Employment and Social Affairs and the Committee on Industry, Research and Energy (A8-0215/2015),
- A. whereas an unsustainable use of resources is the root cause of various environmental hazards, such as climate change, desertification, deforestation, loss of biodiversity and the weakening of ecosystem services; whereas the global economy uses the equivalent of 1.5 planets’ worth of resources to produce global output and absorb waste and this figure is estimated to reach the equivalent of two planets’ worth of resources by the 2030s;
- B. whereas Europe is more dependent on imported resources than any other region in the world and many resources will be exhausted in the relatively short term; whereas

⁴ Texts adopted, P7_TA (2011)0364.

⁵ Not yet published in the Official Journal.

⁶ Not yet published in the Official Journal.

Europe's competitiveness can be increased significantly by getting more added value out of resources in the economy and promoting a sustainable supply of materials from European sources; whereas, moreover, as a contribution to safeguarding the supply of raw materials, partnerships for innovation between industry and the waste management sector and research to increase the potential for recycling major raw materials ought to be stepped up;

- C. whereas the switch to a circular economy is essentially a matter of economics, concerning access to, or sustainable availability of, raw materials, the reindustrialisation and further digitalisation of Europe, the creation of new jobs and the challenges of climate change, energy insecurity and scarce resources; whereas investing in a circular economy can therefore be fully compatible with the Commission's jobs, growth and competitiveness agenda and has the potential to create a win-win situation for all stakeholders involved;
- D. whereas resource efficiency must also consider and be coherent with broader sustainability concerns, including environmental, ethical, economic and social dimensions;
- E. whereas the targets and definitive priority actions set out in the 7th Environment Action Programme are of a binding nature;
- F. whereas the Organisation for Economic Cooperation and Development (OECD) Environment Programme finds that 'environmental effectiveness of voluntary approaches is often questionable, and their economic efficiency is generally low'⁷;
- G. whereas moving to a circular economy requires systemic change, affecting all stakeholders in the value chain, and substantial innovations in technology, businesses and society as a whole;
- H. whereas citizens, small businesses and local public authorities play a special role in ensuring resource efficiency and promoting the decoupling of economic growth from resource consumption;
- I. whereas a properly functioning circular economy needs competitive businesses, and whereas businesses are themselves driving forces in the switch to a circular economy;
- J. whereas it is important to place SMEs at the core of the EU resource-efficiency strategy as they account for 99 % of EU enterprises and employ two thirds of the workforce;
- K. whereas an ambitious European circular economy package creates business opportunities, secures access to primary materials, prolongs their productive use (through reuse, remanufacturing, recycling or as spare parts), guarantees high-quality recycling processes once they reach their end of life, and treats all by-products and waste as valuable resource streams for further use;
- L. whereas the sustainable and responsible sourcing of primary raw materials is critical to

⁷ The OECD Environment Programme, 'Voluntary approaches to environmental policy', 2003.

achieving resource efficiency and meeting the circular economy objectives;

- M. whereas it is necessary to develop markets for secondary raw materials in order to achieve resource-efficiency objectives and a circular economy;
 - N. whereas Parliament has repeatedly called on the Commission to set indicators and legally binding targets for resource efficiency;
 - O. whereas the elimination of toxic chemical substances for which safer alternatives exist or will be developed in line with the legislation in force concerning chemicals has a central role to play in the establishment of a circular economy;
 - P. whereas the Eurostat data on the processing of urban waste in the EU 28 clearly show that there is still no level playing field in waste policy and that the implementation and enforcement of existing legislation presents significant challenges;
 - Q. whereas on average only 40 % of solid waste is reused or recycled, and the rest goes to landfill or incineration;
 - R. whereas production and consumption of agricultural food products accounts for a significant share of resource use, with significant impacts on the environment, public health, animal health and animal welfare; whereas sustainable solutions are needed to address food resource inefficiencies in a holistic manner;
 - S. whereas the cancellation of environmentally harmful subsidies, including direct and indirect subsidies to fossil fuels, would substantially reduce greenhouse gas emissions, help in the fight against climate change and allow the uptake of the circular economy;
1. Welcomes the Commission communication entitled ‘Towards a circular economy: A zero-waste programme for Europe’ (COM(2014)0398); endorses the Commission’s approach to designing and innovating for a circular economy, setting up a policy framework to support resource efficiency, setting a resource-efficiency target as outlined in the communication and outlining a specific policy framework to enable SMEs to turn environmental challenges into environmentally sustainable business opportunities; stresses that legislative measures are needed to move towards a circular economy, and calls on the Commission to come forward with an ambitious proposal on a circular economy by the end of 2015, as announced in its Work Programme for 2015;
 2. Emphasises that addressing resource scarcity requires reducing the extraction and use of resources and an absolute decoupling of growth from the use of natural resources – a systemic change which requires backcasting the actions needed from a 2050 sustainability perspective and taking immediate action;
 3. Highlights production and consumption as areas that must be tackled in a way that ensures coherence with broader sustainable development goals;
 4. Recalls that, despite improvements in the efficient use of resources that have already occurred, continuous growth in production has outstripped these gains in efficiency and resource extraction continues to rise dramatically worldwide, hence there is an urgent

need for an overall reduction in resource extraction and use in order to overcome the rebound effect; urges the Commission to propose measures accordingly;

5. Recalls that water, as both a natural resource used in production processes and a public good, should be considered when calculating raw material consumption figures and should be used in an efficient manner;
6. Stresses that improving resource use through better design requirements, and through waste legislation that ensures upward movement in the waste hierarchy (thereby fostering waste prevention, reuse, preparation for reuse and recycling), could bring substantial net savings for EU businesses, public authorities and consumers, estimated at EUR 600 billion, or 8 % of annual turnover, while also reducing total annual greenhouse gas emissions by 2-4 %; emphasises that increasing resource productivity by 30 % by 2030 could boost GDP by nearly 1 % and create 2 million additional sustainable jobs¹; recalls that resource efficiency is a priority objective of the 7th Environment Action Programme, which emphasises the need to stimulate production and consumer demand for environmentally sustainable products and services through policies that promote their availability, affordability, functionality and attractiveness;
7. Is convinced that improving resource efficiency requires both legislative measures and economic incentives, the internalisation of external costs and further funding of research and innovation, as well as social and lifestyle changes; points out that a variety of instruments are needed at various policy levels, taking account of subsidiarity;
8. Believes that implementing a full-scale circular economy requires the involvement of all relevant stakeholders, regions, cities, local communities, SMEs, NGOs, industry representatives, trade unions and citizens;
9. Calls on the Commission to involve local and regional authorities throughout the development of the circular economy package;
10. Stresses that public awareness, citizen perceptions and involvement are critical for a successful transition to a circular economy; notes that the necessary attention and resources should be devoted to education and information, to promote sustainable consumption and production models, and highlights the benefits of moving to a resource-efficient circular economy;
11. Points out that the transition to a circular economy requires a skilled workforce and that education and training have to take account of the need for green skills;
12. Emphasises that the EU has already put in place financial instruments which favour a more circular economy, in particular the Horizon 2020 programme and Life +, and that if these instruments are used properly they could help to promote eco-innovation and industrial ecology in the Member States and regions of the EU;
13. Stresses that legal certainty and long-term predictability are key to unlocking the

¹ Commission communication of 2 July 2014 entitled 'Towards a circular economy: a zero waste programme for Europe' (COM(2014)0398).

potential of the European Fund for Strategic Investments for the circular economy in order to channel investments towards a sustainable economy;

14. Highlights that a transition towards a sustainable and circular economy should combine ambitious environmental goals with strong social requirements, including the promotion of decent work and healthy and safe working conditions (i.e. ensuring that workers are not exposed to harmful substances in the workplace);
15. Stresses the need to establish a more coherent legal framework for sustainable production and consumption, covering the complete production cycle from sustainable sourcing until end-of-life recovery;

Indicators and targets

16. Stresses that by 2050 the EU's use of resources needs to be sustainable and that this requires, inter alia, an absolute reduction in the consumption of resources to sustainable levels, based on reliable measurement of resource consumption throughout the entire supply chain, strict application of the waste hierarchy, implementation of a cascading use of resources, notably in the use of biomass, responsible and sustainable sourcing, creating a closed loop on non-renewable resources, increasing the use of renewables within the limits of their renewability, phasing out toxic substances, in particular where safer alternatives exist or will be developed in line with current legislation on chemicals, so as to ensure the development of non-toxic material cycles, and improving the quality of ecosystem services;
17. Recalls that back in 2012 Parliament already called for clear, robust and measurable indicators for economic activity that take account of climate change, biodiversity and resource efficiency from a lifecycle perspective and for the use of these indicators as a basis for legislative initiatives and concrete reduction targets;
18. Urges the Commission to propose, by the end of 2015, a lead indicator and a dashboard of sub-indicators on resource efficiency, including ecosystem services; points out that the use of these harmonised indicators should be legally binding as of 2018, and they should measure resource consumption, including imports and exports, at EU, Member State and industry level and take account of the whole lifecycle of products and services and should be based on the footprint methodology, measuring at least land, water and material use and carbon;
19. Urges the Commission to propose, by the end of 2015, a binding target to increase resource efficiency at EU level by 30 % by 2030 compared with 2014 levels, as well as individual targets for each Member State; stresses that, before resource-efficiency targets can be implemented, they must be underpinned by indicators;
20. Urges the Commission to promote the use of resource-efficiency indicators through international conventions in order to allow comparability between industries and economies and to ensure a level playing field, and to support dialogue and cooperation with third countries;
21. Stresses that these indicators should be included in the European Semester and in all

impact assessments;

Product policy and ecodesign

22. Stresses the importance of a well-thought-out product policy that increases products' expected lifetime, durability, reusability and recyclability; points out that the amount of resources used by a product over its lifetime and its reparability, reusability and recyclability are largely determined during the design phase; calls on the Commission to promote a lifecycle-oriented approach in product policies, in particular by establishing harmonised methods for evaluating products' environmental footprints;
23. Calls on the Commission, in this respect, to present an ambitious work programme, and to comprehensively and ambitiously implement the ecodesign requirements of the existing Ecodesign Directive in new and updated implementing measures, starting with the immediate adoption of measures already drafted;
24. Urges the Commission to propose a review of ecodesign legislation and other relevant product policy legislation by the end of 2016, based on an impact assessment, incorporating the following essential changes: broadening the scope of ecodesign requirements to cover all main product groups, not only energy-related products; gradually including all relevant resource-efficiency features in the mandatory requirements for product design; introducing a mandatory product passport based on these requirements; implementing self-monitoring and third-party auditing to ensure that products comply with these standards; and defining horizontal requirements on, inter alia, durability, reparability, reusability and recyclability;
25. Calls on the Commission to assess, on the basis of a cost-benefit analysis, the possibility of establishing minimum recycled material content in new products in connection with the future revision of the Ecodesign Directive;
26. Urges the Commission to develop measures against planned obsolescence and to further develop a set of product standards for the circular economy, which include refurbishment and repair, facilitating dismantling, and the efficient use of raw materials, renewable resources and recycled materials in products;
27. Recalls that the availability of standardised and modular components, disassembly planning, long-duration product design and efficient production processes have an important role to play in a successful circular economy; urges the Commission to take relevant actions to ensure that products are durable and easy to upgrade, reuse, refit, repair, recycle and dismantle for new resources, and that parts containing hazardous substances are clearly identified in product manuals to facilitate separation of those parts prior to recycling; asks the Commission in this connection to come up with a definition of bio-based products requiring a minimum renewable material content of 50 %;
28. Urges the Commission to propose requirements on information on what resources a product contains and on the expected lifetime of the product, without placing an excessive administrative burden on SMEs; stresses that this information should be in a format that is easily accessible to consumers and businesses, to facilitate informed

decision-making and the repair and recycling of products; notes that it is crucial to raise consumers' awareness and increase their proactive role;

29. Calls on the Commission to propose the extension of minimum guarantees for consumer durable goods, in order to extend the products' expected lifetime, and to clarify that, in accordance with Directive 1999/44/EC, sellers of consumer goods should examine the defects during the first two years of the legal guarantee and only charge the consumer for it if the defect has been caused by improper use;
30. Calls on the Commission to propose appropriate measures on the availability of spare parts so as to ensure the reparability of products during their lifetime;
31. Calls on the Commission, the Member States and the European Chemicals Agency (ECHA) to step up their efforts to substitute substances of very high concern and to restrict substances that pose unacceptable risks to human health or the environment in the context of REACH, not least as a means to fulfil the requirement of the 7th Environment Action Plan to develop non-toxic material cycles so that recycled waste can be used as a major, reliable source of raw material within the Union; calls, in this respect, on the Commission to immediately drop its unilateral moratorium on the processing of recommendations by ECHA with regard to the inclusion of substances of very high concern in Annex XIV to REACH, and instead proceed swiftly with the inclusion of such substances; stresses in accordance with the waste hierarchy that prevention takes priority over recycling and that, accordingly, recycling should not justify the perpetuation of the use of hazardous legacy substances;
32. Calls on the Commission and the Member States to step up their efforts to substitute hazardous substances in the context of Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment with a view to establishing non-toxic material cycles;
33. Urges the Member States to carry out effective market surveillance to ensure that both European and imported products comply with the requirements as regards product policy and ecodesign; urges the Member States, in order to ensure this effective market surveillance, to advance without delay in the legislative procedure on the review of the market surveillance regulation; notes that any further delay would harm the interests of businesses and citizens;

Towards zero waste

34. Highlights the Commission's analysis that shows that adopting new waste targets would create 180 000 jobs, make the EU more competitive and reduce demand for costly

scarce resources²; regrets the withdrawal of the legislative proposal on waste³, but sees in Vice-President Timmerman's announcement at Parliament's part-session in December 2014 the opportunity for a new and more ambitious Circular Economy Package;

35. Urges the Commission to submit the announced proposal on the review of waste legislation by the end of 2015, diligently applying the waste hierarchy, and to include the following points:
- clear and unambiguous definitions;
 - developing waste prevention measures;
 - setting binding waste reduction targets for municipal, commercial and industrial waste to be achieved by 2025;
 - setting clear minimum standards for extended producer responsibility requirements to ensure transparency and cost effectiveness of the extended producer responsibility schemes;
 - applying the 'pay-as-you-throw-principle' for residual waste combined with mandatory separate collection schemes for paper, metal, plastic and glass in order to facilitate the high quality of recycling materials; introducing mandatory separate collection for biowaste by 2020;
 - increasing recycling/preparation for reuse targets to at least 70 % of municipal solid waste and 80 % recycling of packaging waste by 2030, based on a solid reporting method preventing the reporting of discarded waste (landfilled or incinerated) as recycled waste, using the same harmonised method for all Member States with externally verified statistics; an obligation for recyclers to report on the 'input' quantities of waste going into the sorting plant as well as on the 'output' quantity of recyclates coming out of the recycling plants;
 - strictly limiting incineration, with or without energy recovery, by 2020, to non-recyclable and non-biodegradable waste;
 - a binding, gradual reduction of all landfilling, implemented in coherence with the requirements for recycling, in three stages (2020, 2025 and 2030), leading to a ban on all landfilling, except for certain hazardous waste and residual waste for which landfilling is the most environmentally sound option;
 - introducing fees for landfilling and incineration;
36. Stresses the importance and added value of European waste policy targets, not only in terms of legal certainty, predictability and the creation of a level playing field in the internal market, but also in terms of ensuring that the living environment of all EU citizens is protected and improved;
37. Calls on the Commission to put forth the same targets for all the Member States so as to ensure an equally high level of environmental protection across the EU and so as not to

² Commission staff working document of 2 July 2014 containing an executive summary of the impact assessment accompanying the proposal for a directive amending the waste directives (COM(2014)0397) (SWD(2014)0208).

³ Proposal for a directive of the European Parliament and of the Council amending Directives 2008/98/EC on waste, 94/62/EC on packaging and packaging waste, 1991/31/EC on the landfill of waste, 2000/53/EC on end-of-life vehicles, 2006/66/EC on batteries and accumulators and waste batteries and accumulators, and 2012/19/EU on waste electrical and electronic equipment (COM(2014)0397).

undermine the single market;

38. Urges the Commission to ensure that existing waste legislation and targets are completely and properly implemented, including in particular the obligation of separate collection schemes, to ensure that the Member States increase their efforts to reach existing targets and to establish measures to support the Member States in putting in place the right instruments to achieve the targets within the deadlines;
39. Highlights that, in order to make best use of available waste management capacities in the EU, better planning and information sharing is necessary to avoid overcapacities;
40. Calls on the Commission to further investigate the feasibility of proposing a regulatory framework for enhanced landfill mining so as to permit the retrieval of secondary raw materials that are present in existing landfills and to examine the development of an environmental permit system for the recycling industry;
41. Calls on the Commission to ensure greater transparency and better controls in order to avoid shipping of waste to countries with lower environmental and social standards than those in the EU;
42. Calls on the Commission, together with the Member States, to step up its efforts to counteract the illegal export of post-consumer waste;
43. Calls on the Commission to lay down in the Waste Framework Directive minimum requirements for national waste prevention programmes and to draw up a set of targets and indicators capable of rendering the individual performance of the Member States comparable;
44. Urges the Commission to address the specific waste challenges and to take action as outlined in the Commission communication on a circular economy (COM(2014)0398); encourages the Member States and the Commission to ensure that EU funds are mobilised to help achieve integrated waste management objectives such as separate collection and the development of recycling infrastructure;
45. Urges the Commission to propose a target to reduce marine litter by 50 % by 2025 compared with 2014 levels;
46. Stresses the need to formulate targets for the collection and recycling of specific critical metals in the light of their growing scarcity and with a view to reducing dependency;
47. Calls on the Commission to propose, by the end of 2015, targets, measures and instruments to efficiently tackle food waste, including setting a binding food waste reduction target of at least 30 % by 2025 in the manufacturing, retail/distribution, food service/hospitality sectors and the household sector; calls on the Commission, when conducting an impact assessment on new relevant legislative proposals, to evaluate their potential impact on food waste;

Sustainable buildings

48. Welcomes the Commission communication on ‘Resource efficiency opportunities in the building sector’ (COM(2014)0445); considers that an approach to construction based on a roadmap and its long-term targets is needed;
49. Calls on the Commission to propose the full implementation of the circular economy principles and requirements in the building sector and to further develop the policy framework on resource efficiency in buildings – this includes developing indicators, standards and methods and quality requirements as regards land use and urban planning, architecture, structural engineering, construction, maintenance, adaptability, energy efficiency, renovation and reuse and recycling; points out that targets and indicators on sustainable buildings should also include green infrastructure such as green roofs; stresses the importance of a holistic vision for Europe’s building stock, with clear and ambitious objectives for the medium and long term and roadmaps for the implementation of this vision;
50. Considers that indoor air quality and the well-being and social needs of users should be integrated into the sustainability assessment of buildings;
51. Calls on the Commission to develop, within the framework of the general indicators on resource efficiency, indicators to assess the sustainability of buildings over their entire lifecycle, using existing standards and methods and on the basis of an environmental, economic and social sustainability approach;
52. Urges the Commission to propose that BAT (best available technologies) principles and standards be applied to all materials and parts of buildings, and to develop a building passport based on the whole lifecycle of a building; considers that the building passport should increase transparency and contain information to facilitate maintenance, repair, renovation and recycling;
53. Considers that, as 90 % of the 2050 built environment already exists, special requirements and incentives should be set for the renovation sector in order to have mainly energy-positive buildings by 2050; calls on the Commission, therefore, to develop a long-term strategy for the renovation of existing buildings and to upgrade the role of national renovation strategies introduced by Directive 2012/27/EU on energy efficiency;
54. Urges the Member States to facilitate the improvement of recycling through the development of infrastructure for selective collection and recycling in the construction industry;
55. Calls on the Commission and the Member States to look into the potential of predemolition audits (which is an assessment of a building before deconstruction or demolition to describe the materials present and to define which fractions could be separated for recycling) and on-site sorting of recyclable materials (on-site sorting usually delivers secondary raw materials of higher purity than off-site recycling and can help to reduce the environmental impact of transport, for example by crushing/compacting on site);
56. Notes that concrete is one of the most used materials in the construction industry; calls

on the Commission to assess the possibilities of increasing recycling of concrete in construction, as is the case in Germany and Switzerland;

Developing markets for secondary raw materials

57. Calls on the Commission to develop measures to incentivise and facilitate the development of markets for high-quality secondary raw materials and the development of business based on the reuse of secondary raw materials;
58. Considers that a long-term and predictable policy framework will help to stimulate the level of investment and action needed to fully develop markets for greener technologies and promote sustainable business solutions; stresses that resource-efficiency indicators and targets underpinned by robust data collection would provide the necessary guidance for public and private decision-makers in transforming the economy;
59. Stresses that it is important that the Commission and the Member States promote the creation of industrial symbiosis programmes that support industrial synergies for reuse and recycling and that help companies – particularly SMEs – discover how their energy, waste and by-products can serve as resources for others; points to similar concepts, such as ‘cradle-to-cradle’ and industrial ecology;

Other measures

60. Calls on the Commission to propose compulsory green public procurement procedures; considers that reused, repaired, remanufactured, refurbished and other sustainable and resource-efficient products and solutions are to be preferred in all public procurement, and if they are not preferred, the ‘comply or explain’ principle should apply;
61. Stresses the need for a fiscal framework that is in accordance with the ‘polluter pays’ principle, providing the right signals for investment in resource efficiency, the modernisation of production processes and the manufacturing of more repairable and durable products (such as lower taxes on repair service activities and higher taxes on resource-intensive, non-recyclable and single-use products); calls for progress in this area to be pursued by the Member States as part of the European Semester process¹;
62. Urges the Commission to study and propose measures related to taxation, such as reduced VAT on recycled, reused and resource-efficient products;
63. Urges the Commission and the Member States to fully implement the Green Action Plan for Small and Medium-sized Enterprises;
64. Urges the Commission to develop a policy framework on nutrients in order to enhance recycling, foster innovation, improve market conditions and mainstream their sustainable use in EU legislation on fertilisers, food, water and waste;
65. Urges the Commission to present the communication on sustainable food, which has been postponed several times since 2013, during the first half of 2016; stresses that, as

¹ Budget Europe, 2015, Country-Specific Recommendations in Support of the European Semester Process, page 6, http://www.foes.de/pdf/2015-02-25_CSR%20Recommendations_FINAL.pdf.

the production and consumption of food accounts for a significant share of resource use, that communication should holistically address resource inefficiencies in the food chain and encourage the development of a sustainable food policy; calls on the Commission to assess increasing the use of environmentally friendly food packaging, including an assessment of the feasibility of gradually replacing food packaging with bio-based and biodegradable, compostable material in accordance with European standards;

66. Calls on the Commission to establish a permanent resource-efficiency platform, including all relevant stakeholders, so as to encourage and facilitate the application of the latest research findings, the exchange of best practices and the emergence of new industrial synthesis and industrial ecosystems;
67. Calls on the Commission to establish a cross-sectorial, inter-DG sustainable financing working group in order to include the resource-efficiency indicators in company-level integrated reporting and accounting while respecting the confidentiality of certain business information; further calls on the Commission to examine how to incorporate resource-efficiency and environmental risks in, inter alia, credit ratings and capital requirements of banks, to develop a comprehensive insurance system for environmental hazards and to set out information requirements for investment products, with a due impact assessment; believes that the Commission would benefit from cooperating with UNEP's 'Inquiry into the Design of a Sustainable Financial System' in that regard; calls on the Commission to study existing voluntary initiatives in the Member States with a view to a possible exchange of best practice;
68. Calls on the Commission, given that the sustainable and responsible sourcing of primary raw materials is critical for achieving resource efficiency and meeting the circular economy objectives, to review the policy recommendations of the European Resource Efficiency Platform for the development of sustainable sourcing standards for priority materials and commodities; notes, in this respect, the joint support of Parliament and the Council for the Commission's proposals on responsible sourcing of metals and minerals from conflict zones;
69. Calls on the Commission to review its definition of 'critical' raw materials, taking better into account environmental impacts and risks related to their extraction and processing as well as their potential for substitution by secondary materials;
70. Stresses that all EU funding, including funding through the European Fund for Strategic Investment (EFSI), Horizon 2020, cohesion funds and the European Investment Bank, must be mobilised to promote resource efficiency, in line with the waste hierarchy, and urges the Commission and the Member States to phase out all environmentally harmful subsidies, including those for the generation of energy from the biodegradable fraction of industrial and municipal waste by incineration pursuant to Directive 2009/28/EC on the promotion of energy from renewable sources and direct and indirect subsidies for fossil fuels;
71. Calls for funding allocated from the EU Programme for the Competitiveness of Enterprises and SMEs (COSME), Horizon 2020 and the European Structural and Investment Funds to be more focused on developing sustainable, innovative and resource-efficient solutions and new business models (such as leasing or product-service

systems), and on improving product design and material efficiency in product and process performance;

72. Underlines how research and innovation are essential to support the transition towards a circular economy in Europe, and that it is necessary to contribute, within Horizon 2020, to research and innovation projects that can demonstrate and test in the field the economic and environmental sustainability of a circular economy; stresses, at the same time, that, by adopting a systemic approach, these projects can facilitate the drafting of a regulation that is innovation-conducive and easier to implement, by identifying possible regulatory uncertainties, barriers and/or gaps that can hamper the development of business models based on resource efficiency;
73. Asks the Commission to use the digital agenda and information technology to their full potential to promote resource efficiency and the switch to a circular economy;
74. Highlights that the EU has an open economy, engaged in imports and exports in a global market; draws attention to the need to address the global challenge of resource depletion also at international level; calls on the Commission and the Member States to actively support the work of the International Resource Panel within the United Nations Environment Programme (UNEP), investigating the world's critical resource issues and developing practical solutions for policy-makers, industry and society;
75. Calls on the Commission to take the necessary action at international level to improve the traceability of products;
76. Stresses that increasing energy efficiency can reduce the EU's energy dependence and energy poverty, which affects some 125 million European citizens; observes that it is worth regarding energy efficiency as a separate energy source, the growth of which contributes substantially to the development of EU industry, job creation and the moderation of people's energy bills;
77. Urges the Commission to examine whether existing and envisaged legislation is hindering the circular economy, existing innovative business models or the emergence of new ones, such as a lease economy or sharing/collaborative economy, or whether there are financial or institutional barriers in this respect; urges the Commission to improve such legislation and address such barriers where necessary; calls on the Commission to review related legislation with a view to improving the environmental performance and resource efficiency of products throughout their lifecycle and to increasing consistency between existing instruments and developing a frontrunner approach;
78. Asks the Commission to clarify relevant aspects of EU competition policy in relation to the circular economy, notably to clarify the trade-off between risks of market collusion and the need to deepen cooperation between manufacturers and their suppliers;
79. Calls on the Commission to report back to Parliament about all the measures outlined above and to propose next steps by 2018;

80. Instructs its President to forward this resolution to the Council, the Commission and the national parliaments.

EXPLANATORY STATEMENT

Resource efficiency urgency

The unsustainable use of resources is both causing environmental damage and posing an economic risk. The global economy uses the equivalent of 1.5 planets worth of resources to produce global output and absorb waste. By the 2030's this figure is estimated to reach two planets.

The annual consumption of minerals, fossil fuels and biomass is projected to double by 2050, reaching 140 million tonnes. This is a result of a combination of population growth, more disposable income, more product diversity than before and shorter product lifespan.

To continue in this course would lead to an ecological and economic impasse.

Humanity is already exceeding a number of planetary boundaries that we need to stay within to avoid the tipping point of negative ecological changes. Ecological implications are multiple and in many cases irreversible: climate change, deforestation, desertification, degradation of soil, loss of biodiversity, diminishing genetic diversity and weakening of ecosystem services.

To avoid these changes in our biosphere we need to use less resources. We can and we have to reach at least the same standard of living and well-being as now with one tenth of the resources now used. We can improve our competitiveness, reindustrialise Europe and enhance our standards of living only by decoupling economic growth from resource use.

Europe is more dependent on imported resources than any other region in the world. 40 percent of all material used in the EU is imported. For some strategic resources, such as metal ores and nutrients, the percentage is even higher. 92 percent phosphorus, which is crucial for European agriculture, is imported, most of it from Russia, Syria, Morocco and Tunisia.

Improving resource efficiency would benefit our economy and security. Using resources more efficiently would reduce resource dependency and bring savings in material costs. On top of that, it would create new business activity and jobs to Europe. Increasing resource productivity by 2 percent yearly would create 2 million new jobs in the EU by 2030, according to the estimations of the European Commission.

This is a win-win scenario. Resource efficiency is a solution to the ecological dilemma we are faced with and to the economic challenges Europe is struggling with.

A paradigm shift

Increasing resource efficiency is based on six core concepts: circular economy, cascading use of resources, waste hierarchy, extended producer responsibility, industrial symbiosis and new business models.

1. Improving resource efficiency means shifting away from the current linear economy, characterised by a take-make-consume-dispose model of production and consumption. In a circular economy practically all unrenovable materials circulate in closed loops. Post-consumer waste is effectively collected, recycled and used to make new products. In a circular economy waste is ‘designed out’ of the system. Virgin raw materials – renewable or unrenovable – are used only where secondary raw materials are not available. Renewable resources are used within the boundaries of sustainability and the carrying capacity of ecosystems.

2. Cascading use of resources is a way of maximising resource efficiency. It entails a systematic effort to first exploit materials for higher added value products and to then use them multiple times as resources in other product categories.

3. Through waste hierarchy (prevention, re-use, recycling, recovery, disposal) maximum benefits are extracted from products by generating practically no waste and ultimately reaching a zero waste economy.

4. Extended producer responsibility means that producers are responsible for the end-of-life management of their products. Retailers could be considered to only sell the services provided by the products – the product remains in the producers’ ownership, and at the end of its life, it is their responsibility to manage the product in accordance with existing regulations.

5. In an industrial symbiosis, producers collaborate to use each other’s by-products.

6. New business models emerge to improve resource efficiency. One example of new resource- efficient business models is lease economy, which means selling and maintaining the service function of the product instead of selling the product itself. Leasing creates a stable income flow for the companies and incentivises both companies and clients to reduce the resource use and to keep the product in good quality.

Legislative and economic incentives create the needed leverage

Current policies do not sufficiently focus efforts towards this paradigm shift. Europe is locked in a system where valuable materials, many of which come at a high environmental and social cost, end up in landfill or incineration. There is not yet a functioning market for secondary raw materials.

To change this, both legislative and economic incentives are needed to create leverage, for example:

- Supporting innovation as regards resource-efficient products and services through various funding mechanisms.
- Supporting the demand for such products through public procurement and environmentally friendly taxation, and introducing fees that discourage the consumption of products and services that are not resource-efficient.
- Imposing ecological design requirements on products, for example through a sound Ecodesign Directive. Making sure that imported goods equally comply with these requirements and substantially improving our currently lax market surveillance are prerequisites to ensuring the resource efficiency of products.
- Making sure that the existing legislation does not hinder the development of resource-efficient products or services or business models. Such hindrances can be found for example in legislation concerning safety and competition.
- Phasing out environmentally harmful subsidies (for example grants from cohesion funds for building new landfills or incineration plants).

Financial and economic legislation fails to incorporate the value of ecosystem services and biodiversity and to take ecological and social risks into account. Such risks are also an economic risk for long-term financial performance that is not reflected in conventional financial analysis. That leads to misallocation of capital.

Better accountability of the systemic risks caused by environmental degradation and resource overuse and inaction posed by the current short-term market trajectories should be integrated in financial statements, accounting regulation and integrated reporting. Resource scarcity and environmental risks should be incorporated in financial legislation inter alia concerning credit ratings, capital requirements, insurances, financial product information, accounting and auditing. Capital markets can be reoriented towards long-term sustainability through the integration of environmental, social and governance factors. High environmental risks should be reflected in higher capital requirements.

A clear new policy framework is also needed to enable private and institutional investors to change their investment paradigm towards long-term sustainable investments. Policy makers must deliver the necessary legal certainty for resource-efficient investments and business strategies to be created.

Instead of a contradiction, there are mutual interests and benefits between business and the environment. The tension in all industries is between companies that base their business on innovation and resource efficiency and those that are locked into policies and market conditions shaped for past conditions.

European reindustrialisation can be based only on resource-efficient and innovative businesses. The change has to start urgently to avoid getting locked into resource-inefficient structures.

Sustainable Buildings

Buildings represent 40 percent of the EU's final energy use, and 36 percent of the CO₂ emissions. That is why a special focus on the resource efficiency of the built environment and buildings is needed.

'Sustainable buildings' is a concept sometimes reduced to cover only material choices or energy efficiency. However, the concept is much broader. For buildings to be sustainable, the whole lifecycle of buildings has to be addressed, from architectural planning, structural engineering and design to construction and material choices to operation, modification and renovation to the ultimate disposal. We also need intelligent and sustainable land use planning and green infrastructure to be incorporated into the framework for sustainable buildings. Urban planning and transportation solutions also have a key role when building a sustainable society.

When setting standards for sustainable buildings, a high level of ambition is needed. Renovations are carried out fairly rarely, so it is in the interest of the society and the owner of the building to 'get it right'. All renovations that take place now should aim at the highest achievable level of resource efficiency.

As 90 percent of the resident dwelling stock of 2050 already exists, ambitious policies supporting renovations of existing buildings are decisive for a future high-performing resource-efficient built environment. Renovations would bring about multiple benefits on a wide array of issues such as indoor air quality and an increased demand for SME's that form the majority of the European renovation sector, and which is a sector that cannot delocalise its jobs from Europe.

There is still great inconsistency across the sector as regards the definition of sustainable building and construction materials. The concept of sustainable buildings is weak due to the lack of harmonisation, which incurs high cost, lack of confidence, complex communication and almost impossible benchmarking for the whole sector.

Obstacles to tapping the potential of the resources contained in buildings are often economic: it is cheaper to landfill than to collect, sort and recycle. Furthermore, a recycling infrastructure is lacking in many Member States.

Incentives and obligations would lead to better planning of resource use and sustainable material choices along the whole lifecycle.

Measuring the progress

Effective resource management requires measurement, and measurement requires commonly agreed indicators and the participation of all parties.

The European Union must therefore develop a binding lead indicator on resource efficiency. However, a lead indicator is not sufficient to measure the progress. It needs to be complemented with sub-indicators on the different aspects of resource efficiency. Sub-indicators make it easier to see which trade-offs are the most cost-efficient and reasonable.

The importance of indicators is easy to understand when one thinks of accounting. Companies announce their accounted earnings periodically, as reported based on accounting standards. The number on accounted earnings shows the amount of money a company has earned during a given period. Several financial sub-indicators make it possible to see what caused the deficits or created the profits of a company.

If each company reported their financial flows according to their own preferred systems and if this reporting was voluntary, none of that data would be comparable or meaningful. For similar reasons, indicators on resource efficiency are useful. The resource consumption of each Member State as well as resource consumption of public and private sectors should be measured in a uniform manner. The indicators should take into account also imports, not only domestically produced goods. At the level of companies, resource accounting means developing similar methods as in financial accounting.

Based on the indicators, the EU must set an ambitious lead target for resource efficiency and leave a broad range of options for innovative business models and policy choices.

1.6.2015

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Environment, Public Health and Food Safety

on resource efficiency: moving towards a circular economy
(2014/2208(INI))

Rapporteur: Tiziana Beghin

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Regrets the withdrawal of the circular economy legislative package, the provisions of which would have contributed to creating up to 180 000 jobs in the EU waste management sector alone, and urges the Commission to present a balanced new proposal by the end of 2015 which is at least as ambitious as the initial one, accompanied by a thorough impact assessment and with a focus on the issue that waste would not be created in the first place;
2. Points out the fact that the environmental services sector has shown strong resilience even in the years of the economic crisis, and stresses that a well-developed circular economy has the potential to generate millions of new non-relocatable jobs across Europe requiring different levels of skills, while respecting workers' rights and collective agreements; points out that in order to achieve its full potential, this requires a shift in societal understanding as regards the crucial importance of resource efficiency; stresses that governments need to ensure a coherent and integrated policy approach to support this change, and that opportunities to acquire the new skills needed for the circular economy should be created;
3. Emphasises that a circular economy will lead to sustainable and inclusive growth and have lasting beneficial effects on the labour market, enabling the creation of quality and sustainable jobs and stimulating innovation; considers that a genuine European industrial policy, based on economic and environmental sustainability and aimed at overcoming the 'take-make-consume-throw away' business model, is an essential achievement;
4. Insists that a circular economy produces dispersed, non-centralised jobs, thereby supporting SMEs, helping to tackle the issue of high unemployment in poor regions which have been affected by globalisation and deindustrialisation, reducing inequality and

achieving the objectives of EU cohesion policy; stresses the importance of the role of local and regional authorities in planning for and supporting such development;

5. Recognises the important role played by social enterprise, not least in terms of improving work opportunities for those excluded from the labour market, for example in the repair and reuse sector; believes that ecodesign which assists repair, reuse and recycling is an integral part of the circular economy;
6. Stresses that while circular economy activities are not intensive in their use of resources, they are intensive in the use of labour compared to a conventional economy, and thus have a high potential for job creation; calls on Member States to provide for comprehensive protection of employees' occupational health, particularly in sectors where products containing particularly hazardous constituents are recycled; notes that these activities ought therefore to be assigned priority in European investment, particularly from the European Fund for Strategic Investments (EFSI);
7. Believes that investing in landfills and waste incineration diverts resources that could be invested in job-creating activities such as waste prevention, reuse, repair and preparation for reuse; calls on the Commission to ensure that funding under EU cohesion policy targets circular economy activities and is not assigned to landfills and waste incineration;
8. Believes that a circular economy is one of the main elements which will offset the decline in skilled jobs and mid-level occupations and create lasting jobs requiring high levels of professional skill, for example in research and development and in planning work throughout a product's life cycle;
9. Stresses that an effective and job-rich transition to the circular economy requires anticipation (i.e. identification of skills gaps), proactive transformation management and long-term planning, also in a reindustrialisation context, especially in the areas most hit by the economic crisis; notes, therefore, the importance of education, vocational training and requalification of workers, especially in resource-efficient sectors, and the importance of social dialogue on the circular economy agenda; calls for measures that will improve the quality of information, advice and guidance available on careers and the skills needed to capitalise on employment opportunities provided by the circular economy;
10. Notes that, in a transition towards a circular economy, internal transformation and redefinition of jobs may affect sectors with a high share of emissions; calls, in consequence, on the Member States and the Commission to work in conjunction with the social partners and develop the necessary roadmaps and appropriate solidarity mechanisms (i.e. financial support, financial incentives for entrepreneurial initiatives, and use of existing EU funds for retraining and up-skilling) to offset the adverse impact of the transition on all the parties involved, mainly on certain categories of workers and socially vulnerable groups;
11. Strongly believes that the shift to a circular economy requires decisive action and incentives by both the Member States and the Commission; calls on the Member States and the Commission to put in place a sound regulatory environment and establish appropriate policies for reuse, repair and preparation for reuse; encourages Member-States to put in place fiscal incentives that stimulate the development of a circular economy, such

as shifting the tax burden away from labour and differentiating VAT rates in accordance with the waste hierarchy, thus making resource efficiency, recycling, renovation and reuse more attractive and contributing to generating job-rich growth; stresses that the actions undertaken must on no account result in cuts in employees' social insurance coverage and must respect workers' social protection rights;

12. Calls on Member States to promote the circular economy among local, regional and municipal authorities, which represent the most relevant scale on which to perform the associated activities on a long-lasting basis;
13. Stresses the need to reduce the administrative burden for businesses, particularly SMEs and micro-enterprises, which constitute 99 % of businesses in the Union and create more than 85 % of jobs on the continent, whilst maintaining the same social rights for workers; recalls that, as part of a proactive approach, tax incentives and facilitation of access to credit for undertakings in the sector may be important levers;
14. Highlights that a transition towards a sustainable and circular economy should combine ambitious environmental goals with strong social requirements, including the promotion of decent work and healthy and safe working conditions (i.e. ensuring that workers are not exposed to harmful substances at their workplace);
15. Recalls the importance of simplifying reporting obligations for Member States, including streamlining calculation methods for municipal, landfill and packaging waste targets;
16. Calls on the Commission to ensure that social and environmental issues are taken into consideration in public procurement procedures, which is vital in order to promote sustainable development and the transition to a circular economy;
17. Calls on the various operators to develop public-private partnerships to optimise the establishment of a circular economy on several fronts;
18. Recalls that the appropriate management of hazardous waste remains problematic, particularly for the health and safety of workers; welcomes in this connection the desire to enhance record-keeping and traceability through the setting-up of hazardous waste registries and identifying capacities and bottlenecks in Member States' management systems; calls on the Member States and the Commission to introduce all necessary instruments to protect workers who come into contact with dangerous substances.

RESULT OF FINAL VOTE IN COMMITTEE

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|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date adopted | 28.5.2015 |
| Result of final vote | +: 50 -: 0 0: 0 |
| Members present for the final vote | Laura Agea, Guillaume Balas, Brando Benifei, David Casa, Ole Christensen, Agnes Jongerius, Jan Keller, Agnieszka Kozłowska-Rajewicz, Zdzisław Krasnodębski, Jean Lambert, Jérôme Lavrilleux, Patrick Le Hyaric, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Anthea McIntyre, Joëlle Mélin, Elisabeth Morin-Chartier, Emilian Pavel, Georgi Pirinski, Terry Reintke, Claude Rolin, Anne Sander, Sven Schulze, Siôn Simon, Jutta Steinruck, Yana Toom, Ulrike Trebesius, Marita Ulvskog, Tatjana Ždanoka, Jana Žitňanská, Inês Cristina Zuber |
| Substitutes present for the final vote | Amjad Bashir, Heinz K. Becker, Lynn Boylan, Mercedes Bresso, Deirdre Clune, Tania González Peñas, Eduard Kukan, Edouard Martin, Evelyn Regner, Csaba Sógor |
| Substitutes under Rule 200(2) present for the final vote | Marco Affronte, Andor Deli, Norica Nicolai, Urmas Paet, Pavel Telička, Marco Zanni |

2.6.2015

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on the Environment, Public Health and Food Safety

on resource efficiency: moving towards a circular economy
(2014/2208(INI))

Rapporteur: Benedek Jávor

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recalls that Europe is a net importer of natural resources and that resource prices have increased by 147 % in the first decade of the 21st century¹, making Europe's economy particularly vulnerable; believes that, in order to tackle global challenges and the EU's resource dependency, it is essential that energy and resource efficiency form the basis of European industrial renewal so that the EU can maintain its competitiveness in the future, based on innovative sectors, stimulate manufacturing capacity and generate new, sustainable and decently paid jobs, including highly skilled jobs;
2. Highlights that in order to move the circular economy forward, a paradigm shift is needed so that resources are not wasted; considers that this shift requires giving appropriate signals to producers and consumers, such as through a dynamic fiscal and regulatory framework, accelerating the transition towards a renewable-based economy and mitigating the potential rebound effect; believes that a mix of approaches is needed, respecting subsidiarity at various policy levels, including but not limited to:
 - internalising externalities and promoting the principle of a cascading use of resources,
 - using recyclable waste as a major, reliable source of raw materials through the development of non-toxic materials cycles,
 - focusing on streams of key materials, tackling resource intensive products, and rewarding front runners,

¹ According to McKinsey Global Institute, energy prices increased by 190 %, food by 135 % and materials by 135 %. See "Resource revolution: Meeting the world's energy, materials, food, and water needs", November 2011, p. 30 (http://www.mckinsey.com/insights/energy_resources_materials/resource_revolution).

- conceiving business models that give incentives for closing material and product loops,
 - designing products that last long, can easily be repaired and consist of components that can easily be reused or recycled,
 - organising logistics so that products no longer used can easily and efficiently be returned to the start of a chain,
 - aiming at smart regulation, keeping good proven practices in place, streamlining and/or harmonising EU legislation where needed and ensuring better implementation;
3. Stresses that improving resource use through better design requirements, and through waste legislation that ensures upward movement in the waste hierarchy (thereby fostering waste prevention, reuse, preparation for reuse and recycling), could bring substantial net savings for EU businesses, public authorities and consumers, estimated at EUR 600 billion, or 8 % of annual turnover, while also reducing total annual greenhouse gas emissions by 2-4 %; emphasises that increasing resource productivity by 30 % by 2030 could boost GDP by nearly 1 % and create 2 million additional sustainable jobs¹; recalls that resource efficiency is a priority objective of the 7th Environmental Action Programme, which emphasises the need to stimulate production and consumer demand for environmentally sustainable products and services through policies that promote their availability, affordability, functionality and attractiveness; emphasise that resource scarcity requires aiming at the absolute decoupling in order maintain resource use and GDP increase within the biophysical limits of the planet;
 4. Underlines the importance of EU targets for creating a level playing field;
 5. Highlights the Commission’s analysis that shows that adopting new waste targets would create 180 000 jobs, make the EU more competitive and reduce demand for costly scarce resources²; regrets the withdrawal of the legislative proposal on waste³, but sees in Vice-President Timmerman’s announcement at Parliament’s part-session in December 2014 the opportunity for a new and more ambitious Circular Economy Package (CEP), which must be put forward by the end 2015; calls for a legislative proposal, based on an impact assessment, addressing not only household but also industrial and commercial waste streams, and on quantitative targets to be put forward by 2015 as part of the new CEP; calls for the new CEP to address specific waste streams, including organic waste, waste from electric and electronic equipment (WEEE) and construction waste;
 6. Calls for the CEP to include provisions establishing, in line with the recommendations of

¹ Commission communication of 2 July 2014 entitled ‘Towards a circular economy: a zero waste programme for Europe’ (COM(2014)0398).

² Commission staff working document of 2 July 2014 containing an executive summary of the impact assessment accompanying the proposal for a directive amending the waste directives (COM(2014)0397) (SWD(2014)0208).

³ Proposal for a directive of the European Parliament and of the Council amending Directives 2008/98/EC on waste, 94/62/EC on packaging and packaging waste, 1991/31/EC on the landfill of waste, 2000/53/EC on end-of-life vehicles, 2006/66/EC on batteries and accumulators and waste batteries and accumulators, and 2012/19/EU on waste electrical and electronic equipment (COM(2014)0397).

the European Resource Efficiency Platform⁴, the EU Climate and Energy package and the Seventh Environment Action Programme, a comprehensive policy framework significantly increasing Europe's resource independence through concrete policy objectives and better integration and streamlining of existing policy tools, such as by fully implementing and strengthening the Ecodesign and Ecolabelling Directives to various product types and to the resource-efficiency dimension; insists that tools and measures must ensure real opportunities for, and the active participation of, SMEs, as key players, but also social economy enterprises and local authorities in the circular economy; stresses that the framework should include concrete policies for sustainable and local job creation, avoid disproportionate administrative requirements and remain affordable for households;

7. Calls for the CEP to include provisions that provide for specific support measures for SMEs, such as measures to promote awareness raising, technical assistance, and access to finance, information and skills; supports the implementation of the Commission's Green Action Plan for SMEs, and welcomes the establishment of a European Resource Efficiency Excellence Centre to advise and assist SMEs seeking to improve their resource efficiency performance;
8. Emphasises the need to guarantee fair competition between private and public companies dealing with waste, even when there is a municipal or public waste monopoly organising the collection system;
9. Calls on the Member States and the Commission to strengthen the regulatory framework for extended producer's responsibility (EPR) and to increase transparency in the implementation of EPR schemes; considers that clear definitions and a common calculation method, based on evidence-based data and minimum requirements for EPR schemes, are key; stresses the need to improve design requirements for packaging in order to reduce materials use and improve recycling;
10. Calls for the CEP to include provisions to improve and strengthen the implementation of existing legislation, and to introduce a sustainable materials management policy at EU level, involving all relevant stakeholders and taking a life-cycle approach aimed at the eco-efficient, durable and environmentally responsible use of materials – throughout the extraction, design, production, consumption, maintenance, waste management and reuse phases – as well as the efficient substitution of hazardous substances and materials; maintains, as far as households are concerned, that the aforementioned measures must never exceed the limits of economic affordability;
11. Stresses that bio-based products and related services must be assigned a special position in the circular economy; urges the Commission to take into account the objectives of the 2012 bioeconomy strategy¹; considers that sustainable wood and wood-based materials can be used as substitutes for non-renewable materials in primary production, thus extending the sustainability of the circular economy throughout the value chain;

⁴ European Resource Efficiency Platform (EREP) Manifesto and Policy Recommendations, March 2014: http://ec.europa.eu/environment/resource_efficiency/documents/erep_manifesto_and_policy_recommendations_31-03-2014.pdf

¹ Innovating for Sustainable Growth: A Bioeconomy for Europe (COM(2012)0060), (SWD(2012)0011), http://ec.europa.eu/research/bioeconomy/pdf/official-strategy_en.pdf.

12. Recalls the necessity of ensuring high levels of occupational health and safety measures according to the specific risks faced by workers in some of these sectors;
13. Stresses the potential of urban mining in reclaiming waste material and reducing the EU's dependence on imports of raw material; calls on the Member States to implement waste legislation fully, in particular as regards shipments of waste and hazardous waste, as well as to improve inspection activities to combat illegal waste transfers; calls on the Commission to close any loopholes in the Waste Shipment Regulation; highlights the need to facilitate the market demand for recycling materials, incentivising the secondary raw materials market, and the need for the creation of a European market for recycled products;
14. Highlights the potential that enhanced reuse, repair, and preparation for reuse of products offers for enabling the creation of high-quality, sustainable local jobs, for saving resources and for developing the role of the social economy, entrepreneurship and SME actors, including social enterprises; calls for the new CEP to include provisions that incentivise both reuse and preparations for reuse through quantitative targets, that ensure access to the waste stream via approved reuse centres and that support the development and consolidation of reuse, repair infrastructures and networks; stresses the need to ensure better product design standards in order to make consumer products more durable, easy to disassemble, upgradable, repairable and recyclable; asks the Commission to mandate the European Standardisation Organisations to work actively with SME representatives and consumers and civil society organisations towards this aim;
15. Considers the need for measures, at EU level, to combat planned obsolescence; asks the Commission to consider extending, for instance, the minimum legal guarantees for consumer products, and introducing repair clauses in relevant legislation requiring manufacturers subject to the relevant directives (Waste, Ecodesign, WEEE, Batteries, Consumer Rights) to make relevant and reliable information (such as life-time, end-of life treatment, recyclability, disassembly and environmental impacts) freely available to re-use operators, procurers and consumers, in order to facilitate informed purchasing, upgrades and repairs, reuse and recycling;
16. Calls on the Member States to incentivise re-use, repair and demand of durable products through demand-side instruments such as a policy of zero VAT on the repair and sale of second-hand products and the reinforcement of green public procurement criteria for purchasing more resource-efficient, less wasteful and more recyclable products;
17. Welcomes the fact that, in its communication, the Commission addresses various specific waste challenges such as waste prevention, marine litter and food waste; points to the direct economic impact on businesses and consumers of food waste, owing to the costs of waste disposal and the economic losses caused by throwing away saleable or edible food (more than 100 million tonnes of food goes to waste in the EU every year); recalls that one euro spent on fighting food waste could prevent 250 kg of food, worth EUR 500, from being wasted; highlights the environmental and economic potential of a recirculation of nutrients between urban and rural areas, and of "closing the loop" between cities and the agricultural industry; urges the Commission to address the issues of food waste and nutrient recirculation in the context of the CEP; calls on the Commission to introduce

separate collection schemes for food and organic waste (including, where relevant, door-to-door collection), and to prioritise the composting of organic material;

18. Stresses that it is important that the Commission and the Member States promote the creation of industrial symbiosis programmes that support industrial synergies for reuse and recycling, and that help companies – particularly SMEs – discover how their energy, waste and by-products can serve as resources for others; points to similar concepts, such as ‘cradle-to-cradle’ and industrial ecology;
19. Calls on parent production and distribution companies, and on those Member States that have opened their markets to the products of these companies, to set up, under market conditions, collection and take-back points for used machinery and equipment, so that secondary raw materials obtained from recycling can be reused directly under market conditions;
20. Stresses the need for a fiscal framework that is in accordance with the ‘polluter pays principle’, providing the right signals for investment in resource efficiency, the modernisation of production processes and the manufacturing of more repairable and durable products (such as lower taxes on repair service activities and higher taxes on resource-intensive, non-recyclable and single use products); calls for progress in this area to be pursued by the Member States as part of the European Semester process¹; calls on the EU and the Member States to phase out environmentally harmful subsidies and to introduce appropriate fees on resource-inefficient activities, such as landfilling and the incineration of recoverable and recyclable materials;
21. Points out that resource efficiency could help EU businesses exploit markets in fast-growing eco-industries, but notes that investment in innovative business models is, in many cases, not properly provided for; calls on the Commission to establish an appropriate political basis for the circular economy; calls on the Commission and the European Investment Bank to ensure that the European Fund for Strategic Investment (EFSI) supports resource and energy efficiency objectives – including improved energy efficiency of buildings (including social housing) and the development of environmentally sustainable and innovative SMEs, start-ups and entrepreneurs – and strengthens advisory services on resource efficiency; calls for funding allocated from the EU Programme for the Competitiveness of Enterprises and SMEs (COSME), Horizon 2020 and the European Structural and Investment Funds to be more focused on developing sustainable, innovative and resource-efficient solutions and new business models (such as leasing or product-service systems), and on improving product design and material efficiency in product and process performance; calls on the Commission to stop the use of EU funds for landfilling, and, in order to avoid waste of valuable materials and the creation of lock-in effects and over-capacity situations, to refrain from promoting and investing in waste-to energy infrastructure;
22. Highlights that the EU has an open economy, engaged in imports and exports in a global market; draws attention to the need to address the global challenge of resources depletion also at the international level; calls on the Commission and the Member States actively to

¹ Green Budget Europe, 2015, Country-Specific Recommendations in Support of the European Semester Process, page 6 http://www.foes.de/pdf/2015-02-25_CSR%20Recommendations_FINAL.pdf.

support the work of the International Resource Panel within the United Nations Environment Programme (UNEP), investigating world-critical resource issues and developing practical solutions for policy makers, industry and society;

23. Calls on the Commission to place more emphasis on the need to develop relevant professional skills, and points out that the CEP must include measures and financing for education and training programmes for workers and the unemployed;
24. Stresses that increasing energy efficiency can reduce the EU's energy dependence and energy poverty, which affects some 125 million European citizens; observes that it is worth regarding energy efficiency as a separate energy source, the growth of which contributes substantially to the development of EU industry, to job creation and to the moderation of people's energy bills.

RESULT OF FINAL VOTE IN COMMITTEE

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|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date adopted | 28.5.2015 |
| Result of final vote | +: 53 -: 8 0: 0 |
| Members present for the final vote | Nicolas Bay, Jerzy Buzek, Soledad Cabezón Ruiz, Philippe De Backer, Pilar del Castillo Vera, Christian Ehler, Peter Eriksson, Adam Gierek, Theresa Griffin, Marek Józef Gróbarczyk, András Gyürk, Roger Helmer, Hans-Olaf Henkel, Dawid Bohdan Jackiewicz, Eva Kaili, Kaja Kallas, Barbara Kappel, Krišjānis Kariņš, Seán Kelly, Jeppe Kofod, Janusz Lewandowski, Paloma López Bermejo, Edouard Martin, Angelika Mlinar, Csaba Molnár, Nadine Morano, Dan Nica, Morten Helveg Petersen, Herbert Reul, Paul Rübig, Algirdas Saudargas, Jean-Luc Schaffhauser, Neoklis Sylikiotis, Dario Tamburrano, Evžen Tošenovský, Claude Turmes, Vladimir Urutchev, Adina-Ioana Vălean, Henna Virkkunen, Martina Werner, Anna Záborská, Flavio Zanonato, Carlos Zorrinho |
| Substitutes present for the final vote | Pervenche Berès, David Coburn, Miriam Dalli, João Ferreira, Francesc Gambús, Jens Geier, Gerben-Jan Gerbrandy, Benedek Jávor, Constanze Krehl, Barbara Kudrycka, Werner Langen, Olle Ludvigsson, Vladimír Maňka, Marian-Jean Marinescu, Sofia Sakorafa, Massimiliano Salini |
| Substitutes under Rule 200(2) present for the final vote | Eleonora Evi, Cecilia Wikström |

RESULT OF FINAL VOTE IN COMMITTEE

| | |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date adopted | 17.6.2015 |
| Result of final vote | +: 56 -: 5 0: 5 |
| Members present for the final vote | Marco Affronte, Pilar Ayuso, Zoltán Balczó, Lynn Boylan, Nessa Childers, Alberto Cirio, Birgit Collin-Langen, Mireille D'Ornano, Seb Dance, Angélique Delahaye, Jørn Dohrmann, Stefan Eck, Bas Eickhout, Eleonora Evi, José Inácio Faria, Karl-Heinz Florenz, Iratxe García Pérez, Elisabetta Gardini, Gerben-Jan Gerbrandy, Jens Gieseke, Julie Girling, Sylvie Goddyn, Matthias Groote, Françoise Grossetête, Andrzej Grzyb, Anneli Jäätteenmäki, Jean-François Jalkh, Benedek Jávor, Karin Kadenbach, Kateřina Konečná, Giovanni La Via, Peter Liese, Norbert Lins, Susanne Melior, Miroslav Mikolášik, Massimo Paolucci, Gilles Pargneaux, Piernicola Pedicini, Pavel Poc, Marcus Pretzell, Frédérique Ries, Annie Schreijer-Pierik, Davor Škrlec, Renate Sommer, Dubravka Šuica, Tibor Szanyi, Glenis Willmott, Jadwiga Wiśniewska, Damiano Zoffoli |
| Substitutes present for the final vote | Nikos Androulakis, Paul Brannen, Renata Briano, Nicola Caputo, Mark Demesmaeker, James Nicholson, Marit Paulsen, Marijana Petir, Sirpa Pietikäinen, Bart Staes, Claude Turmes, Tom Vandenkendelaere |
| Substitutes under Rule 200(2) present for the final vote | Damian Drăghici, Fredrick Federley, Anthea McIntyre, Jens Nilsson, Morten Helveg Petersen |