



THE ALLIANCE FOR
BEVERAGE CARTONS
AND THE ENVIRONMENT

EU CIRCULAR ECONOMY MAKING IT WORK

Discussion on ways to deliver an effective EU Circular Economy

European Parliament, 23 February 2016

REPORT

Under the headline “EU Circular Economy – Making it work”, MEP Giovanni La Via, Chairman of the European Parliament’s Environment Committee together with MEP Simona Bonafè, Environment Committee rapporteur on the Circular Economy waste proposals and ACE (The Alliance for Beverage Cartons and the Environment) invited stakeholders for a panel debate in the European Parliament on 23 February 2016. Participants of the event discussed with high-level panelists the question “How to make the proposed EU Circular Economy package work”.

After the welcoming words of the moderator **Ms Katerina Sichel, Mr Giovanni La Via**, speaking on behalf of Ms Simona Bonafè who could not participate in the event, provided insights regarding the timeline of the legislative procedure of the waste proposals. The rapporteur will finalize her report by 21 April. Comments on this report can be provided in an exchange of views on 23/24 May and before 1 June. The ENVI committee's debate will take place on 11 July and the plenary vote is scheduled for 7/8 November 2016. Mr La Via mentioned that recycling targets must be the same for all Member States in order not to undermine the internal market. He highlighted several elements that would make the circular economy package more ambitious, such as a mandatory product passport, green public procurement and a mandatory resource efficiency indicator. He reminded that water and food waste reduction should be given higher priority and concluded the need to mobilize EU funding for resource efficiency to secure the transition to a circular economy. He emphasized the need for an exchange with stakeholders this year and the need to be more ambitious.

“The Circular Economy Package is a key contributor to the ten priorities of the Juncker Commission”, **Mr Daniel Calleja Crespo, Director-General of DG Environment** argued. The Commission’s package of measures “looks at the whole cycle and not just at waste” and represents an opportunity for European industry to lead on innovation and setting standards for the rest of the world. Indicating a strong level of ambition, Mr Calleja confirmed that for waste “the aim is to restrict landfilling to 10% by 2030” and by that increase recycling. Financial support is in place and available in the Horizon 2020, regional and SMEs funds. European Commission needs joint efforts and cannot work alone. In his view the implementation must be strengthened involving regional and local authorities and with building strategic alliances between stakeholders and regulators.

Mr Karl-Henrik Sundström, CEO of Stora Enso, was pleased that Commission recognises the contribution of bio-economy and renewable materials to the Circular Economy, encouraging a cascading use of renewable materials. However to be truly ambitious, the Packaging and Packaging Waste Directive should include the requirement for Member States to encourage the use of materials from renewable sources. All Circular Economy policies should equally promote the use of recycled and renewable materials and incentivize the use of the latter. By doing so, access to primary materials is sustained and European competitiveness strengthened. This also contributes to the global commitment on curbing climate change. Mr Sundström asked also to align the review of the EU Bio-Economy Strategy with the thinking behind the Circular Economy package.

Mr Per Lindberg, President and CEO of BillerudKorsnäs, underlined the importance to responsibly sourced raw materials as political, environmental and economic imperative. ACE members have been leading the



development of global responsible forest management, such as the forest Stewardship Council (FSC). Mr Lindberg mentioned ACE's voluntary Chain of Custody commitment and stressed the importance of a third party verified standard on responsible sourcing. He claimed to extend this principle to the sourcing of all raw materials for packaging. Mr Lindberg emphasized the need to give competitive advantage to materials sourced from socially and environmentally viable sources and the EU to set a level playing field for business. Industry can and already does play a key role in this area.

How we can all achieve higher levels of recycling and make packaging the first carriage in the EU's train towards a Circular Economy was a message from **Mr Kristian Hall, President of ACE and Director for Environment at Elopak**. He stated that a landfill ban on packaging materials by 2030 and an obligation for Extended Producer Responsibility (EPR) schemes to separately collect all packaging materials would create a level playing field and increase recycling for all packaging. Only if packaging materials are collected, they can be recycled. Ensuring effective collection and recycling of packaging is crucial if the EU's economy is to progress towards circularity.

Mr Kari Herlevi, Senior Lead, Circular Economy at Sitra underlined that Central Europe and Scandinavia are in the forefront of the Circular Economy. The concept of Circular Economy is a global opportunity, with regulations under development or in place as in e.g. Canada and Japan. Mr Herlevi prioritised the role of renewable resources to reduce Europe's dependency on imports. He highlighted that Circular Economy should actually be called Circular-Bio-Economy and referred to a McKinsey study on the significant role of forest industry in a Circular Economy. Finland currently sets up a Circular Economy roadmap which will be published in September 2016. The roadmap will combine biological aspects with technical ones. In the end he stressed the need for cross-sector cooperation.

Mr Pieter de Pous, EU Policy Director at European Environmental Bureau (EEB) focused on the waste part of the Circular Economy Package where he expects the most immediate gains to be made as a proposal is being negotiated right now. He welcomed that Circular Economy and waste is now part of the European Commission's priorities. He emphasized the need for waste prevention and the possibility to improve EPR systems. He supported a landfill ban that should be extended to all recyclable and compostable materials. He also mentioned that more can be done regarding the bio-based materials to meet climate targets by limiting the amount used for energy as part of a fossil fuel phase out, and EPR schemes for waste collection. He concluded with a call for a closer look at the consumption side and a need to bring demand in line with Europe's footprint.

The following discussion with the audience started with a question on waste to energy. Mr Calleja replied that the circular economy does not focus on waste only but takes into account the entire product life-cycle. Mr Calleja underlined that Member States would need to focus their efforts mainly on diverting waste from landfilling to recycling and in this respect the European Commission would be very happy to see an increased level of ambition in cooperation with the European Parliament and the European Council. He added that the Commission will come forward with its Waste to Energy initiative before end 2016.

Another question raised the need to shift the EPR minimum requirements to the packaging and packaging waste directive. Mr Calleja answered that there are many approaches to address the EPR schemes and that choosing the current option was considered as best solution. He welcomed the decision of the European Parliament to appoint only one rapporteur for the four waste proposals and stressed that all sectors need to be taken into account. Mr de Pous added that experience has shown that the increase of recycling rates is primarily a question of a political will, not technical feasibility.



The audience raised questions regarding the availability of bio-based materials and resource efficiency in food production. Mr Calleja drew attention to Commission's commitment to decrease food waste and mentioned that food waste will be an important point in the future process.

Evening's statements and debate were summarized by **Ms Erika Mink, Member of ACE Board and Vice President Public Affairs at Tetra Pak**. She emphasized that the regulatory frame is only the beginning of the transition to a European Circular Economy. The beverage carton industry is prepared to contribute and share its experience in responsible sourcing (hinting to the sector's voluntary commitment on wood traceability and the EU's timber regulation) and ACE members are committed to increase the use of renewable materials. In the current economic environment, this is an investment and needs a strong, enabling regulatory framework and policy support. "What can be recycled must be recycled!" claimed Ms Mink explaining that to achieve this goal, strong partnerships, joint efforts and collaboration between policy makers and industry are needed.

Mr La Via thanked the participants and ACE, indicating that this is only the beginning of negotiations in the Parliament and welcomed input of all stakeholders on how to make the European economy circular.

SPEAKERS QUOTES



MEP Giovanni La Via, Chairman of the European Parliament's Environment Committee

"We need your support and your involvement!"



Daniel Calleja Crespo, Director-General of DG Environment

"There is a triple win in the Circular Economy: a win for the environment, a win for society and a win for a more competitive economy in Europe."



Karl-Henrik Sundström, CEO of Stora Enso

"The Commission can help the whole of Europe to seize this opportunity: to use (and re-use) our resources better, make us less dependent on finite material imports, and to develop a truly Circular, low-carbon Economy."



Per Lindberg, President and CEO of BillerudKorsnäs

"Responsibly sourced renewable primary materials will be beneficial for the European economy and encourage the growth of green jobs."



Kristian Hall, President of ACE and Director for Environment at Elopak

"What can be recycled must be recycled - we understand that this is also the plan of the Commission with its ambitious Circular Economy package."



Kari Herlevi, Senior Lead, Circular Economy at Sitra

"Circular Economy is not only happening in Europe - it is a global opportunity."



Pieter de Pous, EU Policy Director at EEB

"More can be done on landfilling – the ban should be extended to recyclables and compostables."



Erika Mink, ACE Board Member and Vice-President Public Affairs at Tetra Pak

"Strategic alliances across sectors are the way forward."