

## Opening statement: Circular Economy Bill

### Oireachtas Joint Committee on Environment and Climate Action in relation to the pre-legislative scrutiny of the General Scheme of the Circular Economy Bill

12<sup>th</sup> October 2021

#### Introduction

Good evening, Chairman, Deputies and Senators, others giving statements today, and the public audience. Thank you for this opportunity to participate in the development of your circular economy bill.

I am Policy Officer for Circular Economy and product policy at the European Environmental Bureau. The EEB is the EU's largest federation of environmental NGOs. We support our 170+ members in advocating for environmental protection and justice. We have eight [members](#) in Ireland including Friends of the Irish Environment, and the Irish Environment Network, as well as VOICE, who are represented by Ms Mindy O'Brien who is also making a statement today. I follow the development of EU circular economy legislation, alongside seven colleagues in Brussels. My work is focused on product legislation, for example ecodesign of electronics and packaging. I also help to coordinate the [European Right to Repair Campaign](#), the [Rethink Plastic Alliance](#) and participate in the coordination group of the [European Circular Economy Stakeholder Platform](#).

To prepare my intervention I reviewed the draft bill, I also watched the first pre-legislative scrutiny meeting last week and contacted some of our members. The first thing to say is that national legislation on the circular economy is very welcome. As time is limited, I will focus on existing or forthcoming practices from around the EU which might inspire your work.

#### Targets: focus on reducing consumption and preventing waste

From an environmental perspective, the most important thing that the circular economy can achieve is to reduce our consumption of natural resources and the production of waste.

This is a major opportunity for post covid resilience - knowing the [extraction of natural resources](#) causes more than 90% of biodiversity loss and at least 50% of greenhouse gas emissions.

I note that Ireland does not report Material Footprint (MF) in its national statistics, and does not have detailed material flow accounts. Without this capacity it will be very difficult to measure the circular economy in a holistic way.

The European Commission will this autumn add MF to the official monitoring framework. Making reporting on this global indicator mandatory.

The Netherlands, who several Deputies already regarded as a leader for circular economy, have [set a target](#) to reduce their MF 50% by 2030. Finland also recently [set a target](#).

Even if Ireland is not ready for a target, why not establish the necessary statistical capacity, which you will likely be obliged to do anyway, and commit to a political debate on targets by a given date in the future?

As noted in Deputy Bruton's report, Ireland also has one of the highest levels of municipal waste in Europe - above 600 kg per capita per year. 22% above the EU average. In Brussels, the Packaging and Packaging Waste Directive is expected to be proposed in Spring 2022, policy options will likely include reuse targets for products like take-away food. Alongside a headline target on reducing resource consumption, I would encourage you to also consider targets on waste prevention and reuse, notably for food, packaging and Municipal Solid Waste as exist in [several EU countries already](#).

### **Enabling factors and incentives**

Targets are however not going to achieve themselves. My impression is that the bill is very focused on waste and could say more about enabling factors for the Circular economy.

It may be risky to rely too heavily on EU single market measures in your transition.

The first example is the [eco-design provisions](#) recently adopted for white goods, which will likely provide a blueprint for future right to repair legislation. While the provisions may ensure products are technically repairable, they do not address the cost of repair or the need for making the repair market competitive, including involving independent repair actors and repair cafes.

Many EU Member States are establishing incentives for repairing products. For example, in Germany and Austria a number of states have introduced [repair bonuses](#) where up to 50% of the cost of repair can be reimbursed capped at 100 EUR.

On fiscal incentives, the EU has little competency. The circular economy will require local labour to reuse, repair and refurbish products. However, hours of European labour can be more expensive than the cost of a new device imported from South

Asia. You will need all the tools at your disposal to nudge the economy away from the linear model - whether through VAT reductions or a tax shift away from labour. Belgium and Finland have added a tax shift into their government programmes.

In Italy and France competition and market authorities are increasingly targeting companies who blatantly build obsolescence into their business models. Italian [competition authorities](#) recently fined a major printer manufacturer 10 million EUR for blocking cartridge reuse, and France has made obsolescence and the destruction of unsold goods [offences](#).

Another area which can do more to finance the circular economy is Extended Producer Responsibility (EPR). Although I understand Ireland will introduce eco-modulation of EPR fees, this only aims to enable recycling, and will not finance activities higher in the waste hierarchy. The French Circular Economy Law introduced a "[solidarity reuse fund](#)" whereby 5% of collected fees are earmarked for reuse and social economy actors. Ireland has many great social economy initiatives, such as [Rediscover Fashion](#) in Dublin, which reuses and repurposes textiles, but these initiatives remain small scale and rely on support compared to the momentum of fast fashion and online sales.

Returning to packaging, the recently introduced EU own resources instrument on unrecycled plastic packaging levy is currently being paid from Ireland's general budget. Why isn't this sum paid by packaging producers in line with the polluter pays principle? Moreover, the best design for such a measure would be to place the tax on virgin plastics.

I am also curious how Ireland's expected DRS system will fit into the bill. Will it enable reuse or focus only on single use plastic bottles and cans, risking distorting competition in favour of other disposable materials, rather than truly progressing the circular economy?

To conclude, I would encourage you to pave the way to setting some clearer targets for the project and ensuring enabling policies for reuse and repair in place alongside those for recycling. With a view to COP26 the links between climate and consumption should also be central to the project, for example by valuing emissions linked to waste prevention or systematically measuring the carbon footprint or embedded emissions in products.

I'm very happy to answer any questions which you have on any of these points.



*Please note: the EEB has aimed to consult its Irish members on this statement and based on their feedback the content is liable to change before the Committee Meeting on the 14/10/2021. Thank you for your understanding.*

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