

POSITION PAPER

Brussels, 17 January 2020

RESPONSE TO COMMISSION CIRCULAR ECONOMY ROADMAP CONSULTATION

A Circular Economy supporting Europe's Green Deal climate ambition and the implementation of the UN SDGs drives systemic change and the sustainable use of resources throughout the economy ("doing more with less"):

Optimising the use of resources throughout the economy makes environmental and economic sense and contributes to climate mitigation. The co-benefits of achieving energy efficiency in a wider resource efficiency agenda should contribute to meeting the goals in a faster and cost-efficient manner. Coupled with the possibilities of digitalisation and data analysis, Circular Economy creates space for new business models and enables the optimisation of energy and resource use throughout the life cycle. It is important that concrete implementation remains open, market driven and globally connectable.

Creating the market through coherent policy objectives coupled with incentives throughout all strands of policies needs to be prioritised since retail markets do not reward for circularity today:

Removing existing conflicts between EU waste, product and chemicals policy objectives and public authorities leading by example by buying sustainable products would be important first steps. The life cycle costing principle should be applied in public procurement. Carbon needs a meaningful and impactful price that creates the right market signal in a revenue neutral manner targeting high impact areas. Energy taxation should reflect carbon content and industrial symbiosis should be promoted.

Further concrete actions should include the following:

- Invest in modern EU energy, digital and waste management infrastructures
- Substantially increase R&D and investment
- Fully tap into the opportunities of digitalisation for resource efficiency: IoT, process monitoring, data capture and analytics and allied services, digital twinning, digital manufacturing, automatisisation and monitoring, robotization or 3D printing, all can support Europe in "doing more with less" and becoming more circular. Uphold the Ecodesign Directive 2009/125/EC, its MEErP implementing methodology and the related Energy Labelling Regulation as the sector's harmonised environmental product policy tool.

Orgalim represents Europe's technology industries: companies that innovate at the crossroads of digital and physical technology. Our industries develop and manufacture the products, systems and services that enable a prosperous and sustainable future. Ranging from large globally active corporations to regionally anchored small and medium-sized enterprises, the companies we represent directly employ 11 million people across Europe and generate an annual turnover of around €2,000 billion. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

- The given criteria of “minimising life cycle impacts”, “based on scientific evidence”, “at least life cycle cost” and “setting measurable, enforceable requirements case by case” in “big savings areas” are the key criteria for continued implementation success and acceptance, including on circular economy related product parameters. Regarding PEF/OEF, please see our position [here](#).
- Base implementation on the newly developed European horizontal material efficiency standards and develop further product specific standards
- Secure on the ground market surveillance and enforcement hand in hand with any new implementation measure, especially in the area of product policy.
- Apply strict landfill and recycling targets, set minimum quality criteria for secondary raw materials and complete producer responsibility with “shared responsibility obligations” for all actors in all steps of the waste management chain. Promote harmonised EU and international waste treatment standards, establish EU end of waste criteria and waste shipment rules should live up to circular economy objectives.
- Align technology, financing and objective – mainstream the EU’s climate ambitions throughout the EU budget, the newly announced green financing strategy, and existing and new innovation, just transition, development and investment funds.
- Fully and timely implement the Energy Performance of Buildings Directive 2018/844/EU– support technical buildings systems and further digitally enabled technologies, such as digital twinning or building information modelling (BIM) for promoting sustainable buildings from a life cycle perspective.
- Establish an EU raw material policy for easy and fair access to competitive, affordable and quality raw materials (primary and secondary) that satisfies technological needs and safety.

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