



The new Circular Economy Package and the Eco-Innovation Action Plan

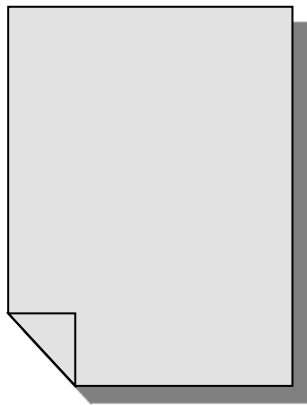
SHIFT Final Workshop, 13 January 2016

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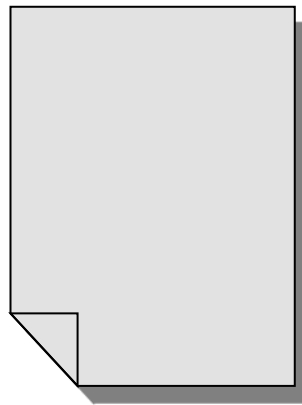
Eco-Innovation & Circular Economy Unit

Circular Economy Package

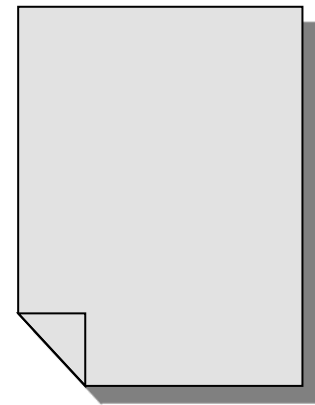
- Adopted by the Commission 2 December 2015



Action Plan
Communication



List of Follow-up
Initiatives (Annex)



Legislative
proposal on waste

From a Linear Economy...

NATURAL
RESOURCES

TAKE

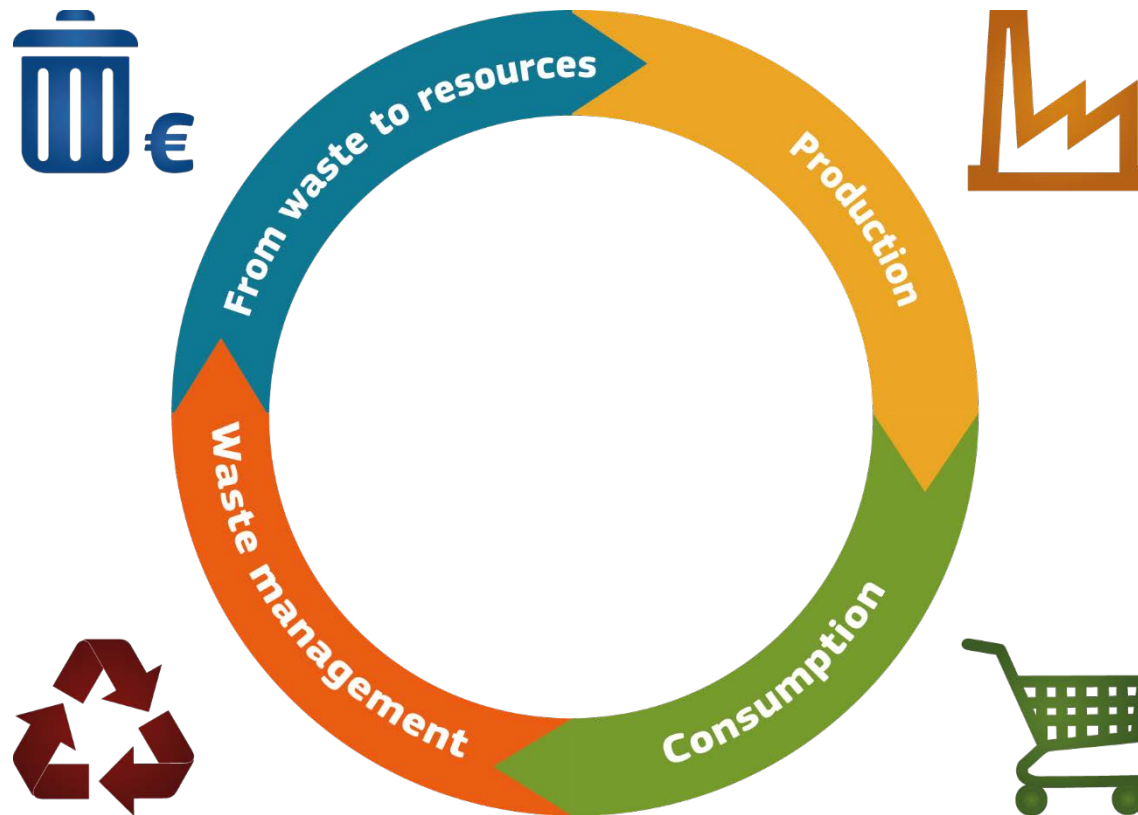
MAKE

DISPOSE



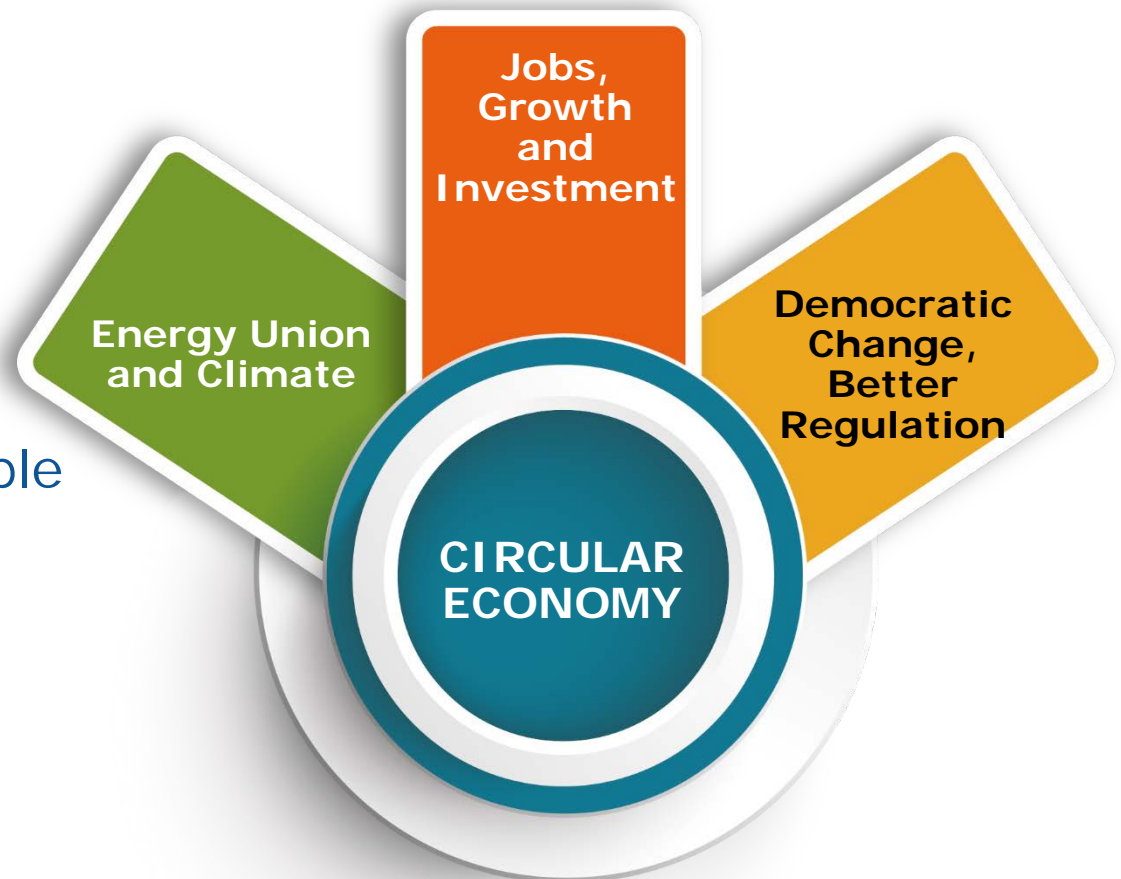
**WASTE
WASTE
WASTE**

... to a Circular Economy



In line with the Commission's overall priorities

- Protecting the environment and boosting competitiveness go hand-in-hand: both are about building a sustainable future





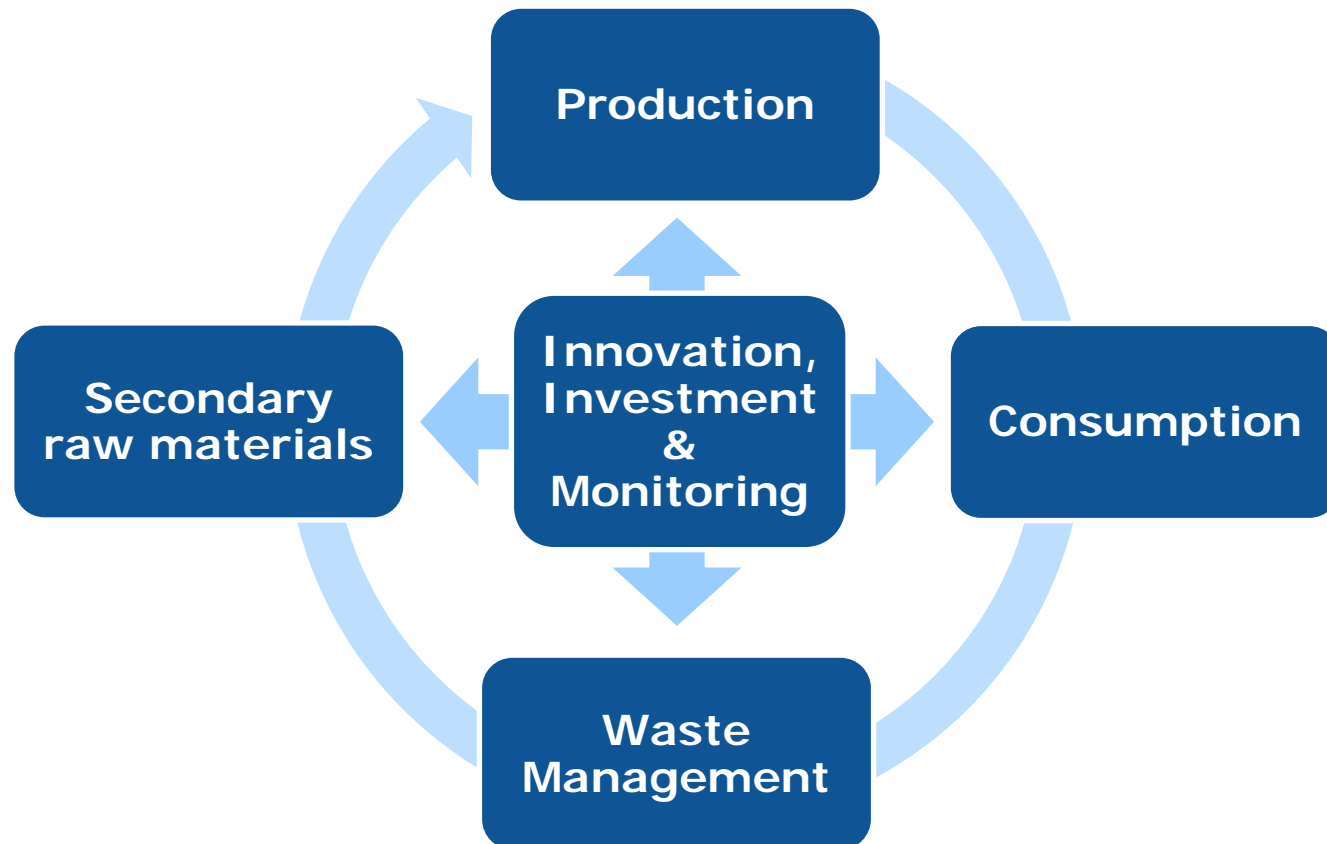
Circular Economy: an international dimension

- Transition to a Circular Economy will help the EU meet its international commitments
 - **2030 Sustainable Agenda**, adopted by the United Nations in Sept 2015
 - **COP21**, historic agreement on 2°C global warming limit in Dec 2015
 - **G7 Alliance for Resource Efficiency**, building more sustainable supply chains and global markets for secondary raw materials

Objectives of the new Package

- Build **synergies between environment and business** agendas
 - Preserve resources and create business opportunities
 - Forge links with key EU priorities: climate and energy, jobs and growth, investment, innovation, social and industrial competitiveness
- Take **concrete and ambitious actions**
 - e.g. long-term vision and targets on waste management; internal market rules for products; environment and consumers protection; tackle regulatory or enforcement issues; innovation and investments

Key action areas



Priority sectors

Plastics

Food waste

Critical Raw
Materials

Construction
&
Demolition

Biomass &
bio-based
products

Circular Economy: looking to the future

- Growth and job creation – Up to +7 % GDP
 - Up to 600 billion in savings – 8 % of annual turnover for business in the EU
 - Estimated 170 000 direct jobs in waste management sectors created by 2035
- Boosting competitiveness and ensuring security of supply
- Building economic and environmental resilience
- Encouraging innovation
- Reducing total annual Greenhouse Gas Emissions by 2-4 %

Next Steps

- **More than 50 key actions** listed in the Annex to the Communication "an EU Action Plan for the Circular Economy":
 - It sets the timeline for implementation
 - All actions will be taken forward in line with the better regulation principles
 - Report on progress 5 years after adoption
- **Inter-institutional decision process** on the 4 legislative proposals on waste



Eco-innovation for a Circular Economy

- **environmental policy** role as factor for **economic growth**
- eco-innovation: **progress towards sustainable development products, services and processes** to enhance circular economy
- a **fundamental component of a Circular Economy**
- **Eco-Innovation Action Plan (EcoAP)**
- **7 dedicated actions** (*Environmental policies and regulations; Demonstration projects; Standards and performance targets; Finance and support services for SMEs; International cooperation; New skills and jobs; European Innovation Partnerships*)
- **currently under review**
- results (end of 2015) will contribute to the implementation of the Circular Economy package



Financing Circular Economy: barriers to investments

- Regulatory and policy uncertainty
- Market failures related to the functioning of the financial sector and resource use
- Limited recognition of resource efficiency issues by investors
- Financial institutions to favour traditional business models
- **Possible EU response:** determine appropriate investment vehicles and identify a list of viable projects.





Financing Eco-Innovation and Circular Economy

- **LIFE** (resource efficiency, waste)
- **Horizon 2020** (systemic eco-innovation, large-scale demonstrators and market replication)
- **COSME** (SMEs)
- **European Structural and Investment Funds (ESIF)** - regional approach
- Full integration into the **European Fund for Strategic Investments (EFSI)** - new investment plan
- in addition, need to make it more attractive for **private investors** to contribute



Thank you for your attention

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