

Circular economy requires new industrial model

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Feature

To successfully transition to a circular economy, Europe needs a 'resolute change of pace', says Simona Bonafè.



Tasked with outlining Parliament's position on the Commission's brand new circular economy proposals and representing MEPs during the trilogues is Italian deputy Simona Bonafè.

Comparing this new package with the one that was previously withdrawn, she says that, "The most innovative element in the new package is the Commission's commitment to fulfilling a plan of action which, through legislation and specific deadlines, identifies all the steps necessary to speed up the transition from a linear economy one to a circular one, from the first moment that a product is planned. The first proposal only actually considered the question of the final collection of waste."

The Commission's proposals were met with a mixed response from MEPs, who felt it was less ambitious than its predecessor, something Bonafè is confident she and her colleagues can overcome; "The European Parliament, with its resolution last July, requested targets for recycling and for preparing to reuse at least 70 per cent of municipal solid waste and 80 per cent of packaging waste

before 2030, as well as gradually applying a ban on disposal in landfills before 2030, with the exception of certain dangerous refuse and any residual refuse."

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"The Parliament has shown that, on this position, it can count on a majority among all political groups across the board, which I think can be repeated during the debate on the new package on waste."

While Bonafè supports the Commission's suggestion to grant certain member states derogations or extensions on the application of new circular economy rules - some countries recycle much more than others - she stresses that this, "must be backed up by real action directed at improving the waste management plans of the different member states, with well-defined timescales. In this context a crucial role must be guaranteed to cohesion policy."

"Structural funds must be used to build infrastructure and implement separate waste sorting systems capable of enabling the slower member states to eliminate the gap between them and the others and allow an even faster transition towards a circular economy."

The Italian MEP believes this transition is not just about waste policy - it will also require an overhaul of our economic policy, and a new industrial model.

"In Europe every year, almost 600 million tonnes of waste are produced that could be reused as raw materials and resources and which are instead thrown away."

"At the same time, the provision of raw materials represents almost 40 per cent of manufacturing costs. This is how the current European economic system is losing the opportunity to increase its own global competitiveness."

"The key to this new industrial model is to assert the idea that waste no longer represents just a cost to be borne, but must be seen as an opportunity for us to take advantage of."

"Recyclability, durability and repairability requirements must be taken into consideration at all stages in the life of a product. New manufacturing models will need to adapt to this transition, investing in research and development in a way that increases the efficiency of resources."

It makes sense therefore, that business will have an essential role to play in all of this. Bonafè understands that, "Clearly, to allow this transition, an incentive will be needed for those manufacturing firms that invest resources in innovative circular models. Structural funds and Horizon 2020 must concentrate important resources on this target. "

"At the same time, member states must create tax incentives to promote the expansion of markets in secondary raw materials, promoting the spread of recyclable materials with favourable rates."

"However, I don't think that sanctions against firms that don't adapt will be necessary. In fact, it will

be that very same market which penalises models of a linear type."

"Their supply costs will be greater compared to competitors who have invested in improving the efficiency of resources. Consequently, they will be forced to sell more expensive and less sustainable products which consumers will gradually force out of the market."

One particular possible point of contention between legislators and industry is the Commission's plans to tackle planned obsolescence.

Yet Bonafè isn't fully convinced by team Juncker's proposals, saying that despite their plans to review the eco-design directive, more could have been done, for example, supporting, "compulsory 'green public procurement' procedures, based on life cycle assessments where possible. Government bodies must be legally incentivised to purchase products that are reusable, recyclable, remade and longer-lasting."

"These measures would be enough to create new market opportunities able to force European businesses into investing in the development of more sustainable products."

Ready for battle, Bonafè doesn't feel that one single element of the package will be trickier to handle than the rest. Rather, "The main thing is that all the stakeholders involved are aware that we are facing a vital turning point for the sustainable development of the European industrial system."

"We need a resolute change of pace, a change in mentality that all the stakeholders involved must be able to understand. And this is the most complicated challenge awaiting us in the next few years."

About the author

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