



Whitepaper

# Reimagining the Waste Framework Directive

An EU Regulatory Framework for a Circular Economy consistent with 1.5 degrees

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# Executive Summary

**The European Union has led the world since the 1970s in thought and action on how to responsibly prevent and manage waste. The EU economy as a whole still wastes a great deal, however – spending money to discard resources as waste and then spending more on extracting and importing new resources to replace what has been thrown away.**

While the EU's resource productivity has increased by 35% since 2000, the average citizen still consumes almost 14 tonnes of materials each year, at significant economic and environmental cost, and much of the resources on which we depend come from outside the EU.<sup>1,2</sup>

This not only leaves the EU exposed to geopolitical uncertainties and price volatility; it also misses a significant economic opportunity.<sup>3</sup> According to a recent Ellen MacArthur Foundation report, a circular economy, enabled by the technology revolution, would allow Europe to grow resource productivity by up to 3 percent annually. This would save EU economies up to €0.6 trillion per year by 2030. It would benefit them by up to €1.8 trillion when savings from lower maintenance costs, longer product lifetimes, and avoided external costs like pollution are included, as well as having positive impacts on employment.<sup>4</sup>

Roughly half of all greenhouse gas emissions derive directly from things we consume. Resource

efficiency – in the ways we extract, use, reuse and recycle materials and products – is thus essential for limiting temperature increase to 1.5°C, in line with the EU's Paris Agreement commitment.

Unlocking this potential requires a policy landscape that will create the opportunities, incentives, and confidence necessary for businesses to innovate and invest in the new business models that will break the link between material consumption and prosperity. A circular economy is an enterprise economy, but it needs an effective regulatory environment to develop, grow, and thrive. At the EU level, much has already been achieved, but more could be done to dismantle administrative and practical barriers that hold back progress.

This calls for a step change in ambition. The current revision of the Waste Framework Directive, which has guided EU policy in this area since 1975, offers an opportunity to design a coherent and consistent policy framework for a circular economy.

1 Eurostat (2022) Resource Productivity Statistics, available at [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Resource\\_productivity\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Resource_productivity_statistics)

2 Eurostat (2023) Material Flow Accounts Statistics – Material Footprints, available at [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Material\\_flow\\_accounts\\_statistics\\_-\\_material\\_footprints](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Material_flow_accounts_statistics_-_material_footprints)

3 Ellen MacArthur Foundation (2023) Growth Within: A Circular Economy Vision for a Competitive Europe, available at <https://ellenmacarthurfoundation.org/growth-within-a-circular-economy-vision-for-a-competitive-europe>

4 Ellen MacArthur Foundation (2023) Growth Within: A Circular Economy Vision for a Competitive Europe, available at <https://ellenmacarthurfoundation.org/growth-within-a-circular-economy-vision-for-a-competitive-europe>

Responsibly managing waste is just one aspect: a truly circular economy will increasingly focus on maintaining, managing, and enhancing Europe's wealth of materials, products, buildings, and infrastructure. A new policy framework will strike an appropriate balance between the roles of government, business, and the public. It will leverage the power of the EU's internal market, along with data and technology, to transform how we use resources. It will enable a competitive and efficient market to move swiftly towards a circular economy, working in tandem with the energy revolution to help society achieve the goal of staying within 1.5°C.

This white paper presents a vision for 2040, describing the way in which society will use materials and products in an economy that is well on its way to circularity. This sets the stage for the development of a detailed policy blueprint, supported by research and stakeholder engagement, for the steps needed to realise the vision.

**Initial thinking on the blueprint has indicated the following possible elements:**

**In the short term (between now and 2026), a revision of the Waste Framework Directive to provide:**

- A lighter-touch regulatory environment for products that can be reused, repaired, and remanufactured;
- Clarity for industry on the environmental performance required of reuse systems;
- Greater consistency in the scope and application of extended producer responsibility (EPR), including modulated fees;
- A more granular recycling hierarchy that characterises 'high quality' recycling, and provides a dynamic framework for the beneficial use of composted biowaste; and
- A supportive environment for managing mixed waste to rapidly reduce greenhouse gas emissions.

**In parallel, a strengthening of the emerging product policy framework that will:**

- Simplify reporting for producers through introducing consistent data requirements for both Digital Product Passports (DPPs) and EPR schemes;
- Maximise the potential effectiveness of modulated fees under EPR in driving improved product design;
- Stimulate innovation in the eco-design of products through the use of fiscal incentives; and
- Leverage the power of public procurement policies to further encourage the adoption of circular business models.

**Subsequently (before 2029), a deeper revision of the Waste Framework Directive to transform it into a Resources Framework Directive that will:**

- Guide the continued reduction in raw material consumption across the EU economy in a way that most effectively and efficiently delivers decarbonisation, as well as addresses the full range of other societal needs; and
- Steer the use to which different materials are put to maximise the potential for decarbonisation across the economy as a whole (rather than on a sector-by-sector basis) through introducing a materials application hierarchy.

The EU is well placed to once more demonstrate global leadership – not only in how waste is managed, but also how we can fundamentally reshape our relationship with natural resources to enable humanity to live well, and within our collective planetary means.

# Next steps

**We will be engaging with stakeholders over the next few months to further develop ideas presented in this White Paper as we work up in more detail the proposed policy framework.**

In our next paper we'll describe in detail our analysis of the combination of possible measures that could be applied to create an EU Regulatory Framework for a Circular Economy consistent with 1.5 degrees.

[Click here](#) to provide your organisation's feedback on the White Paper, register your interest to participate in stakeholder engagement, and be notified when our next paper is published.

