

Response to call for evidence

Revision of the Monitoring Framework
for the Circular Economy

June 2022



About RREUSE

RREUSE is an independent non-profit organisation representing social enterprises active in the field of reuse, repair and recycling, with 33 members across Europe and the USA.

Our main vision is for Europe to support the role of social enterprise in a circular economy, providing meaningful work opportunities to thousands of vulnerable members of our community through innovative economic, social and environmentally beneficial activities.

RREUSE's primary mission is to help tackle poverty, social exclusion and a throwaway culture by promoting policies, best practices and partnerships that support the professionalism and development of social enterprises working in environmental services with high potential for local and inclusive job creation, notably re-use and repair.

Executive summary

RREUSE calls for a more comprehensive monitoring framework for the circular economy (MFCE). While the environmental, economic and social benefits of re-use are well documented, re-use is inexplicably not covered in the MFCE adopted in 2018. Hence, the revision of the MFCE is a much-needed opportunity to include re-use and preparation for re-use indicators, in line with the waste hierarchy and following the Commission Implementing Decision laying down a common methodology and a format for reporting on re-use.

Lack of data for a specific activity or area should not be a reason for exclusion. RREUSE calls upon the Commission to fill data gaps instead. Networks of re-use operators can make a precious contribution in providing high-quality and reliable data. However, it must be noted that public support and funding are necessary to develop fit-for-purpose data collection systems – monitoring cannot become a financial and administrative burden for social enterprises active in the sector.

RREUSE also calls to assess the outputs and benefits of the circular economy, including both socioeconomic and environmental impacts. For instance, monitoring job creation will be essential to evaluate the inclusiveness of the transition to a circular economy. Calculating the impact of the circular economy on carbon emissions is also key.

The European Commission should also consider mapping the re-use sector at a European level, which would help inform policies, indicators, and future targets. Re-use operators are highly diverse in nature, legal status, and operations. Finally, this document also highlights the need to develop better monitoring systems for social and circular procurement and consumer behaviour.



1. INTRODUCTION

RREUSE welcomes the revision of the monitoring framework for the circular economy (MFCE) as a necessary opportunity to address the shortcomings of the current MFCE. While the environmental, economic and social benefits of re-use are well documented, it is regrettable that re-use is not covered in the MFCE adopted in 2018.

Therefore, this document aims at providing insights on why and how re-use and preparation for re-use activities should be included in the revision.



2. INCLUDING RE-USE AND PREPARATION FOR RE-USE IN THE UPDATED MFCE

RREUSE is dismayed by the current MFCE, which has a strong focus on waste management and recycling activities, but inexplicably ignores re-use, preparation for re-use, and repair activities, and is thus not aligned with the waste hierarchy. While current indicators for “recycling / recovery for specific waste streams” include both recycling and re-use and preparing for re-use activities, combined indicators do not allow assessing the evolution and impact of re-use and preparation for re-use, which are at the top of the waste hierarchy.

Therefore, the revision of the MFCE is a much-needed opportunity to include re-use indicators, following the Commission Implementing Decision[1] laying down a common methodology and a format for reporting on re-use, in accordance with the Waste Framework Directive.

Following this agreement, Member States will have to conduct an annual survey on qualitative data and a tri-annual survey on quantitative data, which will include the tonnage of items re-used for five categories of products: textiles, electrical and electronic equipment (EEE), furniture, construction material and products, and other products. The results of the first reporting period for the quantitative data will be available mid-2023.

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[1] Commission Implementing Decision (EU) 2021/19 of 18 December 2020 laying down a common methodology and a format for reporting on reuse in accordance with Directive 2008/98/EC. (Available [here](#)).

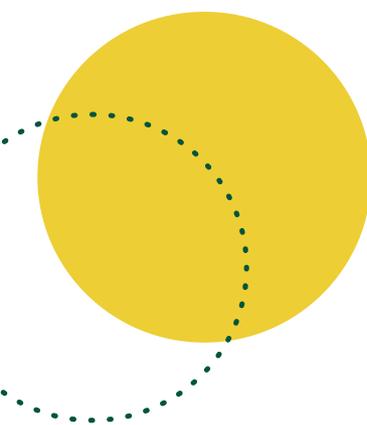


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Following the common methodology and format for reporting on re-use, RREUSE calls upon the European Commission to introduce in the updated MFCE a “re-use and preparation for re-use rate” for each relevant and feasible waste stream. For instance, the “re-use and recycling rate” of WEEE is currently calculated by dividing the weight of WEEE that enters a recycling or preparing for re-use facility by the weight of all separately collected WEEE in accordance with Article 11(2) of the WEEE Directive 2012/19/EU. The new MFCE should differentiate a “re-use and preparation for re-use rate” from a “recycling rate”, which could be easily added up to calculate a “circularity rate”. Ideally, the re-use and preparation for re-use rates should be reported separately to each other too. This is essential in order to assess the environmental, social, and economic impacts of re-use, and, therefore necessary to respect the Bellagio principles of visibility and clarity[2].

More generally, the revision of the current MFCE should pave the way for a new strategy to improve data collection around re-use activities. The selection criteria should be based not only on data availability but also on existing policy commitments and the impact of the circular economy. For instance, the exclusion of data around textiles in the current MFCE seems inappropriate, given this sector's critical environmental, social, and environmental importance.



As the EESC commented[3] on the adoption of the MFCE in 2018: “lack of data in a specific area should not be a reason for exclusion. The data gaps should be made explicit, and strategies identified to ensure those gaps are filled. If we continue to limit ourselves to traditional old data, then we will not be accurately measuring the transition to a new economic model”. RREUSE applauds this call to prepare a plan for addressing these gaps as part of the MFCE. More specifically, the current focus on improving the knowledge base for waste management activities is underwhelming. As the EESC rightly points out, it should be broadened to include other important aspects and activities.

Networks of re-use operators can make a precious contribution in providing high-quality and reliable data. Many re-use networks in Europe have already set up systematic, multi-annual data-gathering systems to measure re-use across a number of key waste streams[4]. However, it must be noted that public support and funding are necessary to develop fit-for-purpose data collection systems – monitoring re-use cannot become a financial and administrative burden for social enterprises active in the sector. For instance, data collection could be financed in the framework of EPR schemes.

[2] EEA and ISPRA (2020) "Bellagio Declaration Circular Economy Monitoring Principles". (Available [here](#)).

[3] EESC “Communication on a monitoring framework for the circular economy”. (Available [here](#)).

[4] For instance, in Flanders, where all official reuse centres are required to have an accountant who reviews and approves submitted, data collected by the network of re-use centres informs public authorities regarding progress towards re-use targets. Other networks use historical data to improve accuracy and note confidence in its quantification methodology, and it is also common to use automated till and electronic point-of-sale (EPOS) systems to monitor inflows and outflows.



3. SOCIOECONOMIC IMPACTS OF THE CIRCULAR ECONOMY

The Bellagio declaration states that a monitoring framework for the circular economy “should consider all relevant initiatives (...) across the economy. It should capture the full extent of changes happening to the material and waste flows, products over their life cycles, business models, and consumer behaviour, including the economic, environmental and social dimensions of these changes”.

RREUSE endorses this statement – only monitoring material and waste flows is not enough to deliver the full potential of the circular economy. The current framework’s coverage is skewed towards waste management activities and, therefore, sidesteps assessing the social, environmental, and economic impacts of different circular activities. RREUSE applauds EESC’s reaction, which rightly differentiates between “output and benefits of the circular economy” and “circularity of resources” – circularity measurement should be distinguished from circularity assessment. Indicators covering both dimensions will be necessary in order to develop a comprehensive MFCE.

Reinforcing the links between the social and circular economies is particularly important, as this would facilitate a more resilient economy with inclusion and sustainability at heart. Re-use is a job-intensive economic activity: on average, a social enterprise creates 70 jobs per 1,000 tonnes collected with a view of being re-used – and most of these jobs (between 45% and 80%) are for vulnerable individuals distanced from the labour market. This is aligned with the European Green Deal, which underlines that moving towards a circular economy should be accompanied by a just transition, taking into account social factors and ensuring that “we leave no one behind”.

Hence, RREUSE calls upon the European Commission to monitor and report job creation in different sectors of the circular economy, in particular re-use and repair. An indicator regarding jobs created in the social and circular economy could be an important element in assessing the inclusiveness of the transition to a circular economy^[5]. In line with the Pact for Skills, the European Commission should also consider monitoring skills supply/demand and anticipating skills needs in the circular economy.

In conclusion, monitoring the social impact of the circular economy would align the MFCE with the SDG’s, the Pact for Skills, the Social Economy Action Plan, the European Pillar of Social Rights, and the principles of the Bellagio declaration.

[5] Not in vain, social enterprises active in the circular economy have been recognised within several EU Directives and Strategies, notably the EU Waste Framework Directive, the Circular Economy Action Plan, or the EU Sustainable Textiles Strategy.



4. ENVIRONMENTAL IMPACTS OF THE CIRCULAR ECONOMY

RREUSE believes that the MFCE should also account for the positive environmental impact of the circular economy, not only circularity metrics. For instance, the European Parliament highlighted the need to develop a specific indicator to take into consideration the impact of the circular economy on carbon emissions. Indicators related to resource depletion, water stress, and biodiversity loss implications of the circular economy could also be considered.

There is growing evidence that re-use is a key activity to cutting emissions and reaching climate neutrality goals by 2050. Its impact on carbon emissions should therefore be an essential element of the environmental assessment of the circular economy.

The need to measure the environmental impact of the circular economy is inextricably linked to the need to monitor re-use and preparation for re-use activities, and vice versa. For instance, the current framework includes a sub-indicator on “recovery rate of construction and demolition waste”, defined as “the ratio of construction and demolition waste which is prepared for re-use, recycled or subject to material recovery, including through backfilling operations, divided by the construction and demolition waste collected and treated”. As recognised by the Commission, “the most valuable fractions within construction and demolition (e.g. metals, plastics, glass, which contain scarce materials or require high amounts of energy to be produced) represent only a small percentage of construction and demolition waste; therefore high reuse or recovery rates lead to significant sustainability gains, which would not be duly reflected in the overall recovery statistics”[6]. Quantitatively monitoring re-use and preparation for re-use will not only inform about the progress and effectiveness of policies but also enable an accurate calculation of the environmental impact of the circular economy in Europe.

[6] Commission Staff Working Document “Measuring progress towards circular economy in the European Union – Key indicators for a monitoring framework” Accompanying the communication on a monitoring framework for the circular economy. (Available [here](#)).



5. MAPPING THE RE-USE SECTOR

The re-use sector is a highly diverse sector with heterogeneous activities, which therefore require heterogeneous indicators. Mapping the sector at a European level would help inform policies, indicators, and future targets.

While the NACE Rev. 2 codes related to recycling and repair activities are rich and differentiate between different types of activities, products, and waste streams, there is one code (“Retail sale of second-hand goods in stores”) to monitor re-use operations. However, re-use operators are highly diverse in nature, legal status and operations[7].

Hence, RREUSE encourages the European Commission to consider and mobilise stakeholders to start mapping the re-use sector, distinguishing between legal status, activities, and product streams. A breakdown of re-use and preparation for re-use practitioners would help inform policies, indicators, and future targets. Similar efforts have been conducted in Ireland[8] or Scotland in the past, with great success and many valuable insights[9]. ADEME’s panorama of the second-hand sector in France is also a comprehensive mapping exercise. These examples could be taken for guidance and replicated in the Member States every 2 to 3 years.

[7] For example, some re-use activities carried out by social enterprises are unique from the perspective of value-chain partnerships and collection methods.

[8] Colum Gibson, Keelin Tobin, Claire Downey, Sarah Miller, Laura Niessen, Roberta Bellini and Tadhg Coakley (2022) Qualifying and Quantifying the Reuse Sector in Ireland. (Available [here](#)).

[9] After carrying out a qualitative assessment, these studies proceeded to collect primary data and scalars that could be used to generate an estimate of the quantity of goods re-used in the territory (therefore allowing as well to generate an indicator in terms of kg re-used per person and year). These studies are thus benchmarks in how to measure re-use on a large scale. However, as pointed out in the study in Ireland: “Annual or bi-annual studies such as the one carried out in this project are not cost-effective – eventually the reuse sector will need to report its own data”. It must be noted, though, that re-use operators will require public support to properly collect, validate, monitor, and report data. RREUSE highlights the need to be aware of the perils of administrative burdens, particularly on social enterprises. For instance, data collection could be financed in the framework of EPR schemes.



6. SOCIAL AND CIRCULAR PROCUREMENT

RREUSE highlights the need to systematically monitor the inclusion of circularity requirements (repairability, durability, re-use, etc.) in public contracts[10], as public authorities in the EU spend about 14% of GDP on public procurement, which is, therefore, a critical tool to drive demand and leverage the circular economy. Such information can allow an understanding of the role of public procurement in promoting the circular economy and inform more targeted actions to accelerate the transition. While the original MFCE includes an indicator on public procurement, RREUSE is underwhelmed by certain aspects of this indicator.

Public procurement procedures in the EU above procurement thresholds[11] must complete a form in which public authorities can indicate (ticking “yes” or “no”) whether if in the tender documents, “technical specification, award criterion, or contract performance condition aims at reducing the environmental impact of the procurement”.

However, as recognised by the Commission[12], this seems a rather vague specification, which can be interpreted differently by different authorities and might lead to overly positive data. In fact, “the most valuable contracts are often in the field of construction where almost every public authority is likely to take some environmental element into account [e.g. energy efficiency]”. While the intention to include an indicator on public procurement is welcomed, RREUSE has many reservations about the technicalities of this indicator.

Therefore, in line with the reaction of the EESC to the original MFCE, RREUSE calls upon the Commission to identify strategies to correct data gaps, in this case, to monitor circular public procurement more accurately[13]. The inclusion of social clauses in tenders related to repair, re-use, and recycling activities should also be monitored to support social enterprises’ pioneering role in the circular economy[14].

[10] This is relevant to the SDG’s target 12.7., Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

[11] Around 150,000 procurement procedures a year in the EU are above these thresholds.

[12] Commission Staff Working Document “Measuring progress towards circular economy in the European Union – Key indicators for a monitoring framework” Accompanying the communication on a monitoring framework for the circular economy. (Available [here](#)).

[13] Improved indicators for circular procurement would also allow setting targets. For instance, after an initiative to conduct 80 circular procurement pilots, the Dutch Government developed the 2016 Roadmap to a Circular Economy, which included a pledge to raise the proportion of circular procurement to 10% by 2020.

[14] For instance, a new law in Spain includes a provision that mandates 50% of public tenders related to the collection, transport, and treatment of second-hand products to social enterprises. More information [here](#).



7. MONITORING CONSUMER BEHAVIOUR

The Bellagio declaration also mentions the importance of including consumer behaviour in a monitoring framework for the circular economy. To implement the waste hierarchy, it will be essential to collect data and understand citizens' attitudes, beliefs, and behaviours regarding the re-use and repair sector.

However, data in this domain is currently scarce. A pioneering Eurobarometer survey in 2015[15] reported that 77% of European citizens (EU28) attempted to make an effort to repair broken appliances before buying new ones, whilst 67% of respondents donated or sold items for re-use. Moreover, the survey also asked European citizens which types of products they would buy second-hand. The responses to this question show the vast differences existing across EU28 countries[16]. Consumer behaviours, attitudes, and beliefs must be monitored to inform and develop fit-for-purpose circular policies and initiatives on a local, national, and European level. In order to support re-use, it must become a natural choice for consumers – this is what can be called a re-use culture[17].

In short, RREUSE encourages the European Commission to monitor consumers' behaviours towards the circular economy, particularly re-use and repair. These efforts could be carried out in the framework of the Eurobarometer, with the most relevant indicators being included in the MFCE. A synthetic indicator could be developed, allowing to visualise specific sub-indicators as well.



[15] Flash Eurobarometer 388: Attitudes of Europeans towards Waste Management and Resource Efficiency. (Available [here](#)).

[16] For instance, while in some countries less than 10% of citizens would be willing to buy second-hand clothes in other countries more than 60% of citizens would do so. Vast differences between different types of second-hand products: for instance, while on average almost 70% of European citizens would be willing to buy second-hand books, CDs and DVDs, this figure goes down to 34% for textiles.

[17] Zero Waste Europe and RREUSE (2021) Putting second-hand first to create local jobs: guidance for municipalities to develop local re-use strategies. (Available [here](#)).

For more information please contact
Oscar Planells, Research Officer
oscar.planells@rreuse.org
www.rreuse.org

