# Policy Working Group





rreuse.

## **Session Outline**

1. Circular Economy Act & EPR position papers 2. Analysis Waste Framework Directive 3. Textile crisis next steps



# **Circular Economy Act position**

paper

# CEA's aim



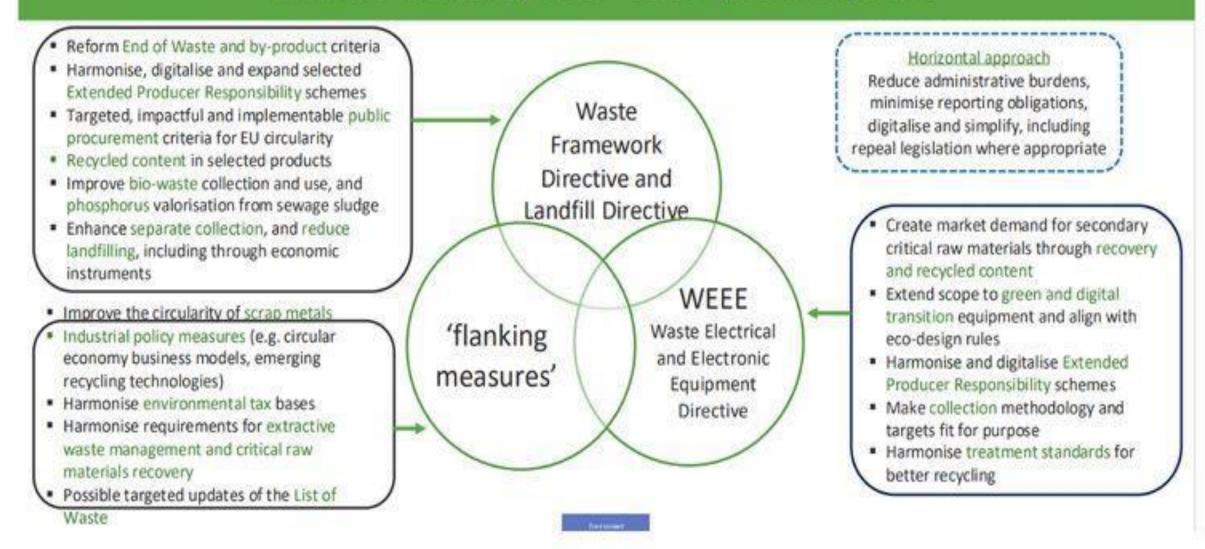
- Enable the free movement of circular products, secondary raw materials and waste
- Foster a higher supply of high-quality recyclates
- Stimulate demand for secondary materials and circular products
- Bring down feedstock costs
- $\rightarrow$  focus on recycling
- → lack of ambition on reuse and repair

# **CEA's announced measures**

- Revise and simplify existing rules on e-waste (focus on recovering CRM contained in WEEE)
- Harmonise "end of waste" definitions
- Simplify, digitalise and expand EPR
- Review the VAT Directive rules on the secondhand scheme



#### Circular Economy Act – three possible pillars



# CEA - Key asks



1. Quantitative waste prevention and preparing for reuse targets

2. SE recognised and involved as key actors in waste collection under EPR schemes

3. Financial incentives

4. EPR fees distribution in support of the waste hierarchy

5. Tax reductions to support the waste hierarchy

6. Mandatory green and social public procurement

7. Extended ban on the destruction of unsold goods





## Any red flags?

## • Any major aspect missing?



# EPR key asks

# **EPR funding**



Full cost coverage of SE activities
Earmarked funding for SE
"Necessary cost" concept not to disadvantage SE

# Prioritise waste hierarchy and support for SE

- EPR funding aligned with the waste hierarchy
- Mandatory waste prevention and management targets
- Ensured SE access to quality waste streams
- Maintain SE ownership of collected goods

# **PRO governance**



Inclusive governance
Prevent race to the bottom among PROs
Ensure producer responsibility across borders

# **Eco-modulation**



- Eco-modulation based on overproduction practices
- Ensure full cost-coverage independently from ecomodulation

# New mandatory EPR

Mandatory EPR schemes for furniture



## Any red flags?

#### • Any major aspect missing?



# Analysis Waste Framework Directive

# Legislative status



- February 18: provisional agreement reached by the EU Parliament and Council of the EU
- March 18: ENVI Committee approved the agreement
- July 7: plenary vote
- Council approval: most likely after summer

Final agreement can be found <u>here</u>



# **Enforcement timeline**

Transposition: 20 months
EPR implementation: 30 months
After entry into force of the directive

# **General principles**



- Member States are mandated to introduce EPR schemes for textiles
- Member States may set up EPR schemes for mattresses
- Producers need to appoint a PRO to assume the producer responsibility on their behalf
- PRO must establish a separate collection system
- Possibility to have a monopolistic or a competing model for PRO but Member States are encouraged to consider multiple PRO system

# **General principles**



- Concept of necessary cost: cost coverage should not exceed the costs necessary to provide service in a costefficient way
- All textiles considered waste upon collection

**Exception**: textiles directly handed over by end users and directly professionally assessed as fit for reuse at the collection point by the reuse operator or social economy entities, shall **not** be considered waste upon collection

# Good

- Specific provisions for social economy entities (SEE) safeguarded
- Social economy & social enterprises mentioned 33 times (compared to 3 mentions in 2018 revision)

## Good

- EPR schemes should maintain and support the activities of social economy entities
- PRO are not allowed to refuse the participation of SEE
- SEE allowed to maintain and operate their own separate collection points
- Equal or preferential treatment in the location of the collection points for SEE
- SEE not required to hand over textile collected to the PRO
- Member States will be able to link EPR fee levels to companies' harmful commercial practices powering fast and ultra-fast fashion

# **Mixed feelings**



- Reporting obligations for SEE operating their own separate collection points:
  - Must submit at least each year information the quantity by weight of the separately collected used and waste textile
  - Can be exempted by Member State if it creates a disproportionate burden
- Progress on inclusive governance but remains vague:
  - Member States shall ensure that relevant actors, including social enterprises, are involved in the implementation of the extended producer responsibility scheme

## Bad



- In the future evaluation of the Directive (2029), the Commission will look into the possibility of requiring a financial contribution from commercial reuse operators, in particular larger ones.
- No waste prevention/management targets (pushed back to the evaluation).
- No mention of permit requirements for the collection
- Lengthy timeline aggravating the funding gap



# **Textile crisis**

# Next strategic steps



 Push European Commission to encourage Member States to unlock funding for the sector Coordinate a parliamentary question • Need a wide range of political groups • Funding gap table • To be shared as aggregate data

# **Questions for members**



- Developments at national level?
- Parliamentary question
- $\rightarrow$  Do you have any contact with MEPs from different political groups we can engage with?
- Funding gap table
- $\rightarrow$  How can we best use this data?



## Thank you and keep in touch

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