

RREUSE response to the European Commission's Circular Economy Package Proposals

April 2016

Introduction

In December 2015, the European Commission relaunched a strategy for moving Europe towards a 'Circular Economy'¹ which includes a set of legislative proposals to revise key EU waste laws. These proposals will now go through the EU's co-decision legislative procedure whereby the European Parliament and Environment Ministers from member states will need to agree the final version of the rules.

This paper provides feedback and suggestions to policy makers on how the laws could be amended to help further cut the amount of resources and energy wasted in Europe and help foster and develop re-use centres and networks as is promoted by Article 11 of the existing Waste Framework Directive.

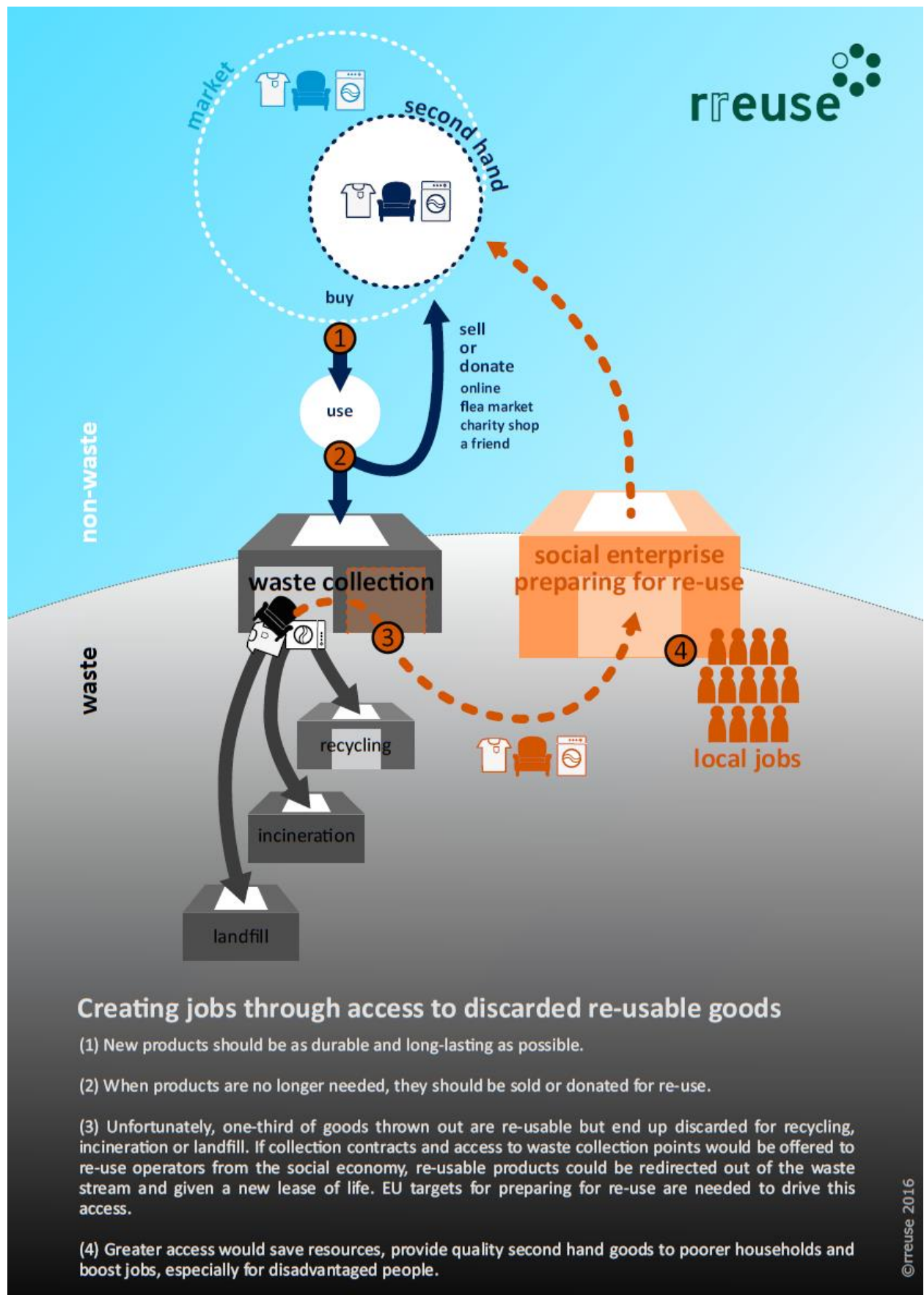
It is critically important that re-use of unwanted but re-usable goods is the top priority, above recycling and that the role of social enterprises in the sector is explicitly supported within the legal text. Not only do these organisations help millions of low income households across Europe access affordable essential goods, they also help train and employ thousands of people distanced from the labour market. To this end, access to these goods must be made available to the organisations that can do the necessary refurbishment and preparation for re-use activities. **Putting second-hand first**, in this way, will save energy and resources, and create thousands of jobs.

Summary of key points:

1. The definition of preparing for re-use and methodology must be clarified in order to avoid unintended consequences and regulatory burden for many second hand operators
2. Separate quantitative targets for preparation for re-use are needed away from recycling to ensure access to re-usable products and create thousands of local jobs
3. The role of social enterprises working in waste management must be explicitly supported within the waste directives through social clauses in tendering procedures
4. Rules on Extended Producer Responsibility (EPR) rules must better support preparation for re-use and repair activities
5. Specific incentives and targets are also needed in the Packaging and Packaging Waste Directive to encourage more re-use of packaging and durable design
6. Concrete legislation is needed to improve the ease of repair of our products beyond waste directives

¹ <http://ec.europa.eu/environment/circular-economy/>

Figure 1: Simplified schematic summarising the key position of RREUSE concerning the need for improved access to re-useable goods for social enterprises within waste legislation



Creating jobs through access to discarded re-useable goods

- (1) New products should be as durable and long-lasting as possible.
- (2) When products are no longer needed, they should be sold or donated for re-use.
- (3) Unfortunately, one-third of goods thrown out are re-useable but end up discarded for recycling, incineration or landfill. If collection contracts and access to waste collection points would be offered to re-use operators from the social economy, re-useable products could be redirected out of the waste stream and given a new lease of life. EU targets for preparing for re-use are needed to drive this access.
- (4) Greater access would save resources, provide quality second hand goods to poorer households and boost jobs, especially for disadvantaged people.

1. The definition of preparing for re-use and methodology must be clarified in order to avoid unintended consequences and regulatory burden for many second hand operators

1.1. Revert to the original definition of preparing for re-use (Article 3):

The original definition of preparing for re-use in the current Waste Framework Directive (WFD) clearly states that preparing for re-use relates to the re-use of products that have legally become waste.

‘preparing for re-use’ means checking, cleaning or repairing recovery operations, by which products or components of products that have become waste are prepared so that they can be re-used without any other pre-processing; Article 3(16)

Amongst the great variety of second hand operators in Europe, there are some which source the goods they sell from the waste stream, a large proportion of which are social enterprises. These organisations could significantly benefit from stronger and clearer legislation to help their activity.

However, the Commission’s proposal to open up the scope of this definition to also include the re-use of products risks potentially forcing other second hand operators working outside the waste regime, such as flea markets, antique shops, many charity shops etc. to have to comply with future standards and reporting mechanisms which would be burdensome with no benefit in return.

As a result, RREUSE believes that there must be legal clarity concerning the definition preparing for re-use to ensure that it still relates to the products or components of products that have become waste. It will also help Member States clearly identify which re-use entities they are to consider when reporting against the statutory targets in the Directive.

1.2. Define ‘preparing for re-use operator’

In order to report preparing for re-use rates, it is important to be able to identify the actors working in this sector. The European Commission has proposed the term ‘recognised preparing for re-use operators’ to be amongst the actors considered to be carrying out preparing for re-use activities. Furthermore, the Commission proposes to identify these actors clearly in the future via a delegated act setting quality and operational criteria for these operators.

Today in practice, one of the key ways to identify a bona fide preparing for re-use operator is through the presence of a waste permit or official exemption by a competent public authority. There are other characteristics as well which RREUSE came up with in 2014 that can be found in the Annex of this document. RREUSE would welcome a definition of preparing for re-use operator in Article 3 of the WFD along the following lines:

“Preparing for re-use operators are enterprises or networks of enterprises handling waste, working along the preparing for re-use process chain and respecting applicable waste and other relevant regulations in force where they operate.”

1.3. Set one methodology for measuring Preparing for Re-use

RREUSE is pleased to see that the Commission has attempted to set a methodology for preparing for re-use in article 11a (1b). Reporting on preparing for re-use rates must be done in such a way that helps incentivise local re-use activities as priorities, in line with the proximity principle. Today many preparing for re-use operators are already obliged to give the figures of the amount of products and materials that they make available on the market at sales or donation following a preparing for re-use process.

As such RREUSE would support an amendment to the Commission's suggestion of Article 11a (1b) (in bold) as follows:

*“the weight of the municipal waste prepared for reuse shall be understood as the weight of municipal waste that has been recovered or collected by a preparation for re-use operator and has undergone all necessary checking, cleaning and repairing operations to enable re-use without further sorting or pre-processing **and is made available for sale or donation as a second hand product in the country within which it was initially collected as waste;**”*

2. Setting a separate target for preparing for re-use

Today, **access to re-usable products and materials that have entered the waste stream, is one of the most significant obstacles** to developing preparation for re-use activities in Europe².

As such, RREUSE is happy to see that the Commission is supporting greater access for re-use centres to the waste stream in Article 11 of the WFD although we feel that the wording here could be more binding in nature. Access, however, will only be **enforced through separate quantitative targets for preparing for re-use** away from recycling in the Waste Framework Directive. Currently these steps, which should be separate, are combined in one target.

Given the differences in development of preparing for re-use activities around Europe in size, scale and density, **percentage based targets** would take this into account. Spain has recently set percentage based targets as part of their national waste management plan and RREUSE would support similar European targets.

Spain has recently set a national preparation for re-use target as part of their National Framework Plan for Waste Management (2016-2022) which sets to achieve 50% preparing for re-use and recycling by 2020 of which 2% will be prepared for re-use deriving mainly from textiles, WEEE and furniture and from other waste streams that can be prepared for re-use.

This is in addition to the new [Spanish Royal Decree](#) on WEEE that requires 2% of large household appliances and 3% of IT equipment to be prepared for re-use from 2017. The targets will rise to 3% and 4% respectively from 2018. The main reason for the setting of this target for WEEE was the potential to create 4.700 jobs.

² Kissling, R., Coughlan, D., Fitzpatrick, C. et al. (2013). Success factors and barriers in re-use of electrical and electronic equipment. Resources, Conservation and Recycling

Furthermore, where **targets for preparing for re-use exist today (e.g. in Spain, France and Flanders), they are linked to supporting the development of social enterprises** active in the field.

Flanders, Belgium, has set an employment target of 3000 Full Time Equivalent (FTE) jobs alongside a re-use target of 5 kg re-used material per capita to be achieved by 2015. As a result, the social economy re-use sector in Flanders provides over 5000 jobs and discussions about revising this target upwards are underway. It has now increased this target to 7kg / capita. Whilst this is not a pure preparing for re-use target.

France has a target to increase the amount of used furniture put back on the market by social enterprises by 50% over a 4-year period in comparison to a baseline situation, within the requirements of the French Extended Producer Responsibility Scheme for furniture. This focus on supporting social enterprises is because of their wider social value to the community through provision of job and training opportunities at the local level, often to the most marginalised in society.

As such, it is important that any proposal to set separate **preparing for re-use targets at EU level and increased access to the waste stream must be directly linked to helping support and develop social enterprises active in this sector as a priority** (see also Section 3).

Having separate preparing for re-use targets can create significant numbers of jobs locally. The job potential in re-use per given quantity of material is far higher than the equivalent amount of material recycled, landfilled or incinerated.

RREUSE roughly estimated that a preparing for re-use target of just 1% of municipal waste generation in Europe could create 200,000 jobs, 1.5% would equal 300,000 jobs, 2% would equal 400,000 jobs and so forth³.

Environmental and social benefits of re-use

1/3

of goods collected at waste recycling centres are **still re-usable** and could be sold second-hand instead of being recycled or landfilled¹



200 000 local jobs

could be created if **1% of municipal waste in Europe** was prepared for re-use²



12 000 €

net return to government and society for the reintegration of **one unemployed person** through working at a social enterprise³

¹ rx3 (2013) All Island Bulky Waste Reuse Best Practice Management Feasibility Study

² RREUSE (2015) Briefing on job creation potential in the re-use sector

³ SST (2015) Sociale tewerkstelling insynergie met de reguliere economie



³ RREUSE (2015) Briefing on job creation potential in the re-use sector (available [here](#))

3. The role of social enterprises working in waste management must be explicitly supported within the waste directives through social clauses in tendering procedures

Beyond preparing for re-use activities, many social enterprises are active in other waste management activities including waste collection and recycling where their role should also be maintained and supported.

The social services of providing jobs and training to people distanced from the labour market, are very much valued and recognised by municipalities and the wider community within which they operate. For example, recent calculations in Belgium show that there is a 12,000 EUR net return to government and society for the reintegration of one unemployed person through working at a social enterprise⁴.

Therefore, RREUSE supports a strong **call to set social clauses in tendering procedures for waste management operators by local authorities and Extended Producer Responsibility Schemes** (See also section 4.) This call could be added within article 15 of the Directive. Many local authorities, and increasingly EPR schemes are already making use of such clauses⁵.

4. Rules on Extended Producer Responsibility (EPR) rules must better support preparation for re-use and repair activities

EPR is being promoted as a key market-based instrument to help implement EU waste legislation, including full application of the waste hierarchy. However, RREUSE has identified that EPR rarely supports preparation for re-use activities aside from a few exceptional cases⁶. As such, RREUSE welcomes the European Commission's proposal to include minimum requirements for extended producer responsibility in Article 8a of the Directive. We are also pleased to see the differentiation of EPR fees according to how re-useable or recyclable products are. We feel these criteria for implementing EPR should be added to other directives and also modified where appropriate to match the specificities of the waste stream in question.

For example, for waste streams such as WEEE, we feel that EPR fees should be differentiated based on how easily repairable the appliance is. In addition they should also cover the cost of at least the transport of material to the preparing for re-use facility and the possible cost coverage of the resulting residual waste fraction following the preparing for re-use process⁷. Producer Responsibility Organisations (PROs) should also cover the costs of access to databases of repair and service manuals for partner preparing for re-use operators in line with Article 15 of the WEEE Directive.

Finally, as in Section 3, we feel that the role and possibility of partnerships between EPR schemes and social enterprises, irrespective of the waste stream, must always be taken into account when a new EPR scheme is being created or the terms of reference are being revised, similar to what is currently stipulated in France's Environmental Code⁸.

⁴ SST (2015) Sociale Tewerkstelling insynergie met de reguliere economie (available [here](#))

⁵ RREUSE (2015) Social Clauses: Why so important and how to implement them (available [here](#))

⁶ RREUSE (2013) Extended Producer Responsibility and the role of re-use activities, available [here](#)

⁷ Repanet (2015) EPR to finance re-use? Available [here](#)

⁸ Article [L541-10](#), Paragraph 2(4) of France's Environmental Code states that the terms of reference of an EPR scheme must take into account the role of social enterprises working in that waste stream

5. Separate incentives and targets need to encouraging packaging re-use

Beyond encouraging the preparing for re-use of discarded household goods such as textiles, furniture and WEEE, RREUSE is in favour of setting separate re-use targets and other policy incentives to encourage the re-use of packaging products, in particular within the Packaging and Packaging Waste Directive. It is noted, however, that many packaging re-use systems e.g. beverage bottles and pallet systems tend not to operate within the waste regime. Any policy mechanisms that are put in place to support re-useable packaging must be applied uniformly across the material types in order to ensure a level playing field i.e. the same target level applied to each packaging stream.

Deposit schemes can also be a tool to encourage packaging re-use rates and should be listed as part of a suite of economic instruments that could encourage more re-useable packaging. There may also be other pull measures that could be utilised such as setting a minimum percentage of re-useable packaging placed on the market annually.

6. The Commission's Circular Economy Action Plan needs to go further

Re-use and repair should be at the heart of any vision of a circular economy. RREUSE is aware that the quality and price of new products entering the EU market is diminishing mainly as a result of market saturation. Despite EPR having a role to play, these issues cannot be tackled most effectively in the waste review alone. RREUSE supports that the Commission will investigate possible repair-friendly criteria within the implementing measures of the Ecodesign Directive for example. We would, however, support further pull measures such as smart use of taxation (e.g. zero VAT on repair activities to make the sector more competitive) are examples of measures that would be useful beyond the waste legislation and should be supported⁹.

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The Re-use and Recycling EU Social Enterprises network (RREUSE) is a European umbrella organisation for national and regional networks of social enterprises with re-use, repair and recycling activities. Approximately 77,000 employees and 65,000 volunteers and trainees work throughout our 31 member organisations across 15 EU Countries and one in the U.S.A. Although structures and national contexts are diverse, RREUSE members share common elements such as the protection of the environment, the fight against poverty and, especially, the progress of disadvantaged people back into the labour market. RREUSE's main goal is to put sustainable development into practice by encouraging job creation and social inclusion in the field of waste prevention and sustainable waste management activities.

⁹ For more information see RREUSE (2015) Improving product reparability: Policy options at EU level available [here](#)

Annex

The following list is a non-exhaustive list of principles that preparing for re-use operators should abide by, adapted from a RREUSE position on the characteristics of approved re-use centres and networks¹⁰:

1. Full *safety requirements* for workers, vicinity and environment.
2. Records of all material streams entering the preparing for re-use centre and all materials going out. Records of materials that are no longer fit for preparation for re-use and thus sent for recycling and other treatment must also be kept (full documentation based on mass).
3. For every product group prepared for re-use by the operator a qualified or competent person and/or training regime must be in place. For example the re-use centre could have a qualified or competent mechatronic/electrical technician for WEEE or a carpenter for furniture etc. Alternatively a training scheme must at least be in place under the supervision of a relevant qualified person in order to train both permanent and non-permanent staff (the latter being, for example, persons on insertion/integration contracts).
4. Proper handling of used goods in a controlled manner (collection, dismantling, testing...)
5. Commitment to make available safe used goods and reusable parts as applicable (being sales or donations) in line with any relevant national rules on warranty.
6. Compliance with national commerce and waste regulations if applicable. Exemptions from national waste regulations/waste collection or treatment permits (or some of the restrictions / obligations connected with these permits) for re-use centres that only conduct preparation for re-use, not different from commercial repair workshops. These are recommended at national level in order to ease access to small enterprises and social enterprises.
7. Full compliance with relevant legal standards e.g. for electronics, electrical safety testing to ensure equipment is safe for purpose.
8. For products classified as waste the preparing for re-use operator determines their end of waste status. Prior to waste items gaining the status of a product these are to be sorted, checked, and where appropriate tested, repaired and cleaned. These steps must be carried out exclusively by the preparing for re-use operator staff who determine that the item in question is fit for purpose and can be re-used (in line with the conditions laid down in the Waste Framework Directive for End of Waste¹¹).

¹⁰ RREUSE (2014) Characteristics of approved re-use centres and networks, available [here](#)

9. Should the organisation also be active in recycling operations (e.g. dismantling), and other forms of waste treatment, they must provide evidence of how they ensure that (preparation for) re-use activities are prioritized, in accordance with the waste hierarchy.
10. Provide evidence that the products are not going for illegal export.
11. Concerning used products donated or sold by preparing for re-use operators, these must fulfil the same legal obligations in the respective Member State concerning producer liability, warranty and safety as other used products put on the market by other retailers.