

Circular Economy Action Plan



The Action Plan aims to stimulate Europe's transition towards a circular economy to boost global competitiveness, foster sustainable economic growth and generate new jobs. It gives a clear signal to economic operators that the EU is using all the tools available to transform its economy, opening the way to new business opportunities and boosting competitiveness.

The Plan promotes a broad range of measures for changing the full product lifecycle, that go beyond a narrow focus on the end-of-life stage. Innovative and more efficient ways of producing and consuming increasingly emerge as a result of the incentives that the Action Plan puts in place. The circular economy has the potential to create many jobs in Europe and globally, while preserving precious and increasingly scarce resources, reducing environmental impacts of resource use and injecting new value into waste products.

The 54 actions proposed under the Plan contribute to **"closing the loop" of product lifecycles through sustainable consumption and production and sound waste management, including greater recycling and re-use, also by creating a market for secondary raw materials. This comes with benefits for the environment, the economy and the society.**

Together with the Action Plan, the 2015 Circular Economy package includes Revised Legislative Proposals on Waste that include targets for recycling, measures for reducing landfill, to promote re-use and stimulate industrial symbiosis, as well as economic incentives for producers to put greener products on the market. In 2018, the European Commission adopted other ambitious initiatives in the context of the Circular Economy Action Plan, including a Europe-wide [EU Strategy for Plastics in the Circular Economy](#), a Communication on [options to address the interface between chemical, product and waste legislation](#), a [Monitoring Framework on progress towards a circular economy](#) at EU and national level, a [Report on Critical Raw Materials and the circular economy](#), and a proposal for a [Regulation on minimum requirements for water reuse](#).

In her political guidelines for the next European Commission 2019-2024, President-elect Ursula von der Leyen announced she will propose a New Circular Economy Action Plan focusing on sustainable resource use, especially in resource-intensive and high-impact sectors such as textiles and construction.

Implementing the [EU Action Plan on Circular Economy](#): Closing the loop

In March 2019 the European Commission reported on the delivery and progress of key initiatives of its 2015 Action Plan in the [Report on the implementation of the Circular Economy Action Plan](#). Three years after adoption, the Circular Economy Action Plan is fully completed. Its 54 actions have been delivered, even if the work on some of them continues beyond 2019.

The EU is committed to financing the transition towards a circular economy. Over €10 billion in public funding have been allocated to the transition by the Commission in the 2016-2020 period, including:

- €1.4 billion from Horizon 2020 (until 2018), to [circular economy projects](#) addressing areas such as sustainable process industries, waste and resource management, closed loop manufacturing systems or the circular bio-economy, with € 350 million specifically for making plastics circular;
- at least €7.1 billion from Cohesion Policy, of which €1.8 billion for uptake of eco-innovative technologies among SMEs and €5.3 billion to support the implementation of the EU waste legislation, with additional support being made available through the so-called smart specialisation strategies of EU regions and Member States, for market-led innovation and deployment;
- €2.1 billion through financing facilities such as the European Fund for Strategic Investments and Innovfin;
- at least €100 million invested through LIFE in more than 80 projects contributing to a circular economy.

The transition to a circular economy is also supported financially by national level investments.

“We will remove barriers that make it difficult for businesses to optimise their resource use and we will boost the internal market for secondary raw materials.”

European Commission Vice-President Jyrki Katainen

INTERNATIONAL DIMENSION

Transfer of EU experience

Key lessons-learnt from EU efforts in promoting the transition to a circular economy, include:

- High-level and long-term commitments have been key to the promotion of a circular economy in the EU. This commitment has led to the endorsement of the EU Action Plan on circular economy, with benefits in mainstreaming and in working across different policy areas to support its implementation. It is also mirrored in an increasing number of financing opportunities for concrete projects.
- Engaging a wide range of actors from both the public and private sectors is crucial for a successful transition to circular economy. Mobilising these actors and establishing strong partnerships may require substantial efforts, as the process entails the development of circular economy strategies at various sectors and levels of action.

[Circular Economy missions to third countries](#)

The [Circular Economy Missions](#) are a series of high-level political and business meetings in third countries to communicate and promote sustainable and resource-efficient policies. They bring together European institutions, NGOs, companies and relevant stakeholders in partner countries that have expressed an interest in reaping the Circular Economy opportunities.

These initiatives have three distinct objectives:

- Policy: to increase cooperation between the EU and third countries in the field of environmental policy, by signing political agreements fostering the circular economy, green public procurement and innovative, sustainable and inclusive growth;
- To achieve a better understanding of the environmental challenges faced by third countries;
- To support green European businesses (especially SMEs) to expand their activities abroad and promote green solutions through business partnerships.

Discussions during the circular economy missions focus on topics related to eco-innovation, chemicals and plastic, waste, water management, marine pollution and urban environmental best practices.

Missions have already been successfully organised in Singapore and Malaysia (June 2019), Mexico (April 2019), India (September 2018), Japan and Indonesia (October 2018), Colombia (October 2017), South Africa (May 2017), China (November 2016) and Chile (April 2016). Details are available at https://ec.europa.eu/environment/international_issues/missions_en.htm.

[EU Green Action Plan for SMEs](#)

With a view to raising EU SMEs awareness of the potential of the circular economy for Productivity, Competitiveness and Business opportunities, the Green Action Plan for SMEs facilitates (among others):

- **access to international markets for green entrepreneurs**
- the **uptake of resource efficiency technology in partner countries** through **cooperation with European SMEs**. Examples include:
 - the 'Low carbon business action with middle income countries';
 - the 'Green technology transfer action from Europe to South Mediterranean countries'; and
 - the 'Clean Energy Cooperation with India'.

Circular economy in practice: experience in the EU

At national / regional level

[Belgium: Flanders Materials Programme](#)

[Denmark: Public procurement as a circular economy enabler](#)

[Germany: Resource Efficiency Programme \(ProgRes II\)](#)

At project level

Circular economy projects are funded under several EU programmes, e.g. Horizon 2020, the SME Instrument, and the LIFE programme.

[Electronics: Recovering high-tech materials \(CLOSEWEE\)](#)

Circular economy in practice: experience beyond the EU

Recycling and Economic Development Initiative of South Africa ([REDISA](#))

[SwitchMed Start-ups and Entrepreneurs Corner](#)

Key implementation achievements include:

- a legislative proposal on [online and other distance sales of goods](#)
- a legislative proposal on [fertilisers](#)
- a call for proposals on “[Innovation deals for a circular economy](#)”
- an industry-wide construction and demolition waste management protocol
- a building framework with indicators, "Level(s)", addressing the environmental performance of buildings throughout their entire lifecycle
- guidance documents in the areas of water reuse and green public procurement
- guidance on how to integrate circular economy into Best Available Techniques Reference Documents (BREFs) for several industrial sectors covered by the Industrial Emissions Directive
- the revision of guidance on the Unfair Commercial Practices Directive
- the [Ecodesign Working Plan 2016-2019](#) as part of the Clean Energy for All Europeans package
- the [EU Platform on Food Losses and Food Waste](#)
- the results of the Fitness Check confirming the useful role of the EMAS and EU Ecolabel voluntary schemes in facilitating the transition to a circular economy
- a Communication on [waste-to-energy processes and their role in the circular economy](#)
- a proposal to make a targeted amendment to the Directive [restricting the use of hazardous substances in electrical and electronic equipment](#) ('RoHS Directive')
- the [Circular Economy Finance Support Platform](#)
- [the EU Circular Economy Stakeholder Platform](#)

- the [EU strategy for plastics in the circular economy](#)
- an assessment of [options to address the interface between chemical, product and waste legislation](#)
- a [proposal for a regulation on minimum requirements for water reuse](#)
- the adoption by the co-legislators of [amendments to the waste legislation](#)
- the adoption of a [Monitoring Framework for the circular economy](#), that assists policy makers in identifying good practices and prioritising areas where further action is needed
- a [proposal for a Directive to reduce the impact of certain plastics on the environment](#) (single-use plastics proposal)
- an increase in recycling rates at EU level, from 43.4 % in 2014 to 45.3 % in 2016 and a decrease of landfilling by 18 % between 2013 and 2016 (but the situation varies considerably among the EU countries)
- a 6% increase to employment in sectors relevant to circular economy since 2012, reaching to more than four million workers in 2016
- almost €147 billion in value added generated in 2016, in circular activities such as repair, reuse or recycling, with the latter standing for around €17.5 billion worth of investments.

More information

Fact sheets:

1. [An Ambitious EU Circular Economy Package](#)
2. [Helping consumers choose sustainable products and services](#)
3. [The production phase of the circular economy](#)
4. [Clear Targets and Tools for Better Waste Management](#)
5. [From Waste to Resources](#)

Disclaimer:

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