

# Desarrollos recientes en la política de la UE en economía circular

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2022  
BASQUE  
CIRCULAR  
SUMMIT



European  
Commission

# Content

- **Brief Intro: The JRC as part of the European Commission**
- **Green Deal and the 2<sup>nd</sup> Circular Economy Action Plan**
- **Specific deep-dives:**
  1. **Industrial Emissions**
  2. **Green Products – including Green claims and Digital Passport**
  3. **Materials Circularity – including Critical Raw Materials**
  4. **Green Taxonomy**

# DG Joint Research Centre

In-house research and science service of the European Commission

Independent research to support science-based EU policies

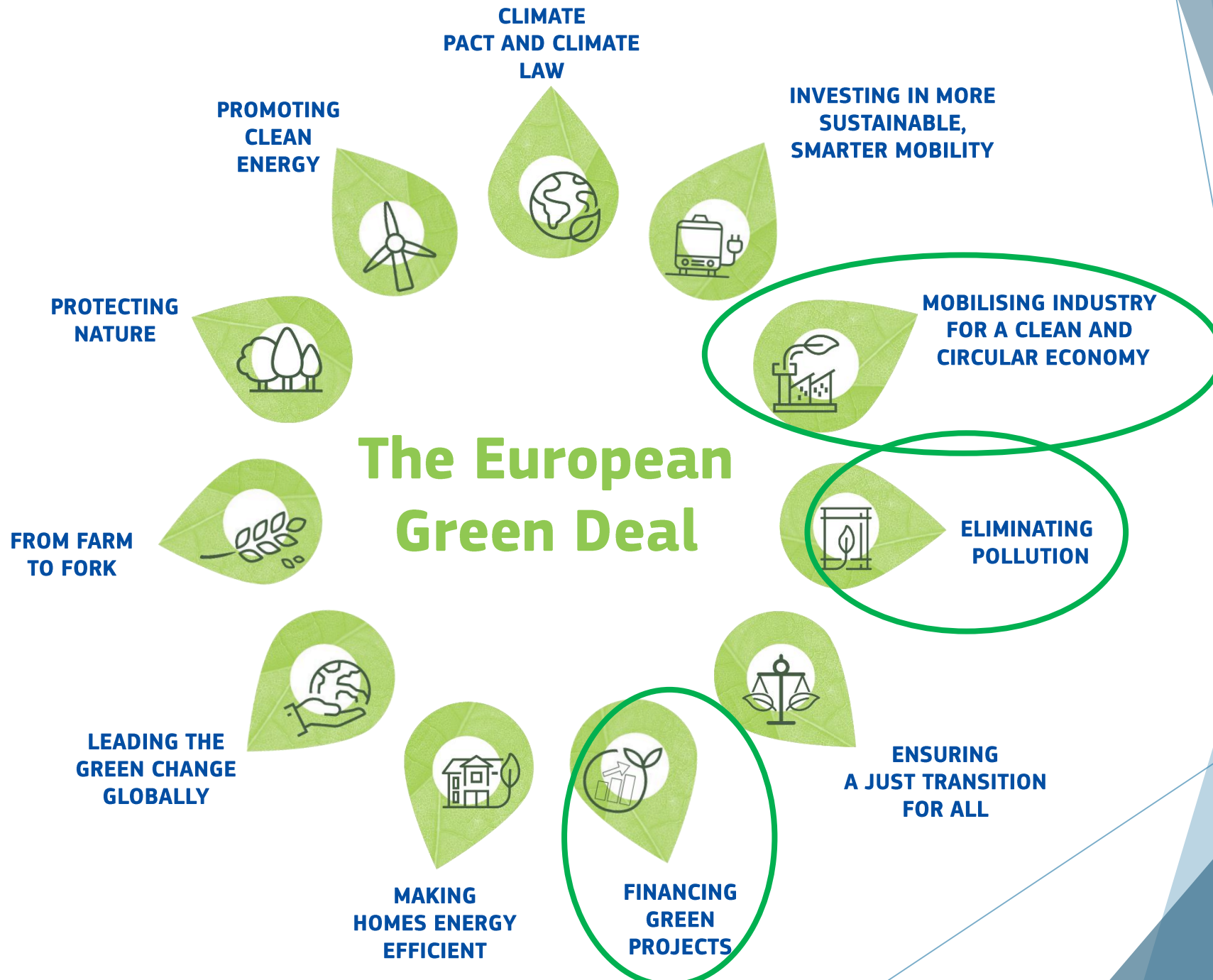
~ 2700 staff, 28 nationalities + associated countries

About 75% are researchers and scientists

6 sites: Headquarters in Brussels, centres in 5 Member States









# Circular Economy Action Plan

For a cleaner and  
more competitive  
Europe

- **Adopted 2020**
- **One of the main building blocks of the European Green Deal**
- **35 actions covering products, empowering consumers and public buyers, focus on specific sectors of high circularity potential (such as ICT, batteries, textiles, construction, food, nutrients)**
- **Action plan and Timeline 2020-2023**

# An Advanced Phase of Implementation

- **New regulatory framework on batteries** proposed in December 2020
- Proposal for a revision of the EU **Waste Shipment Regulation adopted** in November 2021
- **Circular Economy Package I adopted in March 2022**
  - **Sustainable Products Initiative - ESPR Ecodesign for Sustainable Products Regulation**
  - **EU strategy for sustainable and circular textiles**
  - **proposal for a revised Construction products Regulation**
  - **proposal for empowering consumers in the green transition**
- **April 2022:**
- Revised **Industrial Emissions Directive** and **European Pollutant Release and Transfer Register Regulation**
- **Circular Economy Package II planned for adoption November 2022**
  - Legislative proposal for substantiating **green claims** made by companies
  - **review of requirements on packaging and packaging waste in the EU**
  - **new policy framework on bio-based, biodegradable and compostable plastics**
  - **measures to reduce the impact of microplastic pollution on the environment**

Measures of  
CEAP Annex  
adopted / under  
adoption



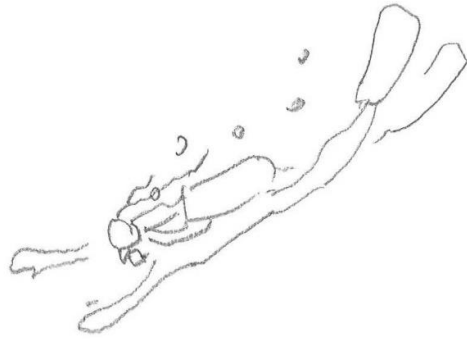
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**1. INDUSTRIAL EMISSIONS**



**Green Claims  
Digital Passport**



**3. MATERIAL and  
WASTE  
MANAGEMENT**



**4.  
SUSTAINABLE  
FINANCE and  
TAXONOMY**



**Critical Raw Materials  
Act**



# Industrial Emissions Directive



# IED and E-PRTR revision



- **European Green Deal (December 2019)**

*“review EU measures to address pollution from large industrial installations. It will look at the sectoral scope of the legislation and at how to make it fully consistent with climate, energy and circular economy policies.”*

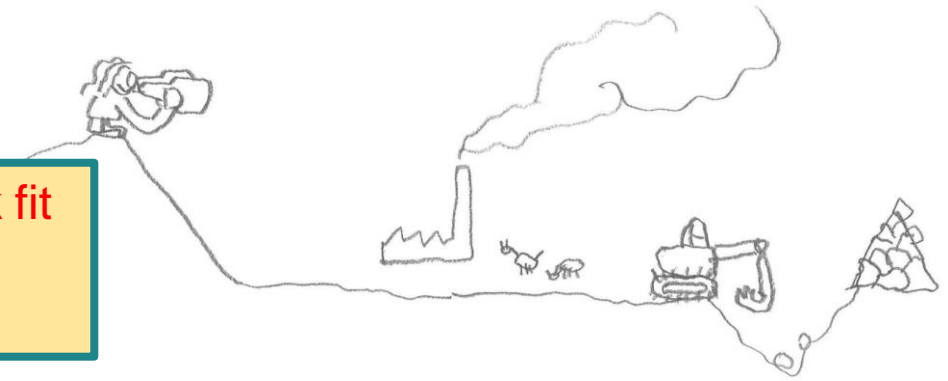
➡ Clear remit and need for action. Planned in the CEAP, has resulted in the revision of:

- Industrial Emissions Directive (IED)
- European Pollutant Release & Transfer Register (E-PRTR) Regulation

Revision adopted April 2022, currently debated in EU Council and Parliament

# Revision of the IED

To transform the legislation into a **forward-looking framework** fit for accompanying the industrial transformation needed for the green transition



## 1. More effective

- Increase **ambition** in permits & **tighten flexibilities for derogations**
- Accessible information on permits & performance

## 2. Support innovation

- Flexible permitting for frontrunners
- Create **INCITE - Innovation Centre for Industrial Transformation and Emissions** to ensure latest technologies are employed

## 3. Resources & chemicals

- Env Mgmt Systems to improve **resource efficiency**, apply **circular economy practices** and use **safer chemicals**
- **Binding performance levels** and/or benchmarks

## 4. Support decarbonisation

- Curb non-ETS emissions
- **Energy efficiency requirements**

**5. Widening of scope:** (1) close gaps in the IED scope (textiles, downstream metals, **landfills**), (2) accompany the growth of critical activities needed for the green transition (**certain mining activities and battery gigafactories**), (3) **13% largest livestock farms covered by tailored permit** to address methane and ammonia emissions, (4) **Watch mechanism for future widening of the scope** (delegated acts) eg **aquaculture, and upstream gas and oil production**



# Environmental Product Policy

ESPR –  
Ecodesign for Sustainable Products Regulation

Product Passport

Green claims

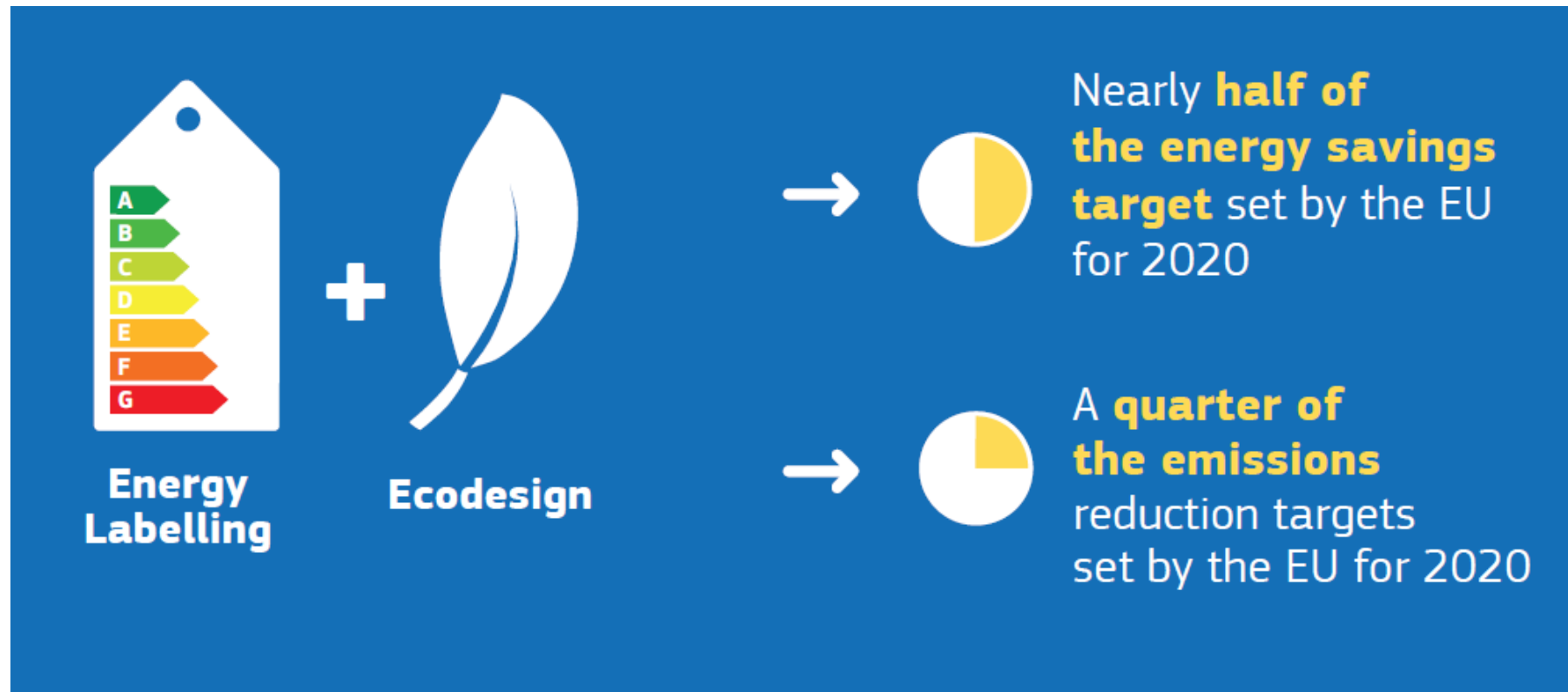


***“It's time to end the model of ‘take, make, break, and throw away’ that is so harmful to our planet, our health and our economy. Today's proposals will ensure that **only the most sustainable products are sold in Europe**. They allow consumers to save energy, repair and not replace broken products, and make **smart environmental choices** when they are shopping for new ones.”***

***Frans Timmermans,**  
**Executive Vice-President for the European Green Deal***



# Energy savings related to Ecodesign and Energy Labelling by 2020



# Put in another way, energy savings related to Ecodesign & Energy Labelling by 2030

## Energy Savings



### **Existing Measures:**

Energy savings equivalent to the primary annual energy consumption of Italy by 2020

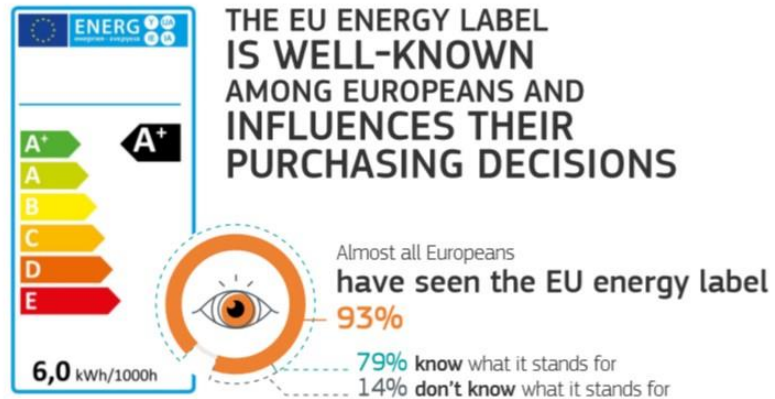


### **New Measures:**

Energy savings equivalent to the primary annual energy consumption of Sweden by 2030

# Spotlight on: Ecodesign and energy labelling

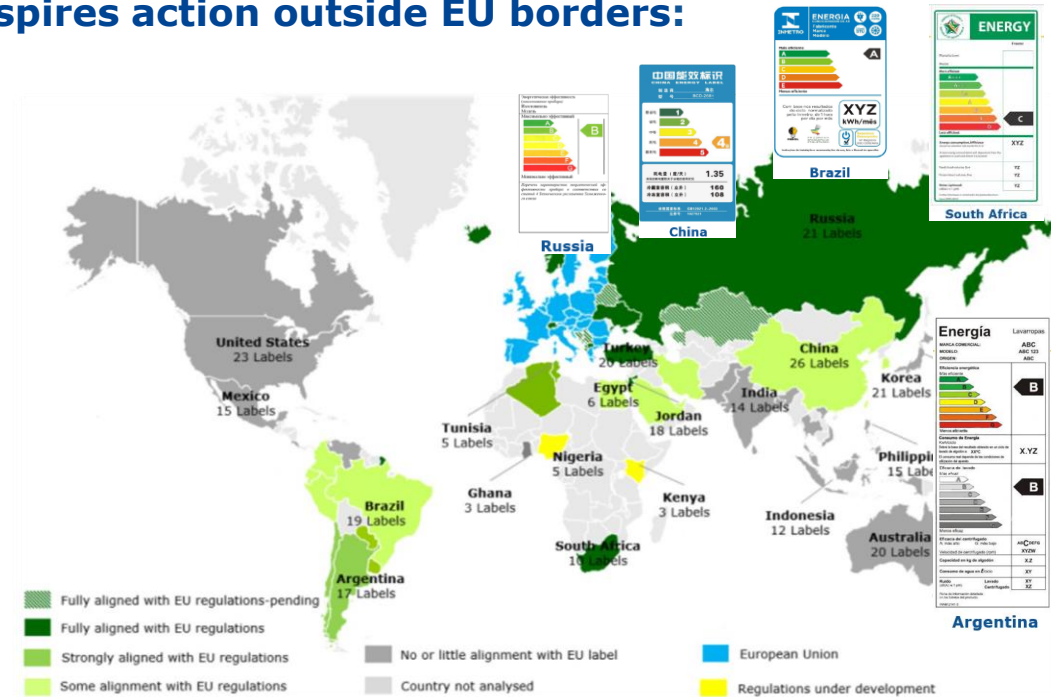
## Strong link with citizens:



The label had an influence in **79%** of Europeans' purchase choices when buying appliances



## Inspires action outside EU borders:

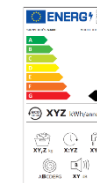


# ESPR – Ecodesign for Sustainable Products Regulation

Part of the Green Deal, announced in the CEAP



- Main **goal** is to *ensure that the performance of frontrunners in sustainability progressively **becomes the norm.***
- Main **instrument** of SPI: a revision and extension of the current **Ecodesign Directive** to a wide range of products.



- + Green claims
- + Consumer law (guarantees)



# How will ESPR work?

## 2. Extending the Ecodesign approach



### Scope extension

Moving beyond energy-related products to a wide product scope, including intermediate products (steel, aluminium, construction, etc)



### New requirements

durability, upgradeability, reusability, recycled content, carbon footprint



### Horizontal approach

Now allowed for in addition to product-specific requirements



### Increased focus on product information

e.g. Digital Product Passport; labels

# Other tools provided by ESPR



## **Mandatory Green Public Procurement**

ESPR will enable mandatory GPP criteria to be set in delegated acts for public contracting authorities



## **Prevention of destruction of unsold consumer goods**

Transparency requirements for those choosing to discard unsold goods, and possibility to ban their destruction for relevant product groups.

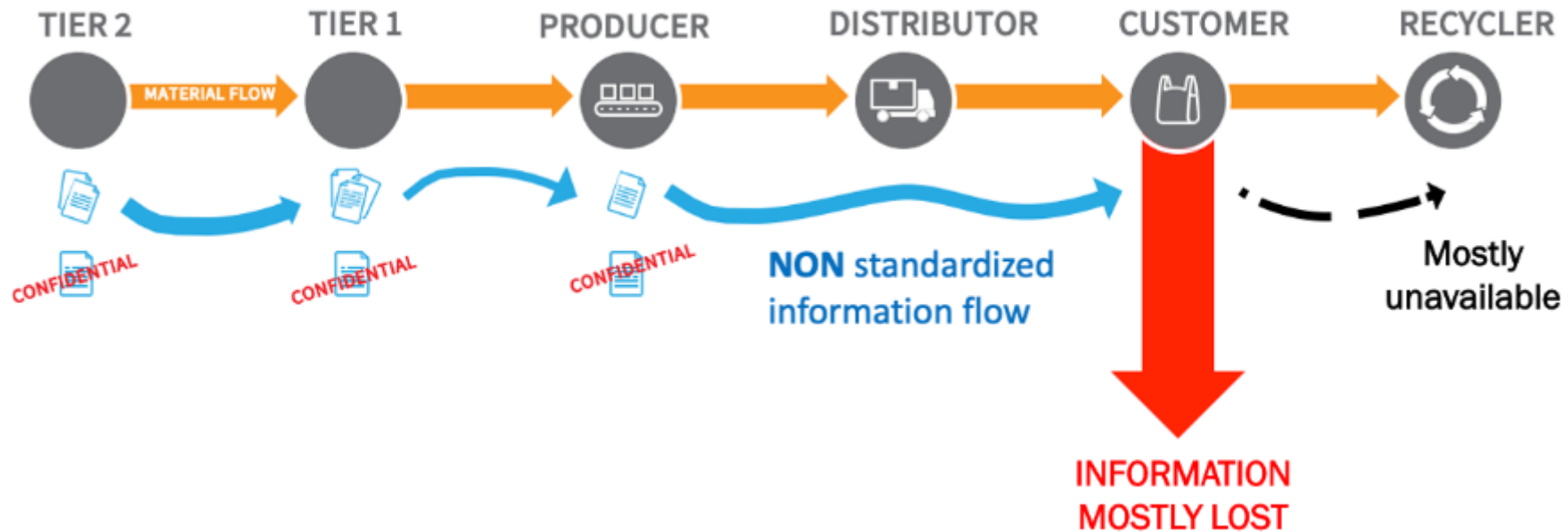


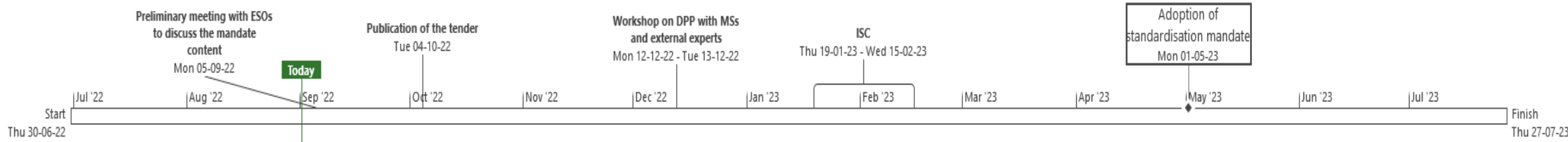
## **Market surveillance and customs controls**

Reinforcing controls on regulated products, including market surveillance implementing plans, possible targets on checks, support to common projects and investments

# Why is a Digital Product Passport needed?

Information flow in a linear economy:





Support **companies** (including SMEs) **in track and tracing** their suppliers (due diligence, better resilience, new business opportunities)



Support **Circular Economy, authorities** can better promote re-manufacturing, recycling, repairability, and supporting new business models



Benefit **market surveillance** and customs authorities



Allow **citizens** to have access to **relevant and verified information** related to the characteristics of the products



## Future milestones

- ✓ Adoption of the standardisation mandate: **mid-2023**
- ✓ Proof of concepts implemented for 3 value chains – CIRPASS project (batteries, textiles, ICT): **March 2024**
- ✓ First products regulated at EU level with a mandatory DPP: **2025-2026**



Member States direct involvement through:

- Dedicated workshop **12-13 December 2022** (tbc)
- Learning from MSs experiences on the ground
- Standardisation process
- Several consultation rounds

# Digital Product Passport



## Proposal for a Directive on empowering consumers for the green transition



→ It amends the *Unfair Commercial Practices Directive* and the *Consumer Rights Directive*

Aims to ensure **consumers get adequate information** on products when purchasing them  
→ consumers will take informed and environment friendly choices when buying their products

- Consumers will have a **right to know** how long a product is designed to last for and how, if at all, it can be repaired
- The rules will strengthen consumer protection against untrustworthy or false environmental claims, **banning 'greenwashing'** and practices misleading consumers about the durability of a product

## Proposal for a Directive on green claims



→ Proliferation of inconsistent methods and initiatives (>200 green labels in the EU!)  
→ IA shows too many vague/misleading or unfounded environmental claims (>40-50%!)

→ **Substantiation on impacts covered by the EF methods**

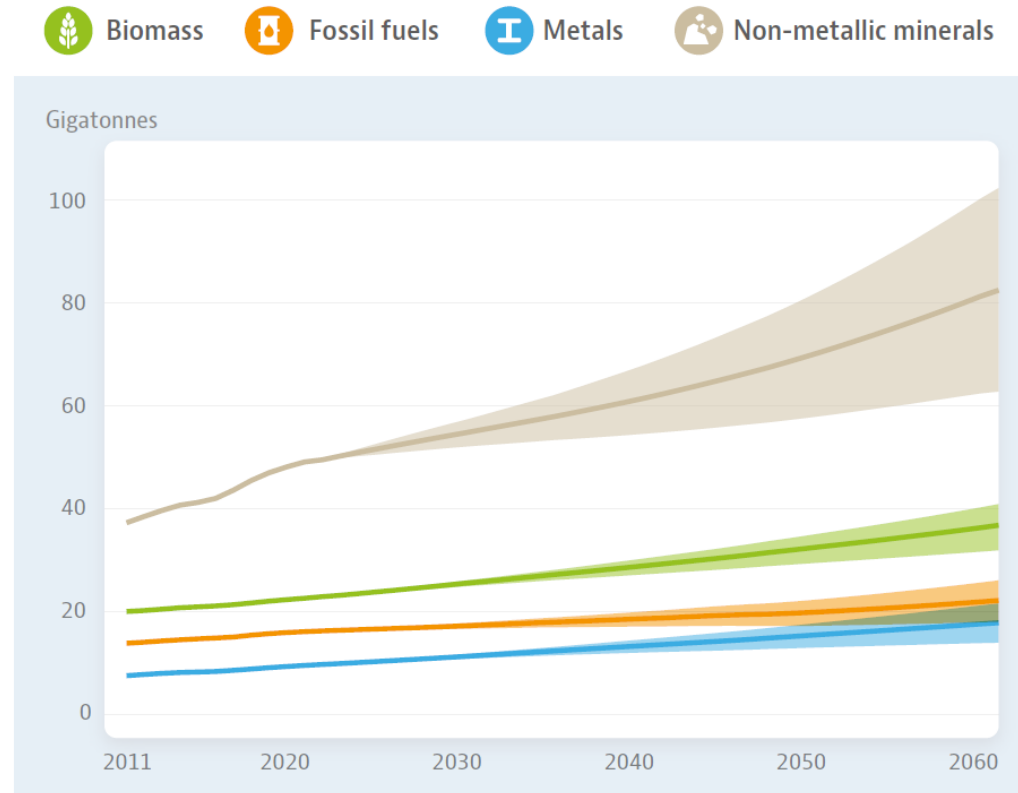
→ **More methodological coherence**

# **Critical Raw Materials Act –** how the global economic transition risks moving dependencies from fossil fuels to critical minerals

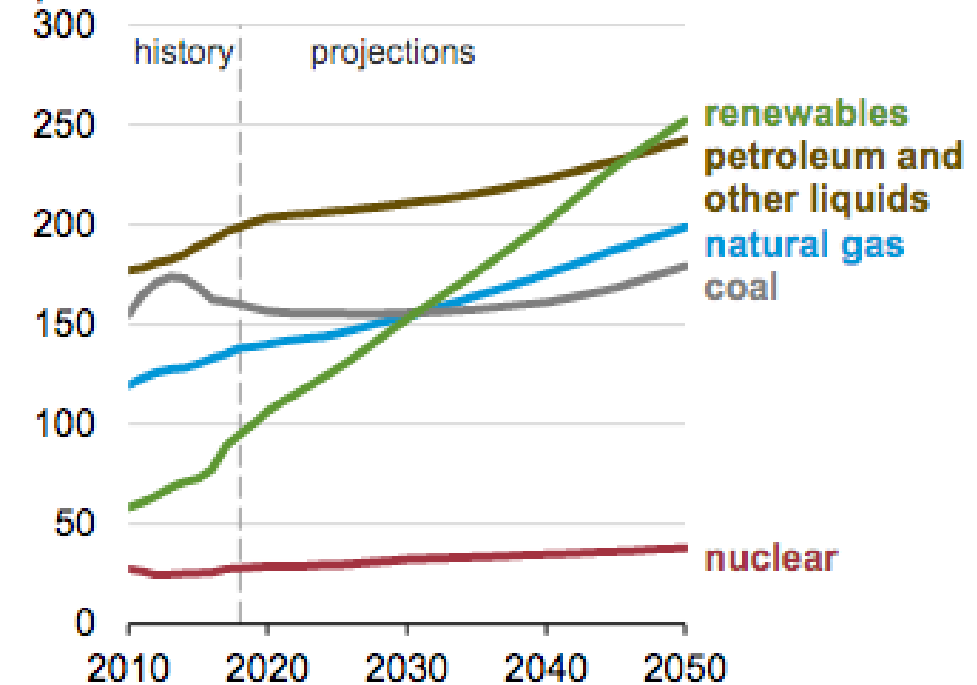
# I. A perfect storm

## Global demand set to exceed global supply

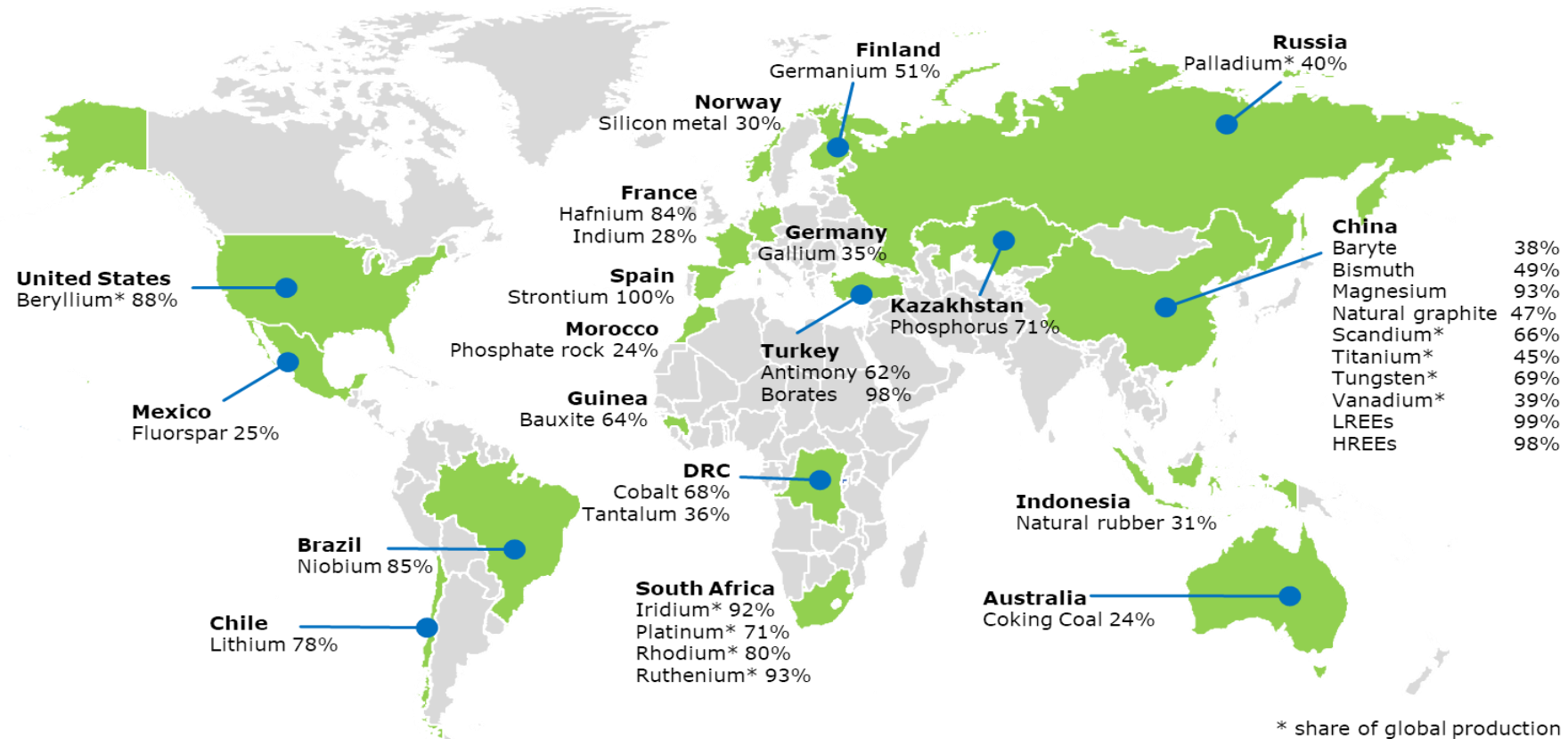
Figure 6. **Growth in materials use depends on population and economic growth assumptions**



**Global primary energy consumption by energy source**  
quadrillion British thermal units



# Structural dependencies in the EU supply of CRMs



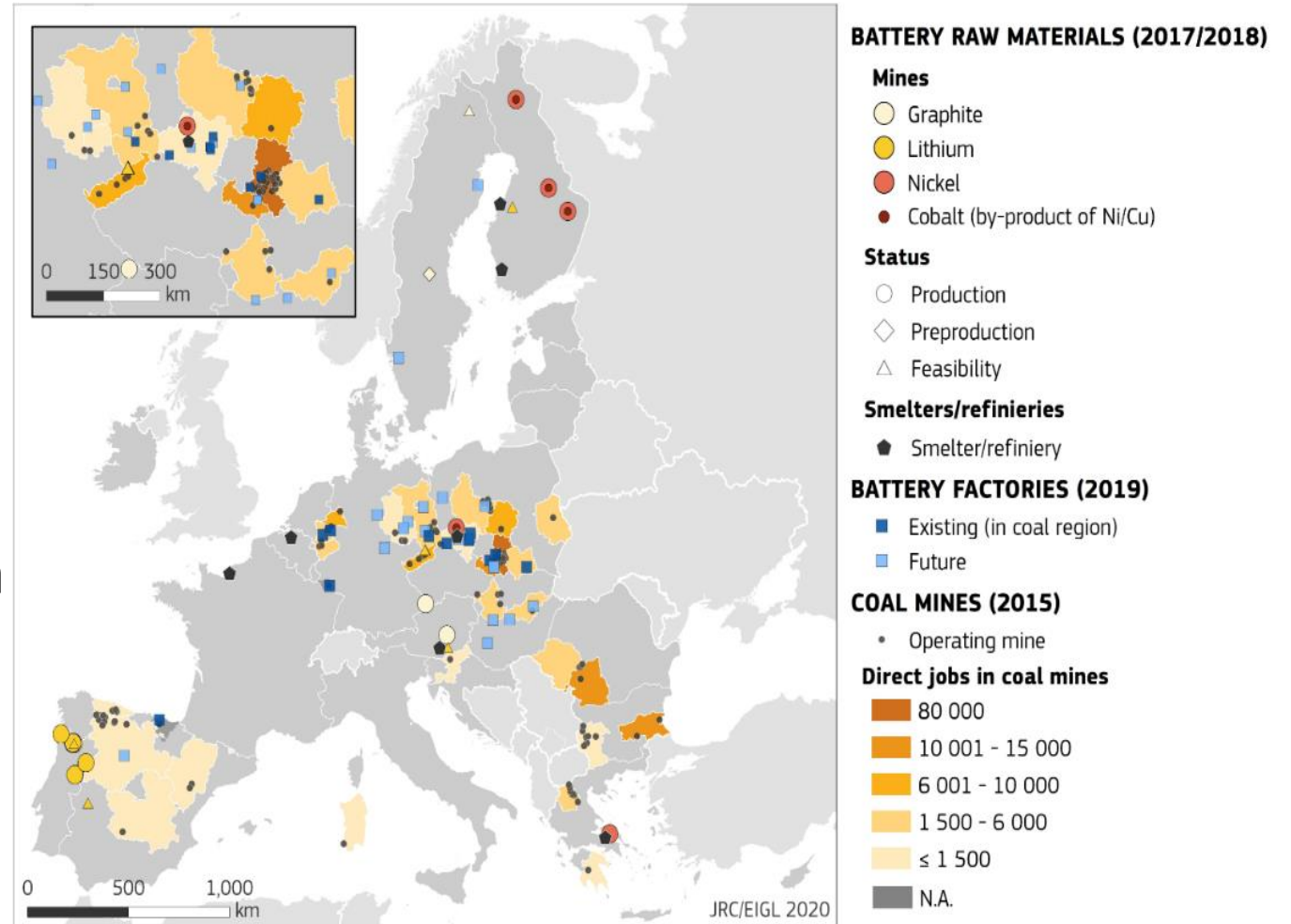
Source: "European Commission, Study on the EU's list of Critical Raw Materials – Final Report (2020)"



# III. EU actions are coming

## There is sustainable CRM potential in the EU

- There are **meaningful deposits** of relevant raw materials
- E.g.: potential EU projects for lithium could satisfy **38% of annual EU demand** for EV battery production in 2030 (15% by 2050)
- Just transition: CRM production can offer opportunities for **regional development and a new application for existing skills**



# Time for Action – CRM Act

## Commission President's State of the Union Speech on 14/9/2022

- The Commission will table proposal on Critical Raw Materials Act
- We will identify strategic projects all along the supply chain, from extraction to refining, from processing to recycling.
- We will build up strategic reserves where supply is at risk.

### ➤ Timeline

- Foreseen for adoption by Commission in Q1 2023
- Call for Evidence and Open Public Consultation open until 25 November 2022

# Key objective: secure EU supply of CRM

**Signalling priority needs**

**Strengthening  
governance and  
monitoring**

**Strengthening  
EU value chain  
(from extraction to  
refining and recycling)**

**Ensuring a Sustainable  
level playing field**

**Pursuing supply  
diversification, research  
and innovation, skills**



# EU green taxonomy

# Six environmental objectives

## Climate Delegated Act (DA)



1. Climate change **mitigation**



2. Climate change **adaptation**

## Environmental DA - "Taxo4 DA"



3. Sustainable use and protection  
of **water and marine** resources



4. Transition to a **circular  
economy**



5. **Pollution** prevention and control



6. Protection and restoration of  
**biodiversity and ecosystems**



# Two key concepts: Substantial contribution and Do No Significant Harm

Very different levels of ambition

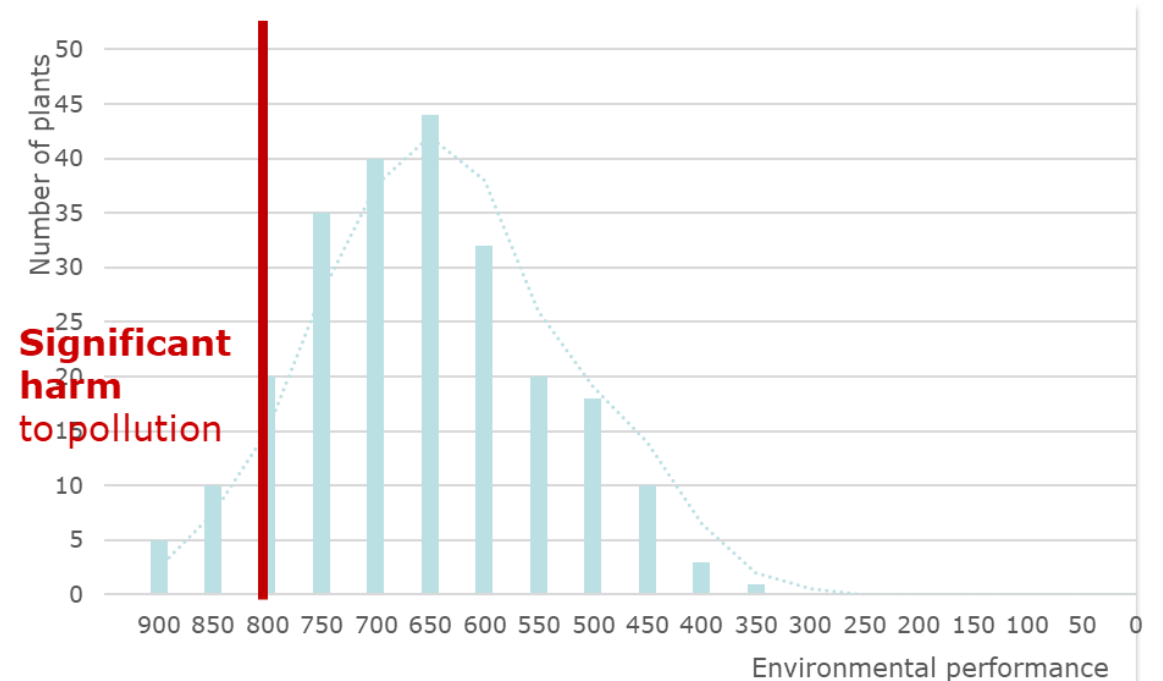
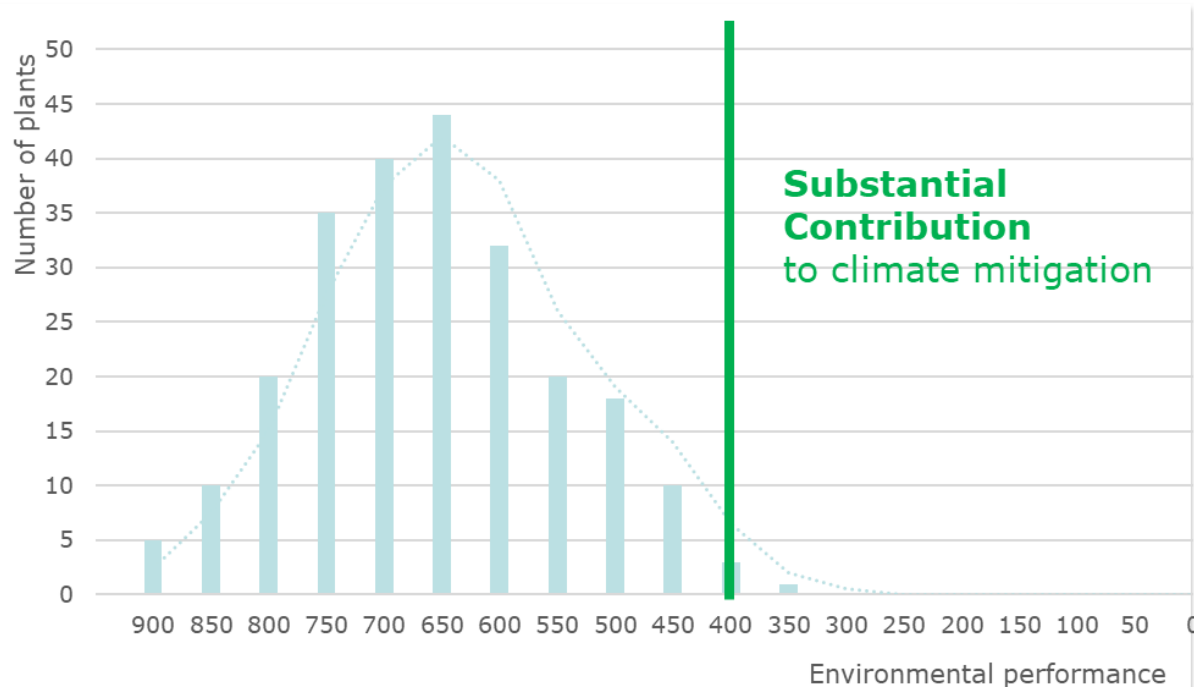


**Make a substantial positive contribution**




**Avoiding significant harm**

*Purely illustrative example*








# Technical Screening Criteria

e.g. Production of electricity from hydropower

	Climate change mitigation 
<b>SUBSTANTIAL CONTRIBUTION (SC) CRITERIA</b>	<b>Life-cycle emissions lower than 100gCO<sub>2</sub>e/kWh</b> or <b>Run-of-river plant and no artificial reservoir</b> or <b>Power density above 5 W/m<sup>2</sup></b>

$$\text{TSC} = \text{SC} + \text{DNSH} + \text{Minimum social safeguards}$$

	Climate change adaptation 	Water and marine resources 	Circular economy 	Pollution prevention and control 	Biodiversity and ecosystems 
<b>DO NO SIGNIFICANT HARM (DNSH) CRITERIA</b>	<ul style="list-style-type: none"> <li>- Reducing material physical climate risks</li> </ul>	<ul style="list-style-type: none"> <li>- WFD 2000/60/EC</li> <li>- <i>For existing hydropower:</i> mitigation measures implemented + monitoring...</li> <li>- <i>For new plants:</i> no deterioration nor compromise to achieve good status...</li> </ul>	n/a	n/a	<ul style="list-style-type: none"> <li>- Environmental impact assessment carried out and mitigation measures implemented</li> <li>- Appropriate assessment in/near biodiversity-sensitive areas</li> </ul>

# The EU Taxonomy

- defining environmentally sustainable



## THE TAXONOMY IS:

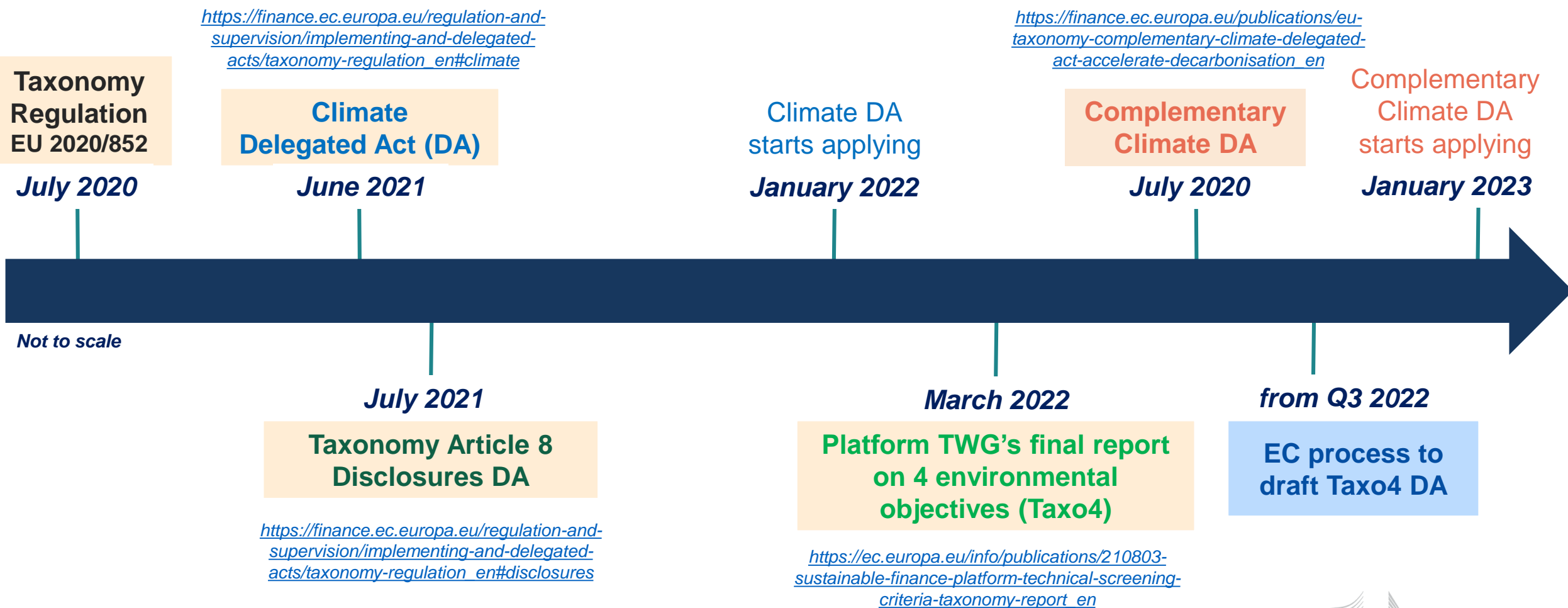
- a transparency tool based on a classification system translating the EU's climate and environmental objectives into criteria for specific economic activities for private investment purposes



## THE TAXONOMY IS NOT:

- a mandatory list of economic activities for investors to invest in
- a mandatory requirement for public investment
- a mandatory requirement on environmental performance for companies or for financial products

# EU Taxonomy milestones





# Thanks for your attention! Eskerrik asko!

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