OVAM PRIORITIES FOR 2024-2029

WE MAKE TOMORROW BEAUTIFUL OVAM

The Belgian Presidency of the Council of the European Union came to a close with the adoption of **Council Conclusions on the 8th Environmental Action Programme mid-term review.** These Council Conclusions provide a clear environmental agenda for the next mandate, supported by all EU Member States. This Memorandum is in full support of these Council Conclusions and highlights more detailed expectations from OVAM regarding EU policy on waste, materials and soil management and circular economy.

1. The need for system change

The European Green Deal has been a game changer and needs to continue to be. However, 2030 is tomorrow, and the EU is not on track to fully deliver on the ambitions under Sustainable Development Goals 12 (responsible consumption and production) and 15 (life on land). Recent reports from the UNEP International Resource Panel (UNEP IRP) and the European Environment Agency show that systemic changes that lead to sustainable production and consumption and the sustainable management of natural resources will be key, if the EU wants to address the triple planetary crisis and create an economy and society with wellbeing for all. Moreover, UNEP IRP's Global Resources Outlook 2024 shows in its Sustainability Transition scenario that decoupling growth in incomes and resource use from environmental impacts and damage goes hand in hand with global economic performance and boosting economic growth and well-being.

a. The case for an EU resources law

OVAM studied and proposed the idea of an EU Resources Law as the missing piece of the European Green Deal. An EU Resources Law could add value to existing regulatory instruments in the EU. For the European Green Deal to be effective, it is critical to target the root cause of the triple planetary crisis of climate change, pollution, and biodiversity loss: excessive extraction, production, manufacturing and consumption of material resources. Establishing an EU Resources Law will be key to reach a coherent approach as to avoid trade-off and to meet objectives set out in the 2020 Circular Economy Action Plan: to keep the EU's resource consumption within planetary boundaries and to strive to reduce the EU's consumption footprint. An EU Resources Law could serve policy coherence and help the mainstreaming of circular economy into other EU policies and fields. An EU Resources Law should, at a minimum, contain the following elements:

- a material resource consumption reduction target (and intermediary targets), sector-specific targets and specific EU Member State targets, coupled with indicators;
- a requirement to establish an independent scientific body focused on material resources;

- a requirement for EU Member States to adopt national material resource consumption reduction plans;
- > a reference to sector-specific plans; and
- > a monitoring mechanism.

b. Prevention as a core principle

It is key that prevention is being addressed horizontally, as a key feature of any future legislation. Prevention does not only relate to less waste generation, but also to a decrease in the consumption of materials, a lowered impact on the environment and health and a reduction in the content of hazardous substances in materials and products.

Addressing the ecodesign of products will not suffice to address all these aspects of prevention. There is an urgent need to promote sufficiency and support circular production and consumption models and producer ownership, i.e. servicebased models, in which producers retain ownership of products and materials across multiple use cycles. Meeting society's needs and wellbeing for all with less use of materials will contribute to both lower adverse impacts on the environment and health and to the EU's resilience and securing access to raw materials. Circular business models and producer ownership schemes have the potential to impact product durability, dematerialization and re-use and reduce waste generation. The economic and regulatory system will need to provide the right conditions and incentives to make them economically viable and the preferred way forward.

The circular economy needs to be safe. The use of hazardous substances and substances of very high concern in products affects the potential (or lack thereof) for re-use and recycling at a later stage. The importance of the announced Chemicals Industry Package for safe material loops cannot be underestimated.

In both the Waste Framework Directive and waste stream specific legislation (e.g. WEEE Directive) provisions on prevention should be strengthened (see below 2a), e.g. by clearer guidance for Member States on effective prevention programmes, setting prevention and preparing for re-use targets, and adding prevention elements to the provisions on EPR.

c. Better capture synergies

As is already clear from the previous paragraphs, EU policies and legislation are ever more interlinked. It is therefore essential to look for synergies between achieving sustainable production and consumption and the sustainable management of natural resources and the EU's climate agenda, the announced Clean Industrial Deal and the EU's economic foreign policy through trade.

The EU will not achieve its climate change targets without making progress on resource consumption. Therefore, it will be key to take steps to integrate circular economy as an important lever to achieve climate targets, by initiating a strengthened EU-coordinated effort to collect data on the greenhouse gas impact of material and product use along the value chain and to make use of these data in greenhouse gas emission modelling and climate policy. Additionally, we suggest to look for ways to complement the territorial calculation of GHG-emissions with a consumption footprint approach, so that the climate impacts of European consumption elsewhere in the world are also taken into account. An EU Resources Law could contribute to the sustainable and secure supply of raw materials, an aim the announced Clean Industrial Deal and the EU's trade agreements will strive for.

Even if we dematerialize and close loops in Europe, global trade flows will not diminish, and EU consumption will continue to have a major footprint in the rest of the world. The circular transition will only succeed if it is global, fair and inclusive. Globally, as well as in Europe, large groups of citizens still need to become convinced and involved. Circular and low carbon business and consumer models will not become mainstream as long as they are not competitive, affordable and inclusive.

As value chains are global, there is a need to set up global governance of natural resources. Materializing what this could look like can happen through initiating discussions on <u>an</u> <u>international agreement on the management of natural</u> <u>resources</u>, through the Global Alliance on Circular Economy and Resource Efficiency (GACERE), the United Nations Environment Assembly (UNEA) and other fora.

2. Further delivering and consolidating the European Green Deal

The European Green Deal has allowed to take major steps forward in EU policymaking regarding waste, materials and soil management and circular economy. Yet, some actions have not been delivered or only in a partial way. Apart from the issues already addressed in the first part of this memorandum, OVAM invites the European Commission to continue the work started under the European Green Deal, and more concretely to deliver the following actions:

a. Put forward a comprehensive review of the Waste Framework Directive

Even though OVAM welcomed that work was taken forward to reduce food waste and address challenges with textiles, the narrow scope of the revision of the Waste Framework Directive (WFD) does not allow the EU to achieve its ambitions regarding waste laid down in the European Green Deal and the 2020 Circular Economy Action Plan. OVAM therefore invites the Commission to deliver the existing review clauses foreseen in the WFD, strengthen the WFD with regard to waste prevention (see above), address the issue of high-quality secondary raw materials and safeguard waste management ambitions and targets.

Whether the EU will be able to double its circular material use rate by 2030 – as mentioned in the 2020 Circular Economy Action Plan – depends on several factors. A sound and swift implementation of the Ecodesign for Sustainable Products Regulation and a REACH revision are vital to ensure that products are safe by design and fit for recycling. In order to transform waste into high-quality secondary raw materials and to decrease the amount of residual waste, the following elements need to be addressed, either through a comprehensive review of the WFD or though the announced Circular Economy Act:

- further improving separate collection at source of recyclable waste streams, so as to enable high quality recycling;
- further developing EU end-of-waste criteria, so as to have secondary materials that are safe to use and ensuring that imported secondary materials comply with these criteria;
- progressively divert recyclable waste from landfilling and incineration through the use of bans and taxes;
- making it mandatory that EU Member States set up EPR schemes for waste streams that have a high share in the mixed municipal waste, e.g. diapers;
- > further strengthening the EPR instrument.

It is also needed that the principles of self-sufficiency and proximity are respected throughout the EU, so as to avoid as much as possible the export of residual waste to R1 installations outside of the country of origin.

Finally, multiple crises negatively affect waste management ambitions and targets. The volatility of the prices for primary materials endangers demand for secondary raw materials and puts circular businesses under pressure. The energy crisis diverted waste streams from material recovery to energy recovery (e.g. cooking oils), which is in contradiction with the waste hierarchy and the cascading principle and affects industries that use these waste streams for material recovery (e.g. feed industry) and even puts pressure on the ambition to decrease the amount of waste that is being incinerated. Consistency in EU policies is essential. Legally embedded instruments and targets that help avoid diversion of waste streams from material recovery to energy recovery are needed. On 14 June 2024, OVAM organized a workshop on a futureproof Waste Framework Directive. The interest in the workshop and participants' feedback showed that there is potential for further improving the WFD as the cornerstone of the EU's waste policies. Key messages from the workshop can be found in the **summary report**, more specifically, on the topics of prevention, waste hierarchy, waste/non-waste, biowaste collection, substances of concern in material loops and waste incineration in a circular economy.

b. Continue the work on soil health

The proposed Soil Monitoring Law (SML) is a milestone for the EU's soil policy. However, further support and coordination is needed to successfully implement the SML, and to ensure that monitoring will result in effective protection of soil health. The approach to the problem of diffuse pollution (caused by non point-source pollutions, e.g. due to pesticide and herbicide applications) needs further development. For the re-use of excavated soils as soil, there is a need for guidance how Member States should treat this under the WFD, with respect to the principles of the SML.

Improving soil health is an urgent societal priority, as it underpins solutions to key challenges like climate change (both adaptation (e.g. buffering extreme weather events) and mitigation), food security, water management, biodiversity, and public health. Beyond the SML, it is essential to consider soil health as a transversal topic and incorporate soil care into all EU policy areas (e.g. agriculture, water, biodiversity, (circular) economy, chemicals, waste, ...) to ensure a cohesive, integrated approach. The EU has an encouraging and promoting role in fostering the necessary soil awareness, soil literacy and agency frameworks in order to create an active soil caring society (e.g. by providing incentives (See also 1.c.). If all policy areas and stakeholders work together, we can build healthy soils for a healthy environment and a resilient society.

We need clarifications and coordination on regulations on disclosure of soil information and the regulation on public security and data protection. There is a tension between both.

c. Deliver announced actions

Several actions were announced, but did not yet result in legislative proposals. OVAM invites the Commission to deliver action on:

Circular Electronics Initiative/WEEE revision: the new WEEE-legislation should not only focus on quantitative recycling, but on prevention, prolonging usage, repair, re-use and qualitative recycling. WEEE should be treated by harmonised standards, applicable to anyone who handles WEEE, with a link to other legislation (ESPR, CRM, RoHS, POP's) and with realistic and measurable targets.

- Built Environment/Construction/Demolition: To make the EU construction sector more circular, a set of interventions is needed: develop preparing for re-use targets as foreseen in the review clause of the WFD, adopt endof-waste criteria for construction and demolition waste, establish recycling rates specifically for specific non-stony fractions coming from demolition as well as from renovation activities (plastic, wood, glass, insulation, metals...) and make harmonized EPR for building materials mandatory. Further, setting EU wide mandatory circular public procurement criteria for building materials could stimulate supply and demand.
- Substances of concern (including PFAS): a swift and ambitious approval of the PFAS restriction file and the introduction of EPR for products containing substances of concern in REACH is needed. Further, to help move forward the transition to a safe circular economy, information about Substances of Concern (SoC) (from the SCIP database and future product passport) needs to be made accessible and usable for the waste processing sector. The importance of enforcing SoC regulations on products entering the EU market from outside cannot be overstated.
- In light of the non-binding EU policy framework on biobased, biodegradable, and compostable plastics, OVAM invites the Commission to develop the outlined actions into new legislative initiatives. This step is crucial to ensure a comprehensive and effective regulatory approach that supports the sustainable production and use of these plastics while aligning with the EU's environmental and circular economy objectives.

d. Provide delegated and implementing acts in a timely manner

Also, during the past mandate many legal frameworks were adopted, but also an unprecedented amount of delegated and implementing acts has been enshrined in these legal frameworks and still need to be delivered. Without these acts, significant unclarity remains over correct implementation. We therefore ask the Commission to deliver the announced delegated and implementing acts in an effective and timely manner.

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