Mapping of Circular Economy Policy Strategy Action Points in the Nordics V1.0

Mapping Circular Economy Policy Strategy Action Points for the Nordics V1.0
static printable version
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- Scroll to explore map
- Work in progress: collaborative editorial access available upon request
Double underlined subnodes expandable on dynamic version

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These references will interlink as sub-nodes expand

Actors
- Private Sector
- Public Sector
- NGOs

Specific Recommendations

Impact

Objective

Problem

EU 54 Action Points

Production
- Emphasis on circular economy aspects in future product requirements under the Eco-design directive.
- Proposal for an implementing regulation on televisions and displays
- Include guidance on circular economy into Best Available Techniques reference documents (BREFs) for several industrial sectors
- Establishing an open, pan-European network of technological infrastructures for SMEs to integrate advanced manufacturing technologies into their production processes
- Develop an improved knowledge base and support to SMEs for the substitution of hazardous substances of very high concern
- Examine how to improve the efficiency and uptake of the EU Eco-Management and Audit Scheme (EMAS) and the pilot programme on environmental technology verification (ETV)
- Ecodesign Working Plan 2016-2019 and request to European standardisation organisations to develop standards on material efficiency for setting future Ecodesign requirements on durability, reparability and recyclability of products.
- Examine options and actions for a more coherent policy framework of the different strands of work of EU product policy in their contribution to the circular economy
- Guidance and promotion of best practices in the mining waste management plans

Consumption
- Better enforcement of existing guarantees on tangible products, accompanied by a reflection on improvements (upcoming Commission proposal for online sales of goods, and Fitness Check of consumer legislation)
- Action on false green claims, including updated guidance on unfair commercial practices
- Analysis of the possibility to propose horizontal requirements on repair information provision in the context of Ecodesign
- Fitness check of Ecolabel, to be followed by actions to enhance its effectiveness
- Assessment of the possibility of an independent testing programme on premature obsolescence
- Subject to evaluation of the current ongoing pilots, explore the possible uses of the Product Environmental Footprint to measure and communicate environmental information
- Action on Green Public Procurement: enhanced integration of circular economy requirements, support to higher uptake including through training schemes, reinforcing its use in Commission procurement and EU funds

Monitoring & additional footnote references
- Development of a monitoring framework for the circular economy

Waste management
- Revised legislative proposal on waste
- Improved cooperation with Member States for better implementation of EU waste legislation, and combat illicit shipment of end of life vehicles (ELV)
- Stepping up enforcement of revised Waste Shipment regulation
- Promotion of industry-led voluntary certification of treatment facilities for key waste/ recyclate streams
- Initiative on waste to energy in the framework of the Energy Union
- Identification and dissemination of good practices in waste collection systems

Market for secondary raw materials
- Development of quality standards for secondary raw materials (in particular for plastics)
- Proposal for a revised fertilisers regulation
- Proposed legislation setting minimum requirements for reused water for irrigation and groundwater recharge
- Promotion of safe and cost-effective water reuse, including guidance on the integration of water reuse in water planning and management, inclusion of best practices in relevant BREFs, and support to innovation (through the European Innovation Partnership and Horizon 2020) and investments
- Analysis and policy options to address the interface between chemicals, products and waste legislation, including how to reduce the presence and improve the tracking of chemicals of concern in products
- Measures to facilitate waste shipment across the EU, including electronic data exchange
- Further development of the EU raw materials information system

Sectorial Action

Critical raw materials
- Report on critical raw materials and the circular economy
- Improve exchange of information between manufacturers and recyclers on electronic products
- European standards for material-efficient recycling of electronic waste, waste batteries and other relevant complex end-of-life products
- Sharing of best practice for the recovery of critical raw materials from mining waste and landfills

Innovation and Investments
- Initiative "Industry 2020 and the circular economy" under Horizon 2020
- Pilot project for "innovation deals" to address possible regulatory obstacles for innovators
- Targeted outreach to encourage applications for funding under EFSI, and support the development of projects and investment platforms relevant to the circular economy
- Targeted outreach and communication activities to assist Member States and regions for the uptake of Cohesion Policy funds for the circular economy
- Support to Member States and regions to strengthen innovation for the circular economy through smart specialisation
- Assessment of the possibility of launching a platform together with the EIB and national banks to support the financing of the circular economy
- Engagement with stakeholders in the implementation of this action plan through existing fora in key sectors
- Support to a range of stakeholders through actions on public-private partnerships, cooperation platforms, support to voluntary business approaches, and exchanges of best practices

Biomass and bio-based materials
- Guidance and dissemination of best practice on the cascading use of biomass and support to innovation in this domain through Horizon 2020
- Ensuring coherence and synergies with the circular economy when examining the sustainability of bioenergy under the Energy Union
- Assessment of the contribution of the 2012 Bio-economy Strategy to the circular economy and possible review

Construction and demolition
- Pre-demolition assessment guidelines for the construction sector
- Voluntary industry-wide recycling protocol for construction and demolition waste
- Core indicators for the assessment of the lifecycle environmental performance of a building, and incentives for their use

Food Waste
- Development of a common methodology and indicators to measure food waste
- Stakeholders platform to examine how to achieve SDGs goals on food waste, share best practice and evaluate progress
- Clarify relevant EU legislations related to waste, food and feed in order to facilitate food donation and utilisation of former foodstuffs for animal feed
- Explore options for more effective use and understanding of date marking on food

Plastics
- Strategy on plastics in the circular economy
- Specific action to reduce marine litter implementing the 2030 Sustainable Development Goals

Circular Economy Strategies & orgs (municipal, regional, national)

Nordic Timeline

Norway

In 2017, the government presented a white paper on waste policies in a circular economy, aiming to increase reuse and recycling. The paper also contained a strategy to strengthen the international commitment to combat marine litter by cooperating with the Nordics, the EU and through the mechanisms of the UN.

In February 2018, the Parliament asked the Government to, amongst other things, create a national strategy for circular economy, and to promote suggestions for a food waste law that would affect the food industry. The law would include donating all edible surplus food for charitable purposes and secondary to animal feed. Also worth mentioning is the request for the government to phase out unnecessary use of single-use plastics as well as coming up with a scheme to make it free to deliver marine litter to the ports for fishermen and others.In 2017, the government also signed an agreement to reduce food waste by 50% by 2030. In 2017, the government furthermore launched a strategy for green competitiveness and green growth.

In May 2018, Norway became a part of the EU circular economy package. The changes in the packaging directive provides new and higher targets for the proportion of packaging waste to be recycled by 2025 and 2030. It also stresses that Norway should implement measures that promote increased sales of reusable packaging and re-use of packaging.

Denmark

In 2016, a white paper on the circular economy was launched by the Ministry of Environment and Food, aiming to exemplify and inspire to new innovative business models.

The advisory board for a circular economy was set up in October 2016 in order to provide recommendations to the Danish government on how it can support the business transformation into circular economy. In June 2017, the advisory board came with it 27 recommendations aiming to promote a Danish transformation into a circular economy. A few examples of the recommendation are; incorporating circular economy into the entire education system, promoting surplus capacity through sharing economy business models, promoting reparation and reuse through changes in the VAT scheme, and introducing an expanded circular producer responsibility scheme for waste of electronic products.

In September 2018, the Danish government presented its strategy for a circular economy. The strategy divides 16 million euro between 15 activities, e.g. strengthening companies and motivating them to improve circularity, supporting the circular economy through data and digitalisation and generate more value from buildings and biomass.

Finland

First and foremost, in 2016 the road map for circular economy between 2016-2025 was launched. It is the world's first roadmap on circular economy and it was prepared jointly by Sitra, and relevant ministries and stakeholders. The roadmap outlines the road ahead for a successful implementation of the circular economy. Sitra furthermore constructed an action plan for the circular economy. The main priorities of the action plan are platforms for testing the circular economy, sustainable and innovative public procurement and support for new products and service innovations.

Two key project of the transition towards a circular economy is the Strategy for Finnish Bio economy and clean solutions i.e. cleantech. The strategy for the Finnish bio economy was set up in 2014 by three Finnish Ministries and it aims to increase economic growth and new jobs from a growth in the bio economy business. Also, it means to create a competitive operating environment for the bio economy, with a strong bio economy competence-base. The cleantech initiative strives to promote sustainable use of natural resources and reduce environmental emissions by cleantech products, services and processes.

In November 2018, Finland published information on a Plastics Roadmap that will be launched in spring 2019. The Roadmap includes measures on a variety of areas related to plastics; such as helping consumers recycle, improve plastics recovery, recycling and product design, stimulating investments and innovations in the circular economy, etc.

The 1st of January 2017, VAT reliefs on repairs of bicycles, clothing, textiles and leather goods was reduced from 25% to 12%.

Sweden

The state's investigation regarding circular economy was summarized in March 2017. The suggestions were a delegation for circular economy. It also suggested e.g. further tax relief on renting-, second hand- and repairing services and increased availability of car pools. The government agreed about the delegation for circular economy and they approved 5 million a year for this mission. The delegation was constituted the 12th of April, 2018 and its mission is to advice the government and set up a strategy for the transition to circular and bio based economy. Asa Domeij, the sustainability manager of Avfood, holds the presidency of the delegation.

Iceland

Within the frames of the new so called January agreement amongst four of the Swedish Parliament Parties, in order to be able to create a government, many of the agreement bullets are related to the environment. One of these measures is to strengthen the circular economy through e.g. a pawn on more items, a "hyper deduction" on rented items, and a demand on the recycling of textiles.

Danish National Strategy (left) in relation to: Danish Circular Economy Advisory Board recommendations (right) Double click to expand/collapse

- Promoting circular business development in SMEs
- Setting up a single point of entry to the authorities for enterprises with circular business models
- Expanding the access to financing of circular business models
- Supporting digital circular options by commercial use of data and challenges
- Incorporating circular economy into product policy
- Boosting Danish participation in European work on circular standards
- Promoting circular procurement
- Increasing focus on total cost of ownership in public procurement
- Promoting more harmonised collection of household waste
- Creating a level playing field on the market for waste and recycled raw materials
- Liberalising WEEE management
- Establishing a fund for the handling of regulatory barriers to circular economy
- Developing a voluntary sustainability class
- Propagating selective demolition
- Getting more value out of biomass

- Make circular economy the driving force behind Danish industry
- Set up a single point of entry to the authorities for enterprises that encounter barriers to circular transition
- Create circular municipalities
- Incorporate circularity into the macroeconomic models and statistics
- Develop standards that support the circular economy
- Incorporate circular economy into the entire education system
- Promote research, development, testing, demonstration and market development for circular solutions and technologies
- Boost financing for the acceleration of circular enterprises
- Exploit the leading position of Denmark within digitalisation and new technology to support circular transformation
- Strengthen circular product policy, e.g. in the Ecodesign Directive
- Incorporate circular economy into manufacturing industry
- Create a circular building regulation
- Develop standardised building and product passports
- Improve the framework condition for biorefining
- Establish new value chains for agricultural crops that make better use of photosynthesis
- Optimise the use of animal products
- The public authorities should build and procure on the basis of total costs and lifecycle calculations
- Promote the circular economy through the way enterprises and the public authorities make their procurements
- Develop circular aspects by relevant labelling schemes, and expand their use
- Promote use of surplus capacity, e.g. through sharing economy business models
- Prevent food waste
- Promote repair and reuse
- Harmonise the collection of household waste by the local authorities to promote recycling
- Clarify the framework conditions for the waste sector, and create a better supply of recycled materials
- Improve competitive conditions on the market for waste and recycled materials through harmonised classification and more rigorous, risk-based inspection of the industry
- Disseminate selective demolition of buildings
- Introduce an expanded, circular producer responsibility scheme for waste of electronic products

Improving access to finance for Circular Economy Projects

Recommendations to the financial sector
- Develop definitions, taxonomy and tools to measure the 'circularity' of projects by set- ting up a multidisciplinary working group of recognised experts with a clear mandate and working plan.
- Analyze the risk of linear business models and adjust credit risk assessment methods to take into account linear risks.
- Establish risk-sharing financial instruments and create a pool of experts available for financial institutions to assess the technological risk of innovative circular technologies
- Clearly label financial instruments fit for financing circular economy projects and increase awareness and knowledge of the circular economy within the financial sector.

Recommendations to project promoters
- Identify circular sources of revenue and update the organisation's strategy through a series of actions such as scanning existing processes, developing new business models, assessing risk, etc.
- Take part in collaborative communities of circular economy practices to identify opportunities and form business partnerships to implement circular economy business models or projects.
- Disclose the project's environmental and social benefits through credible, standardised methods.
- Increase the organisation's internal capacity to design and implement circular economy projects by training staff and using external advisory services.

Recommendations to financial policy makers
- Develop reporting standards for the linear risks of investments and companies and incorporate them into standard accounting practices. Ensure that linear risks are sufficiently evaluated and disclosed.
- Develop a definition of circular eco- nomy finance for use within the EU by classifying circular economy activiti develop metrics and indicators to complement the existing macroeconomic indicators adopted at EU and sometimes at national level, in order to measure, monitor and benchmark the circular economy performance also at regional, local, sector and corporate level. Circular economy indicators should become a mainstream part of statistical reporting. The new to the rec- ommendations provided under Section 1.1.1.
- Establish technical and financial advisory services to support the development of business models for circular businesses or projects seek- ing finance.
- Prioritise the financing of circular economy projects and businesses within the InvestEU Fund.

Recommendations to policy makers

Create favourable framework conditions for circular economy projects through specific policy actions

Recommendations to non-financial policy makers

Make public authorities act as fac- ilitators of a circular economy:

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Analyze the risk of linear business models and adjust credit risk assessment methods to take into account linear risks.

Establish risk-sharing financial instruments and create a pool of experts available for financial institutions to assess the technological risk of innovative circular technologies

Clearly label financial instruments fit for financing circular economy projects and increase awareness and knowledge of the circular economy within the financial sector.

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Establish technical and financial advisory services to support the development of business models for circular businesses or projects seek- ing finance.

Prioritise the financing of circular economy projects and businesses within the InvestEU Fund.

Develop metrics and indicators for the national, regional and corporate level.

consider set- ting targets using suitable indicators as dis- cussed above, possibly developing a cascade system of national, regional and sectoral targets. Where mandatory targets are not politically feasible, set non-binding aspirational targets that can serve as a basis for voluntary agreements with industries and/ or facilitate the emergence of market-based compliance instruments. These new targets need to be reviewed in relation to exiting commitments and obligations and need to pursue a growing level of ambition not only in terms of quantities but also in terms of

quality, e.g. targets for the quality of secondary materials.

map where EU and national fiscal policies provide subsidies and price signals in favour of the linear economy. On this basis, set in motion a process of reviewing and removing linear economy subsidies to create a level playing field for the circular economy. Consider fiscal incentives for the sustainable management of materials and products with a circular design, e.g. through VAT.

Ensure that extended producer responsibility (EPR) schemes support eco-design for the repair and recycling of products placed on the market by modulating financial contributions paid by producers in order to foster repair activities and achieve an increasingly higher quality of recycled materials.

expand the scope of extended producer responsibility schemes to additional products in order to raise funds for the waste collection and recycling of these products. Analyse where the existing EPR systems need to be modified in order to favour the production of high-quality secondary materials, e.g. via modulated fees. More importantly, use EPR schemes to encourage innovative business models with increasing levels of circularity which aim at increasing the integration of materials loops.

Set the target date for ending landfill- ing in individual Member States or the whole EU and reduce landfilling rates.

setting ambitious EU or national target dates for ending landfilling. Reduce landfilling and incineration by applying increasing taxes on these activities and using the revenues from these taxes to fund the development of separate waste collection and management systems. It is important to calibrate the taxes well and accompany them with policy measures to increase the demand for recycled materials, so that waste diverted from landfills and incinerators is recycled and used as secondary raw materials.

Develop benchmarks for circular aspects of product performance, including benchmarks for durability, reparability, recyclability, minimum recycled content and hazardous substances content, and apply these benchmarks to remove underperforming products from the EU market (e.g. via implementing measures of the Eco-design' Directive that extend to non-energy -related products). Stimulate the adoption of high-performance products through fiscal and 'reputational' incentives (e.g. reduced VAT, eco-labels). Make the in- formation about circular aspects of products available in business to business and business to consumers transactions through product information requirements (e.g. the product passport)or or publicly accessible databases.

Perform a fitness check on all relevant policies and regulation. As a cross-cutting action, it is recommended to conduct checks and revisions of existing and planned relevant sectoral policies which may conflict with the objectives and actions described above. Contradicting policy provisions could introduce a bias in favour of the linear economy and reduce the effect of policy interventions which support long- term circular economy objectives.

Actors
EU authorities as well as national, regional and local governments in Member States should urgently start the analytical work to identify the needs and opportunities for necessary policy changes and consequently start the political processes to introduce the required changes in the relevant sectoral policies and legislation. While the EU level policies and rules will focus primarily on internal market aspects, the national authorities will play a major role in setting targets, removing linear economy subsidies, designing effective incentives for circular products and services, set- ting effective EPR systems and accelerating the introduction of waste management practices which move away from landfilling.

EU role
Policy makers at EU level have important competences in environmental, industrial and internal market policy and in some aspects of fiscal policy. A significant part of the necessary policy and regulatory changes will have to take place at EU level to ensure EU internal market harmonisation; e.g.
Circular economy metrics/indicators, product circular requirements and information.

Impact
A policy framework consisting of coherent sectoral policies, creating a level playing field and additional stimuli for the circular economy, will greatly reduce the risk associated with circular economy projects. Businesses and their investors will understand the long-term policy objectives. A clear regulatory environment providing certainty about regulatory requirements for products and their environmental performance will gradually ensure that circular projects are able to compete with linear ones. The reduced market and policy risks will reduce the financial risks of circular economy projects, thus making them more bankable.

Performan analysis of the potential of having a circular economy at different geographical scales. Develop national and regional strategies for the circular economy and link them with regional development strategies.

Undertake analyses of circular economy potential at the local, regional and national scales including major material flows, industrial capacities and new business models. Develop regional and national circular economy strategies that include collaboration with other countries and regions. on the regional level, ensure that regional authorities include circular economy opportunities in their smart specialisation strategies. Provide information to the business sectors to make it easier for businesses and especially SMEs to exploit the potential of the circular economy.

Link the circular economy to other societal challenges and transitions, such as climate change or industry 4.0, in order to create a coherent strategic environment for businesses and facilitate synergies across different public initiatives. As an example, public authorities can promote the introduction of advanced collection, sorting and recycling technologies, efficient materials processing technologies and production methods that support the integration of increasing circularity within new and existing business models, and they can facilitate the creation of new types of expertise and jobs. The positive externalities (reduced greenhouse gas emissions, electricity from renewable resources, etc.) should be recognised, favoured and rewarded. In turn, the circular economy can help improve the sustainability of the 4th industrial revolution and its acceptance by society.

Create collaborative and interactive plat- forms for closer connections between businesses that normally do not interact on the market. Develop innovative forms of collaboration within and between value chains and innovative ways of sharing the costs and benefits of circular economy projects between companies who otherwise have no market incentive to collaborate. Act as a guarantor if the risk for individual companies of being engaged in circular projects is too high

Make the public sector apply circular business models, e.g. in public enterprises. Introduce circular economy approaches in the public sector, e.g. by applying circular business models in public enterprises.

Enable public authorities to ensure the financial viability of circular economy projects. Allocate public funds to circular projects that bring significant benefits to the community to ensure that these projects materialise and are financially viable. This may include direct payments for public services but also indirect support such as guarantee schemes.

Create markets for circular economy projects and products, e.g. via public procurement. Stimulate demand and create new markets for circular products and services through public procurement. Apply lessons learned from experiments in the past (e.g. green deals on circular procurement in Flanders and the Netherlands).

Problem
When the market and regulation fail to generate favourable conditions for the transition to the circular economy, public authorities can play a critical role as facilitators of change. They may have the best information to identify the potential for the circular economy at different regional scales. They have the ability to bring together potential circular business partners who do not normally interact on the market. They can use public funds to create revenues for circular economy projects, as such funds can help achieve public objectives, e.g. through public procurement19. Public authorities currently rarely assume this facilitating role despite their unique position. Often, the public authorities are not aware of their potential role or may not have sufficient technical and human capacity and political support.

Objective
Public authorities at all levels should realise their unique position to influence the transition to a circular economy. They should invest in building capacity both internally and externally within the areas under their administration to enable and support circular economy projects. Promoting an organisational culture of 'circular economy enablers' will support the introduction of innovative models of public governance that stimulate the circular economy and improve service to the public.

Actors
The national and regional authorities have a key responsibility in creating national and regional circular economy strategies and linking them to national and regional industrial development and innovation strategies. National, regional and local authorities will also play a critical role in developing innovative governance models and tools to facilitate circular economy collaboration between sectors and businesses. All public authorities who spend public funds through public procurement can play a role in creating markets for circular products. All public sectors with substantial annual spending, e.g. infrastructure, defence21, health and education, should introduce circular economy procurement policies.

EU role
The European Commission and other European institutions and organisations, including the Eco- nomic and Social Committee and the Committee of the Regions, could play a role in developing and disseminating circular economy principles, governance models and instruments for all levels of government and other public authorities. The Commission could take an initiative and apply its responsibility for coordination and programming (e.g. in the programming of the Cohesion and Structural Funds or R&I Funds) to influence the national authorities and disseminate best prac- tices. EU funding could be used to support innova- tive projects in demonstrating the enabling role of public authorities. The EU institutions should also use their spending to set the example of circular economy procurement for other public authorities.

Impact
If the public authorities and organisations assume the role of enablers, they can create the conditions for scaling up markets for circular economy products and services. Their intervention can also reduce the risk that goes with circular economy projects and make projects financially viable. The involvement of an organisation with a statutory role can by itself provide more certainty about the quality or viability of the project. Financial commitments by a public organisation may pro- vide certainty for the financial revenues from the project and public procurement contracts typically present a lower risk of non-payment, which in turn facilitates access to finance and reduces risk for investors. Public enterprises whose objective is to deliver public service may be more open to circular economy projects because they look for long-term sustainability rather than any short-term maximisation of profit.