



TOWARDS A EUROPEAN CIRCULAR ECONOMY



The Federation of Norwegian Industries represents industry companies within sectors such as aluminium, biotechnology, cement, chemical industries, electro and energy equipment, furniture, ferrous/non-ferrous, glass and ceramics, machine and hardware industry, oil and gas contractors, onshore petroleum activities, maritime industry, aquaculture and aquaculture suppliers, graphic arts, metals, mining, paints and coatings, paper and pulp, pharmaceuticals, plastics, recycling, textiles, historical hotels, etc.

We represent close to 3000 company members, with approx. 127.500 employees. We hold membership in approx. 20 European industry federations in Brussels. **We welcome the European initiatives on circular economy**, which shall contribute to sustainable growth in Europe. In the following are our recommendations for a new European circular economy action plan (2.0).

1. INCLUSIVE POLICY MAKING TO MOBILISE INDUSTRY

Achieving a circular economy requires mobilisation of industry. Therefore, it is important that policy making is inclusive, fair and just. **Tripartite cooperation** is key to secure involvement from both industry and unions. The Federation of Norwegian Industries welcomes European legislation and support instruments which speed up the transition to a circular economy. In order to generate the necessary investments in circular economy, **the long-term framework conditions must be predictable.** Economic incentives and instruments should be designed to mitigate the risk of making large-scale, long-term industrial investments in new green technologies.

Voluntary agreements between competent authorities and economic sectors have proven to be a powerful measure to reach environmental goals in a cost-efficient way. For instance,

agreements between Norwegian authorities and industry have resulted in **substantial reductions on NOx and SOx emissions.** There is ongoing work in Norway to consider how voluntary agreements can be designed to implement relevant provisions in the **European single use plastics directive.**

Similarly, voluntary agreements could be a suitable measure to foster the transition to a circular economy **in sectors such as textiles and construction.** It is recommended that **agreements between competent authorities and economic sectors are juxtaposed to e.g. mandatory extended producer responsibility** in European legislation, provided that environmental targets are reached.

2. HARMONISED MARKET OF SECONDARY RAW MATERIALS

Fostering of a well-functioning and integrated internal market for secondary raw materials is one of the priorities in the Commission roadmap for a new circular economy action plan. **Harmonisation of definitions and simplification of EU-regulations**, such as the Waste Shipment Regulation is necessary to achieve this objective.

For instance, **increased duration validity of notifications and application of fast-track procedures for notifications to pre-consented facilities** is necessary for a better functioning of European markets for secondary raw materials. In addition, **the amount of 25 kg** (art. 3 and art. 18 in the regulation) associated to shipments of waste explicitly destined for laboratory analysis to determine suitability for recovery should be reviewed, to allow for bigger quantities to be sent.

Harmonisation of Member State's practice and understanding of the EU criteria is necessary. For instance, different interpretations of the

European definitions of **by-products and end of waste** are common, as well as the **level of contaminants allowed for in types of «green listed waste»**. To increase the demand for **recycled materials in Europe**, the Federation of Norwegian Industries are in favour of **European quality standards for secondary materials, such as plastics**, and measures addressing the **interface between European chemical, product and waste legislation**.

3. SUSTAINABLE PRODUCT POLICIES

The new circular economy action plan will include a «sustainable products’ policy». The new sustainable product policy should **reward products with limited environmental footprints during their lifetime** and provide **incentives to manufacture products at locations where the environmental impact is the lowest**.

Harmonised European product standards, Product Environmental Footprint Category Rules and Environmental Product Declarations (EPD) is needed to secure robust and accountable declaration of environmental product properties. Methods for documentation of environmental footprints must be of proven high quality and be widely accepted by the industry before introduced in European regulations or CEN-standards. **Quality and durability are often key factors with regard to the environmental footprint of products**. Hence, product durability must be accounted for in the product documentation.

A product’s environmental footprint should, to the greatest extent possible, describe **the product’s actual environmental impact**. This means that **specific data from a company’s production processes** should be used for emissions, energy use, resource efficiency, chemicals, waste management, etc. Should the methods fail to rely on transparent and objective assumptions this may

hamper market access for sustainable products. Examples of wrongful discrimination can be use of the primary energy factor, referred to in the EU eco-design directive, and renewable energy guarantees of origin. Use of such instruments **may give rise to misunderstandings and cause incorrect documentation of environmental footprints**.

Product policies is a key driver for increasing the demand for secondary raw materials. European product standards should include **requirements to document recyclability, reusability, and content of recycled materials**. Where appropriate and realistic, **minimum requirements for content of recycled materials should be considered**. The exact product groups for which such requirements are appropriate and realistic **must be considered on a case-by-case basis**. We take note that the Commission mentions **packaging, vehicles, construction materials and batteries** as possible products **where legal requirements for mandatory recycled content will be considered**.

4. GREEN PUBLIC PROCUREMENT

Public procurement is an effective measure to increase the demand for environmentally friendly products, materials and services. Public authorities must lead by example and ensure that their **procurement is green and award innovative solutions**. However, circular economy is very seldom prioritised in public procurement today. There is a need for better legislation and guidance, for instance in **choosing efficient award methods for circular economy and how to document circular properties for different product types** (recyclability, content of recycled materials, etc.).

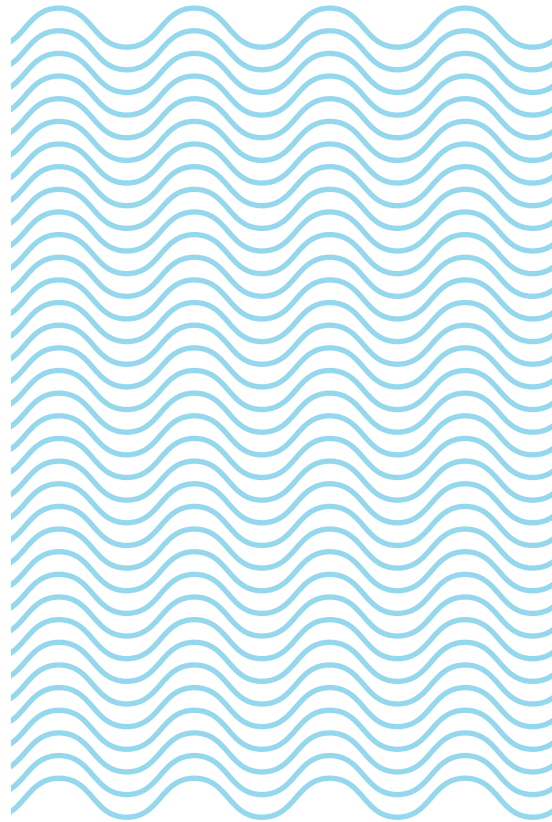
5. RESEARCH AND DEVELOPMENT

Research and innovation are crucial to develop new competitive solutions for a circular economy. New climate friendly and circular technologies will be developed by European industry. Therefore, there is **a need for increased efforts in industry-oriented research**. Cooperation in industrial parks and clusters, where energy- and material flows can be efficiently shared through industrial symbiosis, have been drivers for several research projects within circular economy.

In order to initiate more research and development on circular economy in industry, **higher share in the form of research grants is required as well as extended grant periods** in order to follow innovation projects from the initial research period via piloting and industrial testing to commercialisation of processes/products with limited environmental footprints. It is important that **financial support to «first of a kind» investments reflects both socio-economic additional costs and corporate risk**.

Examples of research areas that should be prioritised are:

- Circular product design
- Development of low-emission products
- Industrial use of by-products and industrial symbiosis
- New technologies for recycling
- Cost efficient solutions for recycling of critical raw materials and rare earth metal



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