

Social enterprises to help put new EU Circular Economy Plan into action

On 11 March 2020, the European Commission published one of the main pillars of its [Green Deal](#): the [new Circular Economy Action Plan](#) (CEAP). Within days of publication, the COVID-19 pandemic triggered an unprecedented health, economic and societal challenge. The crisis underlines the pressing need for systemic change that the circular economy can offer, notably through more re-use and repair. Aiming to transform the EU's take, make, use and dispose economy, the CEAP suggests to retain resources in the EU economy for as long as possible by revolutionising the way products are manufactured and used.

To help the EU institutions build a [social and circular economy](#), this document provides input on a number of elements of the CEAP that can support a transition towards a low-carbon, resource efficient and inclusive economy. These include:

1. Boosting re-use and preparation for re-use through quantitative targets alongside future **“waste reduction targets for specific streams and other measures on waste prevention”**;
2. Making products more re-usable and easily repairable through a **“legislative proposal for a sustainable product policy initiative”**;
3. Tackling overconsumption, fast fashion and supporting an ethical value chain when developing an **“EU Strategy for Textiles”**;
4. Improving product design and collection models focussed on re-use for WEEE within a **“Circular Electronics Initiative”**
5. Encouraging re-use activities in other **key product value chains** such as **batteries, packaging, food and construction** materials;
6. Recognising social economy actors when **“making circularity work for people, regions and cities”**.

1. Waste reduction targets for specific streams and other measures on waste prevention

The European Commission has committed itself to halve the amount of residual (non-recycled) municipal waste by 2030. To achieve this, it will develop **“waste reduction targets for specific streams as well as other measures on waste prevention”**. While this is a significant step towards better implementation of the waste hierarchy and recognition that the EU cannot recycle its way out of overproduction, the CEAP fails to emphasise a potential solution suggested in the EU Waste Framework Directive (WFD): setting quantitative re-use and preparation for re-use targets at EU-level. According to the WFD, the Commission must assess the feasibility of setting separate targets for re-



use and preparation for re-use by the end of 2024¹. Spain, Flanders (Belgium), Sweden² and France³ have already done so.

The re-use sector urgently needs an EU policy framework that enhances cooperation between all actors of the value chain in order to prevent re-usable goods from being discarded prematurely. Donation for re-use should be made easy and promoted as a convenient and ethical option for EU citizens wishing to dispose of unwanted yet re-usable goods. In addition, all re-use operators holding a waste licence (i.e. preparation for re-use operators) must be supported in accessing discarded re-usable goods which have found their way to waste collection points or facilities.

To avoid destruction of re-usable goods, municipalities, waste management operators and producer responsibility organisations should be encouraged to form partnerships with re-use and preparing for re-use operators, preferably from the social economy. Now is an ideal opportunity to co-construct future sustainable business models alongside the private and public sector. EU targets for preparation for re-use and/or re-use would help create such partnerships that ensure re-usable products are given a new lease of life, low-income groups have access to affordable goods and green and local jobs are sustained and created⁴.

2. A legislative proposal for a sustainable product policy initiative

One of the CEAP's most promising measures is a "**legislative proposal for a sustainable product policy initiative**" to be released in 2021. To counter premature obsolescence, resource efficiency requirements for electronic products already developed by the Commission should be implemented more widely to ensure durable, re-usable, upgradable and repairable products. Of significance, EU Ecodesign rules will apply to products beyond energy related devices, providing a valuable opportunity to extend the lifetime of goods such as textiles and furniture. Such policies will greatly help the re-use and repair sectors that have suffered from the decreasing quality of products put on the EU market in recent years.

Product-as-service models, "where producers keep the ownership of the product or the responsibility for its performance throughout its lifecycle"⁵, are mentioned throughout the CEAP as a solution to encourage producers to manufacture longer lasting products. Though promising, these models can potentially backfire in a context where cheap virgin materials and low labour costs remain a reality in manufacturing countries. It may be more interesting, economically speaking, to avoid the intervention of repairers and rather replace products once they are not functioning anymore. These models could also be used by manufacturers and retailers to develop monopolies on repair activities, posing severe risks on the independent repair sector. Retailers may also end up competing with subscription models providing the widest choice of products and the most flexible services, exerting even more pressure

¹ RREUSE (2018), RREUSE position on the updated EU Waste Framework Directive (available [here](#))

² European Environmental Agency (2017), Waste prevention in Europe — policies, status and trends in reuse in 2017, (available [here](#), p14)

³ RREUSE (2019), France to create a Solidarity Re-use Fund (and other re-use friendly measures)! (available [here](#))

⁴ RREUSE (2015), Briefing on job creation potential in the re-use sector (available [here](#))

⁵ A new Circular Economy Action Plan For a cleaner and more competitive Europe COM/2020/98 final (available [here](#))



on resources. Safeguards will have to be developed to ensure that product-as-service models favour the use of durable goods that, if broken or damaged, will eventually be repaired, including by independent repairers.

3. An EU Strategy for Textiles

RREUSE welcomes the Commission's commitment to develop an “**EU Strategy for Textiles**” in order to strengthen the market for textile re-use, limit fast fashion, develop ecodesign measures for textiles and empower businesses and private consumers with easy access to re-use and repair services. A pledge to develop guidance on achieving high levels of separate collection of textile waste will also encourage Member States to develop, in cooperation with social economy re-use operators, textile collection models that prioritise re-use over premature recycling. Collection, sorting, repair, resale and upcycling operations are not only an essential source of income for social economy re-use operators but also provide job and training opportunities for people at risk of socio-economic exclusion.

However, concerning economic instruments, RREUSE raises caution on developing mandatory EPR for textiles without conducting thorough impact assessments of such models on the textile re-use sector. In any potential EPR scheme for textiles, the role of waste prevention and re-use must take precedent, alongside the inclusion of social economy actors within the value chain.

Should EPR be implemented, it must help re-use operators finance their textile management operations, in particular the cost for the ever-growing portion of textiles that is not re-useable. However, if not designed properly, EPR schemes may streamline the focus and financing to recycling rather than re-use and prevention.

If made mandatory at EU level, textile EPR schemes should be created with clear targets and support measures on waste prevention and preparing for re-use. For example, France recently fixed a percentage of the EPR fees to finance re-use activities and support social economy actors in the sector⁶. Such a strategy could also be replicated to e-waste EPR schemes which are already mandatory at EU level.

In December 2019, RREUSE published its [Vision for a New Fashion Season: Social and Circular](#) reflecting the experience and policy needs of its members, collectively managing 260 000 tonnes of textiles across Europe annually. RREUSE is also part of [an NGO coalition calling on the EU to take action](#) to ensure the textile industry promotes environmental protection as well as inclusive, safe and fair working conditions.

4. A Circular Electronics Initiative

RREUSE is optimistic about a future “**Circular Electronics Initiative**” developing both new ecodesign requirements and improvements to the collection and treatment of Waste Electrical and Electronic Equipment (WEEE). The Commission's willingness to implement regulatory measures making electronics and ICT products (including mobile phones, tablets and laptops) more durable, repairable,

⁶ RREUSE (2019), France to create a Solidarity Re-use Fund (and other re-use friendly measures)! (available [here](#))

upgradable, maintainable, re-usable and recyclable is highly commendable. RREUSE also encourages the Commission to ensure that the ability to repair, upgrade and maintain these products is given to all consumers or, as a first step, to independent professional repairers at the very least. It is important to note that, if producers are prevented from developing monopolies on product repair, consumers will have more choice and therefore, better access to repair services.

The CEAP's suggestion of improving the collection and treatment of WEEE is a key step in preserving the re-use potential of unwanted yet re-useable electrical goods. A study made in Bavaria, Germany⁷, demonstrates that weatherproof storage for WEEE at collection points could prevent up to 86% of damage to collected items. Among products collected by RREUSE members in 2018, electronics accounted for the largest portion in weight but had the lowest re-use rate: only an average of 7% of goods collected were sold second-hand. All too often, WEEE is collected with the sole objective of being recycled using techniques that automatically damage the product. Such practices run counter to [article 6 of the WEEE directive](#) encouraging better collection and logistics to support preparation for re-use.

If set up in a way that safeguards the re-usability of WEEE and provides re-use operators with access to re-useable goods from the waste stream, an EU-wide take back scheme suggested by the Commission could be a promising proposal deserving further investigation.

5. Other key product value chains: Batteries, Packaging, Food and Construction materials

Under the CEAP, the Commission will also focus on other products and waste streams beyond textiles and WEEE. These include batteries, packaging, food and construction. The following steps could help scale re-use activities across these streams:

- **Batteries** could be made readily replaceable by the end-user by banning their soldering or gluing to other parts⁸. Drawing from the Commission's suggestion for chargers, the idea of developing standardised batteries for ICT products should also be investigated in order to facilitate their replacement.
- If designed to be re-usable, **packaging products** could be a great opportunity for the re-use sector. The logistics needed to collect, transport, clean and redistribute re-usable packaging could be handled by third parties and create local jobs.
- Managing **food waste** is a sector in which social economy re-use operators are active, particularly within food redistribution. Several recommendations on policies to be developed in this sector can be found [here](#).
- Requirements for construction and demolition procedures promoting re-use and recycling of **construction materials** such as recovery-oriented demolition and obligatory selective

⁷ Messmann, L., Boldoczki, S., Thorenz, A. and Tuma, A. (2019) Potentials of preparation for reuse: A case study at collection points in the German state of Bavaria. *Journal of Cleaner Production*. 1534–1546. DOI:10.1016/J.JCLEPRO.2018.11.264. (available [here](#))

⁸ RREUSE (2019), Response to the Public consultation on sustainability requirements for batteries (available [here](#))

dismantling of re-usable components prior to demolition can be developed to save a tremendous amount of resources⁹.

RREUSE will present more detailed ideas concerning food waste and construction materials in the near future.

6. Making circularity work for people, regions and cities

Under the heading “**Making circularity work for people, regions and cities**”, the CEAP refers to the social economy as a “pioneer in job creation linked to the circular economy”. Social business models based on the re-use of products were developed by these actors long before the coining of the term ‘circular economy’. RREUSE welcomes this recognition highlighting its members’ unique capacity to meaningfully contribute to the transition to a low-carbon and resource-efficient economy.

Several policy tools, financial instruments and programmes presented in the CEAP such as the EU Skills Agenda, the forthcoming European Action plan for the Social Economy, European Social Fund Plus (ESF+), the Just Transition Mechanism and others can serve to help finance circular activities. It is essential that these tools are easily accessible to social economy re-use operators, especially following the Covid-19 crisis, which severely affected their activities¹⁰.

Within the CEAP framework, it will be particularly helpful for social economy actors active in environmental services to have preferred access to public procurement contracts, notably through the implementation of the most economically advantageous tender (MEAT) criterion ([Article 67 of the Directive on Public Procurement](#)). This would encourage local authorities to consider criteria that reflect qualitative, environmental and/or social aspects of the tender submission when reaching an award decision. By way of empowered consumer law, clearer labels on goods and services could also highlight the value and impact of product quality delivered by social enterprises.

In the waste management and waste prevention sectors, re-use is the most effective activity in creating local jobs, especially when conducted by social enterprises for which job creation is a main objective. Social economy re-use operators will continue to work to ensure the most marginalised have the opportunity and support to contribute to local, social and environmental improvement.

Conclusion

RREUSE believes that the new CEAP can serve as a powerful tool in the EU transition towards a circular economy. The multiple proposals on making products more durable and repairable via ecodesign rules together with a right to repair are definite steps in the right direction.

However, more attention is needed to a number of issues, notably separate quantitative targets for re-use and preparation for re-use to help drive investment and support for these key activities in the

⁹ RREUSE (2016), Social enterprises in Austria launch project to help re-use construction materials (available [here](#))

¹⁰ RREUSE (2020), RREUSE urges immediate Government support for Social Enterprises: Breaking point for the Environment and Local Jobs (available [here](#))



circular economy. In addition, explicitly recognising and supporting the role of social economy actors in the circular economy at local, national and international level will be an effective way to make the circular economy more just and inclusive.

As the representative of social enterprises active in re-use, repair and recycling, RREUSE will continue to offer its expertise to make the Circular Economy Action Plan a success.

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***RREUSE** is an international network representing **social enterprises active in re-use, repair and recycling**. RREUSE members divert around **1 million tonnes of goods and materials** on an annual basis from landfill¹.*

*In 2018, RREUSE members active in re-use **extended the lifespan of 214 500 tonnes of products**, counterbalancing the average CO2 emissions of approximately 108 000 EU citizens.*

*Environmental services, including those of re-use and repair, enabled **850 social enterprises** federated by RREUSE's wider network to fulfil their social mission, which for the most part includes the provision of work opportunities, training and support services for disadvantaged individuals. There are approximately **95,000 employees, volunteers and trainees** engaged in the activities of RREUSE members.*