

EuRIC reaction on the Roadmap: “Development of a Monitoring Framework for the Circular Economy”

The European Recycling Industries' Confederation (EuRIC) welcomes the opportunity to comment on the EU initiative “Monitoring Framework for the Circular Economy”. Assessing progress and better understanding are important elements to realise the transition towards a Circular Economy that EuRIC entirely supports. This monitoring framework should focus on true indicators that can objectively assess the progress and avoid any distractions towards monitoring areas very weakly or not related to achieving this transition. **EuRIC calls on the European Commission to seize this opportunity to create a monitoring tool which is able to identify the number of shortcomings hindering the transition to a Circular Economy.**

When developing a monitoring framework, it is important to ensure that it will not result in more administrative burdens for the recycling industry which have already to comply with a lot of reporting obligations, linked for example to recycling targets.

Assessment of the covered areas mentioned in the roadmap:

The roadmap introduces areas to be subjects of monitoring: “...such as food waste, security of supply for key raw materials, repair and reuse, waste generation, waste management, trade in secondary raw materials in the EU and with non-EU countries, and the use of recycled materials in products.” While the majority of the aforementioned areas are reasonable, it is questionable as to what extend several of the other areas will provide an added value when analysing the progress achieved.

The most questionable is the purpose or objective of monitoring the trade in secondary raw materials with non-EU countries. It is indeed true that free and fair trade is instrumental for recyclers because raw materials from recycling are priced and traded globally. The recycling industry is heavily dependent on the well-functioning of the internal and international markets. In particular, since for a number of material streams, such as paper or ferrous metals, the supply of raw materials from recycling structurally exceeds the demand. Moreover, **monitoring the imports of primary materials from third countries to Europe**, with which raw materials from recycling compete, would be significantly more beneficial to determine whether the manufacturing industry sources its raw materials from virgin sources or from recycling. This would help to assess progress in the transition towards a Circular Economy.

Choosing the right areas and indicators to provide correct data – “use of recycled material”

EuRIC strongly supports monitoring of the use of recycled materials in products as one of the key indicators. It will help to understand whether the EU circular economy package delivers the desired results in practice. Measuring whether the industry uses more recycled materials to manufacture new products on a systematic basis will show how well the loop is being closed. This will contribute to increasing the demand for secondary raw materials, which is one of the objectives identified in the Action Plan for a Circular Economy¹, acknowledging that “*At present, secondary raw materials still account for a small proportion of the materials used in the EU*”.

¹ [Closing the loop - An EU action plan for the Circular Economy](#), Section 4: From waste to resources: boosting the market for secondary raw materials and water reuse

Closely connected with this topic, to be included in the monitoring, is the objective of identifying and tackling regulatory distortions stemming from EU legislation which hinder the Circular Economy. To illustrate this, the study on cumulative cost assessment for the steel industry has clearly demonstrated that there is a higher cost burden on downstream users of secondary raw materials.² In other words, the cost of EU regulation is much higher for electric arc furnaces using recycled steel scrap (17,41€/t) than for basic oxygen furnaces using mainly primary raw materials (10,66€/t). This despite the huge benefits which using recycled steel scrap brings to the society in terms of energy and CO₂ savings.

A monitoring framework shall enable to identify and tackle regulatory burdens, such as the above-mentioned example, and ensure that there are adequately addressed. This will guarantee that legislation – regardless of its policy area – fully supports the transition towards a circular economy.

If the monitoring framework currently developed plans to work on the measurement of the attainment of recycling targets, then it is instrumental to ensure the accuracy of the data used to report recycling rates. This topic is currently subject of discussions in the revision process of the EU waste legislation, in particular the Waste Framework Directive. Ambitious recycling targets for municipal waste have been proposed in the framework of the review of the waste framework directive since municipal waste serves as an indicator to assess the waste management performance of waste from other origins. When calculating the recycling targets, the most reliable point of measurement is the output of a sorting facility. This because for municipal waste (apart for organic waste), this point is the only point of measurement in the chain where it is possible to trace both i) the origin of the streams for which targets have been set and ii) the losses occurring with a level of precision matching statistical needs.

Recycling targets cannot be measured at the input of final recycling defined by reference to a production process simply because:

- Raw materials used in a production process are bought on the basis of their price, quantity and quality, not of their origin. They have already been sorted/processed in treatment facilities which makes it impossible, in most instances, to identify the original waste stream (municipal, C&I, etc.), as certain industry specifications issued by the manufacturing industry itself testifies.
- In Member States where there are no “final recycling processes” for given waste streams, it will be even more difficult to obtain the information enabling to report recycling rates.

Measuring recycling targets at the input of a production process runs against the objective of accurate statistics across the EU.

² [Executive Summary, ASSESSMENT OF CUMULATIVE COST IMPACT FOR THE STEEL INDUSTRY](#)