

# 15th Asia Pacific Roundtable for Sustainable Consumption and Production

## Webisode 3 *“Policy instruments for upstream Circular Economy”*

Siddharth Prakash, Öko-Institut, Freiburg, Germany

May 4, 2021 | WebEx

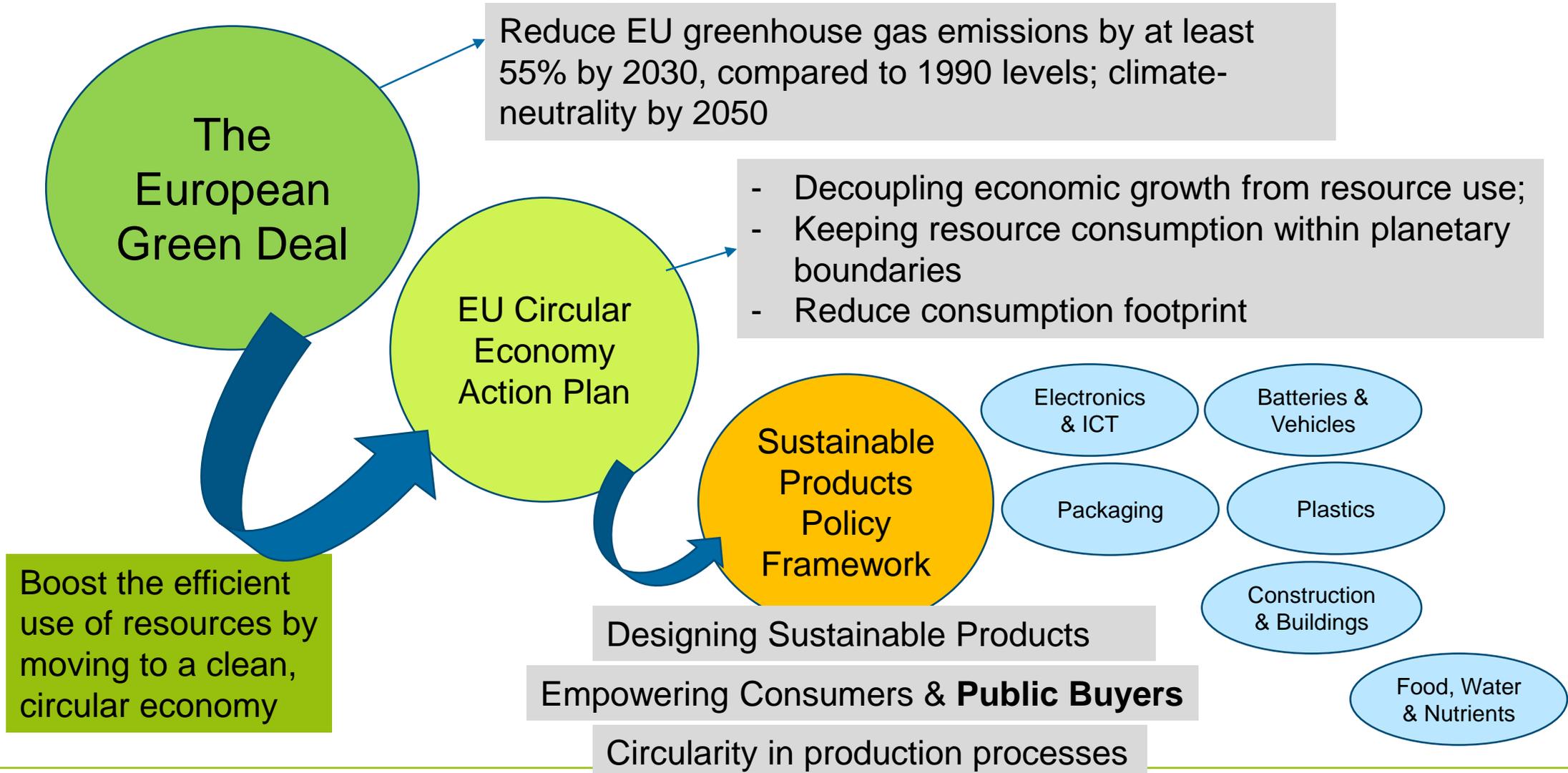
11:30 - 14:00 Mumbai Time

13:00 - 15:30 Bangkok Time

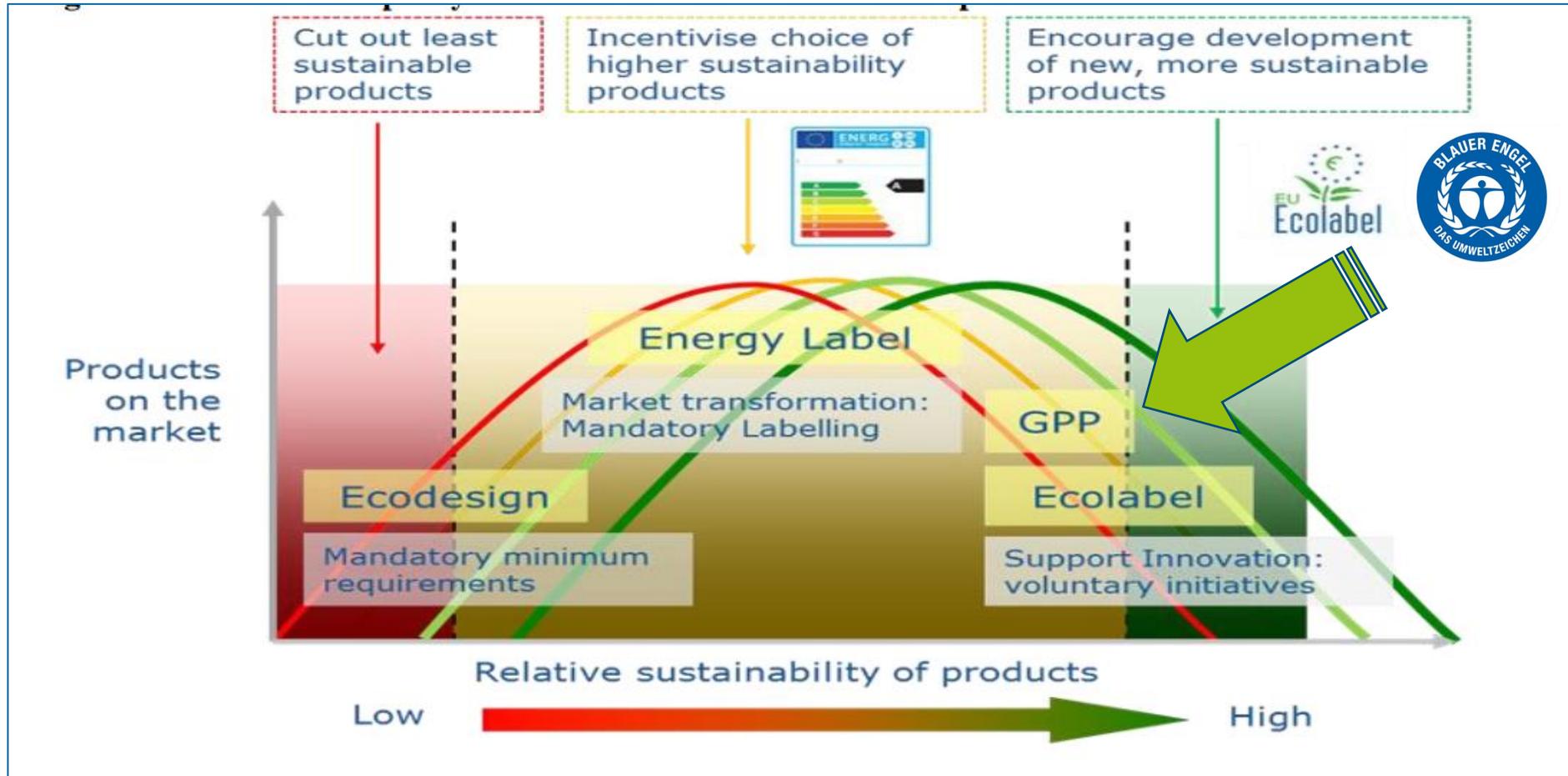
14:00 - 16:30 Manila Time

15:00 - 17:30 Tokyo Time

# The EU Strategy for transforming the future



# EU Product Policy Framework



## EU Sustainable Products Initiative

The Sustainable Product Policy Initiative aims at correcting the following market and regulatory failures:

- Product-related externalities are not fully internalized
- EU initiatives and legislation only partially address sustainability aspects of products, either on a mandatory or voluntary basis
- The lack of reliable information on sustainability along value chains

“.....reducing the overall life-cycle climate and environmental footprint of the products placed on the EU market, achieving longer product lifetimes for example through more durable and repairable products, increasing circular material use rate, reducing waste and achieving higher recycling rates.”

## EU Sustainable Products Initiative

The initiative will work on introducing mandatory measures, e.g:

- **Revise the Ecodesign Directive** and propose additional legislative measures, and if feasible, widen the scope beyond energy related products, i.e. textiles, furniture, complex digital services, cement etc.
- Establishing EU rules to **make producers responsible for providing more circular products**
- Establishing EU rules for setting requirements on **mandatory sustainability labelling** and/or disclosure of information to market actors along value chains in the form of a **digital product passport**
- Establishing EU rules for setting **mandatory minimum sustainability requirements on public procurement of products**
- Measures to facilitate **recycled content or remanufacturing** and to track the use of **hazardous substances** in such processes.

# Circular Procurement – An example from the EU

**€2 trillion**

is spent by EU public authorities each year  
(14% of EU GDP)

1% efficiency gain, could save €20 billion per year!

## Circular economy

Keeping products & materials in the loop  
Life-time extension  
Reuse and recovery  
Recycling-friendly design



## Circular procurement

Procured products are

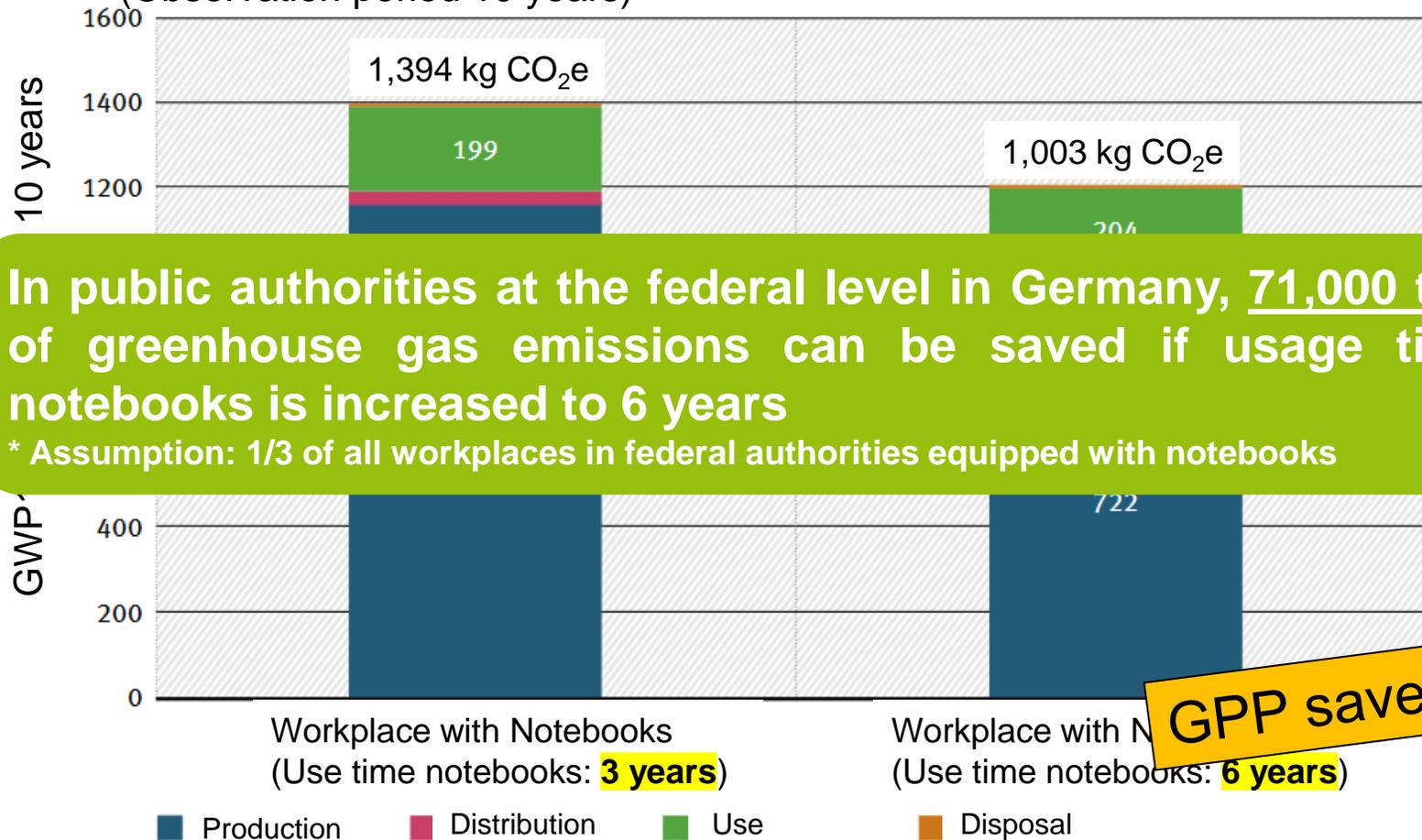
- designed for durability,
- easy to repair,
- easy to recycle,
- avoid waste generation in first place

Effects: less raw material extraction, lower costs in the long-term, strengthening local repair-economy

# Nexus: Circular Economy – Cost Savings – Climate Mitigation

## Example: Extended life-span of notebooks in public administration

Ecological comparative calculation of two computer workplaces with notebooks  
(Observation period 10 years)



**In public authorities at the federal level in Germany, 71,000 tonnes of greenhouse gas emissions can be saved if usage time of notebooks is increased to 6 years**

\* Assumption: 1/3 of all workplaces in federal authorities equipped with notebooks

= Savings of 95 Million €

**GPP saves costs and GHG emissions**

# Nexus: Circular Economy – Cost Savings – Climate Mitigation

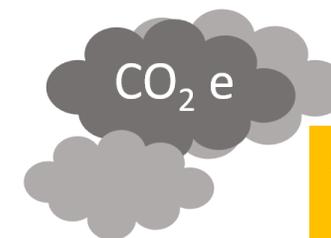
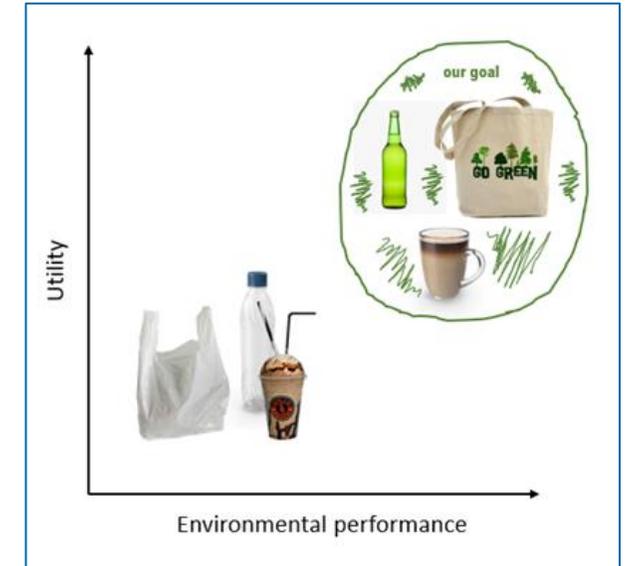
## Example: Promoting Reuse, Discouraging single-use packaging

Local government policies coupled with business initiatives can have much positive impact



- High waste volumes
- High costs for municipalities
- Unpleasant appearance

- Low waste volumes
- New business for service providers
- Low costs for municipalities



Single Use PET bottle  
139 kg CO<sub>2</sub>e /m<sup>3</sup>

Reusable PET bottle  
(in a Deposit Return Scheme)  
69 kg CO<sub>2</sub>e /m<sup>3</sup>

# Germany: GPP in Climate Change Act & Circular Economy Act

## Climate Change Act (KSG)

- Chapter 5: Role model public administration (Public Procurement, climate neutrality of federal public administration until 2030)
- § 13 KSG
  - Public procurers must contribute to the objective and the targets of the Climate Change Act
  - Obligation to prefer climate friendly products
  - Obligation applies to all phases of procurement
  - Consideration of life-cycle costs and economic costs of climate change

## Circular Economy Act (KrWG)

- Reform of § 45 KrWG (public procurement)
  - OLD: obligation to check if resource efficient products can be considered
  - NEW: obligation to prefer resource efficient products
- Legal basis to oblige manufacturers & retailers of disposable plastic products to share cleaning costs of public spaces
- Legal basis for banning the destruction of unsold durable goods

# Ecolabels in GPP

- Ecolabels can **reduce the amount of work** involved in **defining and verifying circular economy criteria of tenders**

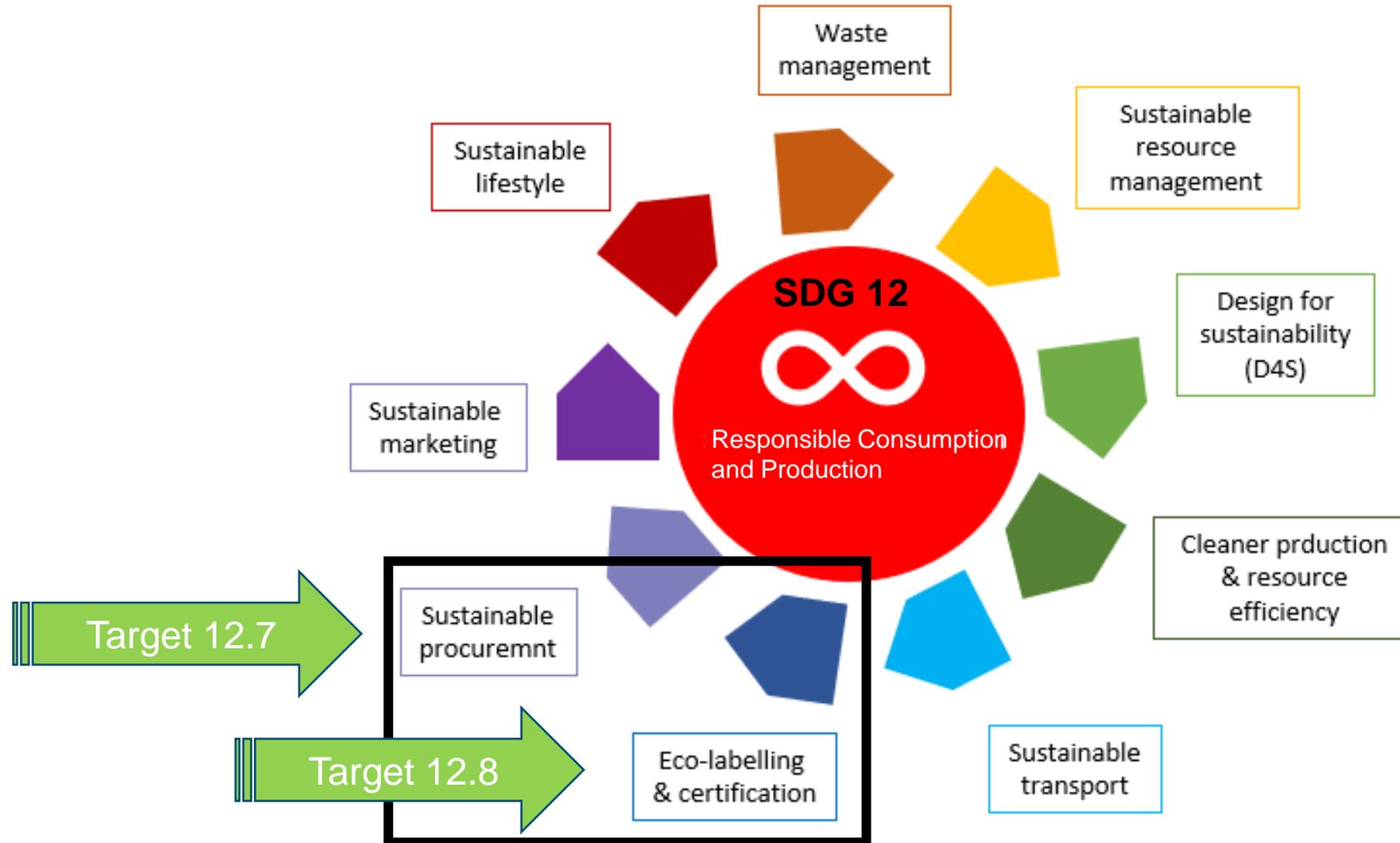
## Example EU:

- Ecolabels can be **referred to in specifications, award criteria, means of proof**
- Procurers may only **refer to ecolabels that meet a number of requirements** (e.g. the Type I or ISO 14024 ecolabels)
- The **preamble** of the Directive specifically refers to the use of eco-labels (EU-Ecolabel, national ecolabels etc.)
- Example **South Korea**: Act on Encouragement of Purchase of Green Products → state agencies **should purchase green products and services** for which the **eco-label criteria** exist (Korea Ecolabel, Good Recycled Mark)



GR (Good Recycled) Mark

# GPP and the SDGs



## Conclusions

- Circularity is increasingly been seen as a decisive competitive factor in a global economy in the future
- Standards for circular products and services are expected to be developed and enforced in the EU and other regions
- Countries in Asia are advised to include GPP within high-level policy goals (e.g. green growth strategy, 5-year plan, socio-economic development plan, circular economy strategy etc.)
- Additionally, we recommend start developing legal framework for mandatory minimum environmental product standards for Circular Economy
- Public authorities require capacity building and technical support for applying Circular Economy principles (including usage of Ecolabel criteria) in procurement process

Thank you for your attention!



## Contact

**Siddharth Prakash**

Öko-Institut e.V.

Sustainable Products & Material Flows

E-Mail: [s.prakash@oeko.de](mailto:s.prakash@oeko.de)

Web: <https://www.oeko.de/en/>