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**TEXTS ADOPTED**

*Provisional edition*

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**P8\_TA-PROV(2015)0266**

**Resource efficiency: moving towards a circular economy**

**European Parliament resolution of 9 July 2015 on resource efficiency: moving towards a circular economy (2014/2208(INI))**

*The European Parliament,*

- having regard to the Commission communication ‘Towards a circular economy: A zero-waste programme for Europe’ (COM(2014)0398),
- having regard to the Commission communication on ‘Resource efficiency opportunities in the building sector’ (COM(2014)0445),
- having regard to the Commission communication ‘Green Action Plan for SMEs: Enabling SMEs to turn environmental challenges into business opportunities’ (COM(2014)0440),
- having regard to the Commission communication entitled ‘A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy’ (COM(2015)0080),
- having regard to the Commission communication on ‘Building the Single Market for Green Products – Facilitating better information on the environmental performance of products and organisations’ (COM(2013)0196),
- having regard to the Commission communication on ‘Innovating for Sustainable Growth: A Bioeconomy for Europe’ (COM(2012)0060),
- having regard to the Commission communication on the ‘Roadmap to a Resource-Efficient Europe’ (COM(2011)0571),
- having regard to the Commission communication on ‘A resource-efficient Europe – Flagship initiative under the Europe 2020 strategy’ (COM(2011)0021),
- having regard to the Commission communication on ‘Europe 2020 – A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),

- having regard to its resolution of 12 December 2013 on eco-innovation – jobs and growth through environmental policy<sup>1</sup>,
- having regard to its resolution of 14 January 2014 on a European strategy on plastic waste in the environment<sup>2</sup>,
- having regard to its resolution of 24 May 2012 on a resource-efficient Europe<sup>3</sup>,
- having regard to its resolution of 13 September 2011 on an effective raw materials strategy for Europe<sup>4</sup>,
- having regard to the 7th Environment Action Programme,
- having regard to the EU Sustainable Development Strategy (2006) and the 2009 review,
- having regard to the Environment Council conclusions on ‘Greening the European semester and the Europe 2020 Strategy – Mid-term review’ of 28 October 2014,
- having regard to the synthesis report by the European Environment Agency on ‘The European environment — state and outlook 2015’,
- having regard to the Convention on Biological Diversity (CBD),
- having regard to the UNEP (United Nations Environment Programme) Inquiry into the Design of a Sustainable Financial System,
- having regard to the conclusions of the UNEP International Resource Panel on ‘Environmental Risks and Challenges of Anthropogenic Metals Flows and Cycles’ (2013),
- having regard to the conclusions of the UNEP International Resource Panel on ‘Decoupling natural resource use and environmental impacts from economic growth’ (2011),
- having regard to the petition ‘Stop Food Waste in Europe!’;
- having regard to the opinion of the European Economic and Social Committee of 10 December 2014<sup>5</sup>,
- having regard to the opinion of the Committee of the Regions of 12 February 2015<sup>6</sup>,
- having regard to Rule 52 of its Rules of Procedure,
- having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on Employment and Social Affairs and the Committee on Industry, Research and Energy (A8-0215/2015),

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<sup>1</sup> Texts adopted, P7\_TA(2013)0584.

<sup>2</sup> Texts adopted, P7\_TA(2014)0016.

<sup>3</sup> OJ C 264 E, 13.9.2013, p. 59.

<sup>4</sup> OJ C 51 E, 22.2.2013, p. 21.

<sup>5</sup> Not yet published in the Official Journal.

<sup>6</sup> OJ C 140, 28.4.2015, p. 37.

- A. whereas an unsustainable use of resources is the root cause of various environmental hazards, such as climate change, desertification, deforestation, loss of biodiversity and the weakening of ecosystem services; whereas the global economy uses the equivalent of 1,5 planets' worth of resources to produce global output and absorb waste and this figure is estimated to reach the equivalent of two planets' worth of resources by the 2030s;
- B. whereas Europe is more dependent on imported resources than any other region in the world and many resources will be exhausted in the relatively short term; whereas Europe's competitiveness can be increased significantly by getting more added value out of resources in the economy and promoting a sustainable supply of materials from European sources; whereas, moreover, as a contribution to safeguarding the supply of raw materials, partnerships for innovation between industry and the waste management sector and research to increase the potential for recycling major raw materials ought to be stepped up;
- C. whereas the switch to a circular economy is essentially a matter of economics, concerning access to, or sustainable availability of, raw materials, the reindustrialisation and further digitalisation of Europe, the creation of new jobs and the challenges of climate change, energy insecurity and scarce resources; whereas investing in a circular economy can therefore be fully compatible with the Commission's jobs, growth and competitiveness agenda and has the potential to create a win-win situation for all stakeholders involved;
- D. whereas resource efficiency must also consider and be coherent with broader sustainability concerns, including environmental, ethical, economic and social dimensions;
- E. whereas the targets and definitive priority actions set out in the 7th Environment Action Programme are of a binding nature;
- F. whereas the Organisation for Economic Cooperation and Development (OECD) Environment Programme finds that 'environmental effectiveness of voluntary approaches is often questionable, and their economic efficiency is generally low'<sup>1</sup>;
- G. whereas moving to a circular economy requires systemic change, affecting all stakeholders in the value chain, and substantial innovations in technology, businesses and society as a whole;
- H. whereas citizens, small businesses and local public authorities play a special role in ensuring resource efficiency and promoting the decoupling of economic growth from resource consumption;
- I. whereas a properly functioning circular economy needs competitive businesses, and whereas businesses are themselves driving forces in the switch to a circular economy;
- J. whereas it is important to place SMEs at the core of the EU resource-efficiency strategy as they account for 99 % of EU enterprises and employ two thirds of the workforce;
- K. whereas an ambitious European circular economy package creates business opportunities, secures access to primary materials, prolongs their productive use (through reuse, remanufacturing, recycling or as spare parts), guarantees high-quality recycling processes

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<sup>1</sup> The OECD Environment Programme, 'Voluntary approaches to environmental policy', 2003.

once they reach their end of life, and treats all by-products and waste as valuable resource streams for further use;

- L. whereas the sustainable and responsible sourcing of primary raw materials is critical to achieving resource efficiency and meeting the circular economy objectives;
  - M. whereas it is necessary to develop markets for secondary raw materials in order to achieve resource-efficiency objectives and a circular economy;
  - N. whereas Parliament has repeatedly called on the Commission to set indicators and targets for resource efficiency;
  - O. whereas the elimination of toxic chemical substances for which safer alternatives exist or will be developed in line with the legislation in force concerning chemicals has a central role to play in the establishment of a circular economy;
  - P. whereas the Eurostat data on the processing of urban waste in the EU 28 clearly show that there is still no level playing field in waste policy and that the implementation and enforcement of existing legislation presents significant challenges;
  - Q. whereas on average only 40 % of solid waste is reused or recycled, and the rest goes to landfill or incineration;
  - R. whereas production and consumption of agricultural food products accounts for a significant share of resource use, with significant impacts on the environment, public health, animal health and animal welfare; whereas sustainable solutions are needed to address food resource inefficiencies in a holistic manner;
  - S. whereas the cancellation of environmentally harmful subsidies, including direct and indirect subsidies to fossil fuels, would substantially reduce greenhouse gas emissions, help in the fight against climate change and allow the uptake of the circular economy;
1. Welcomes the Commission communication entitled ‘Towards a circular economy: A zero-waste programme for Europe’ (COM(2014)0398); endorses the Commission’s approach to designing and innovating for a circular economy, setting up a policy framework to support resource efficiency, setting a resource-efficiency target as outlined in the communication and outlining a specific policy framework to enable SMEs to turn environmental challenges into environmentally sustainable business opportunities; stresses that legislative measures are needed to move towards a circular economy, and calls on the Commission to come forward with an ambitious proposal on a circular economy by the end of 2015, as announced in its Work Programme for 2015;
  2. Emphasises that addressing resource scarcity requires reducing the extraction and use of resources and an absolute decoupling of growth from the use of natural resources □ a systemic change which requires backcasting the actions needed from a 2050 sustainability perspective and taking immediate action;
  3. Highlights production and consumption as areas that must be tackled in a way that ensures coherence with broader sustainable development goals;
  4. Recalls that, despite improvements in the efficient use of resources that have already occurred, continuous growth in production has outstripped these gains in efficiency and resource extraction continues to rise dramatically worldwide, hence there is an urgent

need for an overall reduction in resource extraction and use in order to overcome the rebound effect; urges the Commission to propose measures accordingly;

5. Recalls that water, as both a natural resource used in production processes and a public good, should be considered when calculating raw material consumption figures and should be used in an efficient manner;
6. Stresses that improving resource use through better design requirements, and through waste legislation that ensures upward movement in the waste hierarchy (thereby fostering waste prevention, reuse, preparation for reuse and recycling), could bring substantial net savings for EU businesses, public authorities and consumers, estimated at EUR 600 billion, or 8 % of annual turnover, while also reducing total annual greenhouse gas emissions by 2-4 %; emphasises that increasing resource productivity by 30 % by 2030 could boost GDP by nearly 1 % and create 2 million additional sustainable jobs<sup>1</sup>; recalls that resource efficiency is a priority objective of the 7th Environment Action Programme, which emphasises the need to stimulate production and consumer demand for environmentally sustainable products and services through policies that promote their availability, affordability, functionality and attractiveness;
7. Is convinced that improving resource efficiency requires both legislative measures and economic incentives, the internalisation of external costs and further funding of research and innovation, as well as social and lifestyle changes; points out that a variety of instruments are needed at various policy levels, taking account of subsidiarity;
8. Believes that implementing a full-scale circular economy requires the involvement of all relevant stakeholders, regions, cities, local communities, SMEs, NGOs, industry representatives, trade unions and citizens;
9. Calls on the Commission to involve local and regional authorities throughout the development of the circular economy package;
10. Stresses that public awareness, citizen perceptions and involvement are critical for a successful transition to a circular economy; notes that the necessary attention and resources should be devoted to education and information, to promote sustainable consumption and production models, and highlights the benefits of moving to a resource-efficient circular economy;
11. Points out that the transition to a circular economy requires a skilled workforce and that education and training have to take account of the need for green skills;
12. Emphasises that the EU has already put in place financial instruments which favour a more circular economy, in particular the Horizon 2020 programme and Life +, and that if these instruments are used properly they could help to promote eco-innovation and industrial ecology in the Member States and regions of the EU;
13. Stresses that legal certainty and long-term predictability are key to unlocking the potential of the European Fund for Strategic Investments for the circular economy in order to channel investments towards a sustainable economy;

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<sup>1</sup> Commission communication of 2 July 2014 entitled ‘Towards a circular economy: a zero waste programme for Europe’ (COM(2014)0398).

14. Highlights that a transition towards a sustainable and circular economy should combine ambitious environmental goals with strong social requirements, including the promotion of decent work and healthy and safe working conditions (i.e. ensuring that workers are not exposed to harmful substances in the workplace);
15. Stresses the need to establish a more coherent legal framework for sustainable production and consumption, covering the complete production cycle from sustainable sourcing until end-of-life recovery;

#### ***Indicators and targets***

16. Stresses that by 2050 the EU's use of resources needs to be sustainable and that this requires, inter alia, an absolute reduction in the consumption of resources to sustainable levels, based on reliable measurement of resource consumption throughout the entire supply chain, strict application of the waste hierarchy, implementation of a cascading use of resources, notably in the use of biomass, responsible and sustainable sourcing, creating a closed loop on non-renewable resources, increasing the use of renewables within the limits of their renewability, phasing out toxic substances, in particular where safer alternatives exist or will be developed in line with current legislation on chemicals, so as to ensure the development of non-toxic material cycles, and improving the quality of ecosystem services;
17. Recalls that back in 2012 Parliament already called for clear, robust and measurable indicators for economic activity that take account of climate change, biodiversity and resource efficiency from a lifecycle perspective and for the use of these indicators as a basis for legislative initiatives and concrete reduction targets;
18. Urges the Commission to propose, by the end of 2015, a lead indicator and a dashboard of sub-indicators on resource efficiency, including ecosystem services; points out that the use of these harmonised indicators should be legally binding as of 2018, and they should measure resource consumption, including imports and exports, at EU, Member State and industry level and take account of the whole lifecycle of products and services and should be based on the footprint methodology, measuring at least land, water and material use and carbon;
19. Urges the Commission to propose, by the end of 2015, a target to increase resource efficiency at EU level by 30 % by 2030 compared with 2014 levels, as well as individual targets for each Member State; stresses that, before resource-efficiency targets can be implemented, they must be underpinned by indicators;
20. Urges the Commission to promote the use of resource-efficiency indicators through international conventions in order to allow comparability between industries and economies and to ensure a level playing field, and to support dialogue and cooperation with third countries;
21. Stresses that these indicators should be included in the European Semester and in all impact assessments;

#### ***Product policy and ecodesign***

22. Stresses the importance of a well-thought-out product policy that increases products' expected lifetime, durability, reusability and recyclability; points out that the amount of resources used by a product over its lifetime and its reparability, reusability and

recyclability are largely determined during the design phase; calls on the Commission to promote a lifecycle-oriented approach in product policies, in particular by establishing harmonised methods for evaluating products' environmental footprints;

23. Calls on the Commission, in this respect, to present an ambitious work programme, and to comprehensively and ambitiously implement the ecodesign requirements of the existing Ecodesign Directive in new and updated implementing measures, starting with the immediate adoption of measures already drafted;
24. Urges the Commission to propose a review of ecodesign legislation and other relevant product policy legislation by the end of 2016, based on an impact assessment, incorporating the following essential changes: broadening the scope of ecodesign requirements to cover all main product groups, not only energy-related products; gradually including all relevant resource-efficiency features in the mandatory requirements for product design; introducing a mandatory product passport based on these requirements; implementing self-monitoring and third-party auditing to ensure that products comply with these standards; and defining horizontal requirements on, inter alia, durability, reparability, reusability and recyclability;
25. Calls on the Commission to assess, on the basis of a cost-benefit analysis, the possibility of establishing minimum recycled material content in new products in connection with the future revision of the Ecodesign Directive;
26. Urges the Commission to develop measures against planned obsolescence and to further develop a set of product standards for the circular economy, which include refurbishment and repair, facilitating dismantling, and the efficient use of raw materials, renewable resources and recycled materials in products;
27. Recalls that the availability of standardised and modular components, disassembly planning, long-duration product design and efficient production processes have an important role to play in a successful circular economy; urges the Commission to take relevant actions to ensure that products are durable and easy to upgrade, reuse, refit, repair, recycle and dismantle for new resources, and that parts containing hazardous substances are clearly identified in product manuals to facilitate separation of those parts prior to recycling; 28. Notes that it is crucial to raise consumers' awareness and increase their proactive role;
29. Calls on the Commission to propose the extension of minimum guarantees for consumer durable goods, in order to extend the products' expected lifetime, and to clarify that, in accordance with Directive 1999/44/EC, sellers of consumer goods should examine the defects during the first two years of the legal guarantee and only charge the consumer for it if the defect has been caused by improper use;
30. Calls on the Commission to propose appropriate measures on the availability of spare parts so as to ensure the reparability of products during their lifetime;
31. Calls on the Commission, the Member States and the European Chemicals Agency (ECHA) to step up their efforts to substitute substances of very high concern and to restrict substances that pose unacceptable risks to human health or the environment in the context of REACH, not least as a means to fulfil the requirement of the 7th Environment Action Plan to develop non-toxic material cycles so that recycled waste can be used as a major, reliable source of raw material within the Union; calls, in this respect, on the

Commission to immediately drop its unilateral moratorium on the processing of recommendations by ECHA with regard to the inclusion of substances of very high concern in Annex XIV to REACH, and instead proceed swiftly with the inclusion of such substances; stresses in accordance with the waste hierarchy that prevention takes priority over recycling and that, accordingly, recycling should not justify the perpetuation of the use of hazardous legacy substances;

32. Calls on the Commission and the Member States to step up their efforts to substitute hazardous substances in the context of Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment with a view to establishing non-toxic material cycles;
33. Urges the Member States to carry out effective market surveillance to ensure that both European and imported products comply with the requirements as regards product policy and ecodesign; urges the Member States, in order to ensure this effective market surveillance, to advance without delay in the legislative procedure on the review of the market surveillance regulation; notes that any further delay would harm the interests of businesses and citizens;

### *Towards zero waste*

34. Highlights the Commission's analysis that shows that adopting new waste targets would create 180 000 jobs, make the EU more competitive and reduce demand for costly scarce resources<sup>1</sup>; regrets the withdrawal of the legislative proposal on waste<sup>2</sup>, but sees in Vice-President Timmerman's announcement at Parliament's part-session in December 2014 the opportunity for a new and more ambitious Circular Economy Package;
35. Urges the Commission to submit the announced proposal on the review of waste legislation by the end of 2015, diligently applying the waste hierarchy, and to include the following points:
  - clear and unambiguous definitions;
  - developing waste prevention measures;
  - setting binding waste reduction targets for municipal, commercial and industrial waste to be achieved by 2025;
  - setting clear minimum standards for extended producer responsibility requirements to ensure transparency and cost effectiveness of the extended producer responsibility schemes;
  - applying the 'pay-as-you-throw-principle' for residual waste combined with mandatory separate collection schemes for paper, metal, plastic and glass in order to

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<sup>1</sup> Commission staff working document of 2 July 2014 containing an executive summary of the impact assessment accompanying the proposal for a directive amending the waste directives (SWD(2014)0208).

<sup>2</sup> Proposal for a directive of the European Parliament and of the Council amending Directives 2008/98/EC on waste, 94/62/EC on packaging and packaging waste, 1991/31/EC on the landfill of waste, 2000/53/EC on end-of-life vehicles, 2006/66/EC on batteries and accumulators and waste batteries and accumulators, and 2012/19/EU on waste electrical and electronic equipment (COM(2014)0397).



facilitate the high quality of recycling materials; introducing mandatory separate collection for biowaste by 2020;

- increasing recycling/preparation for reuse targets to at least 70 % of municipal solid waste and 80 % recycling of packaging waste by 2030, based on a solid reporting method preventing the reporting of discarded waste (landfilled or incinerated) as recycled waste, using the same harmonised method for all Member States with externally verified statistics; an obligation for recyclers to report on the ‘input‘ quantities of waste going into the sorting plant as well as on the ‘output‘ quantity of recyclates coming out of the recycling plants;
  - strictly limiting incineration, with or without energy recovery, by 2020, to non-recyclable and non-biodegradable waste;
  - a binding, gradual reduction of all landfilling, implemented in coherence with the requirements for recycling, in three stages (2020, 2025 and 2030), leading to a ban on all landfilling, except for certain hazardous waste and residual waste for which landfilling is the most environmentally sound option;
  - encouraging Member States to introduce charges on landfilling and incineration;
36. Stresses the importance and added value of European waste policy targets, not only in terms of legal certainty, predictability and the creation of a level playing field in the internal market, but also in terms of ensuring that the living environment of all EU citizens is protected and improved;
37. Calls on the Commission to put forth the same targets for all the Member States so as to ensure an equally high level of environmental protection across the EU and so as not to undermine the single market;
38. Urges the Commission to ensure that existing waste legislation and targets are completely and properly implemented, including in particular the obligation of separate collection schemes, to ensure that the Member States increase their efforts to reach existing targets and to establish measures to support the Member States in putting in place the right instruments to achieve the targets within the deadlines;
39. Highlights that, in order to make best use of available waste management capacities in the EU, better planning and information sharing is necessary to avoid overcapacities;
40. Calls on the Commission to further investigate the feasibility of proposing a regulatory framework for enhanced landfill mining so as to permit the retrieval of secondary raw materials that are present in existing landfills and to examine the development of an environmental permit system for the recycling industry;
41. Calls on the Commission to ensure greater transparency and better controls in order to avoid shipping of waste to countries with lower environmental and social standards than those in the EU;
42. Calls on the Commission, together with the Member States, to step up its efforts to counteract the illegal export of post-consumer waste;
43. Calls on the Commission to lay down in the Waste Framework Directive minimum requirements for national waste prevention programmes and to draw up a set of targets

and indicators capable of rendering the individual performance of the Member States comparable;

44. Urges the Commission to address the specific waste challenges and to take action as outlined in the Commission communication on a circular economy (COM(2014)0398); encourages the Member States and the Commission to ensure that EU funds are mobilised to help achieve integrated waste management objectives such as separate collection and the development of recycling infrastructure;
45. Urges the Commission to propose a target to reduce marine litter by 50 % by 2025 compared with 2014 levels;
46. Stresses the need to formulate targets for the collection and recycling of specific critical metals in the light of their growing scarcity and with a view to reducing dependency;
47. Calls on the Commission to propose, by the end of 2015, targets, measures and instruments to efficiently tackle food waste, including setting a binding food waste reduction target of at least 30 % by 2025 in the manufacturing, retail/distribution, food service/hospitality sectors and the household sector; calls on the Commission to promote the creation in Member States of conventions proposing that the retail food sector distributes unsold products to charity associations; calls on the Commission, when conducting an impact assessment on new relevant legislative proposals, to evaluate their potential impact on food waste;

### ***Sustainable buildings***

48. Welcomes the Commission communication on ‘Resource efficiency opportunities in the building sector’ (COM(2014)0445); considers that an approach to construction based on a roadmap and its long-term targets is needed;
49. Calls on the Commission to propose the full implementation of the circular economy principles and requirements in the building sector and to further develop the policy framework on resource efficiency in buildings – this includes developing indicators, standards and methods and quality requirements as regards land use and urban planning, architecture, structural engineering, construction, maintenance, adaptability, energy efficiency, renovation and reuse and recycling; points out that indicators on sustainable buildings should also include green infrastructure such as green roofs; stresses the importance of a holistic vision for Europe’s building stock, with clear and ambitious objectives for the medium and long term and roadmaps for the implementation of this vision;
50. Considers that indoor air quality and the well-being and social needs of users should be integrated into the sustainability assessment of buildings;
51. Calls on the Commission to develop, within the framework of the general indicators on resource efficiency, indicators to assess the sustainability of buildings over their entire lifecycle, using existing standards and methods and on the basis of an environmental, economic and social sustainability approach;
52. Asks the Commission to determine whether BAT (best available technologies) principles and standards could be extended to encompass all materials and parts of buildings, and to develop a building passport based on the whole lifecycle of a building;

53. Considers that, as 90 % of the 2050 built environment already exists, special requirements and incentives should be set for the renovation sector in order to improve the energy footprint of buildings by 2050; calls on the Commission, therefore, to develop a long-term strategy for the renovation of existing buildings and to upgrade the role of national renovation strategies introduced by Directive 2012/27/EU on energy efficiency;
54. Urges the Member States to facilitate the improvement of recycling through the development of infrastructure for selective collection and recycling in the construction industry;
55. Calls on the Commission and the Member States to look into the potential of predemolition audits (which is an assessment of a building before deconstruction or demolition to describe the materials present and to define which fractions could be separated for recycling) and on-site sorting of recyclable materials (on-site sorting usually delivers secondary raw materials of higher purity than off-site recycling and can help to reduce the environmental impact of transport, for example by crushing/compacting on site);
56. Notes that concrete is one of the most used materials in the construction industry; calls on the Commission to assess the possibilities of increasing recycling of concrete in construction, as is the case in Germany and Switzerland;

#### ***Developing markets for secondary raw materials***

57. Calls on the Commission to develop measures to incentivise and facilitate the development of markets for high-quality secondary raw materials and the development of business based on the reuse of secondary raw materials;
58. Considers that a long-term and predictable policy framework will help to stimulate the level of investment and action needed to fully develop markets for greener technologies and promote sustainable business solutions; stresses that resource-efficiency indicators and targets underpinned by robust data collection would provide the necessary guidance for public and private decision-makers in transforming the economy;
59. Stresses that it is important that the Commission and the Member States promote the creation of industrial symbiosis programmes that support industrial synergies for reuse and recycling and that help companies – particularly SMEs – discover how their energy, waste and by-products can serve as resources for others; points to similar concepts, such as ‘cradle-to-cradle’ and industrial ecology;

#### ***Other measures***

60. Calls on the Commission to propose public procurement procedures in which reused, repaired, remanufactured, refurbished and other sustainable and resource-efficient products and solutions are to be preferred and if they are not preferred, the ‘comply or explain’ principle should apply;
61. Stresses the need for a fiscal framework that is in accordance with the ‘polluter pays’ principle, providing the right signals for investment in resource efficiency, the modernisation of production processes and the manufacturing of more reparable and

durable products ; calls for progress in this area to be pursued by the Member States as part of the European Semester process<sup>1</sup>;

62. Urges the Commission to study and propose measures related to taxation, such as reduced VAT on recycled, reused and resource-efficient products;
63. Urges the Commission and the Member States to fully implement the Green Action Plan for Small and Medium-sized Enterprises;
64. Urges the Commission to develop a policy framework on nutrients in order to enhance recycling, foster innovation, improve market conditions and mainstream their sustainable use in EU legislation on fertilisers, food, water and waste;
65. Urges the Commission to present the communication on sustainable food, which has been postponed several times since 2013, during the first half of 2016; stresses that, as the production and consumption of food accounts for a significant share of resource use, that communication should holistically address resource inefficiencies in the food chain and encourage the development of a sustainable food policy; calls on the Commission to assess increasing the use of environmentally friendly food packaging, including an assessment of the feasibility of gradually replacing food packaging with bio-based and biodegradable, compostable material in accordance with European standards;
66. Calls on the Commission to establish a permanent resource-efficiency platform, including all relevant stakeholders, so as to encourage and facilitate the application of the latest research findings, the exchange of best practices and the emergence of new industrial synthesis and industrial ecosystems;
67. Calls on the Commission to establish a cross-sectorial, inter-DG sustainable financing working group in order to include the resource-efficiency indicators in company-level integrated reporting and accounting while respecting the confidentiality of certain business information; further calls on the Commission to examine how to incorporate resource-efficiency and environmental risks in, inter alia, credit ratings and capital requirements of banks, to develop a comprehensive insurance system for environmental hazards and to set out information requirements for investment products, with a due impact assessment; believes that the Commission would benefit from cooperating with UNEP's 'Inquiry into the Design of a Sustainable Financial System' in that regard; calls on the Commission to study existing voluntary initiatives in the Member States with a view to a possible exchange of best practice;
68. Calls on the Commission, given that the sustainable and responsible sourcing of primary raw materials is critical for achieving resource efficiency and meeting the circular economy objectives, to review the policy recommendations of the European Resource Efficiency Platform for the development of sustainable sourcing standards for priority materials and commodities; notes, in this respect, the joint support of Parliament and the Council for the Commission's proposals on responsible sourcing of metals and minerals from conflict zones;

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<sup>1</sup> Budget Europe, 2015, Country-Specific Recommendations in Support of the European Semester Process, page 6, [http://www.foes.de/pdf/2015-02-25\\_CSR%20Recommendations\\_FINAL.pdf](http://www.foes.de/pdf/2015-02-25_CSR%20Recommendations_FINAL.pdf).

69. Calls on the Commission to review its definition of ‘critical’ raw materials, taking better into account environmental impacts and risks related to their extraction and processing as well as their potential for substitution by secondary materials;
70. Stresses that all EU funding, including funding through the European Fund for Strategic Investment (EFSI), Horizon 2020, cohesion funds and the European Investment Bank, must be mobilised to promote resource efficiency, in line with the waste hierarchy, and urges the Commission and the Member States to phase out all environmentally harmful subsidies, including those for the generation of energy from the biodegradable fraction of industrial and municipal waste by incineration pursuant to Directive 2009/28/EC on the promotion of energy from renewable sources and direct and indirect subsidies for fossil fuels;
71. Calls for funding allocated from the EU Programme for the Competitiveness of Enterprises and SMEs (COSME), Horizon 2020 and the European Structural and Investment Funds to be more focused on developing sustainable, innovative and resource-efficient solutions and new business models (such as leasing or product-service systems), and on improving product design and material efficiency in product and process performance;
72. Underlines how research and innovation are essential to support the transition towards a circular economy in Europe, and that it is necessary to contribute, within Horizon 2020, to research and innovation projects that can demonstrate and test in the field the economic and environmental sustainability of a circular economy; stresses, at the same time, that, by adopting a systemic approach, these projects can facilitate the drafting of a regulation that is innovation-conducive and easier to implement, by identifying possible regulatory uncertainties, barriers and/or gaps that can hamper the development of business models based on resource efficiency;
73. Asks the Commission to use the digital agenda and information technology to their full potential to promote resource efficiency and the switch to a circular economy;
74. Highlights that the EU has an open economy, engaged in imports and exports in a global market; draws attention to the need to address the global challenge of resource depletion also at international level; calls on the Commission and the Member States to actively support the work of the International Resource Panel within the United Nations Environment Programme (UNEP), investigating the world’s critical resource issues and developing practical solutions for policy-makers, industry and society;
75. Calls on the Commission to take the necessary action at international level to improve the traceability of products;
76. Stresses that increasing energy efficiency can reduce the EU’s energy dependence and energy poverty, which affects some 125 million European citizens; observes that it is worth regarding energy efficiency as a separate energy source, the growth of which contributes substantially to the development of EU industry, job creation and the moderation of people’s energy bills;
77. Urges the Commission to examine whether existing and envisaged legislation is hindering the circular economy, existing innovative business models or the emergence of new ones, such as a lease economy or sharing/collaborative economy, or whether there are financial or institutional barriers in this respect; urges the Commission to improve such legislation

and address such barriers where necessary; calls on the Commission to review related legislation with a view to improving the environmental performance and resource efficiency of products throughout their lifecycle and to increasing consistency between existing instruments and developing a frontrunner approach;

78. Asks the Commission to clarify relevant aspects of EU competition policy in relation to the circular economy, notably to clarify the trade-off between risks of market collusion and the need to deepen cooperation between manufacturers and their suppliers;

79. Calls on the Commission to report back to Parliament about all the measures outlined above and to propose next steps by 2018;

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80. Instructs its President to forward this resolution to the Council, the Commission and the national parliaments.