

SCALING UP CIRCULAR ECONOMY

In Europe, more and more companies introduce innovative business strategies and solutions based on the principles of circularity of materials and goods. These front running companies have firsthand experiences with the opportunities and challenges faced when transitioning to a circular economy. National governments and the European institutions should stimulate the uptake of these innovative solutions, by creating an enabling environment for the transition to a circular economy, within and outside the European Union.

KEY DRIVERS FOR THE TRANSITION TO A CIRCULAR ECONOMY

① See business as solution providers

Industry has an important role both in identifying and in delivering solutions. A key issue for circular business models is to maintain the value of products and materials for as long as possible in the life cycle. Reaching this goal and providing innovative solutions requires cooperation between companies from different sectors. Many companies are already moving ahead with circular economy solutions and business models and others could learn from their experiences.

Close co-operation with European business are required to get a clear vision of the possibilities and barriers in large scale transition to circular economy.

② Create an enabling policy framework

In order to scale up circular economy, incentives to secure a long-term transition must be in place. Relevant policies and regulations must support the new business opportunities for innovation and new forms of co-operation. In some areas, regulative barriers can hinder transition to circular economy. These barriers must be identified and removed.

To be able to create a real market for secondary raw materials, the existing waste legislation should be reassessed to ensure that waste can be considered a potential resource. Also the interlinkages of different policies regarding products, chemicals and waste need to be taken into account. But first and foremost, turning Europe into a circular economy requires harmonized implementation and enforcement of environmental requirements across the Member States.

European policy development needs to be based on a holistic approach taking into account the entire value chain.

③ Explore new ways of co-operation between European Union, Member States and business

Because all relevant actors in the value chain need to find new ways to co-operate, classical instruments such as regulation are not always appropriate. Out of the box-thinking and a holistic approach are needed to enable successful implementation of the opportunities offered by circular economy.

Transition to circular economy requires a mind shift along the whole value chain, including consumers, the financial sector, policy makers and businesses. Cross-sectoral cooperation should lead to innovations and business models across the value chain, where cooperation between different stakeholders is key to successful transformation.

European policymaking should consider a smart mix of both non-legislative and legislative instruments to stimulate the transition to a circular economy.