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 SOGESID

**SYMBI**  
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*” How to stimulate secondary raw material markets”*

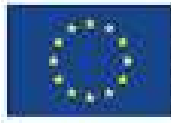
***“The Italian Framework: Economic Instruments to promote the transition towards Circular Economy and the use of secondary raw materials in production”***

***Fabio Eboli***  
***Italian Ministry of Environment / Sogesid TA***

20/21 March 2018/ 3<sup>rd</sup> Interregional Workshop



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## THE ITALIAN FRAMEWORK

### «Towards a Model of Circular Economy for Italy Overview and Strategic Framework»

<http://consultazione-economiacircolare.minambiente.it/sites/default/files/TOWARDS%20A%20MODEL%20eng%20COMPLETO.pdf>

=> launched on 29/11/2017

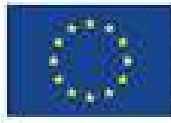
(along with the *Manifesto on Circular Economy* promoted by the Alliance for Circular Economy)

Circular Economy, Resource Efficiency, Decoupling also considered as crucial for the National Strategy on Sustainable Development (approved by CIPE on 22/12/2017)





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## THE ITALIAN FRAMEWORK: TIMELINE

Jointly Promoted by Ministry of Environment and Ministry of Economic Development

### Timeline

- ✓ April – June 2017 = first draft
- ✓ 12 July – 18 September 2017 = Consultation
- ✓ September-October-November 2017 = Consultation Review
- ✓ 29 November 2017 = Presentation of the Strategy
- ✓ 15 February 2018 = Report on monitoring framework
- ✓ 16 March 2018 = feedback on the monitoring framework from the private sector
- ✓ Next Government => Strategy and/or National Action Plan?

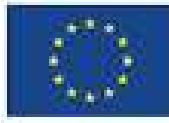
### Challenges

- Coherent governance and legislation (EU-Italy-regions)
- Awareness and involvement in implementation of private sector and citizens
- Targets (How much? By when? Which policy instruments?)





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# THE ITALIAN FRAMEWORK: CONTENT

## NATIONAL FRAMEWORK FOR CIRCULAR ECONOMY

### 1. Circular Economy: Principles and Objectives

- Efficient and Sustainable Resource Use
- New Production-Distribution-Consumption Integrated model

### 2. The current situation

- International Context
- European Context
- Italy: state of the art, challenges and opportunities

### 3. The paradigm shift

- Firms (eco-design, new production models (*services vs products*), *industrial symbiosis*, EPR)
- Consumption (new consumption models: *ownership vs usership; leasing/renting*; fashion vs *durability/repairability*)
- Economic Instruments (supply- and demand-side tools, *environmental fiscal reform*)

### 4. The transition process

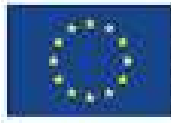
- Rethinking the concept of waste
- The Public Sector (GPP)
- Resources and Products (production chain tracking, resource efficiency)

## QUESTIONNAIRE

1. PRIORITY SECTORS and PRODUCTS
2. BARRIERS and OPPORTUNITIES
3. EFFECTIVE ACTIONS and MEASURES
4. CRITICAL VALUE CHAIN STAGES
5. SUPPORTING MEASURES and FISCAL TOOLS
6. ECONOMIC MEASURES
7. CONSUMPTION BEHAVIOUR
8. EUROPEAN and NATION MEASURES
9. INDICATORS' DASHBOARD
10. NEW BUSINESS MODELS



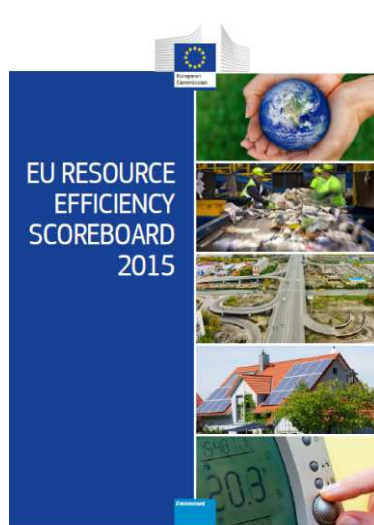
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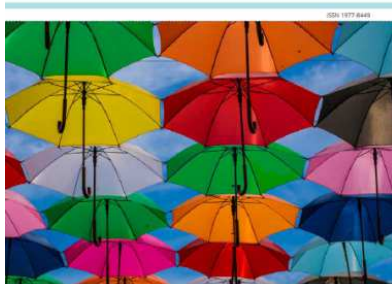


## INDICATORS: EU CONTEXT



EEA Report | No 25/2017

Environmental indicator report 2017  
In support to the monitoring of the Seventh Environment Action Programme



- COM(2018) 29 final «on a monitoring framework for the circular economy»

### Circular economy monitoring framework

#### 1 EU self-sufficiency for raw materials

The share of a selection of key materials (including critical raw materials) used in the EU that are produced within the EU

#### 2 Green public procurement

The share of major public procurements in the EU that include environmental requirements

#### 3a-c Waste generation

Generation of municipal waste per capita; total waste generation (excluding major mineral waste) per GDP unit and in relation to domestic material consumption

#### 4 Food waste

Amount of food waste generated

#### 7a-b Contribution of recycled materials to raw materials demand

Secondary raw materials' share of overall materials demand - for specific materials and for the whole economy

#### 8 Trade in recyclable raw materials

Imports and exports of selected recyclable raw materials

#### 5a-b Overall recycling rates

Recycling rate of municipal waste and of all waste except major mineral waste

#### 6a-f Recycling rates for specific waste streams

Recycling rate of overall packaging waste, plastic packaging, wood packaging, waste electrical and electronic equipment, recycled biowaste per capita and recovery rate of construction and demolition waste

#### 9a-c Private investments, jobs and gross value added

Private investments, number of persons employed and gross value added in the circular economy sectors

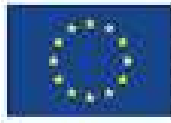
#### 10 Patents

Number of patents related to waste management and recycling





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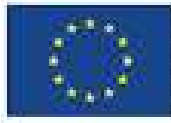
## INDICATORS: PROPOSAL FOR ITALY

- Working Group (Ministry of Environment, Ministry of Economic Development, ENEA, external experts)
  - **3 categories:**
    - ✓ Economic
    - ✓ Materials
    - ✓ Environment (circularity vs sustainability)
  - **3 perspectives:**
    - ✓ Macro (economy-wide)
    - ✓ Meso (sectors, districts, regions, urban areas?)
    - ✓ Micro (firms)
  - **5 Dimensions:**
    - ✓ Production/design; first & secondary raw materials (markets, flows, tracking);
    - ✓ Product as a Service (new business models «business» perspective)
    - ✓ Sharing/Pooling/Renting (new business models «consumer» perspective)
    - ✓ Durability/Repairability/Remanufacturing/Refurbishing
    - ✓ Waste management





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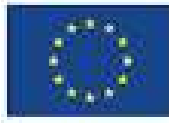


## ONGOING EXPERIENCES

- GREEN PUBLIC PROCUREMENT => ENVIRONMENTAL MINIMUM CRITERIA (BASIC & ADDITIONAL/REWARDING) COMPULSORY FOR 17 SECTORS
- END-OF-WASTE
  - **Already working** (technical check done, sent to European Commission): Milled Asphalt; Tyres Rubber
  - **Still to come** (technical check to be done): Nappy Material; Lead in Cars Batteries; Demolition&Construction Waste; Fiberglass in Watercrafts
- Agreement undersigned between MoE and three “pilot” cities (Bari, Milan & Prato) to pursue joint actions for CIRCULAR ECONOMY AT URBAN SCALE



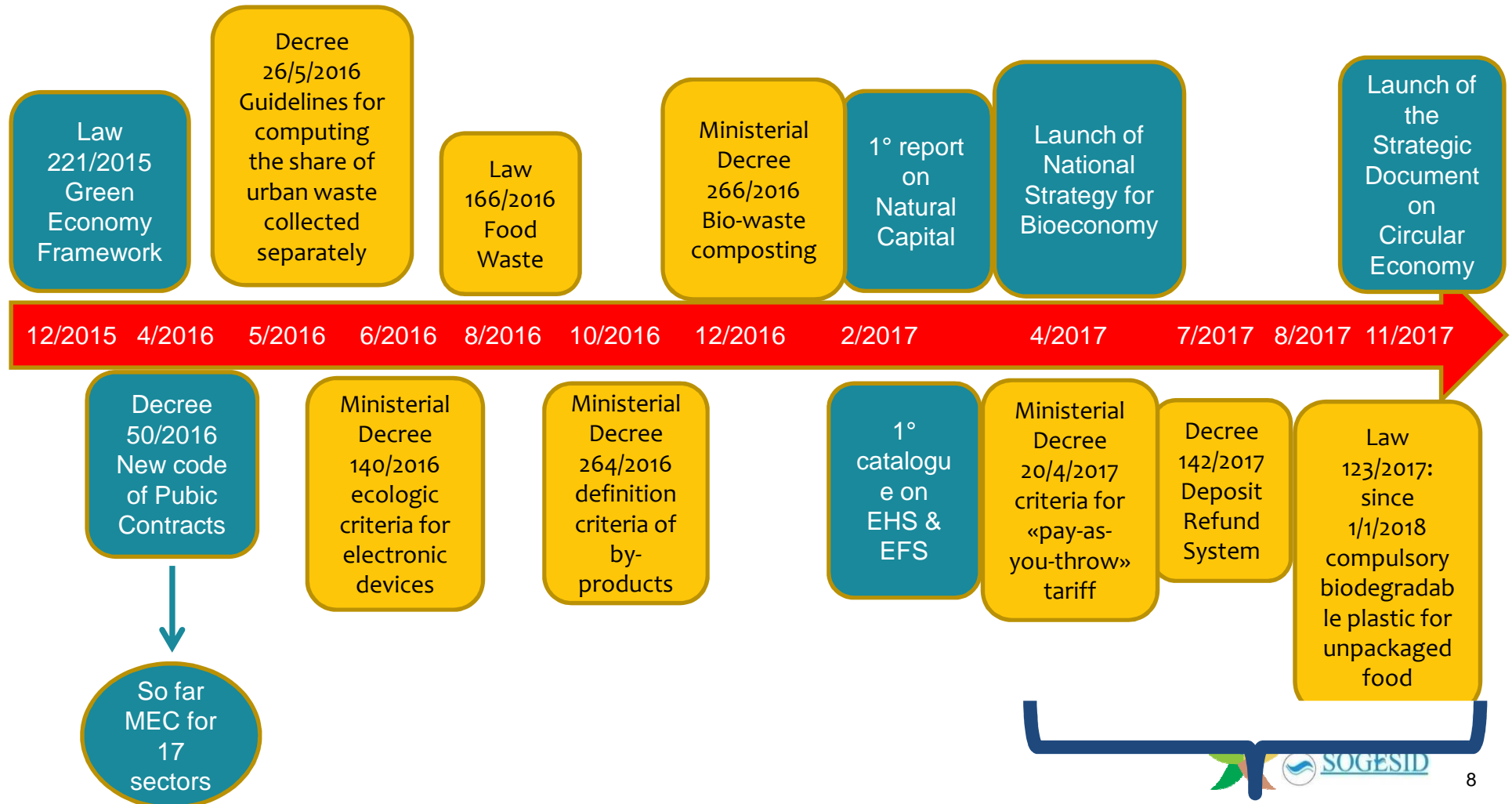
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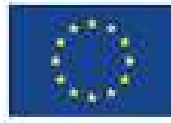
## RECENT LEGISLATION







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## ECONOMIC INSTRUMENTS: EEA



ENABLING  
FACTORS

- ECONOMIC INCENTIVES and FINANCE
- Shifting taxes from labour to natural resources and pollution
- Phasing out environmentally harmful subsidies
- Internalisation of environmental costs  
Deposit systems
- Extended producer responsibility
- Finance mechanisms supporting circular economy approaches

## ECONOMIC INSTRUMENTS: OCSE



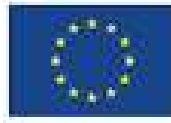
### Policy Guidance on Resource Efficiency



	Economic instruments	Regulatory instruments	Environmental labelling and information schemes	Voluntary approaches	Public financial support
<b>Extraction</b>	Taxes on virgin materials.	Bans, restrictions on mining of materials.	Good mining practices.	Agreements on managing environmental impacts of mining.	Tax breaks on exploration, mining.
<b>Design</b>	Advance disposal fees.	LCA-based standards, take-back requirements, standards e.g. for durability.	Environment technology verification schemes.	Research partnerships.	Tax breaks, grants for R&D.
<b>Production</b>	Product taxes or charges.	Emission or performance standards.	Advisory services for SMEs.	Agreements to develop more efficient, less polluting production methods.	Soft loans to SMEs.
<b>Consumption</b>	Deposit refund schemes; pay-as-you-throw pricing for waste collection systems.	Product restrictions or bans.	Labelling and certification schemes.	Behaviourally-informed interventions ("nudges").	Grants for the purchase of eco-labelled products or services.
<b>Recycling</b>	Tax differentiation between virgin and recycled materials.	Standards for recycled materials.	Platforms to match supply of and demand for secondary raw materials.	Agreements to create hubs promoting industrial symbiosis.	Tax breaks, grants for research on recycling, industrial symbiosis.
<b>Waste disposal</b>	Landfill and incineration taxes; tradable landfill permits.	Bans, restrictions on landfill.	Information on dismantling products.	Voluntary take-back schemes.	Grants, soft loans to construct waste disposal facilities.



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## ECONOMIC INSTRUMENTS: EU

- On 17-18 December 2017, provisional agreement among EU Commission, Parliament and Council the all 4 legislative proposals of the waste package (waste framework, package, landfill, electric-electronic waste) => not yet available for public
- Main points:
  - ✓ Clearer definitions of key waste concepts
  - ✓ New binding targets at EU level for waste reduction to be met by 2025 and 2030, and 2035
  - ✓ Stricter methods and rules to calculate the progress made towards those targets
  - ✓ Stricter requirements for the separate collection of waste, **reinforced implementation of the waste hierarchy through economic instruments** and additional measures for member states to prevent waste generation →
  - ✓ Minimum requirements for extended producer responsibility schemes

*<http://www.consilium.europa.eu/en/press/press-releases/2017/12/18/council-and-parliament-reach-provisional-agreement-on-new-eu-waste-rules/#>*





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## ECONOMIC INSTRUMENTS: EU

L'allegato IVa riporta il seguente *Elenco indicativo degli strumenti per promuovere il passaggio verso un'economia circolare*.

### 1. Strumenti economici:

- 1.1 aumento progressivo delle tasse e/o dei diritti sul collocamento in discarica per tutte le categorie di rifiuti (urbani, inerti, altri);
- 1.2 introduzione o aumento delle tasse e/o dei diritti sull'incenerimento
- 1.3 introduzione di sistemi di tariffe puntuali ("pay-as-you-throw");
- 1.4 misure intese a migliorare l'efficienza, in termini di costi, dei regimi di responsabilità del produttore, vigenti e futuri;
- 1.5 estensione del campo di applicazione della responsabilità finanziaria e/o operativa del produttore a nuovi flussi di rifiuti;
- 1.6 incentivi economici che stimolino le autorità locali a promuovere la prevenzione, nonché a sviluppare e potenziare i sistemi di raccolta differenziata;
- 1.7 misure a sostegno dell'espansione del settore del riutilizzo;
- 1.8 misure volte a sopprimere le sovvenzioni in contrasto con la gerarchia dei rifiuti.

### 2. Altre misure:

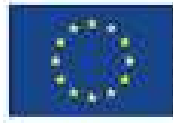
- 2.1 appalti pubblici sostenibili volti a promuovere la produzione e il consumo sostenibili;
- 2.2 misure tecniche e fiscali intese a sostenere lo sviluppo dei mercati dei prodotti riutilizzati e dei materiali riciclati (anche compostati), così come a migliorare la qualità dei materiali riciclati;

[https://www.fondazionevilupposostenibile.org/wp-content/uploads/dlm\\_uploads/2018/02/Le-modifiche-alle-direttive-rifiuti-circular-economy\\_1-principali-contenuti-dellaccordo-a-tre.pdf](https://www.fondazionevilupposostenibile.org/wp-content/uploads/dlm_uploads/2018/02/Le-modifiche-alle-direttive-rifiuti-circular-economy_1-principali-contenuti-dellaccordo-a-tre.pdf)





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## ECONOMIC INSTRUMENTS: CONCLUSIONS

- **To boost secondary raw materials markets**
  - **Direct incentives:** Deposit Refund System, Landfill Tax, Incineration Tax, Raw Materials Extraction and Use Tax, Raw Material Content-Based Output Tax, Value Added Tax gap.
  - **Indirect incentives:** Labelling, GPP, Industrial Symbiosis, Harmful Environmental Subsidies Removal
- **Policy Objectives must not disregard the following**
  - Environmental effectiveness
  - ✓ Shift of environmental impact along the value chain or abroad (life-cycle coherence, environmental leakage)
  - ✓ Boosting secondary markets vs waste prevention (e.g. scale efficiency of plants)
  - Competitiveness and level playing field (economic leakage vs foreign environmental regulation; leverage for innovation)
  - Administrative costs
  - Net jobs creation



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***Thanks for the attention ...  
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