



Department  
for Environment  
Food & Rural Affairs

# Circular Economy Package policy statement

A statement issued jointly by the Department for Environment, Food and Rural Affairs (Defra), the Department of Agriculture, Environment and Rural Affairs (DAERA), the Welsh Government and the Scottish Government.

2020



Llywodraeth Cymru  
Welsh Government



Scottish Government  
Riaghaltas na h-Alba  
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## Executive summary

The UK is committed to moving towards a more circular economy which will see us keeping resources in use as long as possible, extracting maximum value from them, minimizing waste and promoting resource efficiency. The [Circular Economy Package](#) (CEP) introduces a revised legislative framework, identifying steps for the reduction of waste and establishing an ambitious and credible long-term path for waste management and recycling.

Many of the themes and provisions covered within the CEP relate to areas of resources and waste policy where the UK nations are already actively involved through existing measures or work underway to take forward commitments made in their respective domestic waste strategies; The [Resources and Waste Strategy](#) (RWS) for England forms part of the UK government's commitment in the [25 Year Environment Plan](#) for England to leave the environment in a better state than we inherited it. The Welsh Government's strategy, *Beyond Recycling*, sets out its aim of making a circular, low carbon economy in Wales a reality with a set of key actions to deliver the objective of zero waste by 2050. The Scottish Government's circular economy strategy, [Making Things Last](#), published in 2016, sets out a clear vision and priorities for action to move towards a more circular economy; and Scotland set a series of ambitious targets to drive circularity. In Northern Ireland, the Department of Agriculture, Environment & Rural Affairs (DAERA) is currently developing the "Environment Strategy for Northern Ireland" which will consider the main long-term environmental priorities for Northern Ireland.

This statement sets out the key changes made by the CEP and the approach of the UK to transposition of the 2020 CEP measures. The UK, Welsh, Scottish and Northern Ireland governments have decided to take the approach of issuing this public statement and not to run a formal consultation. The bulk of the 2020 CEP measures are relatively small technical changes and/or the implementing legislation simply adopts the same wording as that of the Directive. We have already consulted on some of the key changes in the CEP, as did the European Commission in [2013](#) and [2015](#) during negotiations. Where stakeholder input has been required to develop new guidance, informal engagement has taken place with impacted stakeholders. The Regulatory Triage Assessment is published alongside this statement and shows a net present social cost of £13.4m. The net direct cost to business is estimated to be £2.6m per year.

The UK government has stated that leaving the EU has not changed our world leading ambitions on the environment, and we have no intention of weakening our current environmental protections after the end of the Transition Period. We have a long history of environmental protection supported by a strong legal framework which pre-dates membership of the EU, and we will safeguard and improve on this record. Moreover, we recognise the benefits of shifting to a more resource efficient and circular economy as a means of not only reducing impacts on our natural environment and reducing greenhouse

gas emissions, from disposal and embodied emissions related to our consumption, but also in terms of competitiveness, resilience and growth. All four nations have committed to continuing to enhance environmental protections, recognising the need to accelerate action to address the climate emergency.

Annex I provides details of 2020 measures and our approach to transposing them. Annex II contains the Regulatory Triage Assessment and Annex III outlines proposed guidance updates regarding the Packaging and Packaging Waste Directive.

# Introduction

Shifting towards a more circular economy will mean we optimise our use of resources within the economy by increasing the duration of a product's useful life and ensuring when a product has reached the end of its life its resources can be productively used repeatedly, so creating further value. Consequently, the added value in products remains in the systems for as long as possible, so reducing waste. The transition to a more circular economy requires changes throughout value chains, including product design, new business and market models, novel ways of turning waste into a resource and changes to consumer behaviour. The move to a more circular economy will bring the four UK nations environmental, financial and social benefits.

## Circular Economy Package

Turning waste into a resource is part of 'closing the loop' in circular economy systems. The UK's ambition to move to a circular economy is reflected in many of the changes required as part of the [Circular Economy Package](#) (CEP). The revised legislative framework on the circular economy identifies clear steps for the reduction of waste and establishes an ambitious and credible long-term path for waste management and recycling. The amendments include the alignment across three Directives of definitions, terms and powers, plus measures to streamline and simplify reporting requirements and tackle specific waste issues.

As part of their comprehensive negotiations on the package, of which the UK voted in favour, the EU Commission undertook public consultations on the circular economy in [2013](#) and [2015](#). During these and latter stages of negotiations, Defra held regular discussions with key stakeholders on the possible implications of the proposals. The European Parliament and the Council of Ministers jointly agreed the final package in May 2018, which was subsequently published in the Official Journal on 14 June 2018 and came into force on 4 July 2018. The CEP aligns with the collective ambition of the UK nations to move towards a circular economy and implementation will ensure that the UK government maintains and could exceed environmental standards now we have left the EU.

This statement summarises the 2020 CEP changes required and our planned approaches for transposition (see Annex I for more details).

## Scope

The bulk of substantive changes to laws, regulations and administrative provisions made under the CEP affect three Directives:

- a. **Directive 2008/98/EC on waste (the Waste Framework Directive (WFD))**, amended by [Directive \(EU\) 2018/851](#) of 30 May 2018
- b. **Directive 94/62/EC on Packaging and Packaging Waste (PPWD)**, amended by [Directive \(EU\) 2018/852](#) of 30 May 2018
- c. **Directive 1999/31/EC on the Landfill of waste (LFD)**, amended by [Directive \(EU\) 2018/850](#) of 30 May 2018

The three remaining Directives amended by the CEP are the End-of-Life Vehicles (ELV) ([Directive 2000/53/EC](#)), Batteries and Accumulators and Waste Batteries and Accumulators (BAWBA) ([Directive 2006/66/EC](#)) and Waste Electrical and Electronic Equipment (WEEE) ([Directive 2012/19/EU](#)). These have all been amended by a single amending, [Directive \(EU\) 2018/849](#). The changes made to these three Directives are relatively minor and either do not need transposing or measures are already in place to meet the requirements.

## Geographical extent

The four administrations have worked together in putting this statement together and will continue to do so while moving through the rest of the transposition process.

Some amendments being made by the Secretary of State will apply to England, Scotland, Wales and Northern Ireland. These will relate to existing legislation which applies on a UK- or GB- wide basis or to those regulations that are not devolved. Scotland and Northern Ireland will also make their own regulations which will transpose the non-UK wide elements of the CEP into their own domestic legislation.

The Secretary of State will be making the legislative changes required to transpose the 2020 CEP measures on behalf of England and Wales, apart from some amendments including those relating to hazardous waste which Defra are making on an England-only basis. In relation to those aspects of the SI that amend primary legislation the Welsh Ministers will be seeking the consent of Senedd Cymru for the Secretary of State to make the legislative changes on their behalf. In parallel, any amendments to Wales only legislation will be made by Welsh Ministers, in free-standing, Wales-only regulations.

## Transposition approach

The UK, Welsh, Scottish and Northern Ireland governments have decided that the 2020 CEP measures will be transposed as described in this public statement, without a formal consultation, given the changes are relatively minor and technical.

In addition, different parts of the UK, in some cases, have already introduced policies which are considered sufficient to meet the revised EU legislation, and consultations are taking place on other policy areas linked to the transition to a more circular economy.

In terms of CEP measures to be transposed by 2020, a combination of non-legislative changes and legislative changes with a minor impact (mainly 'copy out' i.e. the implementing legislation adopts the same wording as that of the Directive), will transpose most of the requirements of the CEP. Amendments to Articles 10(4), 18, and 21(1)(c) and Article 35(1) & (4) of the WFD and Article 5(3)(f) of the Landfill Directive require slightly more extensive changes. These latter Articles focus on landfill and incineration restrictions of separately collected waste, and hazardous waste amendments. The full list of 2020 CEP changes required is provided in Annex I.

Some of the measures will require changes to existing guidance, or new guidance to be written, and this will be published in due course. Annex III explains the proposed guidance updates regarding the Packaging and Packaging Waste Directive.

## Impacts of CEP changes

We have assessed the impacts of the changes and the Regulatory Triage Assessment (RTA) is provided (Annex II). The cumulative impact of the amendments to Articles 10(4), 18, and 21(1)(c) and Article 35(1) & (4) of the WFD and Article 5(3)(f) of the LFD will result in a net present social cost of £13.4m. The net direct cost to business is £2.6m per year, and this excludes benefits to mechanical biological treatment and recycling facilities. The remaining CEP 2020 measures are currently understood to be very low or no-cost to either businesses or the public sector.

In Wales, landfills generally do not receive separately collected fractions, and Energy from Waste facilities (incinerators) are not authorised to accept separately collected recyclate unless it can be demonstrated that it is unsuitable for recycling and therefore expect no impact on Welsh operators and no increase in cases per year. In Wales, the municipal waste and landfill targets are also being transposed. They will not introduce additional impacts to those already identified by the Welsh Government when introducing their targets and policies.

## Approaches to waste policy across the UK

Waste policy is largely a devolved matter in the UK; therefore, in Scotland, Wales and Northern Ireland, the devolved administrations are responsible for strategy and

policy relating to waste management. EU waste legislation can be directly transposed by regulations in each of the countries. However, despite differences between the devolved administrations in the specifics of policy measures, national priorities and strategies for waste have been consistent in aiming to drive action further up the waste hierarchy and working to move to a more circular economy.

## England

### How the CEP aligns with our strategies

Recent government strategies that consider resources and waste in England include:

- [The 25 Year Environment Plan](#): This sets out a policy framework for the production stage, giving producers a clear roadmap of how we will double resource productivity and achieve zero avoidable waste by 2050. Now we have left the EU, the UK's overarching 25 Year Environment Plan will continue to set our direction.
- [Clean Growth Strategy](#): Commits to exploring new and innovative ways to manage emissions from landfill.
- [Industrial Strategy](#): Sets out our aim for broader outcomes to be considered at the design stage of major projects and encouraging a cultural change – where consumers look at the whole life value of a product rather than focusing on the up-front cost.
- [Litter Strategy for England](#): A circular economy which encourages re-use and minimises the amount of waste generated – harmonises with the aims of the Litter Strategy to reduce the waste that ends up in our rivers, seas and our country overall.
- The [Resources and Waste Strategy](#) (RWS) demonstrates our ambition to move to a more circular economy which will see us keeping resources in use as long as possible, extracting maximum value from them and promoting resource efficiency. The transposing SI also puts into law our commitment in the RWS to recycle 65% of municipal waste and to have no more than 10% of municipal waste going to landfill by 2035.

## Wales

### Circular economy policy in Wales

In December 2019, the Welsh Government consulted on a new circular economy strategy for Wales – Beyond Recycling. The consultation closed in late April 2020 having engaged around 1,000 citizens and stakeholders. It proposed the next steps in the pathway towards a circular economy in Wales through strategic aims to

become a zero waste, net zero emissions nation that uses a fair share of the earth's resources whilst realising the economic potential this transition brings.

A new circular economy strategy for Wales will be published in 2020. It will also build on the current strategy [Towards Zero Waste](#) (TZW), the overarching Waste Strategy for Wales. One of the key features of TZW was that it set recycling targets for local authorities (which were made statutory under the Waste (Wales) Measure 2010) which has seen Wales become a global leader in waste management and well on course to reach 70% municipal waste recycling by 2025. TZW is supported by a suite of [sector plans and other documents](#) that together comprise the waste management plan (WMP) for Wales. TZW sets out the importance of looking after our resources efficiently. Together, the waste plan documents embrace all of the key concepts of a circular economy approach.

The Welsh Government also identifies the circular economy as a key part of its [Economic Action Plan](#) and its [Natural Resources Policy](#). Resource efficiency is also a key component of the legislative framework in Wales included in the 'Prosperous Wales' goal under the [Well-being of Future Generations \(Wales\) Act 2015](#).

## Northern Ireland

In Northern Ireland, the "Environment Strategy for Northern Ireland" is currently under development and will consider the main long-term environmental priorities for Northern Ireland. This will form the basis for a coherent and effective set of interventions that can deliver improvements in the quality of the environment, thereby creating opportunities to develop the economy, improve the health and well-being of citizens and play a part in protecting the global environment.

In addition, [Economy 2030](#) – the draft Industrial Strategy for Northern Ireland, published in 2017, sets out an ambitious plan to build a globally competitive economy based around five pillars of growth.

The Northern Ireland waste management strategy, [Delivering Resource Efficiency](#), was published in 2013 sets a direction towards using waste more efficiently to make it a key element in developing and promoting a low carbon, circular economy. It supports the CEP waste package and will be revised in due course, taking the results of a series of consultations into consideration.

A [discussion document](#) on the future of recycling and the separate collection of waste of a household nature in Northern Ireland was issued in June and provides the public and businesses with the opportunity to influence how these key aspects of the CEP are implemented in Northern Ireland.

## Scotland

### Scottish circular economy and waste policy

The Scottish Government has long recognised the benefits of a circular economy approach. In 2016, we launched 'Making Things Last', which laid the foundations for action by setting out a vision and priorities for action for building a circular economy in Scotland. This means minimising the population's demand on primary resources and maximising the re-use, recycling and recovery of resources, rather than treating them as waste. Many of the Scottish Government's circular economy targets and policy commitments align with and already go beyond the requirements of the CEP.

Scottish Government recently [consulted](#) on legislative proposals to further embed an innovative approach to reducing, reusing and recycling materials and help to deal with items that we know cause environmental harm.

Other measures in place, or planned, to manage and reduce waste and promote a more circular economy in Scotland include:

- [Improving resource efficiency](#) through actions such as discouraging use of single-use materials;
- Introducing a [Deposit Return Scheme](#) for drinks containers;
- Supporting delivery partners to tackle [litter and fly-tipping](#);
- Taking advice from the [Expert Panel on Environmental Charging and other measures](#);
- Funding [Zero Waste Scotland](#) to deliver waste-reducing initiatives;
- Funding the [Scottish Environment Protection Agency \(SEPA\)](#) to regulate on the treatment and disposal of waste.

## Annexes

(See separate documents)

- I. Summary of 2020 CEP measures and proposed approaches to transposition
- II. Regulatory Triage Assessment (RTA)
- III. Proposed guidance updates regarding the Packaging and Packaging Waste Directive