



Llywodraeth Cymru
Welsh Government

Beyond Recycling

Integrated Impact Assessment

WELSH GOVERNMENT INTEGRATED IMPACT ASSESSMENT

SECTION 1. WHAT ACTION IS THE WELSH GOVERNMENT CONSIDERING AND WHY?

'Beyond Recycling – A strategy to make the Circular Economy in Wales a reality,' builds upon the outcomes of *Towards Zero Waste* (2010) by focusing on resource management and waste prevention to develop a Circular Economy for Wales. *This strategy* aims to continue Wales' journey towards a future where we avoid waste, keep resources in use as long as possible and use our fair share of the earth's resources.

'Beyond Recycling' (The strategy) contains eight ambitious headline actions to accelerate our journey towards a circular economy:

- 1) We will support businesses in Wales to reduce their carbon footprint by becoming more resource efficient.
- 2) We will provide the tools to enable community action.
- 3) We will phase out unnecessary single use items, especially plastic.
- 4) We will eradicate avoidable food waste.
- 5) We will procure on a basis which prioritises goods and products which are made from remanufactured, refurbished and recycled materials or come from low carbon and sustainable materials like wood.
- 6) We will strive to achieve the highest rates of recycling in the world.
- 7) We will reduce the environmental impact of the waste collection from our homes and businesses.
- 8) We will take full responsibility for our waste.

Long term

The strategy sets the pathway for action over the next decade building on work over the last 20 years to achieve zero waste by 2050.

Over the next decade it is likely that there will be ongoing impacts from both the Covid-19 pandemic and adjusting to the United Kingdom leaving the EU.

The impacts of climate change and global warming are predicted to be more extreme. Swift action is needed to tackle species extinction and loss of biodiversity which is impacting upon all our ecosystems, including the effect of plastic on land, in rivers and in our oceans.

Wales uses the equivalent of 2.6 planet's worth of resources; if everyone in the world were to consume the same as the average Welsh citizen, 2.6 planets would be required. This use is unsustainable and must be reduced to one planet, our fair share. Nearly half of total greenhouse gas emissions and more than 90% of biodiversity loss result from the extraction of resources and processing into the products we consume.

The strategy will move Wales towards a circular economy, which will help to address the environmental crises and create economic and social opportunity whilst also contributing to the delivery of a green and just recovery from the pandemic.

Prevention

This strategy is not just about meeting the challenges faced; it is also about seizing the opportunities that come from a better approach to resource use. *This strategy* puts the Government agenda for a fairer, greener and more prosperous country at its core. Economic opportunities are already being created through re-thinking the materials we use and keeping products in productive use for as long as possible. Evidence has shown that this shift also has the potential to make savings of up to £2bn for the Welsh economy¹, create 'green' jobs, and increase Wales' resilience against rising costs and increasingly scarce resources.

Potential economic gains go hand-in-hand with social benefits, as people across Wales are supported to learn skills and take steps to enter employment. The foundational economy approach is focussed on using the levers available to harness local resources for the benefit of the local economy and re-using and recycling are important elements of this. The strategy highlights good practice examples that exist across Wales and aims to make these the norm within their sectors.

Integration

This strategy is integrated with key cross-Government strategies and plans, including the Low Carbon Delivery Plan, the Wales Transport Strategy, the soon to be published Economic Recovery and Resilience plan, and the recently published Covid Reconstruction: Challenges and Priorities, our approach to reconstruction. It also delivers against key areas of the Environment (Wales) Act and priorities set out in our statutory Natural Resources Policy. The circular economy is an important element of the Covid-19 Reconstruction: Challenges and Priorities document. *This strategy* will make a major contribution towards work on a Green Recovery.

Collaboration

In the development of *this strategy* we employed a cross-government approach, identifying around 30 key government departments and aligning action between departments on the transition towards a circular economy. The circular economy should be embedded in everything we do. *The strategy* draws from the strategic economic approach set out in the Economic Action Plan and the soon to be published Economic Recovery and Resilience plan, particularly the focus on regional economic development and the Economic Contract, which both have decarbonisation and resource efficiency as key elements within them. There are also clear links made to other documents including the Low Carbon Delivery Plan and the overarching priorities within the statutory Natural Resources Policy. We continue to work across Government to look at opportunities to implement a green recovery and influence a variety of policy and delivery areas such as housing, transport, infrastructure, regeneration and the economy.

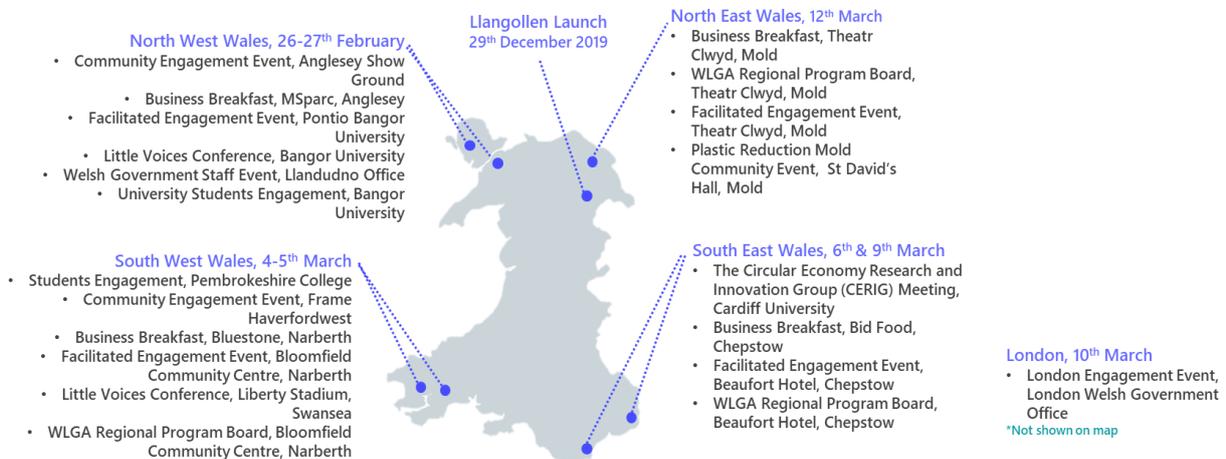
¹ Ellen MacArthur Foundation and Wrap (2013) Wales and the Circular Economy – Favourable system conditions and economic opportunities <http://www.wrap.org.uk/node/17570>

Involvement

The consultation on *the strategy* opened on 19 December 2019 with a community launch event in Llangollen and closed on 24 April 2020. Over 40 engagement events took place across Wales and beyond, with one event in London, actively engaging around 1,000 citizens and stakeholders between these events and the written consultation. Events were bilingual and chaired by a Welsh speaker, encouraging active participation from Welsh speakers to ensure that responses reflected the effects of the strategy on the language.

In addition to the general, open events, the consultation included a number of specific events for targeted groups including young people, businesses, local authorities, the waste sector, environmental groups, academia and other key stakeholders.

Community events were held in the evenings and at locations within communities including local halls, colleges and leisure centres to encourage attendance.



Following the consultation, a summary of the responses was published including a one page summary. We then engaged a further 1,000 citizens and stakeholders through a webinar series to discuss key issues pertinent to the developing strategy including climate change, town centres and re-use. These were an opportunity to share ideas and suggestions to support the co-production of a final document. There is a commitment in *the strategy* document to continue this engagement.

One of the key themes is to provide the tools to enable community action. We will promote community infrastructure that helps citizens reduce waste, including zero waste and zero plastic shops, surplus food redistribution, refill, community hire shops, material-lending libraries and other related initiatives.

Impact

The full environmental and social impacts of the products we consume are largely hidden from us, often because the raw materials in them are mined and processed elsewhere. Almost 50% of greenhouse gas emissions result from extraction and processing of resources into the products we consume.

Our headline actions aim to reduce resource demand in Wales, particularly for virgin materials, whilst also decarbonising our supply chains and driving the use of innovative materials. We will promote innovation in business systems; for example encouraging businesses to move towards a 'goods as a service' model. A circular economy will support further innovation in turn, bringing opportunities for Welsh businesses to compete globally whilst significantly reducing our impact on the environment.

Costs, Savings and Mechanism

The Welsh Government are committed to using the extent of devolved competence and levers to drive Wales towards a more circular economy, further supporting the delivery of our Programme for Government and the wider response to the climate emergency. We want government spending to drive good practice; accounting for whole lifetime costs, material choices, carbon impact and the local and regional supply chains involved.

Evidence suggests that a circular economy approach could save the Welsh economy £2 billion, whilst also creating jobs in Wales through, for example, the repair and remanufacture of materials.

Legislation developed in support of actions within *this strategy* will be subject to a Regulatory Impact Assessment as needed.

SECTION 7. CONCLUSION

7.1 How have people most likely to be affected by the proposals been involved in developing it?

Throughout the production of the Beyond Recycling strategy there has been a strong emphasis on engagement with citizens and stakeholders, and this approach will be continued throughout the delivery of *the strategy*. The consultation engaged around 1,000 citizens and stakeholders through a series of over 40 bi-lingual events held across Wales. These events spanned a wide geographic location and included business breakfasts, evening community events, facilitated public events and school and university events and visits in order to engage a diverse range of citizens.

After the consultation closed webinars have been held to continue engaging with the public and stakeholders engaging another 1,000 attendees.

The consultation document was specifically designed to be short and accessible to encourage increased engagement. Responses reflected the perception that a circular economy could build and strengthen opportunities in Welsh speaking communities. An easy read version, a strategy in a page document and a Welsh language version of the consultation were made available. The Beyond Recycling strategy document aims to be similarly short and accessible to the general public; with a Welsh language version and Easy Read version published alongside it.

Within *the strategy* the Welsh Government has made a commitment to:

- Continue our excellent engagement and continue to collaborate with citizens and stakeholders;
- Refresh our governance arrangements to ensure more voices are heard and progress is scrutinised;
- Develop a set of indicators; these will allow citizens and stakeholders to follow progress and can hold *the strategy* accountable to its aims.

7.2 What are the most significant impacts, positive and negative?

Moving towards a circular economy will have significant, long-term positive impacts on the natural environment, the economy, the people, communities and culture of Wales.

This strategy will reduce the ecological footprint of Wales as a nation. By 2050, we aim to only use our fair share of the planet's resources (one planet living), have 100% recycling (zero waste) and net zero carbon. This will tackle the climate and biodiversity crises through reducing natural resource use for the production of everyday products. The global biodiversity and climate system will be the key beneficiaries, but the environment of Wales itself will also benefit e.g. from reductions in direct plastic pollution.

The public sector will lead the way; *the strategy* will drive a reduction in the carbon and ecological footprints of construction projects, whilst also requiring public sector bodies to follow a sustainable procurement hierarchy. We want the procurement of re-used, remanufactured and high recycled content items to be the default approach for the public sector in the future. The resource intensity of our economy will reduce, as businesses and community initiatives based upon sharing, re-use, repair and remanufacture, as well as waste prevention and innovative resource use, are supported. Further increases in our world-leading recycling rate, for instance, in the business and public sector and of new materials, will support keeping materials in use.

The Welsh economy will benefit from the implementation of *this strategy*. Firstly, we will make a significant investment in businesses, the public sector and community projects preventing waste, innovating in resource use and employing circular business models. There will also be a significant offer of advice and support for all sectors of society, which will have the effect of making our businesses innovate, add more value and make cost savings. Overall, a study in Wales has shown that reducing resource use will create cost savings of up to £2 billion for the Welsh economy. Reducing waste and keeping materials in use will create new markets for those materials. In the long term, and the economy will become more resilient to global price shocks as supply chains are shortened. In order for Wales to tackle the climate and biodiversity crises, as well as implement a green recovery from the pandemic, we have to take a no-regrets approach to investment in the green economy and climate-proofing now.

A circular economy is not only good for the environment, but good for people. It will also embed some of the changing behaviours we have seen during the pandemic of people engaging and connecting more with their local environments. For instance, we will bring forward a significant programme of skills development for a circular economy, from school age to apprenticeships, to retraining programmes for adults. This will increase the options for the people of Wales and support sustainable, meaningful work. Community circular economy initiatives, such as local working hubs, repair cafés and food redistribution networks not only have direct benefits to physical health and alleviate poverty, but also mental well-being by increasing the connection of people to their local area and community, and encouraging collaboration. Support for local food and manufacturing supply chains will also increase support for the Welsh language in a positive way by ensuring economic benefits across communities in Wales. There may be some minor disruption to businesses, households and institutions from changes in recycling requirements, but we hope these will be minimal with support and guidance from Welsh Government and other bodies. In the longer term, our culture and values may shift, with more people valuing experiences, human connection and their local area over acquisition of new products.

7.3 In light of the impacts identified, how will the proposal:

- **maximise contribution to our well-being objectives and the seven well-being goals; and/or,**
- **avoid, reduce or mitigate any negative impacts?**

The seven well-being goals listed in the Well-being of Future Generations Act Wales (2015) are:

- a prosperous Wales
- a resilient Wales
- a healthier Wales
- a more equal Wales
- a Wales of cohesive communities
- a Wales of vibrant culture and thriving Welsh language
- a globally responsible Wales

The implementation of *this strategy* will contribute to all these goals and we will publish a separate Well-being Assessment.

As detailed in the economic well-being impact assessment, *this strategy* aims to bring economic benefits for Wales and increase our prosperity. By shortening supply chains, we can boost

economic resilience and by keeping resources in use we can realise more of their value and take advantage of new economic opportunities. A circular economy has the potential to make savings of up to £2 billion for the Welsh economy, whilst also creating 'green' jobs, increasing Wales' resilience against rising costs and improving security in the supply of global material resources. Many of the actions in *this strategy*, from supporting businesses and communities, to investing in infrastructure, to driving innovation and supporting prevention and re-use will increase the prosperity of Wales. It can also support the Welsh Language by encouraging the sustainability and resilience of Welsh speaking communities.

We have seen in this past year, with the Covid-19 pandemic and Brexit, how no economy is immune to global shocks. We can anticipate more shocks to come, with increasing extreme weather events from climate change and damaged ecosystem services from the biodiversity crisis. However, Wales has shown its resilience. A circular economy will help increase resilience in three ways. Firstly, economic resilience will be supported through the shortening of supply chains and investing now in the skills and industries of the future. Secondly, environmental resilience will be supported through reducing our direct and indirect carbon emissions, and reducing other areas of our ecological footprint through reduced natural resource use. Thirdly, social resilience will be bolstered through support for community initiatives which encourage sharing, re-use, repair and waste prevention, from our cities and towns to our rural areas.

The strategy will indirectly make Wales a healthier place, a focus on shorter supply chains will reduce carbon emissions and reduce pollution, encouraging better use of food and incorporating active travel into infrastructure investments. It is likely to positively contribute to mental health as well, through support for more collaborative, people-based work and initiatives. We will ensure the benefits which arise from *this strategy* are equally felt across Wales, not unfairly disadvantaging any particular area or group. *This strategy* was consulted on over the length and breadth of the country, and it is this spirit we aim to continue.

The circular economy is restorative and regenerative by nature, both of natural systems and social systems. The experience of the pandemic, although increasing hardships for many, showed that where communities were well-connected, people fared better across Wales. Wales is a nation of thriving communities, and the circular economy can only increase this, by supporting local food, shopping, travel and collaborative models. Celebration of our local areas and businesses goes hand in hand with celebration of our Welsh culture and language.

Finally, *this strategy* is essential for Wales to be a globally responsible nation. Globally, we have very little time to act to prevent catastrophic climate change, and one million species are threatened with extinction. Habitat destruction for natural resources is a key driver of biodiversity loss and, worldwide, 45% of all carbon emissions are associated with the production of everyday products. Reducing our resource use and becoming a zero waste, net zero carbon nation by 2050, and encouraging others to do the same, is our duty.

This strategy is a living document, and will evolve and change as we test and innovate. Actions taken will be reviewed and approaches will be adjusted depending on what we learn. We will continue to let our communities and businesses lead the way, frequently consulting with them about what they envisage the Wales of the future to be.

7.4 How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

Monitoring *the strategy* through a series of indicators is a core component of our approach as is regular engagement with citizens and stakeholders. We are committed to issuing a series of targets and indicators but with an acceptance that we will be flexible and change and develop these with learning.

The key targets of *this strategy* are as follows:

By 2025

- 26% reduction in waste from a 2006-07 baseline
- Zero waste to landfill
- 50% reduction in avoidable food waste
- 70% recycling

By 2050

- One planet resource use
- 62% reduction in waste from a 2006-07 baseline
- Zero waste
- Net zero carbon

To evaluate progress towards these targets, we will monitor a suite of indicators, some of which we already collect data for, and some for which data is still in development. We will publish a separate Indicators document.

Activity indicators will be monitored to provide more detail. We will continue to monitor key recycling and waste indicators, such as total household waste, waste recycled, incinerated, with and without energy recovery and landfilled. We will aim to expand our monitoring of commercial and industrial waste and construction and demolition, both total waste produced and rates of recycling, incineration and landfilling. Sub-indicators, such as a waste carbon footprint, and total recycling rates of certain materials (e.g. food, plastic) are also being considered.