POLICY PAPER FOR SCOTLAND'S CIRCULAR ECONOMY

A ONCE IN A GENERATION OPPORTUNITY



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Introduction

Scotland needs a circular economy

The adverse and unprecedented impacts of climate change continue to increase in seriousness, damaging the planet, impacting our way of life, and creating economic and environmental loss. Thankfully, innovations and advances in climate science means prevention and meaningful action are possible.¹

During COP26, "countries stressed the urgency of action in this critical decade". The risk Scotland takes along with the rest of the world, is to not respond urgently enough.

For Scotland to achieve its net zero target by 2045, we have committed to reduce our carbon emissions by 75% by 2030. To date, progress in reducing our emissions by shifting to greener energy production, has proved much easier than tackling those emissions (and resource use) linked to consumption. 4

Zero Waste Scotland has estimated that 82% of our carbon footprint is driven by consumption. In order to tackle this, we urgently need to reduce our consumption of new resources by fully implementing a circular economy in Scotland.

Current progress is inadequate

Moving to a circular economy has been Scottish Government policy since the first circular economy strategy⁶ "Making Things Last" was published in 2016.

Whilst ambition is clear, Scotland's approach to realising strong circular outcomes has been insufficient in two main ways:

1. Focus on lower levels of Waste Hierarchy – To date many of our policies and measures have focused on the lowest levels of the waste hierarchy. Examples of this include the Landfill Ban, the recent Incineration Review and Recycling Targets. These measures are not bad in themselves but are simply not bold enough to tackle the scale of the problem we now face. We urgently need to shift to a more top-down

¹ See IPCC Sixth Assessment Report, Climate Change 2022 Impacts, Adaption and Vulnerability

² United Nations Climate Action, <u>COP26 Together for Our Planet</u>

³ From 1990 baseline, <u>Update to the Climate Change Plan</u>, p7

⁴ Climate Change Committee, Progress reducing emissions in Scotland, p44

⁵ Zero Waste Scotland, <u>Responsible Consumption Campaign</u>

⁶ Making Things Last, Scottish Government, February 2016



approach with greater focus on reuse and repair as well as reducing overall consumption.

2. Inadequate Progress – Even within the targeted policy areas, progress has been too slow. For example, the landfill ban was postponed from 2021 to 2025. Similarly, current progress on many circular targets (e.g., household waste recycling levels) is behind target and behind many comparative counties. Potential reasons for the lack of progress include inadequate cross-sector collaboration, a lack of wider systems change and inadequate financial investment.

In Scotland, our material footprint is 38% higher than the global average and double sustainable levels. We urgently need bold action to match our ambition if we are to address this.

Support for greater circular ambition

When the Scottish Government originally consulted on proposals for a Circular Economy Bill back in November 2019, responses were overwhelmingly supportive and many, including Circular Communities Scotland, asked for stronger more ambitious action.⁹

There is clearly staunch support from the public for bold and ambitious action to tackle the climate emergency in general and deliver a more circular economy specifically. The Scottish Climate Assembly issued a strong Statement of Ambition, which says:

"The climate emergency is a real and urgent issue that cannot be ignored. It requires immediate action at all levels of society. If we fail to act now, we will fail our current and future generations, in Scotland and across the world." 10

In the Assembly's full 2021 report, the goal to 'Reduce consumption and waste by embracing society wide resource management and reuse practices' was supported by 97% of assembly members and was the joint highest goal in the report.

This support is representative of wider public opinion, with a recent survey showing that 87% of respondence agreed with the statement "In Scotland we should use raw materials more wisely and waste less", while only 2% disagreed. 11

⁷ For example, the <u>latest recycling rates</u> for Scotland show a fall to 42% well below the 2020 target of 60% and the 2025 target of 75% or the current performance in Wales. ⁷

⁸ Zero Waste Scotland, Material Flow Accounts, p8

⁹ See Scottish Government's <u>Analysis of responses</u>, p61

¹⁰ Scottish Climate Assembly, Recommendations for Action, p8

¹¹ Scottish Environment Link, Topical Survey, question 1.



Our call for a strong Circular Economy Bill

At Circular Communities Scotland we welcome the Scottish Government's consultation on the Circular Economy Bill and the Route Map.

Along with others, we are calling for strong and ambitious action to deliver a more circular economy in Scotland. We believe this is essential for Scotland to achieve our net-zero ambitions and thereby combat climate change. In this paper we set out ten key policies we believe would ensure a strong circular economy policy framework going forward. Some of these will need to be in the Circular Economy Bill whilst others will be more supportive policies and should be actioned within the Route Map framework.

We believe the policies recommended here build on each other into a comprehensive package. The policies are strongly inter-related. For example, Reuse Targets (Recommendation 1) will not deliver change by itself but when accompanies by strong requirement for and investment in Local Authority sites (3 and 4) and reuse organisations (5), itself funded by Extended Producer Responsibility fees (7), we believe such targets will be transformative.

It should also be noted that for many of our members the circular economy is about caring for people as well as planet. The community sector prioritises social outcomes such as poverty alleviation, employability, alongside the environmental and practical support for the circular economy is also support for these social benefits. The current cost of living crisis along with the need to build back better following the pandemic are both key policy areas that will benefit from more circular policies.



Strong and ambitious action

We believe the following policies will provide a much-needed boost in our progression to a more circular economy. Some of these require primary legislation and should be included in the Circular Economy Bill whilst others require secondary legislation or simply greater investment, for example via the Route Map strategic plan.

Summary

In this paper we set out nine key policies which we believe will significantly advance our progress to a more circular economy as follows:

- 1. National reuse targets this will help local authorities prioritise reuse over recycling.
- 2. Clear responsibilities for circular economy clear responsibilities for circular economy targets, strategies and actions will support faster change.
- 3. Statutory requirement for reuse facilities this is vital to ensure consistent reuse provision across Scotland.
- 4. Investing in local authority recycling centres this is urgently needed to deliver adequate and effective set aside for reuse provision.
- 5. Investment in reuse and repair projects investment is needed to grow reuse and repair provision across Scotland.
- 6. Embrace right to repair greater systems to support repair are needed to increase the lifespan of products.
- 7. Extended Producer Responsibility any EPR scheme needs to prioritise the principles of the waste hierarchy and support the social economy.
- 8. Ban unnecessary product destruction this will stop products being destroyed which have not even been used once and provide quality products for reuse organisations.
- 9. Circular public procurement diverting some public procurement to reuse and recycled products will provide a strong boost for the circular economy.
- 10. Phase out single use products by replacing single use with durable products we will avoid unnecessary waste.



1. National reuse targets

Scotland currently has no reuse target but does have a clear recycling target. This has resulted in poor prioritisation of reuse investment and systems change compared to recycling 12 and other activities lower down the waste hierarchy.

Clear and ambitious preparation for reuse¹³ targets are necessary to support prioritising reuse over recycling, in line with the principles of the waste hierarchy.

These preparation for reuse targets should be mandated at a national level and reported alongside existing recycling targets for local authorities. Where possible Local Authorities should partner with existing third-sector organisations who have been leading in relation to reuse in Scotland.

There is an urgent need for research to establish the best way to measure and report reuse and preparation for reuse levels in Scotland. However, since reuse and preparation for reuse targets are being used successfully elsewhere in Europe, we believe such targets would work well here and we should learn from these international examples. ¹⁴ Once targets are set, we need a clear process to monitor and report actual progress against targets on a local authority and national level and act when progress is insufficient.

At a European level, work is progressing in France, Spain, and Belgium to implement reuse or preparing for reuse targets,¹⁵ and ambitious preparation for reuse targets are about to be implemented in Portugal. All this demonstrates that such targets are not just desirable but also feasible.

It should be noted that targets by themselves do not deliver change, they need to be supported by investment and other policy actions (see other recommendations in this paper). But they are important to focus attention and show when progress is inadequate.

Regarding wider targets, Circular Communities Scotland supports Scottish Environment LINK's call for a long-term material footprint target.¹⁶

 $^{^{12}}$ For example, in Scotland as well as recycling targets and reporting, we have a recycling charter, recycling centres and a recycling infrastructure fund.

¹³ Preparation for Reuse relates to taking items from the waste stream (e.g., an HWRC site) and diverting them for reuse. Reuse includes all reuse activities and is much broader and more difficult to measure. This is the language of the EU Waste Hierarchy, We are calling for Preparation for Reuse Targets to be implemented in Scotland even if we use the phrase Reuse Targets.

¹⁴ For example, our sister organisation CRNI and the Discover Centre in Ireland have done some <u>strong</u> research on reuse targets

¹⁵ See RREUSE's recent publication Re-use targets, why they matter and what initiatives already exist in the EU

¹⁶ Scottish Environment LINK, Call for a Strong Circular Economy Bill for Scotland



2. Clear responsibilities for the circular economy

For Scotland to achieve a strong and ambitious circular economy many stakeholders need to work in collaboration to achieve systems change. A single entity with a statutory foundation should own circular economy strategy, targets, and progress reporting.

In addition, this body should

- Own, oversee and report all circular related targets (linked to Policy ask 1 above).
- Oversee a circular economy action plan (as part of the existing climate action plan). This should include the key policy recommendations set out in this report.
- Support collaboration between public, private and third sectors in delivering a more circular economy.
- Provide strong investment funding required to deliver a circular economy (linked to Policy asks 4 and 5 below).
- Deliver strong national and local campaigns to increase public awareness of the need to reduce consumption and increase reuse, repair, and recycling behaviours.

An independent advisory group should be established, to support the work of this new agency with appropriate representatives from local authorities, private enterprise, community and third sector organisations and international perspectives.

3. Statutory requirement for reuse facilities

Currently local authority sites in Scotland are geared towards recycling rather than reuse. Many have no provision for reuse at all, whilst others are inadequate. Currently, too many items which could be reused are being sent for recycling or even incineration and landfill.

There is a mixed picture for reuse services at Scottish recycling centres, with examples of good practice and collaboration in some areas. To our knowledge only three Local Authority sites¹⁷ have co-location with a reuse project, which we would consider best practise for reuse.

We are calling for a statutory requirement for high-quality "Set Aside for Reuse" Facilities at every Local Authority Household Waste Recycling Centre in Scotland. 18 This requirement should also state that local authorities should prioritise donating materials to local social enterprises wherever practical to do so.

A comprehensive baseline assessment of the current reuse and preparing for reuse services at every recycling centre in Scotland is required. This would help target meaningful

¹⁷ Stranraer, Moray, and Oban



investment solutions to deliver the reuse facilities which are lacking, as outlined in policy ask 4 'Investing in local authority recycling centres' below.

4. Investing in local authority recycling centres

Currently local authority sites are strongly focused on recycling over reuse, as is reflected in their name 'Household Waste Recycling Centres.'

Further investment to enable local authorities to offer a modern 'Set-Aside for Reuse' facility at every recycling centre in Scotland is urgently needed. We would also support these sites being renamed in line with circular economy values, for example 'Resource Centres.'

Investment should target:

- Prioritising reuse for site visitors set-aside for reuse should be the first and most visible option on entry.
- Clear signage and directions for site visitors.
- Weather-proof storage facilities to protect donations.
- Investing in site staff education around set-aside for reuse.
- Supporting on-site collaboration with circular economy organisations.
- Investing in public education campaigns around reuse and circular economy.

Items donated at these facilities should be passed on to circular economy organisations to further stimulate the local economy.

5. Reuse and Repair Credits

A circular Scotland would move beyond recycling by encouraging circular behaviours such as reuse and repair to become mainstream activities. Consider the levels of investment in recycling over the past 20 years - a similar level of investment is now needed in reuse and repair services and infrastructure.

Providing funding for reuse charities and social enterprises which is linked to the environmental benefits of their reuse and repair activities. Reuse and repair combats climate change through carbon savings. Like feed in tariffs for green energy generation, we are calling for reuse and repair credits to be paid to social enterprises for the carbon savings associated with the material diverted through reuse and repair activities. This money will help the receiving organisations to scale up and grow their activities.

¹⁹ For example, a fixed financial value for every CO2e per tonne of material diverted.



We also recognise that there are several social benefits to reuse and repair. Reuse creates far more green and local jobs than recycling, incineration, or landfill activities. Reuse organisations also are helping to combat the current cost of living crisis through offering affordable goods to those who need them.

Lastly, we call for stronger financial support for innovative models such as repair cafés, sharing libraries, bike reuse services and community fridges. These projects provide easy and tangible access for the public to engage in circular economy behaviours. However, they require initial support in the form of grant funding, as well as ongoing operational support.

6. Embrace right to repair

We support the principle of universal right to repair and are signed up to the European Right to Repair campaign.²⁰ We believe the following would support repair in Scotland:

- Circular design practices that promote ease of repair and discourage planned obsolescence.
- Access to parts at a reasonable cost.
- Access to repair information and how-to guides.
- Access to independent repair systems.
- Promotion of safe self-repair.
- Fiscal incentives for repair services and refurbished parts (including VAT).

We also think the recent introduction of a Repairability Index in France²¹ is an excellent example of how consumers can be educated on repair and producers encouraged to make their products more repairable.

7. Extended Producer Responsibility

The principle of producers taking responsibility for their products over the whole lifecycle of that product is positive.

In addition, EPR schemes have the potential to bring in much needed funding from the private sector to invest in mitigating the environmental impact of these products at the end of their life.

²⁰ See Right to Repair website.

²¹ Implemented on five categories of goods in January 2021.



However, in practice EPR implementation can be highly detrimental to existing re-use and preparation for re-use activities when implemented poorly, notably by restricting access for re-use operators to discarded yet re-useable goods.²² Any EPR scheme should:

- Be mindful of the waste hierarchy by prioritising local reuse and repair over large recycling schemes.
- Strongly discourage the export of waste materials for overseas processing which significantly undermines public confidence in recycling.²³
- Support and invest in local circular economy projects, including those delivered by local charities and social enterprises. There are several examples across Europe where EPR has damaged environmental social enterprises by removing access to valuable material that they were preparing for reuse. Any implementation of EPR should include commitments to prioritise third and social sector reuse organisations.²⁴

8. Ban unnecessary product destruction

Currently there is no ban on companies destroying surplus stock. There have been several media stories highlighting stock destruction in the last year²⁵.

A more environmentally and socially responsible solution is needed to guide companies towards better waste management practices. We believe there should be clear measures in place to prevent the destruction of unsold or returned products. This could be via direct mandated legislation or through the introduction of mandatory reporting, financial charges, or other strong deterrents. There should also be steps to ensure that the principles of the waste hierarchy are followed – Reuse (or more accurately use for the first time) should be prioritised over recycling for example.

We also note that the proposed ban relates to durable products only. We would also suggest that this proposal could be strengthened by including a ban on supermarkets destroying unsold food as was implemented in France in 2016. ²⁶

²² See RREUSE briefing on Extended Producer Responsibility

²³ There is a case to consider an outright ban on the export of waste

²⁴ For example in Spain <u>a new law mandates</u> 50% of public tenders relating to collection, transport and treatment of second-hand products, go to social enterprises

²⁵ For example <u>this report by ITV</u> regarding a major internet retailer

²⁶ See France's law for fighting food waste



9. Circular public procurement

Whilst sustainability is a factor for consideration in public procurement, emphasis on sustainability has not yet been adequate to drive significant levels of mainstream circular purchasing. Currently £13.3 billion²⁷ is spent each year on goods and services by the public sector in Scotland. A shift to more circular procurement would have significant environmental and social benefits.

Mandating circular economy and climate obligations in procurement strategies for public bodies would help reuse choices become more mainstream within the public sector and help circular enterprises grow and expand.

We would encourage an ongoing review of public procurement practices to prioritise the principles of circularity. We would also encourage support for circular organisations to be better represented in bidding for and winning public tenders for example through a circular accreditation scheme which is then prioritised in procurement. We would also point to the recent example in Spain where a new law mandates 50% of public tenders relating to the collection, transport and treatment of second-hand products goes to social enterprises.²⁸

We would also call for a requirement for public bodies to have to report their circular and social purchases and set targets to grow this spending.

10. Phase out single use products

The single use plastics ban is welcome, but only tackles a small range of products. This should only be the start, as there is the potential to do so much more. ²⁹

Rather than tackling individual items, we call for the Scottish Government to set a target date to ban all single use items where readily available alternatives exist.³⁰ For high volume and material resource products, such as coffee cups, earlier bans should be implemented. We note that one potential route for this is through the strong delivery of EPR.

²⁷ See Scottish Government, <u>Public Sector Procurement</u>

²⁸ See Waste and Contaminated Soil for the Circular Economy

²⁹ Ireland has committed to all packaging being re-useable or recyclable by 2030. <u>Ireland's Waste Action Plan</u> <u>for a Circular Economy 2020</u>

³⁰ Some limited exceptions will be needed for example for medical use



Conclusion

A once in a generation opportunity

In this paper we have set out the policies which we believe are needed to create a strong and ambitious Circular Economy Bill for Scotland, which, if implemented, would create meaningful and substantial progress towards our net zero ambitions.

Circular Communities Scotland is committed to working with Zero Waste Scotland, Scottish Government, and elected representatives to ensure the action taken is as strong as possible.

We believe there is strong support for the bold and ambitious policies set out in this report. We also believe these steps will go a long way to <u>deliver on Scotland's circular ambition</u>.

We also believe many of the policy jigsaw pieces are in place to deliver on this expectation:

- We welcome the appointment of Scotland's first Circular Economy Minister.³¹
- Zero Waste Scotland's recent Route Map review will soon be complete, and an action plan published.
- The Circular Economy Bill public consultation, expected to launch in May 2022.

There is a once in a generation opportunity to shape Scotland's circular future. We call on Scottish policymakers to be bold, ambitious and make the most of this opportunity. Now is the time for action.

About Circular Communities Scotland

Circular Communities Scotland³² is the national membership body for the circular third sector in Scotland. Our vision is for a thriving circular economy in Scotland, with local communities benefiting from the social, environmental, and economic outcomes.

Our mission, as a national network, is to support and represent organisations who are delivering greater levels of reuse, repair, and recycling. Our core network services are funded by Zero Waste Scotland. We have recently launched new programmes including a Share and Repair Network³³ and a Bike Reuse Project.³⁴

Our growing membership of over 200 charities and social enterprises deliver significant repair, reuse, and recycling services across all 32 local authority regions in Scotland. Our

³¹ Minister for Green Skills, Circular Economy, and Biodiversity

³² Formerly CRNS (Community Resources Network Scotland). For more information see our <u>website</u>

³³ Funded by Scottish Government and Zero Waste Scotland

³⁴ Funded by Cycling Scotland



members prevent valuable products and materials from ending up in landfill, create local jobs, economic opportunities, and help promote and create social and environmental justice in their communities.³⁵

 35 Our November 2021 report, <u>Embracing a Circular Future</u>, provides analysis on our membership along with several case studies of their work