
From: jude@anois.org
Sent: Friday 11 June 2021 16:59
To: circulareconomy
Cc: 'frank o'connor'
Subject: anois response to public consultation on Ireland's First Whole-of-Government Circular Economy Strategy
Attachments: anois reponse to Ireland's First Whole-of-Government.odt

CAUTION: This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

To whom it may concern,

Please find attached our response to the public consultation on Ireland's First Whole-of-Government Circular Economy Strategy. We look forward to seeing a full response to all consultations submissions and the final strategy, updated accordingly.

Kind Regards
Jude Sherry



Director

www.anois.org



Ireland's First Whole-of-Government Circular Economy Strategy Publication Consultation

anois response, Dr. Frank O'Connor & Jude Sherry 11th June 2021

Ireland had much higher rates of resource circularity up until the late 20th Century. As such, our current dominant linear economy should be seen as the new phenomenon it is. In fact, Ireland has an impressive track record of leading the way on circular solutions, having the first ever deposit and return scheme implemented through A & R Thwaites in 1799.

Ireland needs to tap into our past circular norms to design a better future for us all. Luckily, Ireland is now home to two of the world's leading experts on designing for a Circular Economy. Our director Dr. Frank O'Connor was the first to call for a closed loop economy in Ireland as far back as 1989, at time when repair and reuse were the norm. Imagine if Frank's advice had been followed, we could now be heading up the EU's circular ranking boards instead of the being the second worst with circular resource rates of just 1.6%. Since those early years of Franks career he has obtained a PhD in Eco/Circular Design and has been advising national governments on Circular transitions, all over the world, since 2005. In fact, anois is the only Circular Design and Policy agency in Ireland, thus our **1st core recommendation is the inclusion of anois as 'Leader' Actor**. The Irish government has a unique opportunity to tap into the unmatched expertise of anois in development and implementing circular economy policies in government, industry and educational institutes. anois are the only circular economy design and policy experts in Ireland with experience across private sector, government, NGO, educational and community.

If Ireland's existing circular economy policies had been sustained (even back in 1989 when



Dr. Frank O'Connor first called for a Circular Economy) we would have not lost our:

- glass reuse deposit return Scheme
- substantial repair skills and businesses
- second hand culture
- localised production using local resources
- industrial symbiosis practices¹

It should be noted that Ireland is not unique in its linear transition, globally we are becoming more and more linear every year, despite knowing the importance of recycling, reuse and reduction for decades. Transitioning to a circular economy will not just require reversing our current linear economy rates, it requires halting the growth of linear businesses. Every year of inaction this transition will become more disruptive with linear business practices having become more entrenched. The fact that “Ireland’s material consumption is well above the EU average and continues to rise”² will be a route cause of economic distress as material costs increase. We are already seeing the impact this is having on our construction industry in the midst of a housing crisis. **Ireland needs to take circular action now to ensure this circular shift does not adversely affect or even collapse the economy.** This action needs to be guided by strategic, holistic and radical policy making and implementation. We need to make some hard decisions now to ensure we can have a just transition, improve quality of life and provide foundational economic needs to all. Change on this scale takes time, however, with the right foundations in place it is possible. The alternative is Irelands economic ambitions could be in tatters within 5 years. Please note all our recommendations in this consultation response are not expected to be implemented straight away, however clear timelines and just transition plans should be developed.

We welcome this long overdue national policy framework for a Circular Economy, however its production a year after the completion of the Waste Action Plan for a Circular Economy

¹ Please note that some that we do not recommend all industrial symbiosis practices as some result in toxic materials returning to cycles of use

² <https://www.dccae.gov.ie/en-ie/climate-action/publications/Pages/Climate-Action-Plan.aspx>



(WAPCE) makes little sense. The WAPCE outlines long term goals which may no longer be relevant or set at odds with a Whole of Government Circular Economy Strategy (WGCEs). This is similar to the tail wagging the dog. For instance, the long term (up to 2035) goals set out in WAPCE are severely inadequate and perpetuates a waste based society overly reliant on recycling which will hinder a transition to a Circular Economy.

A Circular Economy requires a fundamental change for industry, citizens and the public sector in how we manage and utilise material resources. Most of Ireland's resources are imported, a whopping 89 billion euros worth of imports in 2019³. Combined with Ireland's reliance on exporting waste we are literally importing resources just to export again at a much lower value, often after a single use in a relatively short space of time. This represents a lost opportunity and has significant potential to become a massive drain on the Irish economy if the right circular actions are not taken now. A Circular Economy is fundamentally an economic trading policy. However very worryingly the WGCEs does not mention trade, imports or exports once. Circular Economy is not about waste, it is about sustainable and responsible management of resources. Waste is simply a by-product of an inefficient non-Circular Economy.

A Circular Economy in Ireland involves requires two sets of resources:

- 1st resources are required to provide foundational economic needs to achieve a high quality of life for everyone living in Ireland by reducing our material throughput
- 2nd resources are required for indigenous manufacturing companies to add value to for export

Regardless of the end uses, these resources will either be extracted from Ireland natural resources bank or imported from overseas. This basic understanding of resources is missing from the WGCEs.

Our 2nd core recommendation is that:

- **All imported resources (whether as raw materials or in products) should be non-toxic, traceable, durable, separable and recyclable/compostable**
- **Extraction of raw materials from our natural resource bank should be limited**

³ <https://www.cso.ie/en/statistics/externaltrade/goodsexportsandimports/>



only to renewable resources that are managed in a regenerative manner

- **A complete ban on extraction of non-renewable material and an end to mining in Ireland**
- **A complete ban on incineration⁴**
- **Immediate commencement of urban mining to source and recover finite or scarce or non-renewable materials for reuse and recycling**
- **A policy for landfill mining to be established and implemented to ensure we can meet future needs**

The Irish Government's confusion between the Circular Economy and Waste management persists throughout the document and their policies. This is worrying and presents a serious risk to Ireland being left behind its European and international partners. This is not just a wording issue. It is a serious structural and systems issue. The Circular Economy is not about waste. Yes, reusing and recycling waste is a part of the circular philosophy. But better waste management is not a circular philosophy. The Circular Economy moves beyond waste to a holistic and systems perspective of resource and material efficiency. It is disappointing to read that a "An efficient waste management system is an essential component of the Circular Economy". Better waste management has the potential to hinder a smooth and effective circular transition as it suggests that waste should be the focus. What is required is a holistic resource management system along the whole value change. This requires a shift in mindset from waste to resources.

This infatuation with waste in Ireland is evident in the reorganisation of the National Waste Prevention Programme (NWPP) into the National Circular Economy Programme (NCEP). This is not appropriate and feels like a repackaging of business as usual into a new shiny box. While a new NCEP should be established, a separate waste programme will still be required in the interim and transitional period and as such **our 3rd core recommendation is that the NWPP and NCEP are kept separate until Ireland is a Circular country that has**

⁴ Please note that waste to energy is not circular. We need to ban extraction of non-renewable materials. The Confederation of European Waste-to-Energy Plant has advised all European countries to avoid building overcapacity of waste incineration that could cause lock-in effects and hamper the development of the circular economy <https://www.circularonline.co.uk/news/invest-in-additional-european-waste-to-energy-capacity-only-if-needed-says-cewep/>



removed waste from our economy.

To support the process, we also recommend the creation of **Regional Circular Resource Plans** that focus on local regional economies.

A note of caution. ‘Viewing our waste as valuable material resource’ could result in promoting the production of waste rather than preventing the waste occurring in the first place. It risks creating dependencies for certain industries on waste. Of course, ensuring waste is reused/recycled is urgently required, however we need to ensure that this is just a transitional step so that any practices developed do not create demand for future waste streams. Instead, an industrial symbiosis approach should be taken with non-toxic resources flow between different companies as required.

We welcome the realistic ambition to reach above EU average circularity rates by 2030 (which is 24% circular). However, despite our laggard position (2nd worst in Europe) we believe that Ireland should still aim to be at the vanguard of circularity, at least within dominant sectors such as food and drink and construction. **Our 4th core recommendation is that these ambitions needs to be supported with legally binding targets through a Circular Economy Act.** Our director Jude Sherry recently outlined the role a Circular Economy Act could play in achieving Welsh’s Zero Waste targets at an event organised by Sustainable Wales⁵. It is essential for the Circular Economy Bill to focus on primary resources and to statutory binding targets.

We welcome the commitment to “lead common efforts with other ambitious EU Member States, pooling our collective influence to maximise EU ambition in relation to the Circular Economy”, However, it should be noted that Irelands track record on lobbying to weaken the recent Single Use Plastic Directive⁶ is unacceptable. A departure from this past behaviour is welcome and needed. **Our 5th core recommendation is for Ireland to push for stronger, more radical and binding Circular Economy targets across the EU to enable all companies transition to level playing field.** For many of our clients the lack of a level play

⁵ https://youtu.be/KReFMqo7Q5w?list=PLcflmMVPfkToty_N2tmXyt5TVmWGb3aok&t=1008

⁶ <https://www.independent.ie/irish-news/politics/plastic-lobby-given-easy-access-to-irish-officials-in-environment-talks-38687549.html>



field is a major concern and a significant barrier to taking a financial risk through circular innovation. We need stricter circular legislation ensuring all companies have to take responsibility, not just a few. This level playing field is a must.

Our 6th core recommendation is that Circular Economy policy responsibility should sit within the Department of Taoiseach, at least through the upcoming transitional decade.

A Circular Economy will disrupt all departments' responsibilities and requires the cooperation of all other government departments. Therefore, siloing the Circular Economy into the Minister for the Environment, Climate and Communications and into the EPA will hinder the governments Circular Economy ambitions. This is especially relevant as Circular Economy policy is foundational to economic and social development. This recommendation comes from our direct experience of working with national policy makers across all continents. Such an overarching policy needs to sit outside individual departments and requires all departments to contain Circular Economy targets. Circular Economy is not just a waste issue and is not just an environmental issue, it is an economic issue and it's a quality-of-life issue. We need to ensure we can provide a high quality of life in Ireland by consuming less resources. After the transitional period, when we have reached at least 50% circularity rates, responsibility can then be devolved to the Department of Enterprise, Trade and Employment, as ultimately it is about circular trading of resources. This recommendation is the best means of achieving the goal to "to promote circularity as an economic model and to enhance coherence and alignment among national, regional and local activities." We also recommend the creation of a Minister of the State without a department portfolio, responsible for Circular Economy who can suggest and propose new or amended legislation to the Government. We welcome the creation of a Circular Economy Unit. From international best practice and our vast experience of working with supranational and national governments across the globe, the optimum way to transition to a Circular Economy is through taking a **multi-policy, multi-departmental approach combined with a helix based multi-stakeholder approach, with government, business, education and citizens working together to transform the economy.** The Circular Economy Unit can be the key enabler for this. The unit should sit within the Department of Taoiseach.



Ireland's economy has an overreliance on multinationals who have a larger export portfolio⁷. These multinationals companies operating in international markets already have sufficient consumer demand and have the necessary resources available to make a circular transition. However, small indigenous companies that only supply the Irish market do not. Research has shown that an indigenous industrial base is a necessary condition for sustainable economic growth.⁸ Creating and supporting local circular services and products that serve local markets needs and create new demands for circularity is crucial in achieving a just and fair Circular Economy. **Our 7th core recommendation is for a Green Public Procurement (GPP) programme that supports local indigenous independent small and micro scale circular companies.** In addition, every GPP programme needs to take into account the true costs over the life cycle.

Our 8th core recommendation is to update the current Skillsnet Strategy 2021 – 2025 to include Circular Economy, which is not even mentioned in this strategy. If this is not done urgently the chance to develop sufficient and relevant skills for a Circular Economy (such as design, repair and refurbishment) to ensure a smooth transition will be lost. If we wait until 2026 it will result in a harsher and more disruptive transition for the Irish Economy and society we will be subject to higher material costs and an inability to meet circular targets both set out here on a national and EU level.

Its welcoming to read that there is awareness that “poorly designed or implemented policies could result in negative economic and social impacts”. As such, a just circular transition should be front and centre. The impact of the radical transition to a Circular Economy demanded by the EC will greatly affect all citizens and companies in Ireland and therefore all sectors of Irish society must be actively consulted. We also agree that this will only be achieved by “embracing a wider whole-of-society agenda” through ‘widespread consultation and engagement across society’. **Our 9th core recommendation is this should be delivered through a Citizens’ Assembly on the Circular Economy.**

It is an interesting hypothesis that it is a ‘lack of awareness’ amongst citizens on what a

⁷ https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewjOnKSY1o_xAhWkoFwKHZYdBlgQFjAAegQIBBAD&url=https%3A%2F%2Fwww.esri.ie%2Fsystem%2Ffiles%3Ffile%3Dmedia%2Ffile-uploads%2F2018-03%2FBKMNEXT353.pdf&usq=AOvVaw1bAc45Ectmf2pes7e5lsgp

⁸ <https://www.tandfonline.com/doi/abs/10.1080/01442872.2011.571850>



Circular Economy is which translates into lack of demand. Although we agree there are some cultural barriers that promote new over second hand for instance, however it is often the lack of available and affordable circular options that is reinforcing our linear consumption patterns. This is supported by survey after survey that consumers are willing to pay more for sustainable and circular products. For instance, many globally supplied products imported in Ireland will still not be circular no matter how much consumer demand there is in the state, the Irish market is too small to influence global changes in value chains for certain sectors. This is where strict EU wide circular mechanisms are needed and where GPP needs to support local indigenous markets.

Many in Ireland will not be aware what the term Circular Economy is and they don't need to know if the services to enable a Circular Economy are provided, and fit seamlessly into their daily lives. As per cradle to Cradle, closed loop, industrial symbiosis, industrial ecology, sustainable design etc., they are all academic and policy terms that are not essential for citizens to be experts in. In fact, many citizens have a good grasp of what a circular lifestyle involves, everyone understands repair, reusable cup, second hand clothes, durable long-life products etc. This is far more important.

We find it particularly worrying that individual actors are labelled as “bargain hunters”. This is not reflective of the pioneering early adopter consumers that will drive the Circular Economy transition. In fact Circular Economy purchasing behaviour often costs more initially, such as purchasing long life durable products which are absolutely key to a successful Circular Economy. These are not “bargain hunters”. Whereas Circular Economy services such as repair can often costs more than buying a new product, which of course is a challenge that needs to be addressed. Likewise reuse behaviour such as keep cups directly cost the consumer as they have to buy their own cup with no financial rewards.

Care should be taken when deciding on the creation of a “private sector Circular Economy enterprises, products and services. Such an expansion of the brand (which in this context could be seen as analogous to a certification mark).” There are already hundreds of ecolabels



on the market that lead to confusion for consumers such as Cradle2Cradle. In addition, the EU is committed to providing carbon labelling, a sustainable product policy initiative, product passports and circular economy labelling. CEAP2 requires Ireland to sign up to an EU-wide labelling scheme that facilitates the correct separation of packaging waste at source as well digitalisation of product information, better known as digital product passports. This is part of a wider EU scheme to change European laws with the purpose of ending greenwashing. An additional Irish only label or brand will cause additional confusion for consumers. **Our 10th core recommendation is that instead of having a ‘Circular Economy’ label, there should be mandatory labels on circular designs and business models at point-of-sale with information to include details on lifespan, repairability and access to spare parts and pay per use. A good example is the Repair Score system in France.**

The budget allocated to the new **Circular Economy Innovation Grants Scheme** is insufficient give the scale of transition needed. **Our 11th core recommendation is that this grant scheme is increased to at least €100 million a year.** We welcome the consideration of local and community-based initiatives such as Repair Hubs and ‘Libraries of Things’, however we advocate that these type of initiatives should involve local employment rather than relying on volunteers.

The most relevant resource efficiency and resource re-use for the construction is to abolish demolish, out 12th core recommendation. This would be a much cheaper, quicker and lower carbon way to avoid the need for millions of tonnes of virgin raw materials per annum. Research has demonstrated that the most sustainable building is the existing building⁹ by achieving significant embedded carbon, resource consumption savings as well as reducing all other environmental impacts.

Our 13th core recommendation is to establish both Compulsory Sales Orders and Compulsory Rental Orders for vacant and derelict properties. Vacancy leads to dereliction which is a gateway to decay and demolition. This needs to be supported by stricter enforcement of the current Derelict Sites Act and Vacant Sites Act. Our recent report “This is

⁹ <https://www.sciencedirect.com/science/article/abs/pii/S0360132319304287>



Derelict Ireland¹⁰, demonstrates that dereliction is not being sufficiently tackled which is having a huge knock on effect on resources.

Our 14th core recommendation to for a detailed assessment of the impact a Circular Economy transition will have, e.g. on retail and the knock on effect on revenue streams such as VAT. As we move to long life repair and reusable products, our purchasing of products will reduce. This needs to be considered now as our towns and city centres are already suffering from a reduction in high street activity as well as COVID.

Our 15th core recommendation is for all new economic instruments targeting behavioural change to be Just Transition instruments. It is very important to note that the transition to a Circular Economy requires many approaches and mechanisms, of which financial instruments are only one part of the shift.

Our 16th core recommendation is for the Irish Government take a far more holistic integrated policy approach, that accounts for the full resource life cycle, from cradle to cradle, taking into careful consideration all the environmental externalities through a true-cost economic model. We strongly advocate for a transfer of the tax burdens from labour (income payers) to virgin resource extraction and use, excessive consumption, waste and environmentally damaging activities such as pollution.

It is important that any new taxes are only introduced where a fair and just alternative is available in the market and where these resource taxes are not regressive (i.e. burdens the poorest households¹¹). Unfortunately, this is not the case with many of the existing Environmental Levies which are currently applied to household that have no alternative options (e.g. carbon tax on petrol when Ireland has an insufficient public transport and safe active transport alternatives).

Financial instruments should go beyond levies as punitive measures alone are not enough, positive incentives are needed too. This should include upfront grants for repair and reuse as well as VAT exemption and tax relief on circular purchases.

The purpose of Environmental Levies is to enact the polluter pays principle. However, if the polluters do not pay, the burden falls on households who currently pay 58% of Environmental

¹⁰ <https://indd.adobe.com/view/fbe49c7c-0c2f-4d2b-9557-d09b541ccd71>

¹¹ <https://www.citizensassembly.ie/en/how-the-state-can-make-ireland-a-leader-in-tackling-climate-change/recommendations/>



Levies. In addition, the polluter receives a substantial financial boost through Environmentally Damaging Tax Subsidies¹². Therefore, **our 17th core recommendation is that the Irish Government cancel all Environmentally Damaging Tax Subsidies, commencing with those which the households pay an Environmental Levy, e.g. fossil fuel.**

We highly commend the Irish Government for being one of the top European Countries to have a higher percentage of tax revenue coming from Environmental Levies (7.1% of all taxes in 2018¹³). However, we must also acknowledge that the Irish Government is one of the lagging European Countries due to its Environmental Levies accounting for only 1.56%¹⁴ of its GDP generate Environmental Levies. Therefore, **our 18th core recommendation is that the Irish Government seeks a means to increase its revenue from Environmental taxes to or above the European average of 2.4% of GDP.**

We also recommend that the Irish Government establish the following levies:

- **a virgin resources levy** to ensure all virgin materials extracted, distributed, imported, processed, consumed and disposed of in Ireland are taxed appropriately
- **a natural resources levy** that penalises the extraction and processing of renewable resources in a non-sustainable no-regenerative manner (e.g. resources extracted at a faster rate than their natural ecosystems can rejuvenate)
- **short-live product levy** focusing on products and business models than have incorporated planned obsolesces wither intentionally or unintentionally and should include both soft & hardware
- **luxury product levy for all non-essential consumption such as private jets, luxury cars and fashion**
- **virgin Critical Raw Materials (CRMs) Levy for all non-essential products that contain CRMs**

¹² https://www.cso.ie/en/media/csoie/releasespublications/documents/rp/fossilfuelandsimilarsubsidies/Fossil_Fuel_and_Similar_Subsidies.pdf

¹³ <https://www.cso.ie/en/releasesandpublications/er/eaet/environmenttaxes2018/>

¹⁴ <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>



- **high embodied carbon levy for products and materials that have a high carbon footprint across their lifecycle**

anois has submitted a response to the Deposit Return Scheme (DRS) public consultation process in 2020. We recommended a DRS needs to be future proofs by ensuring it can be adapted for inclusion of glass reuse within 3 years of launch. A DRS solely for recycling is not responsible or sustainable, either environmentally or economically. In 2017, Ireland exported most of its metal (88%) and plastic (89%) for recycling, therefore our economy is not set to substantially benefit from a DRS that solely focuses on recycling. Likewise, a recycling only DRS locks producers into single use Linear Design and Business Models and will cut off future opportunities for Irish producers to potentially save on material costs through reuse and refill strategies. In addition, the EU Green Deal will see the introduction of reuse targets. Without a DRS targeting reuse Ireland will struggle to meet these future reuse targets. Therefore, reuse should be the priority for DRS as it achieves a far higher level of circularity. This is crucial.

Our 19th core recommendation is to undertake a **Resource Flow Analysis** of Ireland utilising both **Lifecycle Assessment and Life Cycle Costing** methodologies. This study should focus what resources are extracted, distributed, imported, processed, consumed and disposed of in Ireland, as well as their associated **True Costs** (externalities). Based on the above results a comprehensive **Cost Benefit Analysis** should be undertaken to assess where the most beneficial **Circular Economy policies**.

As Irelands only Circular Design Agency we welcome of the ambition of establishing Ireland as a Circular Design Hub and as a key component of Irelands research and innovation agenda. We are pleased that **Circular Manufacturing** will be supported through CIRCULEIRE through Institute of Manufacturing Research (IMR).

The Circular Economy offers great opportunities with the right holistic life cycle policies and practices. It needs take a systems perspective. It's about how we source raw materials,



produce products (e.g. design for sustainability, responsible value chains) and how business take responsibility for their products post-production (e.g. circular business models) as well as how we communicate (e.g. ethical branding). As a word of caution, it is widely accepted that companies that do not adopt embrace sustainability, responsibility and circularity will not be around in 10 years' time. Our Irish economy and its people cannot afford for this to happen.