



Llywodraeth Cymru
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TITLE Taking action to make the circular economy a reality

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Beyond Recycling – a strategy to make the circular economy a reality was published earlier this month. It commits to taking ambitious and bold action to become a zero waste, low carbon economy and a nation which uses our fair share of the earth's resources. This is a key part of both our response to the climate and nature emergency and our commitment to a fairer and greener Wales as we look to recover from the pandemic.

In updating Members today, I wanted to set out some of the immediate actions we are already taking as a Government to drive practical changes in our communities in implementing the strategy.

As we set out in *Beyond Recycling*, there is a critical link between the circular economy and our ability to improve resilience whilst delivering improved environmental, economic and social outcomes. We have already supported 180 innovative projects in every part of Wales through our Circular Economy Fund, bringing communities together, protecting and creating jobs and improving the environment. In the next financial year, further support is being made available to meet the exceptional demand we have seen. This means over £80m will have been made available to businesses, social enterprises and public bodies in Wales to support the transition to a circular economy.

Citizens too will start to see a visible difference in how their waste and recycling is collected from this month, as the first ultra-low emission vehicles have been delivered and begin household collections in Newport, Cardiff and Powys. As well as lower emissions and improvements in air quality, the vehicles generate lower running costs and less noise. They can also help create opportunities to develop local renewable energy generation and represent an important milestone in our efforts to decarbonise the public sector by 2030 ahead of achieving a net zero Wales. Following the investment in three vehicles last year, we are now jointly investing with Local Authorities in a further fifteen, thereby increasing our funding to an action which will make a real difference on our pathway to net zero carbon.

As well as taking immediate action by investing in new areas like electric vehicles, we are also planning for the longer-term by laying the foundations for Wales' transition in response to the climate emergency.

Over the last 20 years, our ultimate aim of zero waste and using a fair share of our planet's resources has been unflinching, clear and consistent. As we now look to, build on our solid foundation as a world leader in recycling, this means taking the next steps on our journey to becoming a zero waste nation.

In 2010, our strategy, *Towards Zero Waste* set out there will be “*far less need for residual waste treatment facilities such as energy from waste plants with the number and/ or capacity required progressively reducing from 2025 to 2050.*” Evidence from our recycling journey as a nation, as well as the accompanying reduction in waste, means we have now reached the point where we will not need any new large scale energy from waste infrastructure to deal with the residual waste generated in Wales.

With the publication of *Beyond Recycling*, we have therefore brought forward an immediate moratorium on any future large scale energy from waste developments. As well as keeping to our long term commitments, this moratorium also recognises the views we received from citizens and stakeholders during the consultation on *Beyond Recycling* and the advice from the UK Committee on Climate Change on the pathway needed for Wales to decarbonise. This will be accompanied by the publishing of an updated strategic assessment which shows, apart from a modest potential need for smaller scale energy from waste capacity for non-recyclable waste and to properly dispose of dangerous wastes such as clinical waste, the success of our recycling and the decrease in waste generated in Wales means no further large scale energy from waste plants are required.

The moratorium on new large scale energy from waste plants will cover those of 10MW or greater and comes into effect immediately. Small scale energy from waste plants of less than 10MW will also only be allowable if the applicant can demonstrate the need for such a facility for the non-recyclable wastes produced in the region. Any new small scale facilities must also supply heat, and where feasible, be carbon capture and storage enabled or ready. This will therefore mean a small scale plant would not be allowable if waste is to be imported from outside of the proposed region (unless in close proximity to a region), in order to also avoid locking in transport emissions and associated pollution. This moratorium is being given effect through the planning system. Planning Policy Wales states that the extent to which a proposal demonstrates a contribution to waste management objectives, policy, targets and assessments contained in national waste policy will be a material consideration.

Taking action on the generation of energy from waste is one important part of a wider suite of work we are taking forward. This includes action to produce less waste by tackling those items which end up as non-recycled waste.

Members of the Senedd have regularly raised the need to tackle plastic pollution and we have been working in partnership with the other administrations across the UK on key reforms in this area. The next major milestone will be the publication of our upcoming joint consultation on introducing Extended Producer Responsibility for packaging waste and on the preferred design for a Deposit Return Scheme for drink containers.

Extended Producer Responsibility for packaging will be a game-changing measure that will incentivise better design and better recyclability. We are already seeing businesses in Wales innovating in how they make better packaging materials. Our Circular Economy Fund has already supported many packaging businesses such as Sarpak in Port Talbot to use more recycled content in its production of packaging.

In terms of the Deposit Return Scheme, the consultation will take forward our work to boost the recycling of bottles, cans, and packaging materials, but will also tackle the way in which we currently consume materials on a single use basis. As we recover from the pandemic, we are also working to bring forward a digital deposit scheme trial in Conwy later this Spring, which will look at the potential benefits of bringing together our comprehensive collection regimes with digital technology.

The work and engagement on Extended Producer Responsibility and a Deposit Return Scheme take forward our commitment in *Beyond Recycling* to keep resources in use and avoid waste. They will place a clear emphasis on re-use and recycling and incentivise improvements in the design of packaging and better inform consumers on what can and cannot be recycled. Both schemes will build on the significant progress we have already made in Wales, with our Local Authority recycling efforts having saved 403,000 tonnes of CO2 emissions in 2019/20 alone. They will also help us to capture more value from the material we recycle, supporting a more productive and competitive economy.

Our recent consultation on Reducing Single Use Plastic, attracted 3,580 responses. However, since then, the UK Internal Market Act 2020 has been passed into law by the UK Parliament. The Act has created uncertainty about our ability to introduce legislation for the bans and consequently delayed our plans to progress work in this area. The Welsh Government has therefore issued formal proceedings in the Administrative Court seeking permission for judicial review of elements of the Act.

It is, therefore, the intention to publish the Summary of Responses for this consultation in the next Senedd term, with further details on next steps being published during the latter part of 2021, or as the outcome of the legal proceedings allow. During this period, work will be undertaken to strengthen the evidence and reflect on the views submitted, developing our policies in accordance with the phased approach set out in our consultation document. This includes undertaking further work on over 60 additional items identified during the consultation and we envisage using the expertise of the Welsh Government's Litter Advisory Group to help with this work.

Collectively, these actions show how we are already delivering against the *Beyond Recycling* strategy to build resilience in our economy and our communities, as well as tackling the

environmental challenge of a climate emergency and biodiversity crisis. The delivery of a circular economy being fundamental to delivering on our commitment to a fairer, more resilient and greener Wales, as we recover from the pandemic.