Economics and Environmental Policy Research Network

Research Symposium

October 29th – 30th, 2018

Session Notes for ECCC Keynote: Circular Economy Priorities

1. Context of Discussion

This session explored key priorities and knowledge gaps encountered in Environment and Climate Change Canada's work on the circular economy.

Environment and Climate Change Canada (ECCC) has been pleased to see the research conducted by SPI targeting two of its central policy priorities, namely climate change and clean growth. ECCC first started working on questions of circular economy about a year ago. Fundamentally, circular economy embraces the idea of doing more with less, treating waste as lost economic value for the entire society. However, discussions about circular economy demonstrate a lack of consistency in terminology and objectives. A clear definition of circular economy is needed, followed by a closer look at what circular economy means in the Canadian context.

Globally, circular economy efforts are very much underway, with a study published by the Circle Economy Group in the Netherlands estimating the world is only 9% circular. Countries like China embraced the Circular Economy as early as 2002, enacting laws and stringent five-year plans to advance resource efficiency and CE in the country. Similarly, the EU developed its Action Plan in 2015, and more efforts are underway, investing a great deal into research and financing projects for their Horizon 2020 programme on circular economy. Japan recently released their fifth national plan on circular economy.

The business community is also involved with circular economy worldwide, including multinationals like Phillips, Unilever, Ikea or Nokia. Other businesses are establishing themselves in the field, like SundaHus in Sweden that is helping people build material banks instead of just buildings, and the company WiPak that is producing climate neutral packaging through their invisible barcode for tracing.

Back in Canada, efforts include the establishment of a research institute of circular economy in Quebec (EDDEC); work by social enterprises on setting up tool libraries and right-to-repair movements; and the implementation of extended producer responsibility program in BC, among others. Canada has also been active at the G7 on issues such as ocean plastic pollution and marine liter, looking at a zero-plastic waste future. Canada will host the circular economy forum in 2020 and the government recently launched the Smart City Challenge seeking to empower communities across the country to address local issues through a smart cities approach. In fact, a finalist in the Smart City Challenge is the City of Guelph and Wellington County's circular food economy initiative. Even though it is a rapidly growing field, Canada-focused literature on circular economy remains lacking.

Crucial to achieving a circular economy in Canada will be the need for extensive inter-departmental collaboration at the government level, as well as multi-disciplinary, multi-sector efforts elsewhere.

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Furthermore, Canada's trajectory to a circular economy will be different than that of many other countries because of differences in economic make-up.

2. Research Questions Identified

- **What are opportunities for key sectors of the economy in Canada regarding circular economy?**

- **What are macro- and micro-economic risks for key sectors of the economy in Canada regarding circular economy?**

- **What are environmental benefits to transitioning to a circular economy?**

- **What are the barriers to the uptake of circular economy concepts?** E.g. environmental and labor force implications (both new and existing jobs)

- **What policy tools are needed to support and accelerate this transition?**

- **What level of government is best fit to legislate on the circular economy?** Assuming that the transition to a circular economy cannot be seen as an environmental issue alone, how can the different stakeholders and government agencies best work together to ensure a comprehensive and effective approach with minimal duplication and fragmentation of efforts?

- **What data do we need to develop policies and measure progress?** How do we incorporate the circular economy into our cost benefit analyses and improve our modelling efforts?

- **When it comes to "waste", how do we build a business case to treat this not as an undesirable by-product but rather as a resource?** E.g. Canada exports large quantities of paper waste because there is no local supply chain for reprocessing paper waste.

- **How will the transition to a circular economy be different in Canada as compared to other countries undergoing this transition, given Canada's role as a resource producer and exporter?** It is crucial that studies focused on Canada realize that Canada is starting from its own unique starting point, and hence don't just blindly apply findings from other countries and their progress to date.

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