

Submission of Evidence Form – National Development Framework

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Title of evidence

Delivering a Circular Economy for Wales

Summary of evidence

Wales is ideally placed to take the next step and “upgrade” to the Circular Economy (CE), securing a leadership position in the process¹.

Whilst manufacturing has seen a significant decline in Wales over the last few decades, the circular economy presents Wales with new opportunities to revitalise its manufacturing sector. According to the Welsh Economic Review (2012) the key issue is to reframe the task for policymakers, from ‘distributing the funds allocated to them by Westminster’ to ‘encouraging wealth creation’ from within Wales. The implication here is an acknowledged move towards greater autonomy in the country and the development of new Wales-based opportunities arising from increased devolved powers.

New opportunities arising from recycling, reprocessing, remanufacturing, repair, reuse and valorising are already gaining ground offering jobs growth across a range of skills. Examples of circular business models include designing goods to last longer increasing opportunities for reuse; greater repairability which can support the development of the remanufacturing industry and repair infrastructure; also, design for disassembly making the recovering materials easier when a product is eventually recycled. Waste valorisation can maximise the value of unavoidable wastes particularly in the food and drink manufacturing sector by opening up new end-markets and additional income streams. Service models, which could include product maintenance and take back schemes as well as rental and peer-to-peer sharing models, also hold much potential.

According to a recent study by WRAP and Green Alliance around 12,000 new jobs could be needed across Wales for the continued development of resource efficient activity to 2030.

Key points

- Employment in CE activities in Wales has increased by 15% since

- 2008 compared to a slight decline (0.1%) in total employment in Wales. Jobs in the repair sector have grown strongly (65%) since 2008 and in the recycling sector (materials recovery plus wholesale of waste & scrap) employment has increased by 25%, together with retail of second hand goods these sectors more than offset jobs reductions in the waste sector (collection/treatment/disposal) and rent/lease activities.
- Waste valorisation adds value to unavoidable food and drink wastes and by-products by creating new end-markets and income streams for Welsh businesses.

References:

¹ WALES AND THE CIRCULAR ECONOMY. Ellen MacArthur Foundation & WRAP, 2014

Summary of key issues/conclusions

The need to drive;

Sustainable Procurement – driving forward the development of increased circularity through procurement in the public sector, ensuring that barriers to circularity are removed and that procurement enables rather than prevents SMEs from supplying services and good to the public sector. Enabling change in procurement that considers life time impacts of good and services purchased, crossing departments and timelines to deliver the greatest economic and social benefits whilst minimising environmental impacts. Increasing engagement of the public sector with third sector and charitable organisations and consortia /partnerships to deliver goods and services including repair, remanufacture and reuse.

Circularity in materials – ensuring Wales has the capacity to collect, reuse, recycle and reprocess materials which are then incorporated in to new manufactured products.

Opportunities for growth in –

- Recycling collection services, reflecting the requirements of the Environment (Wales) Act part 4 ensuring that more materials are collected and readily available for recycling and reprocessing.
- Sorting facilities, able to further sort, refine and polish materials for reprocessing.
- Reprocessing facilities able to produce quality outputs meeting the needs of the manufacturing sectors.

Use of Recycled content in manufacturing – Wales may not be able to compete with other nations to deliver mass produced low value goods but should encourage the use of recycled materials generated in Wales to deliver high quality niche products, working with designers and innovators to demonstrate the benefits of using recycled materials and recovered resources to generate added value.

Valorising unavoidable waste streams – 21% of the 2 million tonnes of waste produced by the Welsh industry every year derives from animal and

vegetable waste, making the food and drink sector the second highest waste producer in the country. The potential to add value to the waste and bring financial benefits to the manufacturers supports the Welsh Government's action plan objectives to increase turnover by 30% by 2020 for the food and drink manufacturers.

Why have you submitted this evidence?

The circular economy, resource efficiency and sustainability as a whole has been at the heart of Wales' strategic planning and should continue to remain a central topic in the next National Development Framework for Wales. This submission of evidence wants to highlight the importance of using finite resources responsibly and closing the loop.

How should this evidence inform the development of the NDF?

This evidence should be considered in terms of

- The impact of planning control and permitting regimes which can either facilitate or prevent the development of a circular economy;
- The need for skills development and training, ensuring the provision of relevant skills is available and that research is shared with industry;
- Infrastructure requirements for reprocessing and the easy movement of materials, requiring investment in infrastructure and strong links with economic development in Wales.

How does this evidence and any actions it recommends help achieve the 7 well-being goals?

This evidence supports implementation of the 7 well-being goals in the following ways:

- Improving resilience of the manufacturing sector through provision of a locally available consistent supply of recycled materials, reducing reliance on imported virgin feedstock, and creating opportunities for generating income from unavoidable waste.
- Delivering job opportunities across a wide range of skills in resource management, developing a 'green growth' economy.
- Supporting resource efficiency across all commercial and industrial activities delivering cost savings and reductions in CO2 emissions.
- Contributing to the growth of strong cohesive and resilient communities less likely to suffer the impacts of global fluctuations in material prices affecting the location/relocation of large manufacturing organisations.
- Behaving responsibly in recognising the scarcity and value of critical raw materials globally and ensuring these are recovered and reused wherever possible.

Why is the evidence of national significance?

The circular economy spans economic, environment, industry and all employment sectors, requiring a joined-up approach and a means of coordination between stakeholders. Collaboration across complex supply chains requires collaboration and coordination at a national and supra national level to ensure success. Proposed projects which comply with the presented evidence would support the implementation of the government's sector plans to pursue and implement eco-design, green procurement, resource efficient production and source separation processes – all of which would feed in to a wider move towards system optimisation and circular economy.

Do you agree for your evidence to be made public? (Only evidence that can be made public will inform the development of the NDF)

Yes