MINISTERO DELLA
TRANSIZIONE ECOLOGICA

Investing in a Circular Future: Circular Economy and the PNRR

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Department of Sustainable Development

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Circular Economy and the PNRR (1)

PNRR objective: to pursue sustainability making the economy more competitive and inclusive, ensuring a high standard of living for people and reducing environmental impacts.

- **The PNRR allocates € 2.10 billion for circular economy and waste management**
- **Mission 2** of the PNRR consists of **two investments lines**:
  - The first allocates **€ 1.5 billion** for construction of new **waste management** plants and modernisation of existing ones
  - The second provides for € **600 million** for "flagship" initiatives in **strategic industrial chains**.
- Furthermore a specific institutional reform is envisaged, and a **Circular Economy National Strategy** will be adopted by **June 2022.**

Circular Economy and *PNRR* (2)

1. **Construction of new waste management plants and modernisation of existing ones with the aim of:**
   - Improving the differentiated (collected separately) urban waste network,
   - Constructing new treatment/recycling plants for organic, multi-material, glass, paper packaging
   - Constructing innovative plants for particular waste flows.

Investments aim to close the gap between North and Centre-South Regions in the field of waste management, in order to remedy the existing delays (about 60% of the projects will focus on the Municipalities in Central-Southern Italy).

2. **€ 600 million will finance "circular economy flagship projects" with the aim of:**
   - Strengthening the separate collection network and treatment/recycling plants;
   - Contributing to the achievement of the following targets of: 55% recycling of waste electrical equipment and electronics; 85% of recycling in the paper and cardboard industry; 65% recycling of plastic waste (through mechanical and chemical recycling, Plastic Hubs); 100% recovery in the textile sector through Textile Hubs.

Lines of intervention – The PNRR

Thematic areas (Decree n. 396 of 2021):

- **Intervention Line A**. Improvement and mechanisation of the urban waste separate collection network;
- **Action Line B**. Modernisation (also with expansion of existing plants) and construction of new treatment/recycling plants for urban waste from separate collection;
- **Intervention Line C**. Modernisation (also with expansion of existing plants) and construction of new innovative treatment / recycling plants for disposal of absorbent materials for personal care (PAD), waste water sludge, leather goods waste, and textile waste.

Beneficiaries of the call are local public authorities.

Flagship initiatives (Decree n. 397 of 2021):

- **Intervention Line A** (€150,000). Modernisation and construction of new plants to improve collection, logistics and recycling of waste electrical and electronic equipment including turbine blades wind turbines and photovoltaic panels;
- **Intervention Line B** (€150,000). Modernisation and construction of new plants for improvement of collection, logistics and recycling of paper and cardboard waste;
- **Intervention Line C** (€150,000). Construction of new plants for recycling of plastic waste, including plastic waste in the sea (marine litter);
- **Intervention Line D** (€150,000). Infrastructure for collection of pre-consumer and post-consumer textile fractions, modernisation of plant engineering and construction of new recycling plants for textile fractions from a systemic perspective ("Textile Hubs").

Beneficiaries: Companies that carry out activities of goods and services and those of transport, including artisan enterprises for production of goods and those of ancillary activities.

National Waste Management Programme proposal

- **The proposal for a National Waste Management Programme is:**
  - Introduced with the transposition of the European Circular Economy Package (September 2020)
  - One of the pillars stands as one of the pillars of the **National Strategy for the Circular Economy**
  - Included in the PNRR **(M2C1)** as a **reform** that must accompany and support the two investments of the *PNRR* for the circular economy, one of 1.5 billion euros and the other of 600 billion euros.
- The proposal was published for public consultation on the website of the Ministry of Ecological Transition (17 March 2022)
- **The Programme:**
  - Establishes the macro-objectives, macro-actions, and targets; Defines the criteria and strategic lines to be followed by the Regions and the Autonomous Provinces in the elaboration of the Waste Management Plans
  - Offers a national survey of the plant and addresses the gaps between the regions
  - Focuses on increasing the separate collection rate, reducing the number of irregular landfills, and decreasing the landfill rate of municipal waste below 10% in 2035
  - Indicates the need to adopt regional level planning based on a quantification of waste flows and identifies the LCA methodology for comparing management scenarios, taking into account all environmental impacts.
- The Programme has a **six-year horizon** (2022-2028).

G20 Vision on Resource Efficiency and Circular Economy

- A **successful transition** from a linear to a circular economy lies in attaining changes in consumption and production patterns. This has guided Italy in reaffirming the importance and centrality of resource efficiency among the priorities of the G20 Presidency.
- In the **G20 Environment Ministers' Communiqué**, adopted in Naples in July 2021, the G20 Ministers called for decisive action on sustainable and circular use of resources and tasked the G20 Resource Efficiency Dialogue (G20 RED) with implementing the G20 Vision on Resource Efficiency and the Circular Economy.
- Further reinforcing the decisions taken, the **G20 Leader's Declaration in Rome** reaffirmed their commitment to increasing resource efficiency also through the G20 RED.
- The updated **G20 RED Roadmap**, officially adopted on 15 November, outlines a 3-year voluntary path to individually and/or jointly develop a set of concrete activities in specific areas set by the G20 RED such as circular fashion, cities, food waste reduction, sustainable finance, green public procurement.

Conclusions

- Calls for proposals for funding from the PNRR can create a regenerative industrial ecosystems and opportunities:
  - Companies already submitted applications for a total of more than 4 billion euros out of the 600 available.
  - applications have been submitted by municipalities and public enterprises, for a total of approximately 6 billion euros out of the 1.500 billion available.
- Circular economy models that put environmental sustainability at the centre can reconnect human beings with the community and the territory, increase the degree of social equity, and are valuable assets for development and economic growth.
- This challenge mainly involves **the industry**, supporting it to renew itself in a qualitative and sustainable way.

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Thanks for your attention!

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