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## Briefing Note: Key Elements of a Federal Circular Economy Framework

### 1. INTRODUCTION

Ecojustice is Canada's largest environmental law charity, using the law to defend nature, combat the climate crisis, and fight for a healthy environment.

Équiterre has been a reliable, credible and unifying voice on environmental issues since our creation in 1993. We encourage Canadians to rethink the systems in which we live.

Environmental Defence is a leading Canadian environmental advocacy organization that works with government, industry and individuals to defend clean water, a safe climate and healthy communities.

Together, we have been developing a proposed Circular Economy ("CE") legal framework for Canada/Turtle Island. Below we set out the key elements we propose be enshrined in such a framework, including proposed objectives and targets.

### 2. CONTEXT

We previously provided a briefing setting out the need for a federal circular economy framework, and suggesting an overarching vision and guiding principles that could guide Canada's circular economy efforts.

This follow-up briefing goes into more detail about what additional elements could be included in circular economy framework, including detailing some of the specific objectives and targets that could be included.

### 3. PROPOSED KEY ELEMENTS OF A FEDERAL LEGISLATIVE FRAMEWORK

As previously noted, enshrining a vision and guiding principles for a circular economy is a key step in ensuring efforts are coordinated and aligned. However, they should be paired with other key elements under a federal *Circular Economy Framework*, including:

#### 1. **Federal obligation to develop – and comply with – a national CE Strategy**

- The national strategy would be a CE road map to guide the CE transition.
- Developed in collaboration with Indigenous Nations, impacted communities and relevant industries.
  - The legislation should establish specific obligations to develop and implement the strategy in partnership with Indigenous peoples and racialized and marginalized groups.

- The national strategy must align with the vision and guiding principles.
  - For example, the strategy must set out how issues of social justice, equity and decolonization will be advanced and how environmental racism will be addressed.
- The national strategy would set out CE definitions, standards, objectives and targets.
  - As an example, [the European Union has set objectives based on tracked and quantifiable indicators](#) for Production and Consumption, Waste Management, Secondary Raw materials, Competitiveness and Innovation, and Global Sustainability and Resilience.
  - Canada has [set related indicators for the Federal Sustainable Development Strategy](#), some of which could be included in here.

Some proposed objectives, targets and associated indicators are set out in **Appendix A**.

## 2. Tracking, Reporting and Accountability Obligations and Mechanisms

- Obligate the federal government, relevant sectors and other jurisdictions to track and report annually on efforts to implement the national CE strategy – which must be tabled in transparent manner – to ensure objectives and targets are being met.
- Enshrine mechanism available to third party oversight body and the public to take action in cases of non-compliance.

**3. Establishment of a CE body** to oversee planning and implementation and ensure consistent and interconnected approach across related departments and potentially across jurisdictions.

- This body would be tasked with carrying out the CE legislative scheme. It could be tasked with drafting the national strategy, providing technical and legal support to others in developing their own CE strategies, and coordinating a whole-of-government approach across federal departments to ensure all efforts are undertaken with circularity in mind and are contributing to achieving CE objectives.
- Needs to be adequately funded to ensure it can exercise its mandate and undertake necessary cross-collaboration efforts.

**4. Enabling regional and sectoral arrangements or agreements** to support the implementation of the national strategy at the regional and local level.

- Regional arrangements could include **partnerships with provinces, territories, municipalities, Indigenous Nations and labour**.
- Opportunity for harmonization and standardization of legislative frameworks, definitions and approaches.
- Include provisions for funding from federal government to support development and implementation of these arrangements and incentive participation. In particular, a

requirement to provide financial support for Indigenous Nations in developing their own CE strategies.

- These arrangements, agreements, etc. may support the development of regional and sectoral CE strategies and plans. There is potential for the CE body/agency to support this work.

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**Appendix A – Objectives, Targets and Indicators**

**Proposed Objectives:**

1. Prioritize **source reduction** by limiting the extraction and production of non-circular materials;
2. **Reduce consumption** and prohibit activities designed to induce excessive and unnecessary consumption (such as the use of planned obsolescence);
3. **Increase longevity** of existing materials and products through sustainable product design, reuse, repair and sharing models;
4. Increase **waste diversion**, including composting and mechanical recovery rates;
5. Overall **reduction in waste** produced;
6. Ensure **safe circularity** via non-toxic and safe processes;
7. **Address inequities** caused by the current linear economy on Indigenous peoples, racialized and marginalized communities;
8. Ensure a **just transition** from our current linear economy to a circular economy;
9. Ensure **Indigenous leadership and Respect for Indigenous Rights** and sovereignty;
10. Increase **investment** in circular solutions and infrastructure; and,
11. Ensure **restoration** of impacted lands and waters.

**Proposed Targets and Indicators to achieve circular objectives:**

Objective	Target	Examples of Indicators
<b>1. Source Reduction</b>	Decreasing virgin material extraction	<a href="#">Mineral extraction, per individual commodity</a>  See e.g. Netherlands = <a href="#">50% reduction in use of primary raw materials (minerals, fossil and metals) by 2030</a>
	Decreasing virgin material production (e.g. plastics)	Amount of material production by sector (e.g. <a href="#">chemicals and synthetic plastic resin production</a> )
	Increasing resource productivity	Economic output per unit resources used (%) – see e.g. <a href="#">China’s Objectives in their 12th Five-Year Plan (2011–15)</a>
	Decreasing land use, energy and water use by sector	<a href="#">Water withdrawal and consumption by sector</a>
	Decreasing GHG emissions (by sector and overall)	National reporting of <a href="#">Greenhouse gas emissions – Canada.ca</a> via sector and region

<b>2. Reduced Consumption</b>	Decreasing consumption footprint at individual and sector-level	<p><a href="#">Household spending on certain product sectors</a></p> <p>Registrations and sales of non-circular products and services (e.g. single-use items, <a href="#">fossil fuel vehicles</a>, etc).</p> <p>Reducing Canada’s <a href="#">Ecological Footprint</a></p> <p>Extending the date by which Canada hits its <a href="#">Earth Overshoot Day</a> (Canada’s Ecological Footprint/Global Biocapacity)</p>
	Decreasing resource consumption in relation to GDP	See e.g. France – 30% reduction in resource consumption in relation to GDP between 2010 and 2030
<b>3. Increased longevity</b>	Product design standards setting minimum recovered/recycled content for specific products and sectors	<a href="#">% recycled content for specific products</a>
	Improving product design to ensure longer product-life, reparability, disassembly and recovery	<p>Establishment of minimum content standards across sectors (see e.g. <a href="#">EU Ecodesign Directive</a>)</p> <p># of design standards established and implemented by sectors</p>
	Increasing reuse/refill infrastructure and # of times used in various sectors (clothing, food, etc.)	<p>Revenue from second-hand stores and online resale platforms (e.g. kijiji)</p> <p>Frequency of use of second-hand stores and online resale platforms</p> <p>e.g. # of grocery stores with reuse/refill infrastructure and frequency of refills/reuse</p>
	Increasing # of repairs and repair options	<p><a href="#">Revenue for repair and maintenance services</a></p> <p><a href="#">% households</a> reporting they had access to repairs in timely and cost-effective manner and track over time</p> <p># of repair shops and # of repairs completed</p>

	Increasing access to sharing economy	Revenue from supporting shared spaces, by sector (e.g. libraries, clothing swaps, car shares, bike shares)  % households reporting access to sharing infrastructure  # of (and frequency of use) of sharing platforms and models where product is service (e.g. car share, leasing models)
	Increasing federal investment in sharing infrastructure	Gross federal investment into supporting sharing spaces  Federal investment in sharing models of procurement, as well as use (e.g. prioritize leasing vs ownership in federal procurement policy)
<b>4. Increased Waste Diversion</b>	Minimum Recycling Quotas by sector	<a href="#">% increase diversion rate of waste from certain sectors</a> (e.g. C&D waste, metals from household and domestic waste)
	% Targets on Material and Parts Recovery	Part recovery, for specific group of products for which recovery is possible – see e.g. <a href="#">Reuse &amp; Recycling metrics set in EU End of Life Vehicles Directive</a>
	Increasing % recycling and waste diversion	Solid waste diversion rates – separated by type of material – as tracked via FSDS: <a href="#">Solid waste diversion and disposal – Canada.ca</a>  <a href="#">Recycling rate of specific waste streams</a> , including municipal waste, waste from extractive sectors, and for specific products such as electronics/appliances
	Public access to municipal recycling and composting facilities	<a href="#">% households with access to glass, paper, plastic and metal recycling programs</a> + composting programs  % households with access to comprehensive deposit-return programs
	Increasing collection rate for reusable containers	<a href="#">Collection rate of reusable containers</a>

	Increasing funding for municipal recycling and composting facilities	Federal investment provided to municipalities for facilities  Increase in # of municipal facilities
<b>5. Waste Reduction</b>	Decreasing % food waste	<a href="#">Food waste (MT)</a>
	Decreasing % waste generation	<a href="#">Generation of waste per capita (Kg per capita)</a>  Amount of waste produced per sector  Removal of policies incentivizing waste (e.g. duty drawback)
	Decreasing % Waste Incineration	<a href="#">% Waste Incineration</a>
	Ban/Reduction on Exported Waste	<a href="#">% waste exported nationally</a>  Ban (or % reduction) by certain date
	Increasing circular economy use rate (share of material recycled and fed back into the economy)	<a href="#">Circular material use rate</a> (EU Indicator)
<b>6. Safe Circularity</b>	Decreasing use of toxic and problematic products, substances and chemical	<a href="#">Household use of toxic substances</a> (either % households or t/year)  National biomonitoring of <a href="#">Human exposure to harmful substances - Canada.ca</a>  Sales of certain toxic products, such as pesticides (t/year)  Product design and material recovery standards that include toxicity restrictions/requirements
	Increasing participation of most affected groups in the design and implementation of circular solutions	Amount of funding and supports provided to ensure participation and leadership of racialized and SE marginalized groups in the design and implementation of circular solutions
	Ensure alignment with environmental justice and racism requirements in other laws and policies (e.g. CEPA, Bill C-226)	Federal reporting on how circular design and implementation advances environmental justice and addresses environmental racism

<b>8. Just Transition</b>	Increasing # of circular jobs	Persons employed (% of total employment)
<b>9. Indigenous Rights</b>	Increase Indigenous Peoples involvement in design and implementation of circular economy solutions	Amount of funds and supports provided to support Indigenous Peoples participating in – and leading – circular economy planning and implementation processes
	Ensure CE advanced in a manner that respects and upholds Indigenous Rights, knowledges and sovereignty	Federal reporting on how circular design and implementation respects and advances Indigenous Rights, knowledges and Sovereignty. Reporting must be based on consultations with Indigenous Peoples across Turtle Island to ensure it is reflective of Indigenous perspectives
<b>10. Investment</b>	Increasing investment in circular solutions (e.g. reuse and refill infrastructure)	Gross investment in circular solutions
	Phasing out federal subsidies in non-circular sectors	Investment in federal subsidies for certain sectors/industries
	Increasing circular procurement – public and private	Funds spent by federal government on circular procurement (as % of total spent) <i>Note “circular” metrics to be defined –e.g. <a href="#">City of Toronto guidance</a></i>
<b>11. Restoration</b>	Increase restoration of disturbed landscapes and waterways	<p>% hectares of land restored</p> <p>% increase in restored and recovered habitat for species</p> <p># of IPCAs and other protected areas</p> <p>Population trends for species at risk</p> <p>Other indicators tracked pursuant to Goal 15 of the FSDS: <a href="#">Indicators supporting the Federal Sustainable Development Strategy – Canada.ca</a></p>