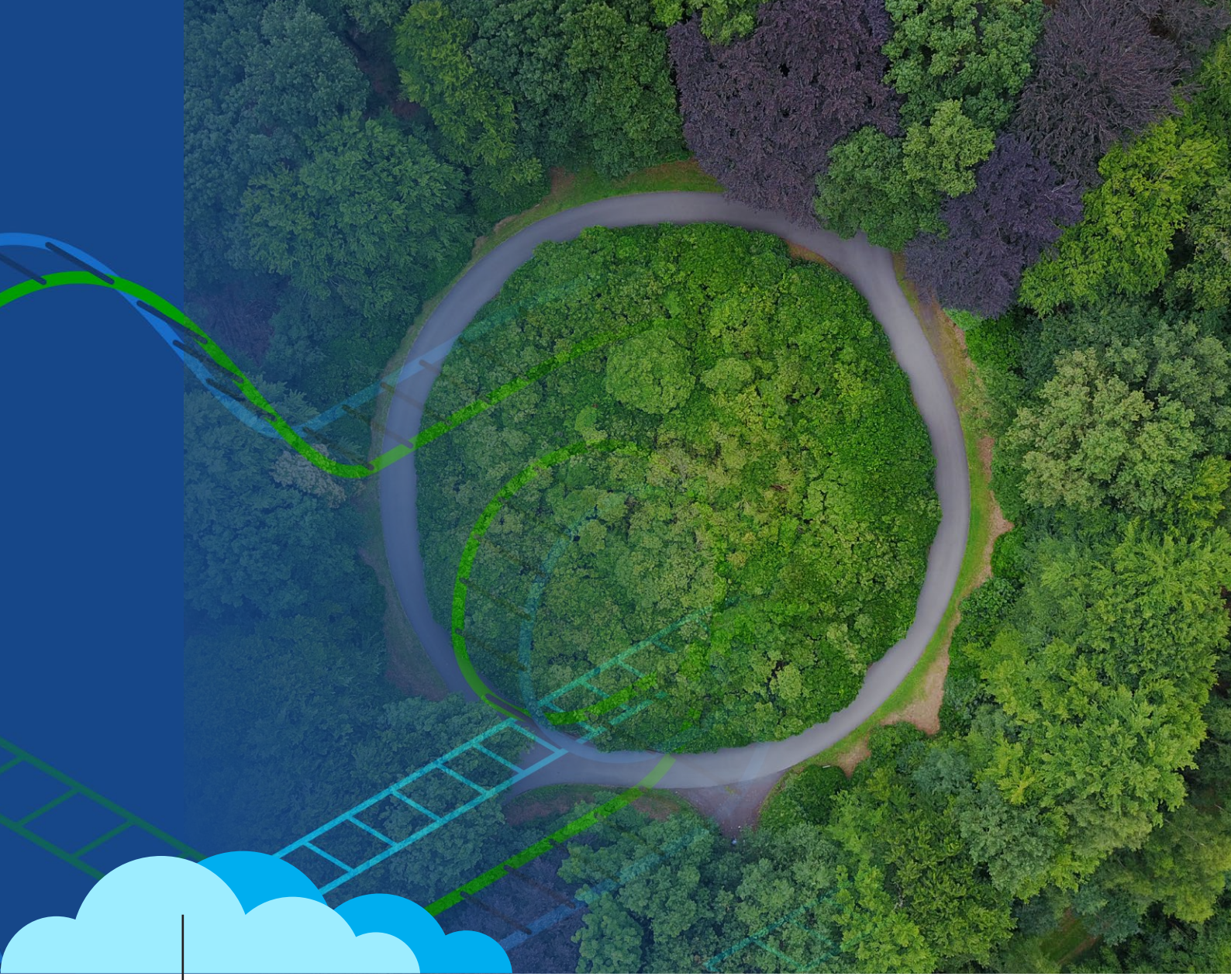


Ministry of Climate
and Environment

Ministry of Trade, Industry
and Fisheries

Action plan

Action plan for a circular economy

2024–2025

Table of Contents

Preface

We live in a society that throws away resources we cannot afford to waste. There are clothes that are only worn a few times and that are designed in a way that make them unsuitable for recycling. There are electronics that end up in landfills, despite them containing critical raw minerals. There are single-use plastics that end up in ditches, in the ocean and in our own bellies, despite having a lifespan of 500 years. Over the past fifty years, the world's use of resources has more than tripled. This trend must be reversed. As a society, we need to move from a linear to a circular economy in which resources are given new lives and products are designed to facilitate just that.

The transition to a circular economy poses challenges for established value chains and for us as consumers, but the transition also brings with it many advantages.

Circular resource use is good climate policy because it allows us to reduce emissions generated from the manufacture of new products. It is good environmental policy because less waste goes astray and the need for virgin minerals is reduced. It is good industrial policy because it generates new jobs and industries.

Establishing a circular economy requires greater coordination and cooperation between many different stakeholders: the public administration, business and industry, consumers, municipal and county authorities and relevant organizations in civil society.

Politics is about prioritising. This action plan identifies seven priority value chains that will be vital for succeeding in the transition to a circular economy, from batteries and vehicles to packaging and textiles. These value chains also encompass a wide range of actors that have a crucial role to play in our success.

We also need to look at various policy instruments and find the best incentives to support a circular economy. It should pay off to work within circularity. The Government has appointed an expert group to carry out a comprehensive study of policy instruments to promote circular activities. Such instruments may include laws and regulations, policy measures and increased knowledge. The expert group's recommendations will form the basis for policy development going forward.

A circular economy is therefore a natural part of industrial policy, and we have incorporated it into the long-term goal for value creation, where respect for nature and climate is a guiding principle. For example, the letters of assignment sent to funding agencies for business and industry development contain guidelines designed to strengthen investment in and coordinate the cross-cutting work on the circular economy. The Government has also amended the regulations for public procurement, and the main rule now is that climate and environmental requirements must be set for all public procurements. The Government is also revising the second-hand trade regulations to facilitate circular business models and increase second-hand trading, and a circular economy also plays a significant role in industrial policy initiatives, such as the mineral strategy, the battery strategy and the green industrial initiative.

In the Hurdal Platform, the Government declared that we must move from a linear, throw-away economy to a circular economy based on the goal of wasting as few resources as possible. In this action plan, the Government presents specific and targeted measures to do our part to ensure that this transition happens as quickly as possible and in a way that reduces waste and brings about new value creation.

Andreas Bjelland Eriksen
Minister of Climate and Environment

Jan Christian Vestre
Minister of Trade and Industry

Chapter 1

1 Introduction

The Government's vision is for Norway to be a pioneering country in the development of a green, circular economy that reduces our overall environmental and climate impact and creates new jobs nationwide. Resources must be used and reused more efficiently in toxic-free material cycles, replacing the extraction and production of new resources.

According to the International Resource Panel, the world's consumption of resources is the main cause of climate change, pollution and the loss of biodiversity. The extraction and processing of resources has more than tripled over the last 50 years. This has created major consequences for the climate and nature, increased air pollution, as well as water shortages and reduced water quality. Without more efficient and circular consumption, the use of resources will increase by 60 per cent over the next 40 years. Sectors such as construction, transport, food and energy can be made more circular and resource efficient, without compromising our quality of life. This is made clear in the International Resource Panel's main report Global Resources Outlook 2024.[1]

Goods are largely sold on the global market without accounting for the socio-economic costs of their environmental impact. An inadequate global regulatory framework, or failure to enforce such a framework, is hampering the transition to a more circular economy. There is a growing global interest in turning towards a more circular economy. The need for increased circularity is also a central theme in Official Norwegian Report (NOU) 2023: 25 The transition to low emissions.[2]

In its environmental performance review of Norway, the OECD (2022)[3] points out that Norway has a high material footprint per capita compared to other countries. The OECD recommends that Norway better facilitates a transition to a more circular economy and considers the negative environmental impact in other countries caused by the consumption of goods in Norway. A faster transition to a more circular economy can help reduce Norway's global climate and environmental footprint.

In the short term, transitioning to a green circular economy will entail transition costs for businesses. In the long term, Norwegian businesses will be able to strengthen their competitiveness while increasing the chances of achieving national and international climate and environmental goals. Many circular value chains are at an early stage of development, and the markets are characterised by a linear economy, where it is cheaper to buy new products and raw materials than to use circular solutions and materials. By acting early, businesses can seize new opportunities and increase their competitive advantage. Estimates from the EU show that their Circular Economy

---

1 International Resource Panel: Global Resource Outlook 2024

2 NOU 2023:25 The transition to low emissions

3 OECD Environmental Performance Reviews: Norway 2022

Action Plan[4] could create around 700,000 new jobs. It is reasonable to assume that new jobs will also be created in connection with new, circular value chains in Norway.

Socio-economic profitability constitutes an important premise for the Government's work on a circular economy. From that perspective, 'circularity' is not a goal in itself, but will help realise an overall sustainability ambition – economically, environmentally and socially. This not only applies on a global scale but also on a national scale in Norway. The authorities must assess which policy instruments and framework conditions effectively contribute to the desired development of a more circular economy. Research and innovation, direct and duties, public procurement requirements, competition policy, regulations, labelling schemes, standardisation, digitalisation policy and ownership policy are discussed in Chapter 2 of the action plan.

A new regulatory framework for the circular economy is currently being developed through the cooperation with EU/EEA. One of the key new measures is a strengthened framework for sustainable products and value chains. The regulations will raise sustainability standards for products throughout the single market and will be a key driver in the transition to a more circular economy. This is discussed in Chapter 3. Norway has initiated a process to implement the regulations and facilitate the introduction of new types of requirements.

Chapter 4 presents initiatives relating to competence, partnerships and monitoring to ensure that all relevant stakeholders are involved and aligned, and given the opportunity to influence and develop new skills to find the best path to a more circular economy. Transitioning to a more circular economy will help achieve regional, national and international climate and environmental goals. Indicators for measuring development will be crucial for monitoring how the transition to a more circular economy is progressing. The Government is currently assessing the indicators in the EU framework for measuring the circular economy and will consider introducing national indicators and additional targets on this basis.

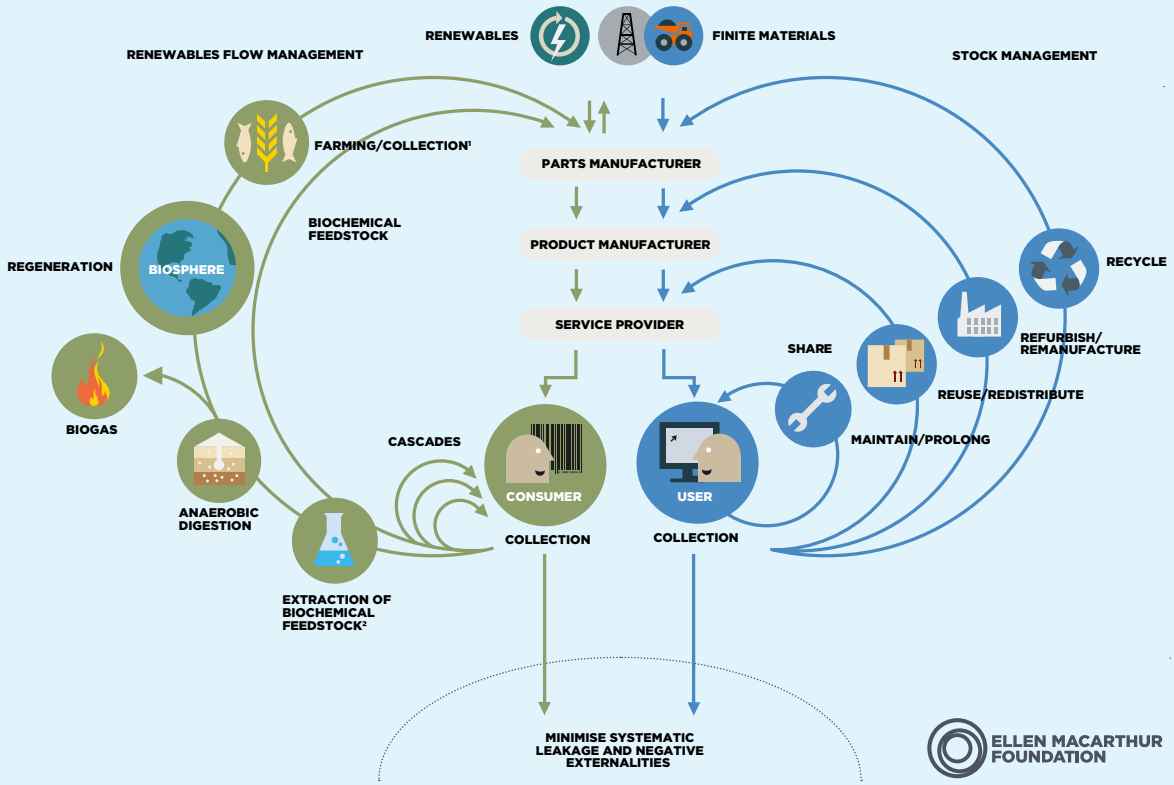
The action plan complements Norway's strategy for developing a green, circular economy, from 2021.[5] The Government aims to integrate circular economy principles broadly into relevant policy instruments and measures to ensure that the work does not remain separate to other policy development. The Government therefore aims to develop circular economy policy as a part of the relevant policy documents that will be presented going forward, such as the Government's white papers on climate and nature, respectively, and in industrial policy strategies.

---

4 EU (2020) COM/2020/98 EU Circular Economy Action Plan

5 Norway's strategy for developing a green, circular economy (2021)

Figure 1.1 What is circular economy?



Source: Based on the Ellen Macarthur Foundation, ellenmacarthurfoundation.org/circular-economy-diagram

A well-known illustration of the circular economy describes two material cycles, one for renewable biological resources (biological cycle) and one for non-renewable resources (technical cycle).

In the biological cycle we use biological resources that, as long as they are properly managed, can grow, be harvested and renew themselves. We obtain food and bio-based materials from these biological resources. Surpluses, residues and side streams are renewable raw materials that are transformed into new products used by society before being returned to nature through, for example, composting, anaerobic digestion to generate biogas or other utilisation of the nutrients they contain. Natural processes lay the foundation for new biological resources.

In the technical cycle, products, components and materials circulate – manufactured with properties that make them suitable for reuse, easily repairable, refurbished, modernised or recycled. Materials can have both a biological and non-biological origin. A material of biological origin can first flow through the technical cycle and then be returned to the renewables flow for regeneration after its service life.

Chapter 2

2 Circular value creation

Norway's strategy for developing a green, circular economy highlights the potential for value creation in a circular Norwegian business sector. There is huge potential in Norwegian industry for increased circularity and resource efficiency. The Green Industrial Initiative[6] is the Government's all-out effort for the industrial sector and will take us through the biggest transition the Norwegian economy has seen in modern times. This includes facilitating the use of renewable resources and the reuse of products and materials in comprehensive circular systems. The regulatory framework referred to in Chapter 3 will set new requirements for businesses and help promote sustainability at all stages of the value chain. In order to provide additional incentives for the transition, the regulatory framework should be supplemented with other instruments, including research and innovation, taxes and duties, requirements and guidelines for public procurement, competition policy, certification schemes, standardisation, digitalisation policy and ownership policy.

– There is huge potential in Norwegian industry for increased circularity and resource efficiency.

2.1 Research and innovation

The Government has presented Report No. 5 to the Norwegian parliament (Storting) (2022–2023) Long-term plan for research and higher education 2023- 2032.[7] One of the three overall goals of the Government's research efforts is to strengthen environmental, social and economic sustainability. The category climate, environment and energy is one of six thematic priorities and the circular economy is specifically highlighted under this priority. International cooperation is crucial for the transition. Value chains are global, and a circular economy requires cooperation across nations. Any national efforts in relation to knowledge and competence should be seen in the context of international efforts in the field, particularly EU initiatives. Research and innovation for the circular economy is a priority in the EU's Horizon Europe (2021–2027)

6 Ministry of Trade, Industry and Fisheries: Roadmap 2.0: Green Industrial Initiative (2023)

7 Report No. 5 to the Storting (2022–2023) Long-term plan for research and higher education 2023–2032.

research and innovation programme, in which Norway takes part. The programme is part of the EU's efforts to attain the targets set out in the European Green Deal.

It is also relevant to consider the work of the Intergovernmental Panel on Climate Change (IPCC), the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) and the International Resource Panel (IRP). What they all have in common is that they contribute to the development of knowledge of particular relevance to the circular economy. Each of the knowledge panels is important for developing national knowledge and policymaking.

As a rule, funding agencies for business and industry development contain general funding programmes that are available across the country. General funding programmes are open schemes without restrictions in terms of topic, technology or industry. In the 2023 national budget, the Government introduced the overriding principle that projects granted funding through funding agencies for business and industry development must be aligned with the green transition goal for 2030 and the goal that Norway will be a low-emission society by 2050. The principle covers both projects that have a neutral effect and projects that have a positive effect on the green transition, and does not preclude, for example, supporting good projects in the petroleum industry. Funding agencies also have targeted schemes limited to one topic or technology, for example, climate and environmental technology. These include schemes such as the Environmental Technology Scheme, Green Growth Loans and the Green Platform Initiative. The Green Platform is a joint competition arena led by Innovation Norway, the Research Council of Norway and Siva, in collaboration with Enova. A total of NOK 2.5 billion has been announced through the Green Platform for the period 2020–2023, and 23 projects in areas such as energy, industry, circular economy and bioeconomy have been awarded funding through calls for proposals in 2021 and 2022.

The funding agencies for business and industry development also have a number of cross-cutting initiatives that encompass circular economy. In 2022, the Research Council of Norway, Innovation Norway, Siva, Enova and Gassnova entered into a new cooperation agreement on green growth. The agreement deals with how cooperation on instruments, funding programmes, mobilisation, system development and digitalisation can best be structured. In the national budget for 2023, the Research Council, Innovation Norway and Siva were also given guidelines on strengthening investments in and coordination of cross-cutting work on the circular economy, based on the funding agencies' green growth cooperation agreement. These guidelines were carried forward in the Government's proposed national budget for 2024 and through the Storting's budget decision. The guidelines are followed up in the formal governance dialogue with the funding agencies.

Bionova was established as a part of Innovation Norway as a tool to help Norway achieve its climate goals for 2030 and become a low-emission society in 2050. Bionova

will also contribute to innovation and value creation in the bioeconomy relating to agriculture, forestry and aquaculture industries. Bionova's funding schemes, including those targeting more sustainable feed, are intended to work alongside other programmes. Innovation Norway's bioeconomy scheme is incorporated into Bionova's funding programme portfolio. The scheme will lay the foundation for increased value creation in bio-based industries through market-based and sustainable use of bio-resources. This includes continued work on technology and green solutions in the fisheries and aquaculture industries and following up the bioeconomy action plan along with the Research Council and Siva.

Since 2020, the Research Council has focused on strengthening research and innovation within the circular economy. The Research Council's total investment in the circular economy has more than quadrupled over the past three years, from about NOK 100 million in 2020 to NOK 440 million in 2023. The Research Council has also established a dedicated budget objective to highlight cross-cutting initiatives on the circular economy, and a number of the Research Council's portfolios contribute funds to fulfil this objective.

2.2 Economic instruments

There is a need to assess how economic instruments can contribute to better resource utilisation, increase circular production and consumption patterns, and stimulate value creation and employment based on circular solutions.

The Tax Committee (NOU 2022: 20) noted that the circular economy is a relatively new field in economics and highlighted a significant need for more knowledge. The committee recommends a comprehensive study of measures to promote circular activities. Furthermore, it recommends that tax measures should be assessed against other measures, including direct regulation and information initiatives. The 2050 Climate Change Committee (NOU 2023: 25) highlights that all future policies must be based on the premise that all resources are limited, meaning that the economy must become more circular to ensure that economic activity stays within planetary boundaries. A number of EU regulations encourage nations to employ economic instruments to incentivise the transition. Economic instruments can complement the requirements set out in EU/EEA legislation to help reduce the environmental impact of our consumption and production patterns. Appropriately designed policy instruments can provide the incentives for behavioural change, reduce the environmental impact associated with production, use and waste management, and contribute to value creation through innovation and new, sustainable business models.

It is a challenge that the externalities of production largely arise in the major manufacturing economies of the world. In many cases, these are emerging economies with a limited ability or willingness to develop adequate environmental policies within a reasonable timeframe. This also makes it necessary to consider second-best solutions, including taxes or regulations that do not necessarily address the source of the externalities.

The Government has therefore decided to establish an expert group tasked with conducting a comprehensive assessment of which instruments (regulatory, economic and informational) are effective in promoting a more circular economy. The group will submit its report by April 2025.

2.3 Public procurement

Public procurement amounts to around NOK 740 billion annually and represents a strong market force. Public sector demand for circular solutions will therefore be a key factor in achieving the action plan's objectives.

– From 1 January 2024, the Government introduced regulatory amendments with the general rule that climate and environmental requirements must be stipulated in all public procurements.

From 1 January 2024, the Government introduced regulatory amendments with the general rule that climate and environmental requirements must be stipulated in all public procurements, either through a 30 per cent weighting of criteria or through requirement specifications. If, in exceptional cases, no requirements are set because the environmental impact is deemed negligible, this will need to be justified in the procurement documents. The purpose of these changes is for public entities to maximise their positive climate and environmental effect through their procurements. Requirements and criteria aimed at promoting a circular economy can provide a resource-efficient way of achieving the goal of minimising climate and environmental impact, and the regulatory change is expected to increase focus in this area. New EU regulations set out in the Circular Economy Action Plan, as discussed in Part 3, also provide for standardised public procurement requirements for selected product groups that are important for a circular economy.

Box 2.1 Contents of the regulations on climate and environmental requirements in public procurement

- The purpose of setting more stringent climate and environmental requirements is to reduce the overall climate footprint or environmental impact of the procurement.
- The main rule is that climate and environmental considerations must be weighted at a minimum of 30 per cent. Weighting can be replaced by climate and environmental requirements in the specification if it is clear that this would result in a better climate and environmental effect. This must be justified in the procurement documents (comply or explain principle).
- The requirements do not apply if the nature of the procurement entails an insignificant climate and environmental footprint. Exceptions must be justified in the procurement documents (comply or explain principle).

Refer to the amendment regulations (lovdata.no) (in Norwegian only)

The procurement survey conducted in Norway every two years shows that there are a number of barriers to public entities successfully implementing green procurement and demanding circular solutions. A lack of time and expertise are two key aspects. In addition to that, a relatively small proportion of public enterprises state that they are systematically working on developing management parameters for the climate and environment. These findings are reflected in the Office of the Auditor General's survey of green public procurement. The recommendation from this survey highlights the need to make guidance material more widely known and to further develop statistics and management information that can be used to promote green public procurement.

A national procurement committee was appointed by the King in Council on 4 November 2022. The committee was tasked with proposing changes to simplify and make the regulations more accessible, as well as strengthening climate and environmental considerations in the procurement regulations. The committee submitted its first interim report on 10 November 2023.[8] The committee proposed a new structure for the public procurement regulations, including the consolidation and clarification of the rules for societal considerations, including the climate and environment. It also proposes emphasising the efficient and sustainable use of society's resources in the

[8] NOU 2023: 26 New Public Procurement Act

purpose provision of a new act relating to public procurement. Among other things, this is defined as both transitioning to a low-emission society and reducing environmental impacts from public procurement. The committee points out that if Norway is to reduce emissions faster, it is crucial to switch to a more resource-efficient and circular economy.[9] The committee has also proposed a provision for standardised EU public procurement requirements, so that they can be implemented into Norwegian law once adopted in the EU and incorporated into the EEA Agreement.

The national procurement committee points out that if Norway is to reduce emissions faster, it is crucial to switch to a more resource-efficient and circular economy

The Norwegian Agency for Public and Financial Management (DFØ) is a specialised agency for public procurement with responsibility for the Norwegian Division for Public Procurement. The aim of the DFØ is for the public sector to make efficient and innovative procurements that help to promote the green transition and sustainable development. This is also described in the 2021 Action plan to increase the proportion of green public procurements and green innovation, which highlights a circular economy as a priority focus area.[10] DFØ will also work on guidelines in relation to the new regulation on 30 per cent weighting of environmental criteria, as described above.

[9] NOU 2023: 26 New Public Procurement Act page 132

[10] DFØ also offers guidance on its website: Circular procurement | Anskaffelser.no (in Norwegian only)

2.4 Competition policy

Competition policy is important for the transition of the Norwegian economy towards sustainable development. Achieving this type of development will affect all areas of business and industry going forward, as market players will need to adapt. Well-functioning competition stimulates increased productivity, transition and innovation. Over time, the innovation driven by more effective competition can result in a wider range of affordable climate-friendly products and services. Effective competition as a tool for transitioning to a more circular economy is especially important in key industries that are essential to the green transition, in which the benefits of more sustainable product development and production are greatest. In order to unleash this potential, it is essential that companies understand the boundaries set by the Competition Act, including the limits set on cooperation.

2.5 Labelling schemes

The foundation Ecolabelling Norway manages the official environmental labels in Norway, which are the Nordic Swan and the EU environmental label EU Ecolabel. These labels provide standardised and quality-assured information about goods and services that are among the least environmentally harmful on the market.

The Nordic Swan Ecolabel is a comprehensive environmental certification, meaning that the entire life cycle of a product is taken into account. All decisive factors are considered simultaneously. The environmental impact of all relevant factors is assessed and weighed against each other. The requirements are then formulated so that the environmental impact is reduced where it matters most.

Through the environmental requirements of the Nordic Swan label, producers receive a concrete guide on how to:

- produce more resource-efficiently
- use fewer harmful chemicals
- meet requirements for quality, durability and repairability, etc.

The Nordic Swan Ecolabel makes it easier for manufacturers, procurers and consumers to make choices that support a circular economy, without needing to be an expert in the field themselves.

Standards are an important tool in the implementation of the European Green Deal and in regulatory oversight and control to ensure regulatory compliance.

2.6 Standardisation

The development and use of standards plays a key role in fostering a more circular economy. In 2024, the Storting allocated Standard Norway a grant of NOK 4 million to strengthen its work on standardisation. Standard Norway (SN), the Norwegian Electrotechnical Committee (NEK) and the Norwegian Communications Authority (Nkom) have the status of national standardisation organisations in Norway.

These organisations are working on developing standards for the circular economy at the national, European (CEN, CENELEC and ETSI) and global levels (ISO). By actively participating in standardisation efforts, Norwegian stakeholders can help influence the development and strengthen their position as suppliers of circular solutions and products. This requires the efforts of experts from industry, research and other actors. Standard Norway, as one of Norway's representatives in the international and European standardisation efforts, facilitates and assists Norwegian stakeholders in their work.

International standards can reduce trade barriers as products and materials are increasingly reused and recycled. Standards are an important tool in the implementation of the European Green Deal and in regulatory oversight and control to ensure regulatory compliance. Under some of the proposed and adopted regulations related to the circular economy, the European Commission has requested the development of standards from the European standardisation organisations. Among other things, standards provide details and specifications that manufacturers must follow when designing a product.

The EU Plastics Strategy and the Regulation on Packaging and Packaging Waste are examples of legislation that has resulted in extensive standardisation work. Standards are a prerequisite for building a value chain for plastic products and plastic-containing packaging suitable for material recycling and the use of recycled plastic in new products. The first international standards (ISO) for the circular economy will arrive in 2024. These are cross-sectoral standards for, among other things, terminology and indicators, and are a prerequisite for further work on specific standards in different sectors, value chains and/or products. Norway has actively participated in the international work on standardisation.

2.7 Digitalisation

Digital information about the climate and environmental footprint, reparability and recyclability of products must be integrated into all types of products, making it easier to enforce rules and provide consumers with a basis for choosing the most sustainable products.

The new EU regulatory framework for products contains requirements for digital information, often in the form of a Digital Product Passport. A Digital Product Passport will improve the traceability of a product throughout its life cycle and provide information about a product's characteristics. The information included in the passport will vary from product to product but may include information about the product's environmental footprint, the recycled materials it contains, or useful information relating to repairing, reusing or recycling the product. There will be differentiated access to information for different target groups, such as consumers, reuse stakeholders, etc. Norway is participating in the Digital Europe Programme (DIGITAL) 2021-2027, the EU's new major investment and capacity-building programme for digital transformation and the use of innovative digital technologies in society, business and industry. The digital programme will implement full-scale pilots using Digital Product Passports in at least two key value chains. The projects will also identify the need to further develop standards for increased interoperability and security.

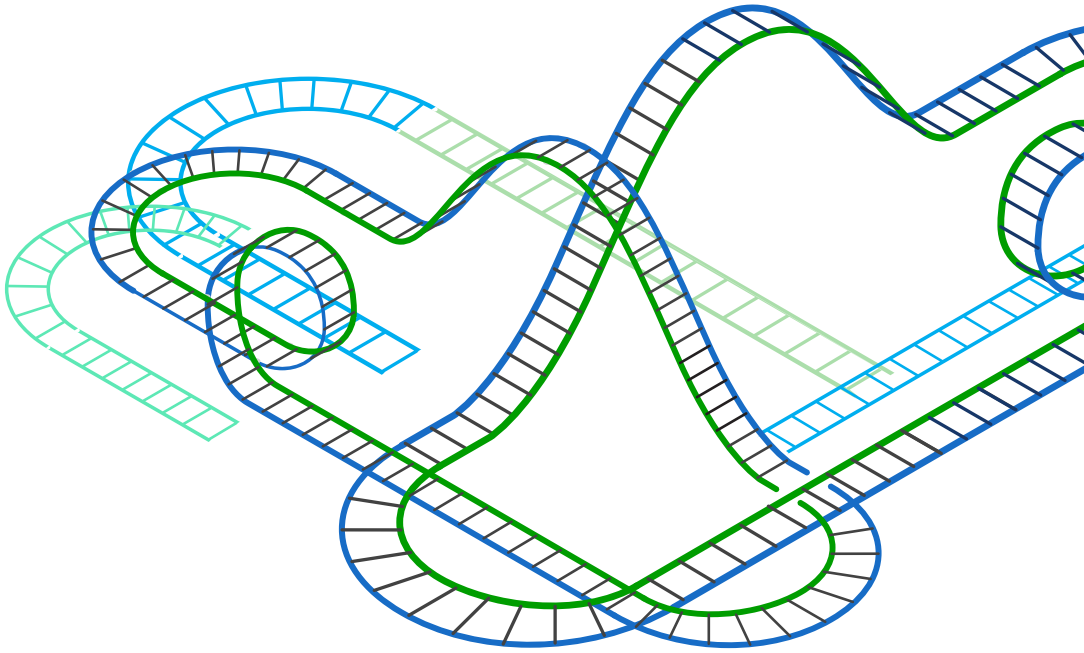
Box 2.2 Information and product passport requirements

The EU's new Ecodesign for Sustainable Products Regulation (ESPR) (see Part 3) requires that products regulated by delegated legislation under the ESPR must have Digital Product Passports. The passports will make it easier for stakeholders throughout the entire product value chain and for consumers to make more informed choices, while also simplifying the work of regulatory authorities. Digital Product Passports will help make repairs, reuse and recycling easier.

The coordination council for digitalisation in the construction industry (2021–2023) (Samordningsrådet for digitalisering i bygg- og anleggsnæringen) carried out several pilot projects to coordinate digitalisation work in the industry and to stimulate an improved digital information flow, especially for construction materials with a high potential for reuse. These initiatives will, among other things, support the establishment of digital material banks. A pilot project on digital waste management has also been carried out, as well as employing tools for digital trade on construction sites. The Government will continue to support work on digitalisation in the construction industry.

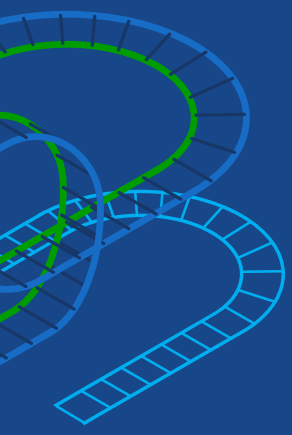
2.8 The Government's ownership policy

In Report No. 6 to the Storting (2022–2023) Greener and more active state ownership, the Government expressed more and clearer expectations of state-owned companies in their climate and nature efforts. The state, as an owner, is particularly interested in companies identifying and capitalising on opportunities that arise from a shift towards more nature-positive and circular business models, which may lead to cost savings for the companies or create new competitive advantages and business opportunities.



ACTION POINTS

- **Appoint** an expert group to conduct a comprehensive assessment of which policy instruments (regulatory, economic and informational) are most effective in promoting a more circular economy
- **Consider** following up the public procurement committee's proposals for a new regulatory procurement framework. Proposals from the committee will be addressed through consultation processes and considered in further regulatory work
- **Communicate** the guidelines on the new requirement for 30 per cent weighting of environmental criteria
- **Disseminate information** about project cooperation guidelines in light of the competition rules
- **Support** the work on eco-labelling and standardisation
- **Present** a comprehensive national strategy for digitalisation in the course of 2024
- **Continue to support** the work on digitalisation in the building and construction industry
- **Continue to provide** clear guidelines to Innovation Norway, the Research Council of Norway and Siva on strengthening their efforts and coordinating cross-cutting work on the circular economy



Chapter 3

3 Regulation for a more circular economy

To transition to a more circular economy, Norway must establish new, clearer and more ambitious measures. It is crucial that the regulations contribute to products that can accelerate more circular production and consumption patterns, and that the available resources from waste can be utilised in a better manner. Norway is a small and open economy, however, and we also support the development of common European regulations in this area. With a view to achieving both national and international climate and environmental goals, and with regard to ensuring competitive terms for Norwegian business and industry, Norway must observe regulatory developments elsewhere in the EU/EEA. Much of the legislation that will now be introduced is at the core of the single market, of which Norway is an integral part, and will replace and expand legislation that has mainly already been incorporated into the EEA Agreement. All new regulations will be considered for incorporation and implementation in the usual manner.

Box 3.1 A strong driver of circular economy

The European Commission has presented comprehensive and complex legislation as a follow-up to the European Green Deal. One of the key deliverables under the European Green Deal is the EU's Circular Economy Action Plan from 2020, which contains 35 action points, the majority of which entail revised or new regulations at pan European level. The EU's goal is to adopt most of the overall regulations for the circular economy by the end of 2024, and the Commission will make active efforts going forward to develop complementary regulations, such as under the Ecodesign for Sustainable Products Regulation (ESPR) and the Batteries Regulation.

In addition to product characteristics requirements, sustainability is strengthened in the production phase through regulatory changes aimed at ensuring sustainable production of the products on the European market, including requirements for sustainable extraction and processing of raw materials. Examples include the revised Industrial Emissions Directive (IED), the European Critical Raw Materials Act (CRMA) and the Net-Zero Industry Act (NZIA), all of which set out measures targeting the manufacturing sector with a view to transitioning to circularity.

The Norwegian environmental authorities have generally been positive to and supported the proposed regulations and have submitted input regarding Norwegian interests where necessary. Norwegian businesses and organisations are encouraged to actively participate as early as possible in the regulatory processes and provide their input directly to the European Commission.

Figure 3.1 Overview of relevant EU initiatives and regulations

Proposals that may be submitted (not exhaustive)

- Directive on E-waste (Ministry of Climate and Environment)
- Sewage Sludge Directive (Ministry of Climate and Environment)

Current proposals

- Green Claims Directive (Ministry of Children and Families)
- Directive on Soil Monitoring and Resilience (Ministry of Climate and Environment / Ministry of Agriculture and Food)
- Regulation on preventing plastic pellet losses to reduce microplastic pollution (Ministry of Climate and Environment)
- Regulation on circularity requirements for vehicle design and on management of end-of-life vehicles (Ministry of Climate and Environment)
- Revised Waste Framework Directive (Ministry of Climate and Environment)

Regulations that have been endorsed or formally adopted

- Batteries Regulation (Ministry of Climate and Environment)
- Construction Products Regulation (Ministry of Local Government and Regional Development)
- Common Charger Directive (Ministry of Digitalisation and Public Governance)
- Single-Use Plastics Directive (Ministry of Climate and Environment)
- Right to Repair Directive (Ministry of Justice and Public Security)
- Green Transition Directive (Ministry of Children and Families)
- Packaging and Packaging Waste Regulation (Ministry of Climate and Environment)
- Critical Raw Materials Regulation (Ministry of Trade, Industry and Fisheries)
- Net-Zero Industry Act (Ministry of Trade, Industry and Fisheries)
- EU Regulation on Certification of Carbon Removals (Ministry of Climate and Environment)
- Fertilising Products Regulation (Ministry of Agriculture and Food)
- Waste Shipment Regulation (Ministry of Climate and Environment)
- Industrial Emissions Directive (Ministry of Climate and Environment)
- Updated framework to measure the development of a circular economy (not regulations) (Ministry of Climate and Environment)
- REACH Regulation Annex XVII Restriction on Microplastics (Ministry of Climate and Environment)
- Ecodesign Regulation (Ministry of Climate and Environment)

3.1 Regulations for sustainable and circular products and value chains

Through the EEA cooperation, Norway is involved in developing a common European and strengthened regulatory framework for sustainable products throughout their life cycle, starting with the extraction and processing of raw materials, manufacturing, ecodesign, as well as the use and waste phase. This is common European legislation at the core of the single market. The new and reinforced requirements mean that sustainability must be ensured throughout a product's life cycle. The requirements that relate to specific products comprise, firstly, the requirement that products are designed to conform as well as possible to a circular economy, with the least possible environmental impact and resource consumption (ecodesign). It is important to address these considerations at an early stage, since as much as 80 per cent of a product's total environmental and climate impact is determined during the design phase.[11] A key measure as such is the new framework for the design of sustainable products (the Ecodesign Regulation), which will cover virtually all types of products.

Secondly, the sustainability requirements will be strengthened specifically in priority product areas of particular economic and environmental importance. In these areas, requirements are made for the entire life cycle, from the production stage, through the use phase and including the waste stage. At the core of these requirements are strict criteria for designing products that can be used and reused for the longest possible duration, and for the utilisation of waste materials and the use of secondary rather than new raw materials in new products. The overarching goal is to reduce the overall pressure on natural resources in the entire value chain of specific products or product groups. In order to strengthen the impact of more sustainable products on the market, strong emphasis is also placed on reinforcing the market function and demand side of the economy through stronger rights for private consumers and requirements for green public procurement. This will require significant advancements when it comes to documentation, information and digitalisation. Based on the same purpose, the fundamental European regulatory framework for waste, industrial pollution and chemical management will also be revised and streamlined.

[11] Sustainable Product Policy (europa.eu)

New act on sustainable products and value chains

Norway's strategy for a circular economy is closely aligned with the European work on more sustainable production and consumption of products and supports this development in Europe. New legislation in line with government policy is essential to promoting a circular economy and the green transition in Norway. There is no Norwegian legislation that is equivalent to the strengthened product framework currently under development in the EU, and to which we contribute through the EEA cooperation. The proposal for a comprehensive new act on sustainable products and value chains aims to promote sustainable products and value chains for products that contribute to a resource-efficient and sustainable production and consumption pattern, and contribute to the transition to a more circular economy in Norway. The Government will submit the act to the Storting for consideration in 2024.

Legislation that facilitates the effective implementation of strengthened requirements for sustainability of products is one of the most important actions the Government can take to promote the circular economy and green transition in Norway. It is also important to ensure a level playing field for Norwegian industry in the EU/EEA single market.

Ecodesign

An important measure to ensure more circular and sustainable products is the new Ecodesign for Sustainable Products Regulation (ESPR). The regulation implies a significant change to the markets for products in the EU single market by placing requirements on the sustainability characteristics of all kinds of products, with very few exceptions, including food and pharmaceuticals. It will establish a new minimum standard for products in Europe, and make products more adapted to a circular economy from the early stages of their life cycle. The purpose is to make sustainable products the norm in the EU/EEA and it will significantly raise sustainability standards throughout the single market. Ecodesign requirements also include information for consumers, improving their access to information on sustainable product choices, in an easily accessible and ideally digital format. These requirements will be specified through more detailed, underlying regulations. A large number of product-specific underlying regulations have also been announced once the Ecodesign Regulation has been adopted. Norway will monitor and participate in the drafting of underlying legislation for priority areas where Norway has important knowledge to share or interests to safeguard.

Box 3.2 Ecodesign/sustainability requirements under the new Ecodesign Regulation may be related to:

- Durability
- Reliability
- Reusability
- Upgradability
- Repairability
- Possibility of maintenance and refurbishment
- The presence of substances of concern
- Energy use and energy efficiency
- Resource consumption and resource efficiency
- Water use and water efficiency
- Recycled content
- Possibility of remanufacturing and recyclability
- Possibility of the recovery of materials
- Carbon and environmental footprint
- Expected generation of waste

The seven priority value chains

Below is a brief overview of the status of regulations related to the seven key product value chains, along with the Government's work in the respective areas. See Norway's strategy for developing a green, circular economy for more information about the priority product value chains.

Batteries and vehicles

Batteries

The green transition, with extensive electrification of major sectors such as energy and transport, is expected to entail a massive increase in the demand for batteries. The new Batteries Regulation is the European Commission's first major regulatory delivery under the Circular Economy Action Plan. This broad measure also sets the standard for regulation based on value chains in the other priority product areas under the EU's Circular Economy Action Plan.

Norway has a well-developed collection system and a newly established advanced processing facility for discarded electric-car batteries, which could represent a competitive advantage. As the amount of batteries from, among other things, second-hand electric cars increases over the next few years, Norway may play an important role in further developing appropriate reuse and recycling systems. For more information about the Government's efforts in the area of batteries, see Norway's battery strategy.

Vehicles

Vehicle production is one of the most resource-intensive industries. As the automotive sector moves towards zero-emission technology, and vehicles are equipped with more integrated electronics, demand for copper and other critical raw materials will increase. In July 2023, the European Commission presented a proposal for a new regulation that sets new circular requirements for the design of new vehicles, repairs and handling of discarded vehicles. It proposes requirements relating to the content of recycled materials in new vehicles and that countries introduce incentives for the reuse of second-hand car parts for repairs and maintenance. The proposal also aims to bring about better control of used vehicle exports.

In Norway, the requirements and the need for new knowledge, new systems and new working methods will particularly affect vehicle suppliers, vehicle workshops and facilities that process discarded vehicles. There will also be a general need to develop technology and knowledge in order to ensure reuse and high-quality recycling. The Government will develop incentives that promote increased reuse of second-hand car parts.

Electrical and electronic equipment

Electronics and electronic equipment constitute one of the fastest growing waste streams in the EU. With less than 40 per cent of the electronic waste in the EU being recycled, valuable raw materials are being lost. In Norway, the growth in waste has stabilised and a high proportion of waste electrical and electronic equipment (WEEE) is recycled, but we also have a high consumption of electronics. Electrical and electronic equipment is regulated in several regulations, including the Restriction of Hazardous Substances Directive (RoHS), the Directive on Electrical and Electronic Waste (WEEE Directive) and in legislation underlying the current Ecodesign Directive. The WEEE Directive is currently under evaluation in the EU.

Packaging

Various efforts are being made to recycle more packaging, including through new requirements for sorting and recycling in the national Waste Regulations adopted in spring 2022. Proposals for new requirements for separate sorting and collection of glass and metal, cardboard and paper and textiles from municipal waste have been

submitted for consultation. The Norwegian Environment Agency has also proposed changes to the current extended producer responsibility scheme for packaging and packaging waste, with a view to making the scheme more robust, efficient and supportive of a circular economy.

In November 2022, the European Commission presented a proposal for new regulation on packaging and packaging waste (Packaging and Packaging Waste Regulation). The purpose of the regulation is to reduce the climate and environmental impact from all parts of the packaging value chain, and to harmonise the regulatory framework for packaging in the EU/EEA countries. The suggested amendments will help reduce unnecessary use of packaging, lower packaging waste and increase reuse and recycling. The EU reached an agreement on a new packaging regulation in March 2024, but the text must still be formally approved by the Council and the European Parliament.

Textiles

To reduce the negative impact of textiles on the environment and climate, it is important to introduce requirements that promote sustainable textiles throughout the life cycle, from the extraction of raw materials and production, and all the way through to the waste stage. In autumn 2022, the Government appointed a working group on extended producer responsibility for textiles that included key stakeholders from the textile and waste industries, as well as environmental organisations. The working group prepared a report with recommendations and, in October 2023, submitted its recommendation on how an extended producer responsibility scheme for textiles in Norway should be designed. The working group also considered how digital product passports can be designed to contain useful information for stakeholders throughout the value chain, from consumers when purchasing a product, to how products can be repaired, reused and recycled. The Norwegian Environment Agency has been assigned the task of preparing a regulatory proposal for such a new extended producer responsibility scheme. In July 2023, the European Commission also proposed requirements for extended producer responsibility for textiles in its proposal for a revised Waste Framework Directive. An assessment is being made of whether it may be possible to implement such a scheme in Norway faster than in the EU, and whether any elements of extended producer responsibility can be introduced sooner. Textile waste is also covered by the amendments to the Waste Regulations on sorting, which have been submitted for consultation.

The EU Strategy for Sustainable and Circular Textiles was presented in March 2022. The purpose of the strategy is to reduce the environmental impact of textiles throughout the value chain, and the European Commission states in the strategy that textiles will be regulated under several pieces of legislation. Of particular importance are the upcoming ecodesign requirements for textiles through the underlying regulations

to the Ecodesign Regulation. As part of the Ecodesign Regulation, an EU ban on the destruction of unsold textiles and footwear has been adopted, applying to large and, eventually, medium-sized actors.

Plastics

The production and consumption of plastics contributes to significant greenhouse gas (GHG) emissions and other forms of pollution. An important set of rules regulating plastics is *the* Single-Use Plastics Directive. Plastic packaging is currently regulated by the Packaging and Packaging Waste Directive. A number of requirements relating to plastic packaging have been proposed in the new Packaging and Packaging Waste Regulation. Agreement has been reached on the restriction on intentionally added microplastics under the chemical regulation REACH. The European Commission has also proposed a new regulation to prevent the unintentional release of plastic pellets.

Norway will also introduce rules on extended producer responsibility for certain plastic products, requiring producers to cover municipalities' costs for cleaning up these products in public spaces. Norway will also introduce extended producer responsibility for equipment containing plastics used in fisheries, aquaculture and recreational fishing.

Box 3.3 A new global agreement to stop plastic pollution

Since 2014, Norway has worked for a stronger global commitment to reducing plastic pollution, and consensus was reached at the UN Environment Assembly in March 2022 to develop an international legally binding instrument to end plastic pollution. Norway has taken a leading role in the negotiation process to establish an ambitious agreement with global commitments, including as chair of the High Ambition Coalition to End Plastic Pollution, together with Rwanda. The coalition is working to enable a transition to a circular economy for plastics through measures that promote sustainable plastic products, remove plastic polymers and chemicals that pose long-term effects to health and the environment and those that can prevent recycling, as well as measures that stimulate increased collection, reuse, sorting and recycling of plastic waste.

Food, water and nutrients

Food production and the use of bioresources play a crucial role in the transition to a more circular and sustainable economy. Bioresources can be better utilised in a circular system, and they can reduce the use of, or replace, resources with a higher climate and environmental footprint.

Through the EEA Agreement, comprehensive and detailed legislation has been established in the area of food, that among other things covers food, animals and inputs. This regulatory framework has a whole-chain approach and is very much designed for a linear rather than a circular economy. To increase circular resource utilisation in the food value chain, regulations must be designed to ensure that residual raw materials are utilised at the highest possible level of the value pyramid, while safeguarding considerations for safe food and feed, good animal and plant health, and the climate and the environment. Efforts to remove unnecessary barriers to increased use of resources require an active influence in the EU's regulatory processes supported by documentation demonstrating that food safety has been ensured.

A key element of the European Green Deal is the Farm to Fork Strategy (2020), which describes how the EU will work to make food systems fair, healthy and environmentally-friendly, and ensure that everyone has access to sufficient, safe, nutritious and sustainable food. It covers the entire food system, including production, transport, distribution, marketing and consumption. Several of the initiatives in the strategy have been followed up with specific proposals, while some of the initiatives have been delayed and will not be presented during the current commission period. This includes a common framework for sustainable food systems.

Through the EEA Agreement, Norway's food and feed regulations are common with those of the EU and are intended to ensure safe feed and food. At the same time, we see a need to better adapt the regulations to support circular reuse and the utilisation of new resources. For example, it is not currently permitted to use fish sludge to cultivate bristleworms and insects destined for feed, due to insufficient documentation that sludge is safe to use. Several ministries and the Norwegian Food Safety Authority are collaborating on this matter, which requires effective processes for engaging with the EU. The Government increased its allocation to the Norwegian Food Safety Authority by NOK 5 million in 2023–2025 in order to better adapt existing regulations to more circular reuse and utilisation of new resources. The total investment of NOK 15 million over three years will strengthen the work on documentation and regulations that facilitate the utilisation of residual raw materials and by-products for feed from land and sea.

Box 3.4 Stronger efforts to prevent food waste

Food waste is a major global environmental problem. Massive quantities of edible food still end up as waste in Norway, with 84.7 kg thrown away per capita every year (2020 figures). The primary instrument for reducing food waste in Norway today is the Norwegian Voluntary Agreement on Reduction of Food Waste from 2017, which sets the target of halving food waste in Norway by 2030. In January 2024, the Food Waste Committee submitted its recommendations to the Government. The committee assessed the overall use of measures and policy instruments to achieve the goal of halving food waste by 2030, and considered how a food waste act could form part of the overall policy instrument framework. The Government is in the process of assessing the committee's recommendations and is preparing a further process for efforts to prevent edible food from being thrown away.

In July 2023, the European Commission presented a proposal for legally binding food waste reduction targets as part of the revised Waste Framework Directive, one of the measures under the Farm to Fork Strategy. They propose that EU member states reduce the amount of food waste in the food manufacturing sector by 10 per cent, with an overall reduction of 30 per cent per capita for groceries, restaurants and food services and households by 2030.

Even with efforts to avoid wasting edible food, there will still be nutrition-containing waste from the production and consumption of food that cannot be utilised at a higher level. It is desirable to return this as fertiliser for agriculture or for other purposes. The fertilizer regulations are currently under revision, where part of the goal is to ensure increased utilisation of nutrients, while also reducing pollution and the spread of unwanted substances.

Construction and building materials

The building, construction and real estate industry is Norway's largest mainland industry, and accounts for substantial resource consumption. The industry is also the largest single source of waste in Norway.

Less demolition, extending the lifetime of buildings and the reuse of materials could in many cases contribute to lower resource consumption and emissions. The Government has introduced amendments to the Planning and Building Act that make it easier to use the existing building stock for new purposes, as long as health, safety and the environment are safeguarded. The new rules apply from 1 January 2023. The Government will now assess whether the planning regulations under the Planning

and Building Act sufficiently facilitate the reuse of buildings. In 2022, the Government also introduced a requirement in the Technical Regulations (TEK) that new buildings must be designed in a way that enables them to be disassembled, and that materials must be mapped for reuse in the event of changes to existing buildings. Furthermore, the Government amended the regulations on documentation of building materials in 2022, making it easier to sell used building material for reuse in other constructions. The change enables developers and actors that sell used building materials to obtain the necessary documentation for use of the product. This has made the regulations more flexible, opening up opportunities for growth in the market for used building materials.

The EU has reached agreement in the negotiations on a revised Construction Products Regulation. The regulation aims to ensure safe building materials on the market, reduce national trade barriers, resolve problems related to the publication of standards and reduce the overall climate and environmental footprint of construction products. It is closely linked to the Ecodesign Regulation.

Box 3.5 OMTRE seeks to make it easier to choose used wood

OMTRE manages the Green Platform project SirkTRE, which has sub-projects in the field of mapping standing structures and processing recycled wood, as well as research and development projects in the field of building systems, digitalisation, regulation and market development for better circular resource utilisation. The project is working with several partners to accelerate the construction industry's transition to the circular economy.

Regulations that enable consumers to make good environmental choices

Consumers can play a key role in the transition to a circular economy by changing their general material consumption, choosing products wisely and by reusing and repairing more products. By demanding sustainable products, consumers are drivers for more resource-efficient production and consumption patterns. This demands products on the market that meet stringent environmental requirements and that relevant, quality-assured information is readily available, for example in the form of official eco-labels.

To address this, the European Commission presented three proposals in 2022/2023 for regulations aimed at helping consumers make more sustainable choices that contribute to a more circular economy:

- Proposal for a directive on empowering consumers for the green transition
- Proposal for a Green Claims Directive
- Proposal for a Right to Repair Directive

The directive on empowering consumers for the green transition was adopted on 20 February 2024. Among its goals is to ensure better information about durability and repair options. It will also provide consumers with better protection against commercial practices that discourage sustainable consumption, such as the use of misleading environmental claims and labels in marketing ('greenwashing') and premature failure of goods. The proposed Green Claims Directive, which is still under consideration, will complement the directive on empowering consumers for the green transition by setting out more detailed and specific requirements. Green claims must be substantiated and verified by a third party. The proposal for a Right to Repair Directive is about giving consumers new rights to have products repaired, rather than replaced, including outside the warranty claim period. The purpose is increased repair and reuse. Input on this proposal was submitted to the EU in the form of a joint EFTA comment. Agreement has been reached on the proposal, but it has not yet been formally adopted.

Product information, which may be made available in digital product passports, could be useful to consumers not only at the time of purchase but also later in a product's service life. The Consumer Council of Norway will also continue its work on consumer information that facilitates good environmental choices. The Consumer Council will disseminate ideas and methods for promoting circular practices through a contact point for consumer power in the green transition.

3.2 Sustainable finance

EU taxonomy

The transition to a circular economy, waste prevention and recycling are key aspects of the EU taxonomy for sustainable activities. The purpose of the Taxonomy regulation is to facilitate financial markets to channel capital to sustainable activities and projects. It serves as a tool for identifying which investments align with long-term climate and environmental goals, while also providing companies with better opportunities for transition.

The European Commission sets out further taxonomy criteria for when a specific activity can be defined as sustainable. In June 2023, the Commission adopted a new set of criteria for activities that will contribute to the transition to a circular economy. The criteria include activities in the production of plastic packaging and electrical products, water supply, sewage and waste treatment, construction, IT services and communication and other services, such as the repair and sale of used materials/goods, etc. The criteria were incorporated into the EEA Agreement and implemented in Norwegian law as regulations in February 2024.

The Government is working to safeguard Norwegian interests in the EU's efforts to further develop the taxonomy, to ensure that Norwegian companies that are transitioning towards sustainability, or that want to expand operations that are already sustainable, can use the system as a tool.

Corporate sustainability reporting

Access to relevant information is important for financial market participants to be able to correctly assess and price return prospects and risks. If financial institutions and investors are to channel capital to the companies that are best equipped to handle climate and sustainability risk, access to good information is crucial. It could also give the reporting companies a better opportunity to highlight their sustainability efforts. A new Corporate Sustainability Reporting Directive (CSRD) was adopted in the EU in December 2022. The directive aims to facilitate the transition to a sustainable economy by ensuring that sufficient public information is available about the sustainability risks to which companies are exposed, and the company's impact on people and the environment. The information reported should be comparable, reliable and easy for users to find.

– If financial institutions and investors are to channel capital to the companies that are best equipped to handle climate and sustainability risk, access to good information is crucial.

In May 2023, the Securities Law Committee submitted its report on the implementation of the CSRD into Norwegian law. The report has been submitted for consultation. In March 2024, the Ministry of Finance will present a proposal to the Storting, enabling the new rules to be introduced in Norway at the same pace as in the EU. The CSRD will be supplemented by European reporting standards to be adopted in delegated acts by the European Commission. The Commission adopted a first set of standards in July 2023, including a standard on resource use and circular economy.

To enable comparable reporting across companies, sectors and countries, companies should, as far as possible, report according to the same standards.

3.3 Chemical regulations

The goals of the chemicals policy is to eliminate the use and releases of environmental toxins and other substances of concern. To achieve a circular economy, it is crucial that the most hazardous substances are removed from the material cycles. The same requirements must apply to products produced from primary and secondary raw materials, which will contribute to safer materials recycling. It will also provide greater potential for developing new material flows and products based on secondary raw materials, thereby increasing the degree of recycling. We need more knowledge about hazardous substances in the material flows throughout the life cycle of products.

Norway shares a common chemicals regulatory framework with the EU and is a driving force in efforts to phase out the most hazardous chemicals, both in Europe and globally. Under the EU Chemical Strategy for Sustainability, the chemicals legislation will be simplified and strengthened. A framework and criteria will be developed for the design and redesign of safe and sustainable chemicals and materials, which will also contribute to the circular economy. The Ecodesign Regulation and the Batteries Regulation both refer to these forthcoming criteria.

3.4 Waste legislation

Norwegian waste policy is constantly evolved. The main goals are overall reduction in the waste amounts, increased preparation for reuse and increased recycling. Many pieces of legislation regulate waste in EU/EEA countries. The Waste Framework Directive and the Regulation on shipments of waste are two key pieces of waste legislation currently under revision. Agreement has been reached in the EU on the latter. At the same time, new specific requirements for waste prevention and waste management are proposed in the new value chain regulations.

Box 3.6 Offshore wind and recycling

Norway has opened two areas for offshore wind production: Sørlige Nordsjø II (fixed-bottom technology) and Utsira Nord (floating technology). The location of the production in the opened areas will be allocated through competitive bidding. For Sørlige Nordsjø II, a pre-qualification of the actors will first be conducted to determine whether they can participate in the price competition for the right to apply for a production licence in the area. One of the pre-qualification requirements is that applicants must have a *plan that helps ensure that the project has good waste management, with particular emphasis on recycling.*

As a minimum, the plan must contain a description of planned measures related to:

a. Waste management in the project
b. The potential for recycling, including estimates of the possible share of recyclable materials for turbines, turbine blades, turbine towers, foundations, cables and substations
c. Reuse of larger elements of the energy system
d. Material and chemical use in the project
e. Pollution, including microplastics

For Utsira Nord, the right to apply for an offshore wind production licence in the three different project areas will be awarded according to a set of qualitative competition criteria. The three applicants that collectively receive the highest overall score on the competition criteria may each be awarded their own project area for which they can apply for a licence. One of the qualitative criteria in the competition is the *plan for waste management, recycling and reuse of larger elements of the plant.* The content of the various elements of this competition criteria is the same as for Sørlige Nordsjø II (given above).

Waste Framework Directive

The Waste Framework Directive includes targets of 55 per cent recycling of municipal by 2025, 60 per cent by 2030 and 65 per cent by 2035. Going forward, the Government will propose additional policy instruments and measures to increase the proportion of municipal waste that is prepared for reuse or sent to recycling, through follow-up of the Norwegian Environment Agency's report with analysis of measures.[12] Norwegian municipalities play an important role in waste management and in implementing the measures required to achieve the recycling targets. The role of municipalities and counties in the circular economy is otherwise described in Norway's strategy for developing a green, circular economy from 2021.

In July 2023, the European Commission proposed a new revision of the Waste Framework Directive. The main proposed changes are discussed in the chapters relating to the value chains for textiles and food and nutrients. A more extensive revision of the Framework Directive has also been announced in 2024, in which the European Commission has said it will look at measures to promote increased re-use, including quantitative reuse targets. They will also assess the possibility of introducing other waste prevention measures, including waste reduction targets.

Hazardous waste

The Waste Framework Directive also stipulates that countries must have sufficient treatment capacity for hazardous waste for disposal. Hazardous waste contains substances that are harmful to health and the environment that must be removed from circulation and treated in a suitable manner. The capacity to handle hazardous waste is also important in a circular economy, as there will be a number of waste types that cannot be recycled. Industries that are important in the green transition may also require capacity to handle hazardous waste.

Regulations for shipments of waste

The European Parliament and the Council have reached political agreement on a new regulation on shipments of waste (Waste Shipment Regulation), which is expected to be formally adopted in spring 2024. The new regulation will to a greater extent ensure that the EU does not export its waste challenges to third countries, make it easier to transport waste for recycling and reuse in the EU and improve monitoring of illegal shipments of waste. It will contribute to a greater use of waste to obtain secondary raw materials, thereby replacing primary raw materials and contributing to a more circular economy in the single market. The new regulation also lays down further

---

[12] Analyse av tiltak og virkemidler for økt forberedelse til ombruk og materialgjenvinning av husholdningsavfall og lignende næringsavfall (Analysis of measures and policy instruments for increased preparation for reuse and recycling of municipal waste – In Norwegian only) (Miljødirektoratet 2021)

restrictions on export and import of waste for final treatment, which underlines the need for national solutions, particularly when it comes to the management of hazardous waste, and the necessary infrastructure. There will also be stricter controls on exports of waste to countries outside the EU, including an export ban on plastic waste to non-OECD countries. The EU regulations were finalised in December 2023.

Regulations on building and construction waste

Technical Regulations (TEK) require that all construction waste must be delivered to an approved waste station, reuse facility or direct material recycling. The regulations also set requirements for waste sorting. In 2022, the Government increased the requirement for waste sorting at construction sites from 60 to 70 per cent by weight.

Better management of clean surplus materials

Clean surplus materials are a resource that should be reused wherever possible. Reuse of surplus materials reduces the need to extract new construction raw materials and minimises land use associated with permanent landfills. It can also reduce the need for transport and GHG emissions. More sustainable management of surplus materials requires cooperation between public and private actors, often across municipal borders. A number of measures have been proposed that can contribute to this end in a report by a cross-sectoral working group (in Norwegian only). The report is being followed up through various processes involving several ministries.

Box 3.7 Bærum Ressursbank

The resource bank Bærum Ressursbank is a project that works to maximise the recovery and utilisation of surplus materials (stone, soil, concrete, asphalt, etc.) from construction and infrastructure projects in the region. The resource bank works according to the resource pyramid, emphasising maximum reuse and minimal disposal. Development projects such as the Ringeriksbanen and Fornebubanen railways, the E16 and E18 roads, a new water supply system to Oslo and new waterworks in Asker and Bærum, are generating a large surplus of materials. Bærum Ressursbank aims to make the surplus materials a resource that can be reused rather than being treated as waste. Reuse of rock and stone should become a natural first choice for builders and contractors. The market system for climate-wise resource management of surplus materials is one of several projects under the auspices of Bærum Ressursbank. The resource bank is financed by Bærum Municipality and the Norwegian Environment Agency through the Klimasats fund. It also receives innovation and research funding from the Regional Research Fund Viken and Enova.

3.5 Revised Industrial Emissions Directive

The EU has reached an agreement in trilogue negotiations on a revised Industrial Emissions Directive which includes requirements aimed at reducing industrial pollution, cutting GHG emissions, increasing energy efficiency and promoting a circular economy. The regulatory framework includes, among other things, binding requirements for resource utilization and obligations for industry, meaning the companies covered by the directive to, by 2030, develop plans on how to contribute to the transition toward a sustainable, clean, circular, resource-efficient and climate-neutral economy by 2050.

3.6 Critical raw materials

Good access to metals and minerals is a prerequisite for the green transition and the transition from fossil to renewable energy, and Norwegian districts play a key role in facilitating extraction of such metals and minerals in Norway. Access to metals and minerals is of pivotal importance in many industrial sectors, including sectors of strategic and national security importance. There is a shortage of several metals and minerals. The demand for many raw materials necessary for the green transition is expected to increase faster than the development of new mines and new capacity for the production and recycling of critical raw materials.

The EU Critical Raw Materials Act (CRMA) aims to strengthen the value chains for critical raw materials for EU countries, including by promoting efficiency and circularity throughout the value chain. The EU seeks to reduce supply risks and strengthen research and development, innovation and expertise. The CRMA specifies what the EU considers to be critical and strategic raw materials. The identified raw materials are linked to economic importance, security of supply and anticipated increased demand in the years ahead in connection with the green transition. Improved design, increased reuse and recycling can help improve access to these materials.

The CRMA contains EU-wide goals for 2030: to approach or reach extraction capacity necessary to produce at least 10 per cent, and process at least 40 per cent of the EU annual consumption of strategic raw materials, and for 25 per cent of strategic raw materials used in new products to be recycled. In addition, that no single third country accounts for more than 65 per cent of the EU's annual consumption of a strategic raw material. The countries must prepare national programmes for the circularity of critical raw materials. The Act proposes measures for the collection and recycling of strategic raw materials from waste at the national level, in order to achieve increased

circularity and sustainability. Another key aspect is accelerating government processes for extraction, processing and material recycling projects for critical raw materials.

3.7 Second-hand Trade Act

The current second-hand trade legislation (the Second-hand Trade Act and the Second-hand Trade Regulations) have had adverse effects on the development of new circular business models. The Act originates from the Trade Act, which was repealed in 1999 and applied to all trade in goods. When the Trade Act was repealed, special rules were introduced for trade in second-hand and discarded goods. The purpose of the Act is to prevent the sale of stolen and illegally received items and to assist police efforts to trace such items. The regulations stipulate that trade in second-hand goods requires permission from the police. The regulations also lay down detailed requirements as to how such commercial activities are to be conducted. Among other things, the goods received must be registered in a detailed record system and stored for two weeks before they can be destroyed, processed or resold. For items intended for industrial destruction and/or recycling, as well as motor vehicles, there are exceptions to the duty to record and the storage obligation. The legislation is a tool for preventing the receiving and sale of stolen property. It grants the police the authority to ensure that those subject to the legislation comply with the requirements it sets out, and gives the right of inspection of the second-hand trade records and the premises where the second-hand items are stored.

The Government's official assessment of the legislation has shown that the regulations have weaknesses and are applied inconsistently. The requirements for obtaining a licence to trade are somewhat unclear, the licences are granted with different durations, and there is no simple overview of who possesses a licence. The requirements are considered burdensome for traders and make it significantly more difficult to run a business that deals in second-hand rather than new goods. Amendments to the regulations for second-hand trade could help stimulate growth in the sale of used/second-hand goods/materials between businesses and from businesses to end users in major industries such as retail, heavy industry and building and construction.

In the summer of 2023, the Ministry of Trade, Industry and Fisheries submitted a consultation paper outlining two options: a proposal to repeal all of the second-hand trade legislation (the Second-hand Trade Act and the Second-hand Trade Regulations) and an alternative comprising a new act with a narrower scope and less burdensome requirements for retailers who trade in second-hand goods. The proposal to repeal the Second-hand Trade Act and the Second-hand Trade Regulations was considered the best of the two options.

ACTION POINTS

- **Present** a new act on sustainable products and value chains to the Storting in spring 2024
- **Introduce** stricter regulations for sustainable and non-toxic products and value chains to contribute to a green circular economy and the same framework conditions for Norwegian business and industry as in the rest of Europe
- **Strengthen** the extended producer responsibility scheme for packaging to ensure that it is robust, efficient and adapted to a circular economy
- **Introduce** new extended producer responsibility schemes for certain single-use plastic products and for equipment containing plastics used by fisheries and in aquaculture and recreational fishing
- **Introduce** a new extended producer responsibility scheme for textiles
- **Consider** introducing new requirements for separate sorting and collection of glass and metal packaging, cardboard and paper, and textiles from municipal waste with effect from 2025
- **Propose** new policy instruments to increase the proportion of municipal waste that is prepared for reuse or sent to recycling
- **Use** Norway's leading role to put in place an ambitious international agreement that stops plastic pollution and promotes a circular value chain for plastics
- **Strengthen** efforts to halve food waste by 2030, in line with the Food Waste Committee's recommendations
- **Remove** barriers to increased use of resources in the bio-industries through targeted efforts in the EU's regulatory processes and the preparation of necessary documentation to ensure safe food and prevent harm to the environment
- **Review** policy instruments for better reuse of phosphorus
- **Present** revised fertilizer regulations
- **Assess** whether there is a need to amend the planning section of the Planning and Building Act to make it simpler to renovate and simpler to prevent the demolition of existing buildings

- **Develop** a cross-sectoral guide on the current rules for handling of materials in dialogue with the construction industry
- **Assess** the need for changes and harmonisation of regulations relating to the handling of materials
- **Facilitate** or consider establishing marketplaces for construction raw materials based on surplus materials from mineral extraction, transport projects and building projects
- **Stipulate** requirements for minimising the proportion of surplus materials in processes where this is feasible, based on the best available technology and best available business models and operating and disposal methods
- **Require** that project developers draw up plans for annual reductions of surplus materials, chemical use and other environmental impacts
- **Consider** measures to increase the collection and recycling of waste with a high potential for recycling of critical and strategic raw materials
- **Implement** regulations that enable consumers to make good environmental choices, by helping consumers find good and reliable information about products' environmental characteristics, preventing 'greenwashing' and premature failure of goods, and making goods easier to repair
- **Make it easier** to trade in second-hand goods

Chapter 4

4 Competence, partnership and monitoring

To succeed in the transition to a more circular economy, competence, knowledge and cooperation are essential. A circular economy requires new approaches to production, consumption and resource utilization that go beyond traditional linear models. Performance monitoring is an important governance tool in order to ensure progress.

4.1 Competence development

Developing the circular economy requires new types of competence. In March 2023, the Government presented Report 14 to the Storting (2022–2023)[13]: 'Outlook on the skills needs in Norway' (the Skills Report). In the report, the Government indicates that the skills necessary for achieving the green transition is one of the priority areas in future education and competence policy. The report on future skills needs from the Norwegian Committee on Skill Needs: Challenges for the green transition in the workplace[14] that was presented in June 2023 also provides an important knowledge base for efforts to strengthen skills related to the circular economy.

Measures to improve the competence necessary for a circular economy must be developed across organisations and value chains, with interdisciplinary cooperation playing an important role. Continuing and further education opportunities are being developed through the tripartite industry programme for competence development, and this will help increase participation in competence development. One of the goals of the scheme is to ensure that employees in relevant industries are better equipped to manage the transition. A number of industries have highlighted focus areas to address the green transition and circular economy. One of the main focuses of the industry programme for the waste and recycling industry is how the transition to a circular economy requires changes to recycling solutions.

[13] Report No 14 to the Storting (2022–2023): Outlook on the skills needs in Norway

[14] Norwegian Committee on Skill Needs (2023): Utfordringer for grønn omstilling i arbeidslivet (Challenges for the green transition in the workplace – in Norwegian only)

Council for a Just Transition for Workers

The workplace plays a key role as a learning arena in achieving climate and environmental goals. Competence development initiatives for employees requiring updated or new skills can help prevent long-term exclusion and strengthen Norway's ability to transition to a greener economy. The Government wants political decisions to be made as fairly as possible, without increasing inequality in society. It is important that we strengthen our overall efforts for a just and decent workplace by, for example, facilitating further and continuing education for smoother transitions for workers seeking employment in new green industries.

A fair climate policy is about ensuring that climate and industrial policy create profitable jobs in a low-emission society for everyone. The council the Government established for a just transition will, together with the social partners in the labour market, provide input on a just transition for workers driven by environmental and climate policy, both nationally and internationally.

4.2 Partnerships

The transformation to promote the circular economy requires better coordination and cooperation between relevant actors, including the public administration, businesses, municipal and county authorities, and relevant special interest organizations. There is a great need for information about the new regulatory framework for the circular economy.

The municipality as a facilitator

Municipalities play a key role in facilitating circular solutions. They have been assigned clear roles as drivers of community development, as procurers and as planning authorities. They can, for example, promote a sharing economy, repair, reuse and recycling, and should also use their purchasing power to choose circular goods and services. Land is a scarce resource, and circular solutions are also important in relation to land use. Municipalities can coordinate information about circular options in the local community. Although a number of municipalities wish to facilitate a circular economy in their respective areas, this can prove challenging in practice.

In 2023, the Norwegian Association of Local and Regional Authorities (KS) developed a guide on circular economy for the municipal sector. The guide aims to stimulate local and regional cooperation between businesses, public agencies, residents and organizations.

Climate partnership

The Government launched climate partnerships as an arena for structured dialogue between state and the business sector at industry level. Their purpose is to accelerate efforts in reducing emissions and transitioning to a greener economy in business and industry. Another objective of the climate partnerships is to promote increased sustainable value creation, enhanced competitiveness in Norwegian business and industry, and to increase exports of green products to international value chains. The efforts towards a circular economy are an integral part of this work.

The initiative aims to identify and secure support for the necessary emission reductions and to identify the potential for other green transitions in business and industry, including energy and resource efficiency and increased circularity. Climate partnerships are intended to facilitate a systematic exchange of experience regarding the effect of policy instruments and any required changes in their use, without reducing the state's overall scope of action in climate policy. A dialogue on climate partnerships has been initiated in three sectors: the maritime industry, the construction and real estate industry, and the processing industry. The Government is now working to establish industry-specific agreements with these industries.

Partnership on plastic

The Ministry of Climate and Environment has reached an agreement with the business community on a partnership focused on reducing consumption of certain single-use plastic products. The private parties are the Confederation of Norwegian Enterprise, Virke – the Federation of Norwegian Enterprise, FoodDrinkNorway, the Norwegian Hospitality Association, the Norwegian Federation of Service Industries and Retail Trade, the Union of Employees in Commerce and Offices, and the Norwegian Packaging Association. The partnership is based on the UN Sustainable Development Goals (SDGs) and Norway's obligations under the EU's Single-Use Plastics Directive.

The purpose of the plastic partnership is to cooperate in achieving an ambitious and sustained reduction in the consumption of disposable fast-food containers and take-away food and beverage cups with lids, which are made wholly or partly of plastic.

The parties will work to promote better resource utilization and more sustainable and circular solutions for the products in question. They will also contribute towards efforts to raise awareness to promote reduced consumption of these product groups and other single-use plastic products. The parties will work to recruit private and public enterprises to the partnership. Affiliated enterprises will make their own assessment of how they will help reduce the consumption of the plastic products in

question and must report on the achieved reduction. The partnership will be managed by a coordination group that will meet regularly. The parties are committed to further developing the partnership in the time ahead.

Social missions

The Government will use a range of tools to promote the circular economy, including social missions.

Missions are groundbreaking initiatives aimed at finding solutions to defined technological and/or societal problems within a specified timeframe. The major societal challenges that social missions aim to address rarely have simple solutions. Social missions must be firmly grounded at a political level. They often span multiple policy areas and require cooperation and broad involvement from relevant stakeholders across different sectors. In order for a social mission to mobilise sufficient efforts from all parties involved, the goal must be well defined so as to know whether it has been achieved within the specified timeframe. The goal of a social mission will thus be a quantitative measure or a clearly defined qualitative objective. This approach provides an opportunity to involve various stakeholders, including businesses, public service providers, regulatory authorities, researchers and the general public. The social missions will also utilize existing knowledge and the results should be implemented in society.

The European Commission has launched five EU missions in its research and innovation programme Horizon Europe. Four of the five social missions, Adaptation to Climate Change, including Societal Transformation; Healthy Ocean, Seas, Coastal and Inland Waters; Climate-Neutral and Smart Cities; and Soil Health and Food, are linked to the EU's political ambitions for a green transition, the SDGs and the Paris Agreement. All of these are directly or indirectly relevant for promoting circular solutions. Government policy is aligned with Norway's participation in the EU's social missions, and the European Commission places great emphasis on social missions being implemented at national, regional and local levels. The ministries have a clear role in following up the EU's social missions because there is a significant need for cross-sectoral coordination, there are close connections between our national and international agenda, and because the ministries are to contribute to developing regulations that support the goals. Furthermore, national initiatives and activities should be linked to activities at the EU level.

In the Long-Term Plan for Research and Higher Education 2023–2032, the Government launched a social mission relating to sustainable feed with the aim that all feed for farmed fish and livestock should come from sustainable sources and help to lower GHG emissions in food systems. The social mission is relevant for promoting circular solutions in food systems. The production of fish feed and concentrate feed

for livestock currently constitutes a significant portion of GHG emissions from food systems. As such, new feed resources must be developed that provide good feed for animals, safe food for consumers and cause less harm to the environment. At the same time, resources must be used more efficiently and in a circular manner, which requires good cooperation and coordination, from foundational knowledge-building to the implementation of new innovations and technological solutions. In 2023, the Research Council of Norway led the effort to further develop the social mission and, in November 2023, submitted proposals for goals and further organisation. The work will commence in 2024[15] and five ministries will be involved in the follow up.

Assessment of a national social mission on the circular economy
In Recommendation No. 170 S to the Storting (2022–2023) on the *Long-term plan for research and higher education*, the majority of the Education and Research Committee stated that a social mission targeting circular solutions and more sustainable use of nature should be developed. The Government is following up this proposal and will investigate in 2024 how a social mission could contribute to solutions towards a more circular economy and society, in line with the priorities of the Hurdal Platform. The Ministry of Climate and Environment is leading the work in cooperation with the other ministries involved. The intention is to have broad involvement, with both underlying enterprises and other interdisciplinary knowledge environments contributing to the work.

The assessment will gather experience from, and be seen in conjunction with, national and European social missions that have already been initiated. It will be particularly important to assess how the social mission is structured, to ensure that the direction of the work is comprehensive and measurable, while promoting circular solutions and broad involvement.

4.3 Monitoring

Goals and indicators

A circular economy is complex and extensive, and measuring the progress of the transition to a more circular economy requires a broad set of indicators. In May 2023, the EU launched an updated framework for measuring circular economy in the EU as a whole and in individual member states. The framework was updated to illustrate more

[15] For more information about social missions, please see the Research Council of Norway's website: Sustainable feed (forskningsradet.no)

clearly the links between circular economy, climate neutrality and the EU's vision of zero-pollution. A prerequisite when the indicators were designed is that they should be relevant, credible, user-friendly and robust, and that they should not impose an increased reporting burden on member states. The new indicator framework largely builds on the same thematic areas as before: production and consumption, waste management, secondary raw materials, competitiveness and innovation. In addition, global sustainability and resilience has been added as a new focus area. Together, the indicators say something about the overall status of circularity in the EU and the development of individual indicators over time. The Norwegian Environment Agency has assessed the indicators in the framework and recommended which of them should be used as national indicators. The Government is continuing to work on these recommendations and will assess national indicators on this basis.

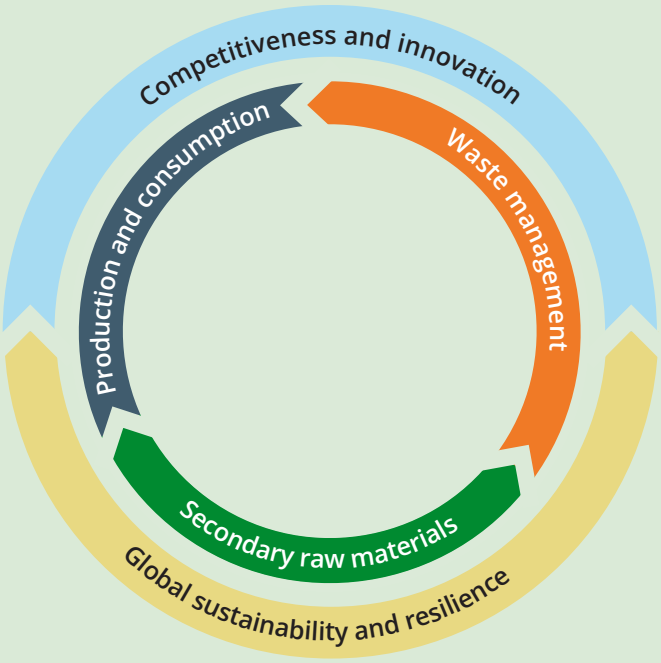
Following the expert group's overall assessment of instruments that can promote circular activities, the Government will assess whether there is a need for additional national goals for the circular economy. This is to ensure a holistic approach to the circular economy. The Government wants any new national goals to encompass the breadth of the circular economy and to provide a clear and long-term direction for the transition.

Currently, the EU indicator framework includes figures for Norway where data is available, but several of the indicators lack data for Norway. The Government is therefore aiming to provide figures for priority indicators by the end of 2024.

Statistics

In addition to the statistics included in the indicator framework, there is a need to develop more detailed statistics within specific sectors, industries or other areas of the circular economy. The National Programme for Official Statistics (2024–2027) contains priority statistics in several areas, including the circular economy. Funding for developing statistics relating to plastic has increased but beyond that, there remains a significant need for development. For example, the current official statistics relating to waste are inadequate. The Government therefore intends to strengthen the work on developing statistics for the circular economy. National statistics of sufficient quality are essential for assessing whether we are on the right track towards the goals for the circular economy.

Figure 4.1 The EU framework for measuring the circular economy



Material consumption
Material footprint, resource productivity, green public procurement

Waste generation
Total waste generation per capita, generation of waste excluding major mineral wastes per GDP unit, generation of municipal waste per capita, food waste, generation of packaging waste per capita, generation of plastic packaging waste per capita

Overall recycling rates
ling rate of municipal waste, recycling rate of all waste excluding major mineral waste

Recycling rates for specific waste streams
Recycling rate of overall packaging, recycling rate of plastic packaging, recycling rate of WEEE separately collected

Contribution of recycled materials to raw materials demand
Circular material use rate, end-of-live recycling input rates

Trade in recyclable raw materials
Imports from non-EU countries, exports to non-EU countries, intra EU trade

Private investment, jobs and gross value added relates to circular economy sectors
Private investments, persons employed, gross value added

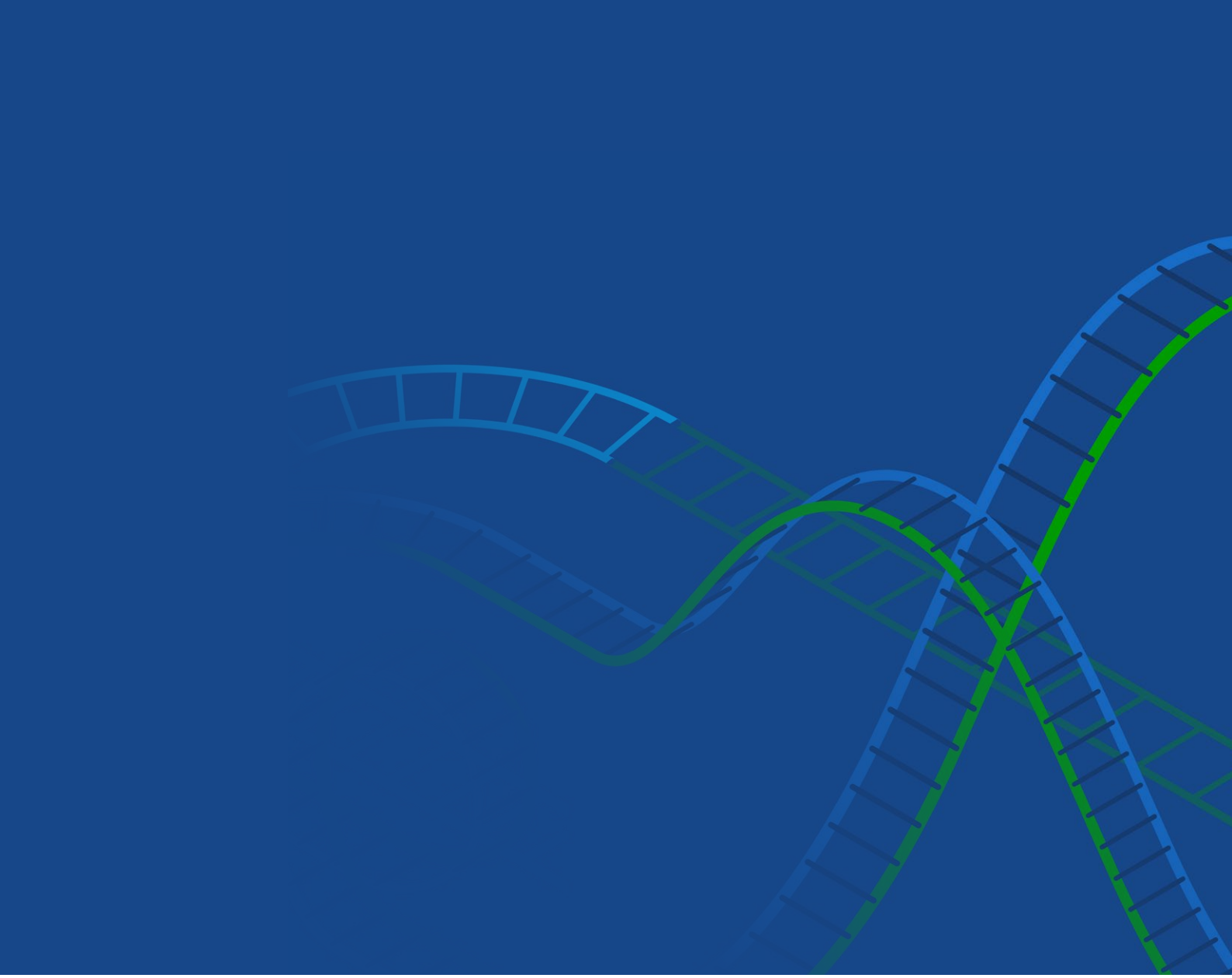
Innovation
Patents related to waste management and recycling

Global sustainability from circular economy
Consumption footprint, GHG emissions from production activities

Resilience from circular economy
Material import dependency, EU self-sufficiency for raw materials (aluminium)

ACTION POINTS

- **Use** Climate Partnerships as an arena for increased cooperation on circularity in business and industry
- **Make** circular economy information and guidance more accessible
- **Use** the Council for a Just Transition to further develop the dialogue on the circular economy between the Government, the social partners and relevant organisations
- **Prioritise** research and research-driven innovation for circular solutions and the safe use of bio-resources across industries, sectors and disciplines
- **Implement** the sustainable feed social mission to develop bio-nutrients that have greater circularity
- **Assess** a social mission for a circular economy
- **Update** Norwegian data for the EU's indicators by the end of 2024
- **Develop** national indicators based on the EU framework for measuring the circular economy
- **Strengthen** the work on developing statistics that are crucial for measuring the development of the circular economy
- **Assess** the need for additional national targets for the circular economy based on the expert group's assessment



Published by:
Norwegian Ministry of Climate and Environment

Additional copies may be ordered from:
Norwegian Government Security and Service Organisation
publikasjoner.dep.no
Telephone: + 47 22 24 00 00
Publications are also available on:
www.government.no
Publication number: T-1586 E

Photo: Shutterstock
Design: TIBE Oslo
Print: Norwegian Government Security and Service Organisation
12/2025 – Impression 50

SVANEMERKET
Trykksak
2041 0446