The Commission’s role in the European Semester

- **01** Consider devoting more attention to the circular economy in the Annual Growth Survey, going beyond sustainable investment and short-term goals. There is also a need to take a more harmonised approach to include circular-economy-related issues in the Country Reports and the Country-Specific Recommendations.

- **02** Increase the evidence base on the macroeconomic and societal impacts of the circular-economy transition. The CIRCULAR IMPACTS project team conducted four case studies on circular-economy processes and developed a methodology for this purpose. The project’s Evidence Library provides additional reports and studies.

- **03** Publish resource-related data with shorter intervals. The European Resource Efficiency Scoreboard, the EU Sustainable Development Goals Indicator Set, and the Monitoring Framework for the Circular Economy can be used to foster increased data availability.

- **04** Review the political priorities of the Semester. The focus could partly shift to other pressing issues such as climate change. The circular-economy concept could be used as a policy framework to this end.

Obstacles to integration

- **01** The European Semester mainly looks at economic policies for growth, jobs and investment, with an emphasis on achieving short-term improvement. However, the impacts of the circular transition are long term.

- **02** Lack of information on the growth, investment and employment impacts of the circular economy and related policies. This makes it difficult to include circular-economy issues in the Semester process.

- **03** Statistical offices publish resource-related data with a delay of several years. This hampers the formulation of practical and effective Country-Specific Recommendations.

- **04** The political priorities that originally guided the introduction of the European Semester have become outdated. The Semester was introduced in 2010 in the wake of the financial and economic crisis and as a way to monitor progress towards the targets of the Europe 2020 Strategy.

Suggestions for integration

- **01** The European Semester mainly looks at economic policies for growth, jobs and investment, with an emphasis on achieving short-term improvement. However, the impacts of the circular transition are long term.

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Checklist for successful integration

- **Political commitment**
  In the Annual Growth Surveys of 2016, 2017 and 2018, the Commission has expressed its political commitment to the circular economy.

- **Long-term vision**
  The circular-economy transition takes time, so expand the focus of the European Semester beyond achieving short-term impacts.

- **Data availability**
  Address the lack of macroeconomic data on the circular economy, and make resource indicators available in a timely fashion.
Step-by-step methodology for case studies on the circular economy

Background
A step-by-step case study methodology was developed as part of the CIRCULAR IMPACTS project.
It provides guidelines to policy-makers, interest groups and researchers who want to explore the potential of circular-economy transitions.
For more information on the circular economy, please visit the Evidence Library:
www.circular-impacts.eu/library

Remember!
• The line of reasoning should be clear and transparent
• Identify who “wins” and who “loses” due to the change
• Investigate direct and indirect effects
• Analyse how the sector would develop without the implementation of the new business case
• Distinguish between case-study results and more general conclusions
See the case-study methodology for more tips:
www.circular-impacts.eu/cs

Steps

Define the baseline
Current inputs, processes and outputs?
Define the new business case
Changes in inputs, processes and outputs?
Identify changes in the sector
Expected economic changes?
Analyse effects on other parts of the economy
Indirect effects?
Establish the impact on the environment and society
Resource use, emissions, productivity, investment, employment, health and inequality?
Identify alternatives
Alternatives to the new business case?
Write-up policy options
Policies to address barriers?
Draw overall conclusions
Results and policy recommendations?

Visit the CIRCULAR IMPACTS website: www.circular-impacts.eu
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Methods for measuring impacts of circular-economy transitions

<table>
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<tr>
<th>Modelling/ex ante studies</th>
<th>Ex post methods: studies, statistics and indicators</th>
<th>Case studies</th>
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<tr>
<td>Modelling and ex ante studies aim to predict future developments.</td>
<td>Ex-post statistics capture past changes and ex post studies can provide explanations.</td>
<td>Case studies look closely at specific sectors, issues and processes.</td>
</tr>
</tbody>
</table>

**Strengths**
- By simulating major economic processes, models provide a way to explore the potential of circular-economy transitions.
- Models are resource intensive. Outcomes can be uncertain, especially if fundamental systemic change is involved and whenever results are highly dependent on assumptions.
- Ex-post methods are based on factual evidence and benefit from hindsight regarding complex causal effects.
- Case studies offer a high degree of detail and can take into account contextual differences.

**Weaknesses / limitations**
- Ex-post results cannot alter the outcome of the analysed event. Establishing causality amongst different factors can still be difficult or data may not even be available.
- Results are often not widely applicable as a result of the specificities of the case.

**Find out more**
- OECD report ‘The Macroeconomics of the Circular Economy Transition’
- EU Monitoring Framework for the Circular Economy
- CIRCULAR IMPACTS case studies on EV-batteries recycling, concrete recycling, phosphorus recycling and car sharing.

The CIRCULAR IMPACTS Evidence Library has hundreds of resources, including reports, models, statistics and case studies. See: www.circular-impacts.eu/library