

ITALY

CIRCULAR ECONOMY 2-PAGER (edition February 2021)

POLICY LANDSCAPE

EU LEVEL

In 2020 the European Commission adopted the latest **Circular Economy Action Plan**, which included comprehensive measures addressing production, waste management, material usage, and energy consumption. Among other initiatives introduced in the plan is the plastics strategy which aims to ban and reduce consumption of certain types of single-use plastics. Italy currently scores above EU average in waste recycling and circular material use rate.

CURRENTLY MAIN EU TARGETS INCLUDE:

Italy's status on targets and comparison to EU status between brackets ().

- min. 65% of municipal waste to be recycled by 2035 (50%, +2.2% EU av.)
- min. 70% of all packaging waste to be recycled by 2030 (68.3%, +2% EU av.)
- max. 10% of municipal waste to be landfilled by 2035 (10%, -28.7% EU av.)
- certain types of single use plastic products will be prohibited to place on market as of July 2021
- min. 32% of the Union's gross final consumption of energy to originate from renewable sources by 2030 (18.2%, -1.8% EU av.)

NATIONAL LEVEL

Italy is a country with relatively scarce natural resources and its economy depends highly on family business and SMEs. Naturally, Italian entrepreneurs have been utilizing circular economy practices long before the term was coined, in order to make the best use of their resources. This developed in nationwide culture that encourages the circular economy. This is reflected in Italy's above average performance in most of the EU commission's Circular Economy Action Plan goals as stated above.

FACTS & FIGURES

ECONOMIC INDICATORS

- POPULATION (2020): 60.2 MLN
- NOMINAL GDP (2019): €1,789 BLN, WORLD RANK: 8TH
- GDP PER CAPITA (2019): €29,661
- IMPORT FROM THE NL (2019): €20.5 BLN
- ECONOMIC GROWTH (2019): 0,3%
- EASE OF DOING BUSINESS RANK (2020): 58/190
- CORRUPTION INDEX (2020): 51/198
- UNEMPLOYMENT RATE (2020): 10%
- CURRENCY: EURO
- TIME DIFFERENCE NL: +0.00 HRS

CE INDICATORS

- GLOBAL INNOVATION INDEX (2019): 28/129
- RECYCLING RATE (2018): 49.8%
- RESOURCE PRODUCTIVITY: €3.49/KG OF DOMESTIC MATERIAL CONSUMED
- RENEWABLE ENERGY CONSUMPTION (2019): 18.2%
- CIRCULAR MATERIAL USE RATE (2018): 19.3%
- CE EMPLOYMENT (2017): 2.06%
- VALUE ADDED BY CE (2017): 1.07% OF GDP

	2020	Point variation from 2019 to 2020	Ranking compared to 2019
1° Italy	100	-2	↔
2° Germany	89	-1	↔
3° France	88	7	↔
4° Poland	72	2	↑
5° Spain	71	-6	↓

Figure 1. Italy ranks #1 in circular economy performance among EU's 5 main economies (parameters: production, consumption[SC1], waste management, market for secondary raw materials, investments and employment).

Source: [Circular Economy Network](#)

NATIONAL PLANS IN FAVOR OF CE

Italy's National Plan for Recovery and Resilience (PNRR) sets a framework for investing the country's share of the EU Next Generation package aimed at recovering from COVID-19 impact worth €223 billion, which involves a major portion to be invested in CE related projects.

The National Action Plan on Sustainable Production and Consumption (PAN SCP) focuses on industrial symbiosis, product design for circularity, product-service systems, clean energy utilization, reverse logistics and reuse models.

The National Action Plan on Green Public Procurement (GPP) focuses on the sectors of, waste management, services, energy, electronics, textiles, catering, transport, and more.

Extended Producer Responsibility (EPR) has been well established for twenty years in Italy. This system ensures the achievement of recycling rates well above those set by the EU.

Gadda Law against food waste (2016) is a regulation that facilitates food donations and reduces food overproduction and waste at every stage of the food supply chain.

SELECTED PRIORITY AREAS

CIRCULAR CITIES

Italy is made up of 20 regions, 110 provinces, and almost 8,000 municipalities. In general, Italian cities are moderately sized, with the biggest cities being: the capital Rome (2.9 m), Milan (1.4 m), Naples (1 m) and Turin (0.9 m). Unfortunately, Italy ranks among the poorest European nations in terms of air quality, which not only causes a threat to the wellbeing of inhabitants in cities, but also to the tourism sector which is one of Italy's major economic drivers. Moving towards more circular cities can help Italy remedy this issue among other problems, and amplify the beauty and livability of its cities. Italy's commitment to its cities is reflected in the PNRR, which ensures public investments in infrastructure and support for private initiatives that render cities greener and more prosperous for inhabitants. The Netherlands can offer Italy real insights in areas such as housing and infrastructure and sustainable business parks, mobility as a service, consumer goods, plastics and waste, waste to energy, food, and urban water solutions.

Transition to circular cities requires experimentation that involves businesses early on in the process. Municipalities would be a good starting point for cooperation, such as the Municipality of Milan, which is already taking impressive circular steps in green mobility and in food (**Milan Urban Food Policy Pact**).

Find more information and Dutch showcases in our **Circular Cities brochure!**

BIO-ECONOMY

The bio-economy sector in Italy has a significant impact on the country's overall productivity, with a contribution of almost 20% to the national GDP and 8.2% to employment. The biggest part of this contribution is mainly attributed to the agri-food sector. Innovation in this sector has been driven by the need for sustainable and circular production, with over 900 **start-ups** active in the circular and bio economy in Italy. The country is also known for its high-quality food production. With 15,8% (2019) of **utilized agricultural area**, Italy is one of the largest organic producers in the world. **The Italian Bio-economy Strategy**, updated in 2019, prioritizes agriculture and human nutrition and focuses on the potential of circularity and re-generativity.

In Italy, the total organic matter recovered and reused after biological treatment of water in 2019 was 7.8 million tons. Opportunities in this sector vary from using biomass to enrich soil, which is a big challenge in Italy with annual soil loss of 8.3 tons/hectare (most in Europe). Producing bioenergy for the energy sector, and biomaterials as a new sustainable resource for the manufacturing sector are value opportunities as well.

GREEN CHEMISTRY

Green chemistry is the design of chemical products and processes that reduce or eliminate the use or generation of hazardous substances. Green chemistry applies across the life cycle of a chemical product, including its design, manufacture, use, and ultimate disposal. It goes hand in hand with bio-economy, and is a sector that is gaining more and more attention in Italy. **Cluster SPRING** for green chemistry was founded in the Lombardy region with the aim of supporting technologies and processes for bio-based and renewable materials and has 105 members. **Novamont** in Piemonte and **Chimica Verde Bionet** in Tuscany can be good candidates for cooperation in this sector. Latest updates on Italian Green Chemistry initiatives can be found on **ResearchItaly**, innovations such as bio-concrete from brewer's yeast, green jet fuels, and bio-plastics from vegetable residuals are being developed in University labs and R&D departments across the country.

REPORTS

- [Position Paper 2020 – Alleanza per L'economia Circolare \(IT\)](#)
- [Italy's Circular Economy Report 2020 \(IT\)](#)
- [Statistical Information for the 2030 SDG Agenda in Italy](#)
- [Towards a Model for Circular Economy in Italy](#)
- [100 Italian Circular Economy Stories](#)
- [Green Economy Perspectives – Italy 2017](#)
- [Green Economy Report - 2019](#)
- [Italy of Recycling 2019](#)

RELEVANT NETWORKS

[Circular economy club](#)

[Ministero dell'ambiente e della tutela del territorio e del mare](#)

[Ministero per le Politiche Agricole Alimentari e Forestali](#)

[Enea – national agency for new technologies, energy, and sustainable development](#)

[Intesa Sanpaolo Innovation Center](#)

[AISEC – Associazione Italiana per lo sviluppo dell'economia circolare](#)

[SPRING Italian Cluster for Green Chemistry](#)

[Sustainable Development Foundation](#)

[Circular Economy Network](#)

[Ecomondo](#)

[Tondo](#)

EMBASSIES

[Netherlands embassy in Rome](#)

[Netherlands consulate general in Milan](#)

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