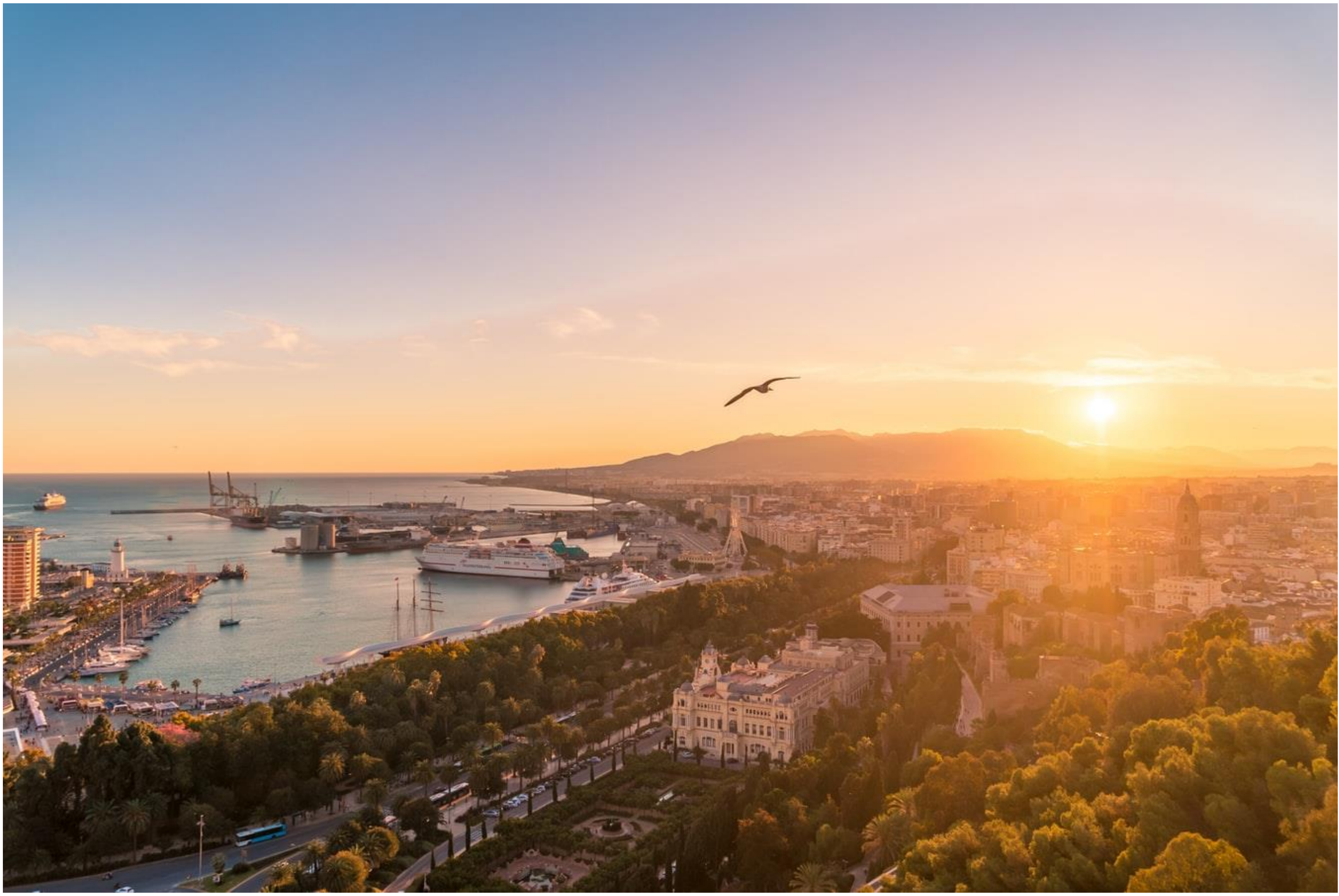
Spain
Country Profile



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1. Introduction

Spain ranks 23rd in the Global Competitiveness Index 4.0 (2019), demonstrating competitive advantages in Health, Infrastructure and ICT adoption.[1]

Although it has increased during the period between 2008 and 2018, Spain's Political stability and Absence of Violence is still far from the average of high-income countries.[2]

There are 17 Autonomous Regions and two autonomous cities in Spain. Madrid accounts for 19.2% of GDP; followed by Catalonia at 19% and then by Andalusia and Valencia.

Quick Facts[1]	
Population	46.4 millions
GDP per capita	30,697.3 USD
10-year average annual GDP growth	0.8 %
Ecological footprint	3.7 gha/capita
Renewable energy consumption share	16.3%
Unemployment rate	15.5%
Global Gender Gap Index 0-1 (gender parity)	0.7

2. Policy and regulatory framework

Spain is doing relatively well in terms of circular economy with the majority of performance indicators placing it in the top half of all EU members states.[3]

The Spanish Circular Economy Strategy (España Circular 2030[4]) was approved by the Council of Ministers on June 2nd 2020. It is the result of the work of a large part of the ministries that make up the Government of Spain. For this purpose, an Inter-ministry commission for circular economy will be maintained as good practice recognized by the European Commission.[5]

An Action Plan for 2021 to 2023, aligned with the European Green Deal (EGD) and other relevant European strategies in relation to resource efficiency, competitive and low carbon economy, was open to public consultation in February 2021[6] and is now under preparation. The Spanish Strategy focuses on construction, farming fishing and forestry, industry in general, consumer goods, tourism, and textile and garment industries and it intends to work through a series of action lines such as production; consumption; waste management; secondary raw materials; water reuse and purification; awareness raising and participation; research, innovation and competitiveness and employment and training.

At a regional level, 4 out of the 17 regions have Circular Economy strategies (Andalusia[7], Catalonia[8] [9], Galicia[10] and Extremadura[11]); Navarre has a CE Agenda[12]; Castille La Mancha has specific legislation[13]; at a local level, more than 200 municipalities have signed the "Seville Declaration", a Manifesto showing their commitment to circular economy policies.[14] Additionally, Catalonia has joined the CE100 network from Ellen McArthur Foundation in 2014.

Spain has its own criteria to classify by-products[15]. This process is being improved in order to promote a secondary raw material market. Also, in relation to end of waste status, the criteria to select waste streams evaluation is to prioritize those waste streams that may have a greater environmental relevance, considering the type of waste, and the amounts of product commercialized and waste generated.[16]

In Spain, tax policy is decided, partially, at a regional level. Each authority can implement some green incentives (e.g. Basque Region) or establish specific taxes. Some examples:

- Landfill tax: Andalusia, Madrid, Murcia, Catalonia, Valencia Region, Cantabria, Castille Leon, Extremadura;
- Incineration tax: Catalonia and Valencia Region;
- Tax on disposable plastic bags: Andalusia, Cantabria.

Tax incentives are offered to companies and individuals for making donations of new or reused goods.

There is a total of 13 EPRs schemes in Spain covering 5 flow streams where EPR has been regulated[1].

3. Market demand and investment climate

A pact for a Circular Economy[17] was signed between economic and social actors and public administration to promote collaboration and accelerate CE adoption in the country.

Sustainability is an extensive criterion used in the public funding lines in many Government Administrations, as seen in the regional strategic plans for subsidies. Majority of the subsidies are designed by regional administration and are less frequent at national level.

The Spanish Green Public Procurement Plan (GPP)[18] is a voluntary instrument, with criterion established in consistence to EU GPP. Additionally, Spanish GPP considers services for event organization. The implementation is being monitored for various goods and activities.[19]

The Spanish Government has specific funding lines for R&D in CE area[20]. Amongst regional public funding calls, some initiatives may be highlighted: R&D CE implementation in collaboration

[1] More information available at: https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/prevencion-y-gestion-residuos/flujos/responsabilidad-ampliada/Default.aspx

between public and private entities[21]; tourist waste management in an inclusive job market; industrial research; waste management and eco-design. There is also funding at a local level.

Aggregate investment for Spain has continued to recover throughout 2018, and 2019, but is still 10% below the period prior to the crisis; and the investment / employee ratio continues to improve[22]. The main barriers to long-term investment are due to uncertainty about the future, followed by trade regulation and energy costs. Nonetheless, at least 64% of companies are investing in some digital technology, value above the European average and a fundamental element for the development of a circular economy.

Both Gross Value Added (GVA) contribution to GDP related to Spanish Circular Economy sectors[23] and number of CE jobs over total jobs have been increasing.

There are 26 technology and innovation platforms supporting the transition to a CE in Spain[24]. Amongst its priorities, is the efficient use of resources through the public-private collaboration and R&D. Foretica[25]; Sustainability Excellence Club[26], COTEC[27], Recircular[28] and the recently created Economía Circular en Acción; are all private platforms with initiatives in Circular Economy area.

There is a plan for Circular Economy Strategy to create a Council for circular economy to promote collaboration between public and private sectors. This Council shall be attended by social agents, economic agents from the primary, secondary and tertiary sectors, waste management agents and extended producer responsibility systems, as well as research centres that promote innovation.

There are many accelerator/incubator initiatives, both public and private, dedicated to environment, sustainability, but not so many specific to circular economy. Some examples:

- Public initiatives: Fundación Biodiversidad Empleoverde Project[29]; Valladolid Urban lab[30]; Ihobe: Circular Thinking[31];
- Private initiatives: Circular Hub (Basque Region)[32]; TheCircularLab (La Rioja region)[33]

In the report "Citizens and Circular Economy"[34], Creafutur developed a Circular Index to measure the level of circularity of citizens concluded that 44.4% of consumers have sustainable or circular habits. Only 25.2% of respondents said consider buying a second-hand product before buying something new and 22.9% of people still prefer buying new than repairing items. The hierarchy of criteria when purchasing goods is price, composition, sustainability, packaging, production method, and recyclable packaging. 43% of consumers want more information about the choice of products and services to buy or use and 33.6% say that fines should be applied to citizens that behave less sustainable and 28.4% of consumers say difficulties accessing non-sustainable products and services would motivate them.

4. Socio-cultural context

According to the same report, only 20% of Spanish are familiar with the concept of Circular Economy.

Spain continues to rank below the EU average on entrepreneurship indicators, despite improvements reported since the previous reference period. Entrepreneurial intentions in Spain remain the second lowest in the EU.[35]

A previous version of CE Action Plan included different measures dedicated to professional training[36]. One significant measure related to this issue was a review of the National Catalogue of Professional Qualifications from the Catalogue of Vocational Training Titles and updating of the Professional Certificates related to the circular economy. It is highly likely that this measure will be include in the CE Action Plan (2021/2023). Adequate and accessible professional training and education programs exist to increase sustainability skills and competences of the local workforce.

5. Opportunities & Obstacles

	Opportunities	**Obstacles**
General economic context and investment climate	Recent recovery of investment level in Spain.	Strong 2020-2021 economic contraction estimated at 10.6%[37].
General political context		Political instability.
Policy and regulatory (both national and regional/local)	Alignment of CE Action Plan with European Green Deal.	Independence of Autonomous Regions.
Subsidies and fiscal benefits	Subsidies for CE businesses to be more specific under the CE Action Plan implementation.	Public funding decided at a regional level.
Public procurement		GPP is a voluntary instrument and not monitored.
General knowledge and awareness about CE	Area of focus for future CE Action Plan (2021 to 2023).	
Consumer demand (linked to previous point)		Limited regulation to incentivise sustainable behaviours.
Public-private partnerships	Being incentivized in public funding calls and promoted by many CE platforms.	
Support programs or platforms for green and circular businesses	Large number of support programs at national and regional levels and technology platforms.	
Professional training and education on CE / Skilled labour	Area of focus for future CE Action Plan (2021 to 2023).	
Specific economic sectors	CE Action Plan to focus on construction, farming fishing and forestry, industry in general, consumer goods, tourism, and textile and garment.	

Other socio-cultural factors (incl. gender issues)		
Other commercial or legal challenges		
Available technologies and infrastructure		

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