

SUPPLEMENTARY INPUT FOR THE CIRCULAR ECONOMY ACT CONSULTATION

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Executive Summary

European Recycling Platform welcomes the European Commission's initiative to establish a Circular Economy Act (CEA) as an umbrella framework to consolidate and modernise EU waste and circularity legislation. Drawing on more than twenty years of operational experience across over 40 Producer Responsibility Organisations (PROs) and multiple waste streams, including WEEE, packaging, batteries and textiles, European Recycling Platform contributes practical evidence from day-to-day implementation of Extended Producer Responsibility (EPR).

To deliver on Europe's circularity and competitiveness goals, the Act should be built around seven core principles:

1. **EPR remains the backbone** of the EU's circular economy policy.
2. Driving **cost efficiency and performance** through a competitive EPR setup across the EU.
3. **Harmonised, multi-target KPIs** must replace outdated, sales-based collection targets.
4. **Eco-modulation with** clear, enforceable and harmonised criteria.
5. **Enforcement and market oversight** are pre-conditions for a working system.
6. Clear **roles, responsibilities and cost boundaries for all actors** along the waste chain for accountability preventing cherry-picking.
7. A **genuine internal market for waste and secondary raw materials** is essential for scale and efficiency.

For more details, please refer to the next sections.

Key design principles to strengthen the circular economy framework

1. EPR remains the backbone of the EU's circular economy policy

EPR provides **stable and ongoing financing for waste management while driving eco-design, operational efficiency and material circularity**. By internalising end-of-life costs, EPR supports fair competition between producers, **mobilises investment and can strengthen Europe's strategic autonomy** through sustained demand for secondary raw materials.

Among economic instruments, **EPR remains the only dedicated, sufficient and ongoing funding mechanism**.¹ Fiscal tools such as **landfill bans for sorted waste or removal of perverse subsidies** can complement it, but new taxes should be approached with caution. PROs can act as facilitators between producers and recyclers, linking fee modulation with access to quality recyclates and closing material loops.

However, while **EPR successfully addresses key waste-management challenges**, it **cannot on its own correct consumption patterns** driven by marketing or fully influence consumer behaviour. To achieve a steering effect, the prices of consumption-reducing products would need to be significantly increased — for example, through politically determined EPR fees that go far beyond the “necessary costs”. However, this might be socially unacceptable.

Moreover, **business-to-business products require different compliance processes** from consumer goods, underscoring the need for flexibility within harmonised principles.

2. Driving cost efficiency and performance through a competitive EPR setup across the EU

Recent evidence² from across the EU shows how competition amplifies performance, and that systems with clear producer responsibility combined with regulated competition improve further through cost pressure and continuous optimisation.

The system design determines results. **PROs that manage collection and recycling end-to-end and retain ownership of the material** consistently deliver better outcomes across market conditions, demonstrating that effective operational responsibility is a cornerstone of system performance. They **achieve higher yields and better unit costs**. Comparative data across the EU confirms that when PROs combine operational responsibility, material ownership and cost control, recycling rates rise significantly, with household plastics recycling exceeding 76 percent in Germany and glass collection reaching 97 percent in Belgium.

Additionally, competition between multiple PROs encourages efficiency and innovation while **providing the benchmark to determine necessary costs** required by Article 8a of the Waste Framework Directive. By contrast, **monopoly or state-run models generate systemic risk**, that may result into higher fees and weaker accountability. Strong governance and open markets therefore

¹ [Extended Producer Responsibility: Statement | Ellen MacArthur Foundation](#)

² [epr-study.adelphi.de | Efficiency and Performance of Packaging EPR Systems in the EU](#)

ensure both performance and affordability, translating producers' financial contributions directly into measurable environmental benefits.

To achieve this, Member States should authorise multiple PROs, apply **governance rules based on performance and transparency rather than ownership or profit status**. Moreover, they shall establish **independent oversight bodies** to monitor **compliance of all actors along the value chain** and prevent regulatory capture **regardless of the number of PROs in the market**.

EPR fees should not be set centrally but **shall remain adjustable to market conditions**, reflecting raw-material prices and evolving obligations.

3. Harmonised, multi-target KPIs must replace outdated, sales-based collection targets

Short term sales-based targets no longer reflect market realities. The CEA should **introduce a harmonised, multi-target performance framework** that measures progress **against a broader set of indicators**.

The CEA EPR performance framework could therefore encompass:

- o collection of waste actually generated;
- o recycling rates;
- o treatment quality;
- o transparency and reporting timeliness;
- o carbon footprint per tonne managed;
- o public-awareness and producer-satisfaction indicators.

Moreover, **overall (national) collection targets must recognise parallel waste streams** (legal or illegal) as producers cannot be held accountable for volumes outside the EPR system. Parallel waste streams may increase as they are driven by material value, which is defined by demand from the market. A phased transition should allow time to develop **harmonized and standardised data methods** across the EU.

Further, EPR should stay focused on end-of-life management and circular design, while prevention and reuse are promoted through complementary measures (see also below).

4. Eco-modulation with clear, enforceable and harmonised criteria

Eco-modulation connects waste management with product design and must rely on clear, **enforceable and harmonised criteria** respecting the internal market.

EU-wide eco-modulation criteria should **focus on recyclability and circularity aspects**, avoiding political or unrelated targets. The approach of the Packaging and Packaging Waste Regulation offers a sound model.

A **clearing mechanism among competing PROs** is essential to prevent market distortion and dumping based on reserve levels. In such a mechanism PROs should be financed exclusively via base fees, while all malusfee revenues are channelled into an independently managed Circular Economy Innovation Fund supporting R&D, awareness and repair initiatives.

Complex bonus systems should be avoided but a two-level approach (a higher malus fee and a lower base fee) is to be preferred minimising the administrative burden for all actors (reporting, evidence documentation, pricing, clearing, enforcement).

5. Enforcement and market oversight are pre-conditions for a working system

Strong **enforcement is the pre-condition for compliance and a level playing field.**³ Each Member State should establish a **body independent** of both private interests and public authority to monitor EPR compliance of all actors (producers, PROs, waste management companies) also preventing a **race to the bottom** price competition in national EPR regimes. This shall be installed **regardless of the number of PROs in the market**, supported by digital data flows and public registers of producers.

European Recycling Platform also supports the creation of a **European-level enforcement mechanism**, potentially a European Waste Agency, to ensure oversight and **consistent supervision** preventing regulatory arbitrage. **As a minimum, EU-wide coordination**, capacity building and best-practice exchange should help align national authorities, strengthen enforcement activities and improve data reliability.

Traceability requirements and digital tracking of material flows should accompany enforcement, enhancing transparency across complex recycling chains.

6. Clear roles, responsibilities and cost boundaries.

Harmonising definitions such as of *producer, placing on the market* and *product* will reduce confusion and complexity.

The CEA should clearly **define ownership of collected waste** to prevent disputes and cherry-picking. **Regardless of the materials' market value, the ownership should remain with the relevant EPR scheme**, collective (PRO) or individual, until transferred by contract. **All actors**, including municipalities and other waste collectors, **should be required to report** collected volumes to provide a complete view of national performance.

EPR **cost coverage must be limited to activities within producers' / PRO's control**, excluding costs arising from consumer behaviour or municipal errors.

7. A genuine internal market for waste and secondary raw materials

A functioning internal market for secondary raw materials is vital for Europe's competitiveness. European Recycling Platform supports creating a **"Schengen for Waste"** that allows recyclables, including WEEE fractions, to **move freely to the most suitable treatment facilities** across the EU.

The Act should establish **EU-wide quality standards and certification schemes for recyclates** to foster trust and cross-border trade. While markets for metals and glass are mature, plastics and certain composites remain fragmented. Regulatory divergence, for instance in food-contact rules and waste-shipment procedures, continues to hinder efficiency. To maintain a level playing field, **imported secondary materials must meet equivalent environmental and quality standards** enforced consistently at EU borders.

Recycled-content targets should be set at the material rather than product level, taking account of technical limitations, infrastructure capacity and safety requirements. Open-loop recycling will maximise recycled-content use across sectors **channelling the materials to the most suitable**

³ [LB Whitepaper EPR full-version final.pdf](#)

application. Moreover, this would **avoid unhealthy competition** between different industry sectors for premium polymers e.g. difficult access to polymers such as PET for obligated parties (PPWR).

Trust and uptake in secondary raw materials depend on quality and consistency. **Harmonising EU-wide standards for key material streams**, particularly polymers, can give recyclers the confidence to scale while encouraging designers to prioritise those materials and reduce unnecessary diversity. A realistic approach must acknowledge that not every technical polymer has a viable recycled counterpart, and convergence around scalable materials will be necessary.

Public procurement rules should favour products with verified recycled content or recognised ecolabels.

Lessons from WEEE implementation^{4, 5}

The revision of the WEEE Directive will form an integral part of the CEA. Experience from twenty years of European Recycling Platform's WEEE operations provides valuable lessons for ensuring realistic targets, effective enforcement and fair competition across the EU:

- o **Placed-on-the-market (POM)-based collection targets** distort performance and penalise long-lived products such as photovoltaic modules and large domestic appliances. The calculation method must be updated to reflect the amount of WEEE actually available for collection, not recent sales.
- o **Collection categories** should be reviewed to group products with similar lifespans and treatment requirements. Harmonised product categories across Member States would ensure comparability and equal obligations for producers.
- o **Parallel waste flows that bypass PROs** undermine target achievement and environmental standards. Such flows should either be prevented or required to report into the system so that their volumes count towards national collection performance.
- o **Deposit-refund schemes** are not appropriate tools for long-life or complex WEEE. They would tie up capital for many years, reduce the density of collection points, and increase administrative burden. Investments should instead focus on awareness-raising and enforcement.
- o **Financial guarantees for long-life products** should be required to secure future waste-management obligations and create a level playing field.
- o **Harmonised fee-modulation criteria** must be established to incentivise better product design and ensure consistent application within a competitive PRO environment.
- o **Nationwide awareness campaigns** coordinated and co-funded by producers and PROs remain essential to increase collection and proper recycling.
- o **Effective enforcement** is decisive to combat free-riding, illegal exports and sub-standard treatment. Member States should designate independent supervisory bodies overseeing compliance and ensuring fair allocation of take-back obligations among competing PROs.

Taken together, these lessons confirm that harmonised targets, clear roles and strong enforcement are critical to make the future WEEE framework and the broader Circular Economy Act fit for purpose.

The CEA should institutionalise harmonised KPI methodologies reflecting waste availability, consumer behaviour, and product lifespans to ensure realistic performance measurement.

⁴ [20230921 ERP WEEE position-paper.pdf](#)

⁵ [Joint-industry-position-Paper-Deposit-Return-System-for-portable-Batteries.pdf](#)

Key Policy Recommendations for the Circular Economy Act

1. Establish a **Single Market for Waste** enabling free movement of recyclables and secondary raw materials under high environmental standards.
2. Set **minimum recycled-content targets** that are realistic and enforceable ideally at the material level, and ensure imported materials meet equivalent standards.
3. **Harmonise eco-modulation criteria** and create a dedicated **Circular Economy Innovation Fund** financed by malus fees (also acting as clearing mechanism among PROs).
4. Replace POM-based collection targets with **waste-generated, multi-target KPIs across all EPR streams**.
5. **Clarify roles and ownership along the waste chain** to prevent cherry picking, parallel flows and ensure comprehensive reporting.
6. **Make competition the norm** for EPR implementation; prohibit monopoly or state-run PROs.
7. **Mandate independent enforcement bodies in each Member State**, coordinated through an EU-level mechanism.
8. **Limit EPR cost coverage to controllable producer activities**; address consumer behaviour through awareness measures.
9. **Embed WEEE reform** within the CEA: adopt waste-generated targets, harmonised data methods, and cross-border flexibility for treatment.

Contact

Dr. Thomas Fischer, Head of Market Intelligence & Governmental Affairs, Landbell Group

Email: t.fischer@landbellgroup.com

About ERP

European Recycling Platform (ERP) was founded in 2002 to ensure high-quality and cost-effective implementation of the WEEE, batteries and packaging directives for the benefit of its customers and the environment. In June 2014, ERP became part of the Landbell Group, an international supplier of service and consulting solutions for environmental and chemical compliance. ERP and Landbell Group have collected more than 7 million tonnes of packaging, more than 4 million tonnes of e-waste, and over 100,000 tonnes of portable batteries.

ERP is the first and only pan-European PRO authorised to operate in Austria, Denmark, Finland, Germany, Ireland, Israel, Italy, Netherlands, Norway, Poland, Portugal, Slovakia, Spain, and the UK. By passing on the advantages of multinational recycling operations to customers, ERP has proved to be the most competitive solution for companies in the countries where it operates for WEEE, batteries, packaging and textiles compliance, as well as take-back services.

For more information on ERP, please visit: www.erp-recycling.org

