EEB
European
Environmental
Bureau

PREVENTION IS BETTER THAN CURE:

how circularity can put Europe ahead of the game

Prevention is better than cure: how circularity can put Europe ahead of the game

February 2025

CONTACTS

Eva Maria Bille

Head of Circular Economy

eva.bille@eeb.org

Marco Musso

Deputy Policy Manager for Circular Economy

marco.musso@eeb.org

EEB
European
Environmental
Bureau

Contents

Introduction & framing....2

A circular shift for a truly competitive economy....3

Context - where are we?....5

Priorities for the Circular Economy Act....9

1) Time to take resources seriously: focus on Sustainable Resource Management....9

2) Fix the economics: incentivise Circular Economy through a reform of the economic framework....10

3) Better products: enhance product policy and keep the circular loops clean....12

4) Reality check: waste prevention and recycling....14

Conclusion – the case for the top of the circular hierarchy....18

Selected resources....20

Introduction & framing

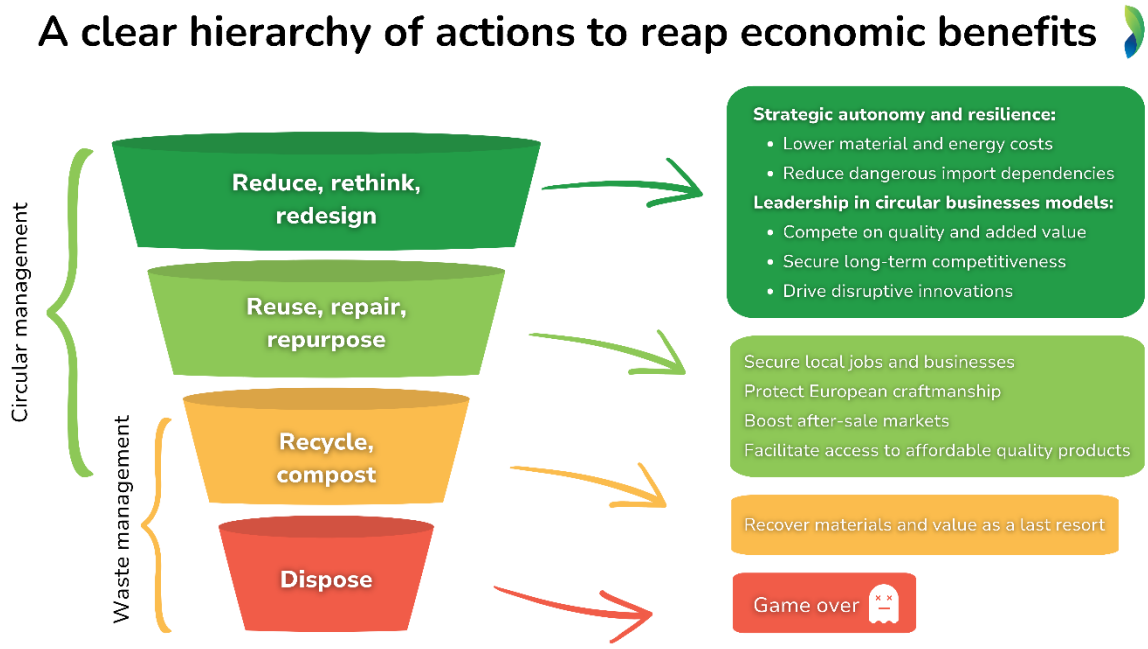
Over the past years, the EU has put forward several policy actions aiming towards a more circular economy, but concrete progress remains insufficient. Europe's systemic overproduction, overconsumption and overdependence on material extraction have severe social and environmental consequences worldwide. At the same time, these issues are exposing the EU to new geopolitical vulnerabilities and threaten the resilience of our society as well as the long-term competitiveness of European industry.

A decisive shift towards a genuine circular economy would reconcile resource consumption with planetary boundaries, reduce material dependencies, decarbonise our economy and provide opportunities for quality jobs and innovation. This shift starts from a commitment to a hierarchy of actions, prioritising those that provide the highest value for people and the environment. Presently, the linear economy is fuelling the triple planetary crisis (climate, biodiversity and pollution), while the current economic model keeps incentivising wasteful modes of production and consumption. At this critical moment, choosing deregulation in the pursuit of short-term productivity and competitiveness gains would be detrimental to the long-term resilience and fairness of our economy and society.

Looking at a model of circular action *(pictured below)*, it is clear that policy initiatives higher in the hierarchy not only support environmental goals but also provide stronger benefits towards an economy that works for both people and planet. Reducing the overall resource footprint will lower input costs and material dependencies, while paving the way for innovations in the circular economy space, where Europe can build a clear competitive advantage – in areas such as 'product-as-a-service' and 'materials-as-a-service' systems, rental, leasing and sharing models, and reverse logistics for value retention and maintenance.

The reuse and repair spaces similarly offer many opportunities for secure quality jobs and economic development, promoting European craftmanship and boosting local aftermarkets. Also, stopping the destruction of unsold goods and ending planned obsolescence are simply common sense - ensuring resources stay in the economy at no additional production cost.

EEB
European
Environmental
Bureau



A circular shift for a truly competitive economy

A prosperous economy that works for people and planet can be achieved from embedding the whole economic system in circular principles – competing within planetary boundaries. A holistic Circular Economy Act, which follows a clear hierarchy of actions prioritising sustainable resource management, can be instrumental in reaping the triple benefits of circularity.

1) Securing autonomy, resilience and security

The circular economy provides a **strategic approach to secure Europe's autonomy, resilience, economic and resource security**. The fastest way to de-risk the European economy is to complement resource efficiency with a sufficiency approach. While efficiency allows to save resources in the production, distribution and use-phase of specific products and services, sufficiency is about policies and daily practices which reduce the demand for energy and materials while delivering human well-being for all[1].

As noted by Commissioner Roswall in her written replies to the European Parliament: *"Resources represent the largest input cost for the European manufacturing industry, making the **prudent and rational use of resources critical for competitiveness.** EU industries depend on critical and strategic raw materials, and circular systems are designed to keep resources in use for as long as possible,*

[1] Also see: NGO Manifesto: A resilient and resource-wise Europe: Sufficiency at the heart of the EU's future (2024)

thereby limiting waste and ***reducing external dependencies that threaten our open strategic autonomy****" (Nov. 2024).*

Faced by existential challenges related to security of supply, strategic autonomy, and a worsening geopolitical landscape, the EU has so far failed to engage a critical lever at its disposal: managing resource demand to ensure our economy delivers well-being and protection for all.

In an era of growing instability, a more strategic approach to demand-side policies is no longer just an environmental necessity, but a geostrategic imperative. By embedding sufficiency at the heart of its policies - starting from the Circular Economy Act - the EU can secure more autonomy in the choice of trading partners and greater resilience to global risks. The priority must be to manage demand and motivate more sustainable behaviours, rejecting a model of competitiveness built on ever-increasing resource consumption. In combination with extracting more value from materials, this is the best way to make a strategic use of finite resources making the EU less vulnerable to volatile commodity prices and shortages while strengthening its resilience amid geopolitical shifts.

2) Improving conditions for people and sustainable businesses

There is a strong business case for European companies to provide citizens with safe, high-quality, affordable and long-lasting products and services. The EU needs to set the right framework conditions to unlock the potential of the multitude of businesses that are already leading the transition towards a resource-wise, toxic-free and climate positive future.

As noted in the Competitiveness Compass published in January 2025: *The EU has all the assets to lead in the global economy of tomorrow. It has unrivalled talents and a skilful workforce, a large pool of private capital, a continental size Single Market, a stable and predictable legal environment, rule of law and a unique social market economy.*[2]

Europe has a limited stock of natural resources and will never be able to compete on sheer volume of products at the lowest cost. Nevertheless, true circularity can support the transition to a resource efficient and sufficient economy, enhance Europe's long-term competitiveness and offer quality local jobs. Activities such as repair and reuse allow for savings on material and capital costs while creating local employment. The European remanufacturing industry, for instance, is estimated to create half a million new jobs by 2030[3,4], thus contributing to a sustainable re-industrialisation of Europe.

The EU's Ecodesign policy is a proven model of smart regulation, able to steer business behaviour while generating both economic and environmental benefits. By setting ambitious harmonised standards it has successfully encouraged innovation, reduced waste, and lowered costs for businesses and consumers. Industry actors have highlighted how EU energy labels and ecodesign

[2] EU Commission communication: A Competitiveness Compass for the EU (2025)
[3] Llorente-González, L. J., & Vence, X. (2020). How labour-intensive is the circular economy? A policy-orientated structural analysis of the repair, reuse and recycling activities in the European Union. *Resources, Conservation and Recycling*, *162*, 105033. https://doi.org/10.1016/j.resconrec.2020.105033
[4] World Bank Squaring the Circle: Policies from Europe's Circular Economy Transition (2022)

has *"driven industry-wide innovation, fostering competition among companies to develop cutting-edge technologies [...] that allow manufacturers to gain a competitive edge by investing in R&D and differentiating their products"*.[5]

Innovators and entrepreneurs need planning security and the right incentives; this is not achieved by deregulation but by an ambitious and smart combination of concrete policy measures, economic incentives and political targets to guide strategic decision-making. Clarity and firm commitments on the direction of travel will simplify operations and investment decisions for businesses of all sizes.

3) Delivering on the Green Deal

The new Commission is committed to delivering on the Green Deal. As stressed by President Ursula von der Leyen in January 2025: "*I want to be very clear, the European Union stays the course of the Green Deal objectives, without any question. It is a unique strength we have.*"

To meet these objectives, we need to be serious about the way we extract, consume and dispose of natural resources. This is the only pathway to meet EU's climate, pollution and biodiversity goals, while ensuring fairer distribution of economic prosperity. Climate neutrality cannot be achieved without tackling overproduction and consumption[6]. Resource extraction and processing account for over half of global greenhouse gas emissions, a significant portion of health-related impacts, and the majority of biodiversity loss when considering land-use change.[7]

The Circular Economy Act has the potential to reconcile a thriving economy that serves people's needs with planetary boundaries. It is a false and simplistic dichotomy to think that we need to choose between business-friendly policies and environmental protection. This was clearly recognised, for example, in Enrico Letta's report on the Single Market: *Circular economy is the only possibility of saving the planet and changing the paradigm of present manufacturing.*"

Context - where are we?

Through previous Circular Economy Action Plans, the EU has made significant advances towards more circularity on paper. However, efforts are not yet reflected in key indicators:

- The **Circular Material Use Rate in the EU has stagnated over the last decade** at around 12%, with less than a 1% increase since 2010. The EU is thus not on track to double its circularity rate by 2030 as it had committed in the 2020 Circular Economy Action Plan. The

[5] https://energy.ec.europa.eu/news/energy-efficient-products-commission-moves-improve-quality-information-consumers-and-companies-2024-04-02_en
[6] UNEP International Resource Panel: Global Resources Outlook (2024)
[7] EEA, 2024, Accelerating the circular economy in Europe: state and outlook 2024, Publications Office of the European Union, Luxembourg (https://data.europa.eu/doi/10.2800/055236) accessed 21 March 2024.

European Environment Agency also stressed that increasing recycling alone will not allow the EU to achieve this target,[8] as the EU material demand is projected to keep growing[9].

- The environmental burden associated with **Europe's resource consumption uses between 70% and 97% of the Earth's 'safe operating space'** for several planetary boundaries[10], despite only making up 6% of its population.
- In 2022 *(most recent available dataset)* five tonnes of waste were generated for each EU inhabitant. Only 40,8% of the waste generated in the EU is reported as recycled while **more than 30% of EU waste is still landfilled**. Compared with 2010, 31.1% more hazardous waste was generated in 2022 in the EU.[11]

The picture is clear, more decisive actions before products turn into waste and better implementation of existing measures is needed. There is also an urgent need to address regulatory gaps and remove barriers for circular business models.

Our assessment was confirmed by the European Environment Agency in its 2024 report on the state of circular economy in Europe, which highlights the need for more binding and target-oriented circular economy policies moving beyond a narrow focus on waste:

*"European Union circular economy policies have been reinforced over recent years, but they still need to become **more binding and target oriented** to accelerate the uptake of a more regenerative economy in Europe. **This means moving beyond the current strong focus on waste to address resource use more directly**. [...] Circular policies should become more binding and target-oriented, extending beyond waste to possibly include **targets on resource use or material footprint.**"*

The EU must equip itself with the adequate regulatory framework to drastically prevent waste, steer the economy away from unsustainable resource dependency, and transition to an economy fit for one healthy planet where people prosper.

Prevention is (so much) better than the cure

The current reality is one where we produce more waste than our systems can cope with. Recycling alone is not a genuine solution to this waste crisis. Think of an overflowing sink: you might try mopping the floor, but it would be useless if you don't turn off the tap first. The same goes for dealing with waste – better to stop the waste through sufficiency, efficiency and circular economy, than to dispose of a continuously growing accumulation of waste. A clear hierarchy of priorities has been established by the EU and repeated across multiple policy areas, based on the best use of resources: prevention, extended life, reuse and repair before recycling. As Europe strives to

[8] EEA indicator: Circular material use rate in Europe (2025)
[9] OECD (2019), *Global Material Resources Outlook to 2060: Economic Drivers and Environmental Consequences*, OECD Publishing, Paris, https://doi.org/10.1787/9789264307452-en.
[10] Sala, S., Benini, L., Beylot, A., Castellani, V., Cerutti, A., Corrado, S., Crenna, E., Diaconu, E., Sanye Mengual, E., Secchi, M., Sinkko, T. and Pant, R., Consumption and Consumer Footprint: methodology and results, EUR 29441 EN, Publications Office of the European Union, Luxembourg, 2019, ISBN 978-92-79-97255-3, doi:10.2760/15899, JRC113607.
[11] Eurostat: EU waste statistics (2024)

unlock the full potential of circular economy, this hierarchy must serve as a compass for designing the right set of targets, policies and incentives.

Harmonisation driving a race to the top within the Single Market

The EEB welcomes the commitment to ensure more harmonisation on aspects that can support the circular transition (e.g. eco-design rules, definition of recyclability). It is, however, fundamental that the legitimate pursuit of Single Market integrity is not exploited to excessively restrict Member States' possibilities to introduce measures to protect the environment that go beyond the minimum requirements established at EU level. To drive a virtuous race to the top on sustainable consumption and production within the Single Market, it is key to ensure that more ambitious measures can be implemented by Member States and, where relevant, local authorities - especially for those measures that are necessary to meet waste prevention targets and support reuse and repair (e.g. national circular taxes and incentives).

What does success look like?

It has been announced that the new CE Act will focus on "remaining bottlenecks to the circular transition". These are identified by the Commission as: lack of effective circular single market for waste, secondary materials and sustainable products, low demand for secondary raw materials and prices for virgin materials that do not reflect their externalities.

There are three key aspects missing from this definition: 1) acknowledging the fundamental issue of systemic overproduction and overconsumption, 2) chemicals safety and health aspects, and 3) an explicit commitment to following the waste hierarchy.

It is encouraging that Commissioner Roswall, in her written replies to the European Parliament, stressed that: *"Overall, my objective is to prepare* ***a Circular Economy Act which puts the environmental footprint of the Union on a sustained downward path*** *while strengthening the EU's competitiveness and fostering our open strategic autonomy" (Nov. 2024)*. Therefore, the Circular Economy Act needs to include targets and concrete measures able to credibly ensure a reduction of the overall environmental and material footprints of the EU. While environmental footprints work towards "greening" consumption, material footprint reduction tackles the scale of resource use.

The Circular Economy Monitoring Framework offers a set of key indicators that can be helpful in measuring success for the new Circular Economy Act. To fully capture the progress, additional indicators should be included, to avoid unintended consequences or burden shifting to other parts of the supply chain. The below represent the priority indicators against which we should measure the success of the Circular Economy Act *(with * denoting that data already exists under the Circular Economy Monitoring Framework).*

- Beyond GDP indicators reflecting economic success through social and ecological well-being
- Lower per capita material footprint* (with further data to disaggregate those into biotic, abiotic, and atmospheric footprints)
- Higher circular material use rate*
- Lower consumption footprint* (currently the baseline is index year 2010, but a target should be set in line with planetary boundaries)
- Lower raw material demand (especially for critical raw materials)
- Lower material import dependency*
- Higher EU self-sufficiency for raw materials*
- Disaggregated data on use of biowaste
- Reduced use of substances of concern in products (especially consumer products)

EEB
European
Environmental
Bureau

Priorities for the Circular Economy Act

Our overarching recommendations for the Circular Economy Act are grouped into four sections: sustainable resource management, fixing the economics, closing the loop with product policy, and a waste/recycling reality check.

1) Time to take resources seriously: focus on Sustainable Resource Management

To fast-track a genuine circular economy and address our systemic overconsumption, the EU should put forward an ambitious **Circular Economy Act for sustainable resource management** guiding a well-prepared shift towards a fair, autonomous, resilient, and sustainable EU economy which thrives within one healthy planet.

The EEB fully supports a comprehensive approach to resource use reduction,[12] including **binding resource consumption reduction targets** (and intermediary targets) on material and consumption footprint, as well as sector-specific targets, and targets per Member State (completing and harmonising similar targets already introduced in some EU countries). The process towards setting these targets should be science-based and follow a methodology similar to what led to the Paris Agreement on climate, setting a global framework for action together with the International Resource Panel.

Already in June 2024, all Member States called on the European Commission to establish *"an **EU long-term objective for sustainable resource use**"* and assess *"the setting of ambitious and economically feasible **science-based targets to keep material and consumption footprints within the planetary boundaries** and their translation to the national level (....)"*, as part of the Council conclusions on the review of the 8th Environmental Action Programme[13]. All Member States clearly acknowledged that *"the EU's material and consumption footprints are still far beyond what is sustainable within the planetary boundaries and that progress on circular material use is too slow"* and recalled the existing EU commitment under the 8th Environmental Action Programme (8EAP): *"to significantly decrease the Union's material and consumption footprints so as to bring them into planetary boundaries as soon as possible, including through the introduction of EU reduction targets".*

An **EU Resources Law** as proposed by some Member States[14] would provide a comprehensive framework to embed the targets into meaningful action. This should be linked closely to the new EU **bioeconomy strategy** to make the most of valuable natural materials and avoid regrettable material substitutions.

Targets on resource use would mirror the impactful emissions reduction targets which have already unleashed transformative climate actions across the European and global economy. The targets will act as a compass for existing circular economy legislation to encourage prevention, repair and reuse to minimise resource use and reduce excess material flows. This approach ensures resilience through substantially reducing resource dependence in the most efficient way,

[12] NGO White Paper on Sustainable Resource Management in the EU (2024)
[13] Council conclusions on the 8th Environmental Action Programme Mid-term Review (2024)
[14] E.g.: OVAM report on the missing piece of the EU Green Deal. The case for an EU resources law (2023)

rather than marginal improvements. Researchers[15] have proposed targets (in line with planetary boundaries) that could be defined as per capita maximum 2 tons of biotic materials, 6 tons of abiotic materials per year and 3 tons of used biotic and abiotic materials until 2050 – to be redefined and tightened in line with the evolution of the triple planetary crisis.

It is crucial that these targets are mandatory, and that sufficient resources are put forward to achieve them and to support a just transition towards an economy that operates within planetary boundaries. The targets should be complemented with data collection, monitoring and appropriate indicators to track progress across specific sectors.

Targets provide guidance for both public and private actors. They provide political stability and strategic planning security for actors considering investments. The fact that multiple EU targets for municipal waste recycling, WEEE and packaging, among others, are currently not met[16] by several Member States does not imply that circular economy targets cannot work. The existing collection, recycling and waste management targets are sectoral and fragmented. They are not adequately supported by demand-side policies and economic incentives. On top of that, we do not know what the situation would be now, if these targets had not been introduced years ago: it is likely that progress would have been even less.

2) Fix the economics: incentivise Circular Economy through a reform of the economic framework

To move towards a different type of economy, from linear to circular, economic instruments must be the first port of call. This was confirmed by Commissioner Roswall who identified: "*Strengthening the economics of the circular transition and promoting circular products and business models*" as a key building block for the Circular Economy Act.[17]

Accelerating circularity requires reforming the economic and fiscal framework to make sustainable choices accessible for consumers, and shifting the tax burden from labour to raw material extraction. However, current taxation systems continue to support a linear 'take-make-waste' economy, creating an uneven playing field for circular business models. While the polluter pays principle remains largely unapplied, high labour taxes incentivise companies to minimise the use of human capacities, even if this means increasing the use of materials and fossil fuels.

Green fiscal reform can play a critical role in adequately pricing resource-use as well as in improving the way public money is collected and used to transition to an inclusive circular economy. Several Member States have already started taking steps towards the use of fiscal and other economic instruments to stimulate waste prevention, reuse, recycling and material efficiency. The Circular Economy Act should now play a catalyst role for the **more systematic**

[15] Bringezu, S. (2015) Possible Target Corridor for Sustainable Use of Global Material Resources, https://www.mdpi.com/2079-9276/4/1/25

[16] EU Commission July infringement package: All 27 Member States are failing to meet waste collection and recycling targets (2024)

[17] Questionnaire to the Commissioner-Designate Jessika Roswall (2024)

implementation of circular incentives and taxes[18] both at EU level and at the national level, through the introduction of harmonised fiscal and economic instruments, such as:

- Providing mandatory economic disincentives for landfills and incineration
- Including Greenhouse Gas (GHGs) emissions from incineration and landfills under the EU Emissions Trading Scheme[8]
- Setting more impactful taxes and levies on plastics and single-use packaging
- Mobilising the next Multiannual Financial Framework and committing to a truly Clean Competitiveness Fund to prioritise circular practices
- Strengthening the Plastics EU Own Resource contribution as part of next Multiannual Financial Framework, turning into a more effective incentive for genuine circularity of this high-impact sector (e.g. broadening its scope to target plastic prevention along the entire value chain and including all single-use packaging materials)
- Increasing taxation and fees on the use of hazardous chemicals (especially in consumer products)

Another area with high potential, aptly timed given the parallel revision of the EU Public Procurement Directive (PPD), is the sphere of Circular Public Procurement. Establishing **mandatory Public Procurement criteria will be crucial** to create demand for safer, environmentally responsible goods, services and infrastructures, and to enable public authorities to drive decarbonisation and detoxification by prioritising safe and sustainable solutions across sectors. As public procurement represents 14% of GDP, serious economies of scale could be achieved through a shift to Green Public Procurement, as also acknowledged by the Letta report[19]. As a minimum, the EU should introduce a mandatory requirement that every public tender in scope of the PPD contains at least one social and one environmental or circular requirement. Circular requirements could include targets on resource efficiency, share of reused, refurbished or repaired goods, recovery of products with critical raw materials, targets to procure X% certified (ecolabelled) products and services in certain categories, incentives for sharing concepts, or targets to procure services instead of products. Imagine the potential benefits if municipalities were incentivised to share goods (e.g. vehicle fleets) with other municipalities instead of maintaining individual ownership. Such approaches could lead to significant cost savings, reduced environmental impact and more strategic use of public assets.

Another clear opportunity lies in reforming **Extended Producer Responsibility** (EPR) regimes to ensure they can deliver on waste prevention, support reuse and repair and promote high-quality recycling. EPR rules must also be revamped and made more effective in encouraging products' redesign by rewarding more circular practices and features. To turn EPR into an effective tool for supporting the circular transition, a targeted but substantive reform of its rules *(Waste Framework Directive art. 8 and 8a)* is needed to ensure that producers remain fully accountable for their products, also after these leave the shelves.

While existing EPR schemes have proven able to generate some funding for waste management of targeted products, they have largely failed to stimulate design changes towards more

[18] EEB position: Circular incentives and taxes (2022)
[19] Enrico Letta: Much more than a market – speed, security, solidarity (2024)

sustainable products or reduced waste generation. Consequently, producers remain insufficiently accountable for the environmental impacts of their products. So far, the full potential of EPR remains untapped, due to insufficient economic incentives, lack of systematic implementation of the waste hierarchy (in favour of a narrow collection and recycling focus), as well as issues with governance, lack of liabilities and sanction mechanisms, and transparency.

However, proven examples of how the effectiveness of EPR can be strengthened already exist, both at EU level and at national level. The obligation for producers of single-use plastics to cover the costs for cleaning-up litter *(2019 Single-Use Plastics Directive),* or the French case where some EPR schemes are required to earmark a percentage of their budget to finance reuse initiatives, represent good examples. The new CE Act should capitalise on these best practices, making sure they become the norm across the EU. The EU also needs to consider what is happening globally, and how to make a call for strong EPRs to be adopted also outside the EU. EU EPR schemes should also include fee transfer mechanisms to ensure that the money paid by producers travels with the products when they are exported beyond the EU as second-hand goods, to cover the actual costs of a product's end-of-life which are borne by the importing country.

3) Better products: enhance product policy and keep the circular loops clean

Product policy needs to be central to the Circular Economy Act. **Reuse and repair** should be eased, including with dedicated investments in supporting infrastructures. At the same time, much greater institutional capacity must be dedicated to developing, implementing and enforcing robust product policies – including a **ban on the destruction of unsold and returned goods,** and establishing duty of care obligations across all product categories.

The EU should continue the implementation of the strategies and legislation for plastics, batteries, packaging, chemicals, electronics, textiles and other priority sectors, and fully leverage the potential of the Ecodesign for Sustainable Products Regulation (ESPR). The **implementation of the ESPR** must proceed rapidly and comprehensively. As the implementation of many other laws (including the right to repair) depends on the product groups included in the ESPR, these must be ambitious and encompass a wide range of products. Setting rules for textiles, furniture, tyres, steel, aluminium, repairability and recyclability is a positive first step, but the list is much shorter than initially envisaged, meaning that it will take long to get to all products. Given the limited number of product groups on the Commission's initial work plan, it is imperative that the rules go deep and wide. To facilitate criteria-setting, Product Environmental Footprint methods have the potential to play a role; yet the governance of the process to set category rules must be reformed to avoid undue influence and skewness of results towards specific industry groups.

Safety and human health must be integral to the EU's circular economy efforts. Policies should keep the circular loops clean through aligning with the measures outlined in the Chemicals Strategy for Sustainability: **phasing out the most harmful substances in consumer products and promoting clean manufacturing and non-toxic material cycles.** Toxic-free material cycles will foster consumer trust in recycled materials, strengthening the market for sustainable EU-made products.

Regarding **substances of concern,** it will be important to continue to implement regulation of chemicals at a group or family level. Given the slow pace and uncertain future of the revision of

REACH, the ESPR should therefore be ambitious in setting criteria that do not allow harmful substances to enter the product cycle in the first place.

A low-hanging fruit for product policy is to **make better use of the EU Ecolabel**, the EU's own tool to reward frontrunner companies in the transition to a circular and zero-pollution economy. More resources should be dedicated to maintaining and further developing the EU Ecolabel to cover more product groups and services. The relevance of the EU Ecolabel should also be strengthened by linking strategically to other policy initiatives that can help increasing the label's attractiveness and market presence. For example, mandatory criteria for Green Public Procurement could require the presence of the EU Ecolabel or an equivalent ISO Type I ecolabel. As a first step in this direction, EU institutions should commit to procuring green themselves, including only procuring reliably certified products in certain product groups, e.g., office or cleaning supplies.

A genuinely circular approach will also be essential in the development of the **new EU bioeconomy strategy,** to prevent environmental burden shifting by effectively managing the pressures on ecosystems services, biodiversity and land-use resulting from the planned expansion of the bioeconomy. To this end, the European Commission must ensure consistency between the bioeconomy strategy and the Circular Economy Act, starting with the practical recognition that while biomass may be renewable under certain conditions, it is not infinite. The well-established hierarchy of actions within the circular economy - beginning with prevention and demand management – will thus be essential for ensuring a sustainable bioeconomy. This is to be operationalised with rigorous science-based criteria for the sustainable sourcing of bio-based feedstock, along with the implementation of the cascading use principle (prioritising the use of biomass for ecosystem services, followed by long-lasting products). If not accompanied by concrete demand-side measures to manage pressure on ecosystems services, an expansion of the 'bioeconomy' – too often promoted simplistically as a more 'natural' and refreshing alternative to the fossil economy – carries the risks of further eroding human and social rights and aggravating environmental destruction.[20] A clear example are forests and other ecosystems which are already being overexploited for paper-based packaging, bioenergy and more.[21]

The EU undeniably depends on extraction and production outside Europe for much of its consumption. **Trade policy** should therefore be aligned with EU circularity goals, starting from applying the same rules to imports as for domestic products (including for chemicals), mainstreaming sustainability throughout EU trade agreements, preventing trade disputes over sustainability measures in the EU, and making sure that imported products comply with EU law. Notably, the Commission should take more decisive and concrete action to stop illegal imports via **online sales**, as the significant share of non-compliant products sold on online marketplaces poses a great danger in terms of sustainability, consumer rights, and the level playing field within the European Single Market.

There is currently an overload of **low-quality consumer imports from questionable platforms**, which do not fulfil, e.g., limit values for pollutants or labelling requirements, are unlikely to be reusable or repairable, and are most likely not even recyclable. The EU must protect consumers

[20] Joint NGO statement: Bioeconomy leads to further ecosystem exploitation (2024)
[21] Report: Disposable paper-based food packaging: the false solution to the packaging waste crisis (2023)

and companies against the massive import of products which do not comply with EU rules and pose a threat to the environment, people's health, and the competitiveness of European industry[22]. The Commission should assess the possibility of banning certain traders from selling in Europe, extend the responsibilities and liabilities of online marketplaces, apply a lower de minimis than the current €150 for direct-to-consumer goods, and set better customs supervision with prohibitive fines. As part of its efforts to better regulate online marketplaces, the Commission should also look into **regulating advertising** that encourages overconsumption.

Finally, the Commission should supervise the correct and timely **transposition and national implementation** of already adopted EU circular economy policies, and ensure that both enforcement and infringement processes take place and are effective.

4) Reality check: waste prevention and recycling

According to information provided in January 2025, the Commission's initial thinking envisages a Circular Economy Act focusing on marginal improvements to the Waste Framework Directive, Landfill Directive, Electronic Waste, and 'flanking measures' mostly focused on recycling (scrap metals in particular). Waste and recycling are important elements, but a limited focus on waste management risks missing the broader benefits of a genuine circular economy, including its potential to enhance competitiveness. Only by shifting the emphasis from waste management to reducing resource use, we can unlock the full power of circular economy - both in terms of sustainability and economic prosperity.

The ongoing targeted revision of the **Waste Framework Directive** – due to its narrow focus on food and textiles waste – is insufficient to provide the EU with a future-proof regulatory framework on resource use and waste. A deeper revision of this Directive is needed to move beyond managing waste and end-of-life towards strategic resource management. This should start with the systematic setting of **waste prevention targets for all types of waste**, including commercial and professional waste. To enable the achievement of sectorial waste prevention targets, specific targets should also be set for reuse, repair, and remanufacturing (depending on the product category) as it is already the case within the Packaging and Packaging Waste Regulation.

The Commission has announced the intention to introduce **recycled content targets** for more materials and sectors to support the development of a secondary market for recyclates and complement existing recycling targets. When designing these targets, care should be taken to ensure that:

- Recycled content targets only account for recyclates from post-consumer waste.
- For plastics, it is important to not mix recycled content and bio-based content targets in order not to dilute the targets and to favour the most environmentally sound recycling technologies, excluding harmful recovery processes such as pyrolysis and gasification.
- The concerns on the imports of recyclates that do not comply with EU standards must be adequately addressed. These regard the presence of hazardous substances but also the

[22] Joint Statement: European stakeholders united for a level playing field for online marketplaces and effective enforcement (2024)

unfair competition of low-price imported recycled materials which could undermine the economic viability of EU recycling value chain. To address these issues, robust quality control systems, stricter quality standards, and mechanisms to incentivise high-quality recyclates originating from the EU should be put in place - before introducing more recycled content targets.

- Ensure that the incorporation of recycled materials does not extend our contact with harmful chemicals.
- Ensure rigorous implementations of Green Claims and Empowering Consumers Directive to effectively prevent greenwashing and misleading and/or irrelevant claims on recycled content in consumer products.

An important area of focus for recycled content should be the construction sector, where there are currently no recycled content targets for construction products. The Construction Product Regulation so far only provides vague guidance on technical specifications to maximise recycled content, but implementation remains very uncertain. Other high-priority sectors could be ships, vehicles, and electronic equipment as they are heavy users of high-value metals. For textiles, the environmental and social impact of recycled content thresholds should be properly considered as well as their relevancy for achieving resource-use reduction.

Construction materials like concrete and insulation continue to account for half of all raw material consumption and generate a third of the EU's annual waste. However, reuse and high-quality recycling remain far from standard practice. Shifting to a circular economy is essential for a competitive and decarbonised EU construction sector that is no longer reliant on the unsustainable exploitation of natural resources. Yet, current EU policies have not been effective in driving this transition. The Waste Framework Directive is outdated in this regard and fails to deliver meaningful change, with obsolete provisions hindering further progress on **Construction and Demolition Waste**. The Circular Economy Act must therefore tackle outdated provisions and gaps in the Waste Framework Directive:

- Cut down on waste generation, through mandatory waste prevention measures, such as pre-demolition audits. These allow for proper separation and identification of materials for reuse or recycling before renovation or demolition, preventing waste generation, while ensuring targeted separation at source.
- No further delays in setting effective and specific reuse and recycling targets for key waste streams, calculated through a common methodology. This means acting – without further delays – on the evaluation clause in art. 11(6).
- Disincentivise backfilling**,** a practice that adds limited value to a circular economy. Member States make extensive use of backfilling to easily reach the existing recovery target. While often brought on the same level of recycling, it should be reported separately and ultimately disincentivised.

Soils are another important category for intervention as part of the Circular Economy Act, as they represent about 20% of the EU's total waste and combined with soil-related streams like mineral wastes and dredging spoils up to 64% of EU waste. About a quarter of soil waste, most of which is generated by the construction sector, is sent to landfills, even though most of the soil waste is not

polluted.[23] Soils are a non-renewable resource that, once lost, needs decades or even centuries to rebuild, and should not be wasted. Therefore, the EU must ensure that excavated soils are tested and re-used when non-hazardous, and cleaned when polluted. A passport for excavated soils, as studied in the European Commission's impact assessment for the Soil Monitoring Law, could be a helpful tool for that.

As the Commission looks at strengthening the **Waste from Electrical and Electronic Equipment (WEEE) Directive**, quantitative targets should be set to reduce the environmental footprint of Electrical and Electronic Equipment (EEE), e.g., in relation to the use of material specific primary resources or the volume of electronics put on the market in average per inhabitant. It should also introduce horizontal ecodesign and information requirements, and phase out all substances of concern, including those that hinder an effective end-of-life treatment of Electrical, Electronic and Electro-mechanical (EEE) equipment. This is one product category where we need to immediately promote reuse and repair, by setting clear targets, improving collection, raising awareness, and strengthening the fundamental 'right to repair'. Producer and seller responsibility needs to be increased, including for online platforms. As a matter of urgency, the destruction of unsold EEE needs to be banned and their reuse ensured.[24]

As part of a fundamental rethinking of the Waste Framework Directive, the Commission should set **ambitious end-of-waste (EoW) criteria** while it needs to be ensured that such criteria do not undermine strong rules on the shipment of waste. Setting a candidate list for EU-wide EoW criteria should not only be based on quantitative criteria, such as the demand for (potential) secondary raw material or the amount of waste shipment/generated, but also on qualitative criteria reflecting the risks to human health and the environment. Material streams presenting obvious risks for human health and the environment should only be prioritised for EoW potential status if there is evidence that they can be properly decontaminated through established processes, not leading to further re-injection of associated risks in the economy.

The increase of traded waste is in contradiction with the objective of designing waste out of the system. Making our waste other countries' problem is not the solution. The **Waste Shipment Regulation** has a key role to play in its potential to apply the waste hierarchy to shipments, to provide stricter assessments and close the loopholes. Any shipment of waste inside or outside the EU should be subject to a strict public assessment guaranteeing that no recycling solutions could be found domestically for the related waste stream. Lists of pre-consented recycling and hazardous waste processing facilities within and outside the EU should be made available.

The 10% cap on landfilling by 2035 is still a faraway objective, as landfilling rates in the EU remain above 30% today. More mandatory economic disincentives for landfills and incineration are needed imminently. Reviewing the **Landfill Directive** therefore unfortunately remains relevant. We need mandatory sorting of mixed residual waste before landfill or incineration to extract as

[23] European Commission: Directorate-General for Environment, Flexman, K., Vu, E., Doyle, H., Thurston, W. et al., *Excavated soil generation, treatment and reuse in the EU – Final report for Task 1.1 of the support study for implementing the EU Soil Strategy for 2030 (09.0201/2022/877182/SER/D.1)*, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2779/837004

[24] Also see: Joint NGO statement: Environmental organisations call for a swift revision of the Waste from Electrical and Electronic Equipment (WEEE) Directive to address Europe's electronic waste crisis (2024)

many valuable materials as possible that are otherwise lost. This practice must be understood as complimentary to diligent separate collection, which remains the priority. In addition, just as for incineration, greenhouse gas emissions from landfills should be treated under the **EU Emissions Trading System**.

Conclusion – the case for the top of the circular hierarchy

There is broad agreement in the EU that the circular economy is a key part of the solution to remediate the 'competitiveness problem'. How we define the problem will define how we tackle it. In this position paper, we have offered a definition that recognises the fundamental issues of overproduction and overconsumption, as well as the threats posed by the presence of harmful chemicals, in the pursuit of a thriving economy that serves people and the planet.

We have explored concrete policy actions, in line with the waste hierarchy, showing the environmental *and* economic benefits of focusing on prevention first. By shifting the focus from competing on the sheer volume of resources extracted and consumed (at the lowest price) to competing on the added value and impact our businesses can provide, we can ensure autonomy, resilience, security and regeneration. This will also provide better incentives for circular businesses, and deliver on the Green Deal targets that were set to ensure our very survival.

Our key recommendations for the Circular Economy Act reflect the environmental and economic opportunities of a clear hierarchy of actions as expressed through the waste hierarchy:

Reduce, redesign, rethink

We have suggested several strategies to enhance strategic autonomy and resilience, and to secure our leadership in circular business models - starting with a commitment to *reduce* the EU's overall material footprint, in line with planetary boundaries. The strategic pursuit of science-based resource targets will lead to a more prudent and rational use of resources, thus lowering our material and energy costs while reducing import dependencies. This will provide Europe with a strategic approach to secure its autonomy and security in an increasingly challenging geopolitical context. Together with a reform of the economic framework towards a more systematic use of circular incentives and taxes, this will help secure our long-term competitiveness through *redesigning*, spurring innovation and focusing on quality and added value.

Mandatory circular public procurement criteria should be used to *rethink* how we share public goods, services and spaces. We also need to rethink how products are made and put on the market, removing substances of concern from the beginning and avoiding the destruction of goods that were not sold.

This thinking needs to incorporate the bioeconomy, with a clear cascading principle that prevents burden shifting and prioritises biodiversity, healthy ecosystem services, and food production before other uses.

Reuse, repair, repurpose

To secure local jobs and businesses, protect European craftmanship and ease access to affordable quality products, the implementation of the Ecodesign for Sustainable Products Regulation is an opportunity to put *reuse* on the agenda, with strong criteria for durability and a toxic-free baseline (among many others). Its scope should expand quickly to include all product groups, as the Right to Repair Directive will follow in those same footsteps to allow for repairability of all products for an extended period.

Recycle, compost

On the demand side *recycled* content targets for products should be considered as a key driver to boost secondary markets, but they should be considered carefully and not as a carte blanche to produce more, at the cost of other environmental impacts. On the supply side, measures such as meaningful targets for high-quality recycling of waste streams such as Construction and Demolition Waste and WEEE are needed. Ambitious End-of-Waste criteria that do not undermine rules on Waste Shipment can be a further meaningful measure to strengthening secondary materials markets. *Composting* also plays a role, but it needs to go hand in hand with a clear commitment to a cascading principle for biowaste that considers biodiversity first.

Dispose

Our hope is that with the above measures, and the setting of waste prevention and reuse targets for all types of waste as part of a rethinking of the Waste Framework Directive, our need to *dispose* will decrease. Nevertheless, the impacts of eventual disposals can be mitigated by including greenhouse gas emissions from landfills and incineration under the EU ETS, forcing pre-treatment before incineration and landfill, and avoiding end-of-waste loopholes in the Waste Shipment Regulation that make our waste someone else's problem.

Selected resources

EEB Pact for the future – Action Plan: "Reduce resource use, seize Circular Economy opportunities and shift to a Wellbeing Economy" (pages 26-28).

Joint Manifesto: A resilient and resource-wise Europe: Sufficiency at the heart of the EU's future

Joint NGO letter calling for resource use reduction: White Paper for an EU within Planetary Boundaries

Joint open letter: Yes to an EU legislation on Sustainable Resource Management

EEB comments and amendments for the Ecodesign for Sustainable Products Regulation

Circular Taxation: a policy approach to reduce resource use and accelerate the transition to a circular economy

We are Europe's largest network of environmental citizens' organisations. We bring together 185 civil society organisations from 41 countries. Together, we work for a better future where people and nature thrive together.

The EEB is an International non-profit association /
Association internationale sans but lucratif (AISBL).
EC register for interest representatives:
Identification number 06798511314-27
BCE identification number: 0415.814.848
RPM Tribunal de l'entreprise francophone de Bruxelles

Published: February 2025
Responsible editor: Eva Maria Bille, Marco Musso

European Environmental Bureau (EEB)
Rue des Deux Eglises 14-16
1000 Brussels, Belgium
+32 (0)2 289 1090
eeb@eeb.org
eeb.org
meta.eeb.org

With the support of the LIFE Programme of the European Union
Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or CINEA. Neither the European Union nor CINEA can be held responsible for them.