

Joint Priorities for the Circular Economy Act



The European Union's upcoming **Circular Economy (CE) Act** is a **crucial and timely opportunity to accelerate Europe's transition to a clean, competitive, and resource-efficient economy**. As leading industry associations representing the diverse electrical and electronic equipment (EEE) producer community, we fully endorse the Act's overarching objectives and are committed partners in this endeavor.

We particularly welcome the Act's **focus on key enablers for circularity**, including facilitating the free movement of secondary raw materials and circular products, improving access to high-quality recyclates, lowering feedstock costs for sustainable production, simplifying e-waste regulations, establishing clear "end-of-waste" criteria, and enabling innovative circular business models.

To ensure the upcoming policies and legislations are effective and economically viable, we have identified six key challenges and proposed actionable solutions:

1. Regulatory Challenges and the Need for a Level Playing Field in the Circular Economy

- **Challenge**: The circular economy transition, particularly across the EEE sector, faces major hurdles from **complex regulations and market barriers**. Overlapping rules, high administrative burdens, and diverging national

implementations stifle innovation and undermine competitiveness. Evolving chemical regulations inadvertently prevent reuse and recycling by banning common substances. Although valuable, the *ESPR*¹ risks creating double regulation if not properly aligned with existing legislation. Beyond this, a lack of incentives for consumers and public procurers, combined with fiscal and regulatory obstacles such as double taxation, non-harmonised EPR reporting requirements and complex cross-border shipment procedures, undermine the development of a competitive circular market.

- **Proposed Actions:** A two-pronged approach is needed: **regulatory streamlining** and creating a **supportive economic environment** that ensures competition and efficiency. We advocate for EU-level regulatory simplification and harmonisation (ideally via Regulations), elimination of outdated rules, clear and achievable implementation timelines and reduced administrative burdens. Future legislation, including under the *ESPR* framework, must be coherently aligned to avoid overlaps and unintended consequences. Measures, especially for recyclates, must be assessed system-wide to prevent unintended consequences. We also stress the importance of supply-side readiness, transparent digital product information for manufacturers, and alignment of circular economy development with substance regulations for safe recycling of materials. To level the playing field for economic operators, we propose harmonising rules to prevent double taxation on refurbished and repaired goods, facilitating cross-border shipments of used and waste electronics, and promoting circular public procurement. Finally, **clear economic incentives**, (e.g. tax breaks or subsidies for compliant producers) are crucial to bridge price gaps and support sustainable supply models, alongside public awareness campaigns and demand-side supporting policies promoting durability, repairability, and upgradability.

2. Fragmented Markets:

- **Challenge:** The **absence of a true EU Single Market for waste and secondary raw materials**, due to inconsistent Member State rules, varying definitions, and complex cross-border shipment procedures, obstructs the free movement of materials. This fragmentation prevents economies of scale and deters crucial infrastructure investment. **Companies need legal certainty**, in order to make a viable business case to apply R-strategies (repair, re-use, refurbishment and remanufacturing) with the support of EU rules to facilitate the uptake of circular economy practices. This is essential to support the recovery of Critical Raw Materials (CRM) and enable more reuse and preparation for reuse activities

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1781&qid=1719580391746>

across borders.

- **Proposed Actions:** We call for the uptake of **harmonised EU-wide rules for a functioning Single Market**, including consistent regulations, classifications, and shipment procedures. We also recommend harmonised, legally binding definitions for circular economy activities across all relevant legislation, and clear "end-of-waste" criteria. **Regulatory exemptions for manufacturers** are essential to support waste prevention and facilitate circular business models. Finally, we propose fostering a global circular economy by prioritising policies emphasising material quality and traceability, avoiding geographic restrictions, and streamlining cross-border movement of secondary raw materials.

3. Barriers to a Sustained & Competitive Supply of Secondary Materials:

- **Challenge:** **Recycled materials** often **lack price competitiveness** versus virgin materials, consistent quality, and scalable availability compared to primary resources. Market opacity and weak incentives frequently make primary resources the default choice. Rigid mandatory recycled content targets or restrictions on sourcing (e.g. geographic, closed-loop) risk overlooking technical constraints (e.g. for functionality of EEE and longer lifespans), fragmenting the market, and disrupting supply chains.
- **Proposed Actions:** We propose creating an enabling environment by **prioritising investment support** for collection and processing infrastructure, **increasing R&D funding** for material recovery technologies (including chemical recycling), and establishing clear **quality guidelines aligned with international standards**. Streamlined, coherent regulations are needed to improve price competitiveness, quality, and supply stability, ensuring circularity is achievable and competitive, while focusing on market improvements to increase transparency and reliable information access.

4. Inconsistent Quality of Recyclates:

- **Challenge:** **Inconsistent quality of recyclates**, especially for high-performance applications, **limits their incorporation into manufacturing**, also due to quality losses during recycling operations. Concerns over safety, performance, durability,

and regulatory compliance (e.g. *RoHS*², *REACH*³) and lack of transparency hinder confidence and uptake.

- **Proposed Actions:** We recommend **establishing mandatory EU-wide quality standards for recyclates from WEEE**, mandating existing European Standards (*EN 50625* series and *EN 50614*) as official references. We suggest *ESPR* to be the preferred vehicle for such policies, tailoring measures to specific materials and products based on impact assessments and clearly defining eligibility for both Post-Industrial Recycled (PIR) and Post-Consumer Recycled (PCR) materials. This should be supported by ensuring a sufficient supply of high-quality recycled material, with clear requirements for recyclers to meet these standards. Secondary materials must comply with high, technically feasible health and safety requirements, supported by clear decontamination pathways for legacy substances and harmonised EU protocols for assessment and traceability. Finally, **accelerating innovation in recycling technologies** through dedicated R&D funding is crucial.

5. Suboptimal WEEE Collection Targets:

- **Challenge:** The **existing methodologies for setting and implementing WEEE collection targets are not fit for purpose**, i.e. they fail to adequately account for the complexities of modern electronic products, their varied lifespans, and evolving consumer behaviors and the changes of number of units sold from year to year. Consequently, collection targets can be unrealistic or inefficient. Recovery rate targets focus solely on the total volume, so certain critical or strategic raw materials are not recovered from WEEE in an acceptable measure, directly contributing to the suboptimal recovery of valuable secondary raw materials. Furthermore, inconsistencies in how these targets are applied and enforced across Member States create an uneven compliance framework between Member States. This undermines the efforts of responsible producers and Producer Responsibility Organisations (PROs), hinders the overall effectiveness of circular economy goals, and ultimately leads to continued, significant losses of valuable materials due to systemic shortcomings across the value chain.
- **Proposed Actions:** We propose that the **WEEE collection target methodologies should be revised** to become more realistic in relation to the amount of old EEE that consumers really need to discard, simplifying calculations, and implementing consistent EU-wide approaches for reporting. Collection targets

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32011L0065>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02006R1907-20221217>

for old WEEE cannot be established based on the amount of new EEE that is sold now. The WEEE generation method should be based on available, realistic data with regard to the “put on the market” information and using lifetime distribution per category. In addition, the European Commission should periodically study factors influencing collection rates, including product lifespan, new technologies, market trends, consumer behavior, and the value of secondary raw materials. Improving collection targets can only bear fruit if supported by an **"All Actors"** approach to ensure accountability across the entire value chain. All actors that collect and handle WEEE need to fall under the requirements of WEEE legislation. Additionally, we suggest **replacing general recovery targets with selected material-specific recycling targets**, aligning with the *EU Battery Regulation*⁴ and bearing in mind the effort-benefit ratio when determining it. Without proper treatment, correctly collected materials will still be lost. The mandatory use of the EN WEEE treatment standards across Europe as a minimum standard, a technical review of options to retrieve critical raw materials, and investments in state-of-the-art recycling should support improvements to collection.

6. Lack of Effective Enforcement:

- **Challenge:** Even well-designed legislation fails without effective implementation and legal enforcement. Inconsistent enforcement of the WEEE framework across Member States has allowed non-compliant actors to circumvent obligations, undermining responsible operators and hindering environmental objectives and innovation. A key example - WEEE is collected by actors who do not report the volumes they handled, and EEE is delivered to EU consumers by actors who do not participate in WEEE recycling systems nor contribute to the financing WEEE management.
- **Proposed Actions:** We call for significantly **strengthening enforcement mechanisms across all Member States** by allocating adequate resources to national market surveillance authorities, considering binding enforcement targets for Member States, and exploring the establishment of a dedicated EU-level enforcement body. Alternatively, the role of the European WEEE Enforcement Network (EWEN) could be expanded, along with empowering the European Environment Agency (EEA) with monitoring responsibilities. We also **suggest expanding the enforcement focus beyond market entry** to include recycling and end-of-life stages and related activities (such as export) and leveraging online marketplaces for digital verification of waste-related obligations.

⁴ <https://eur-lex.europa.eu/eli/reg/2023/1542/oj>

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