

EU CIRCULAR ECONOMY POLICY

BusinessEurope priorities
for **2024-2029**



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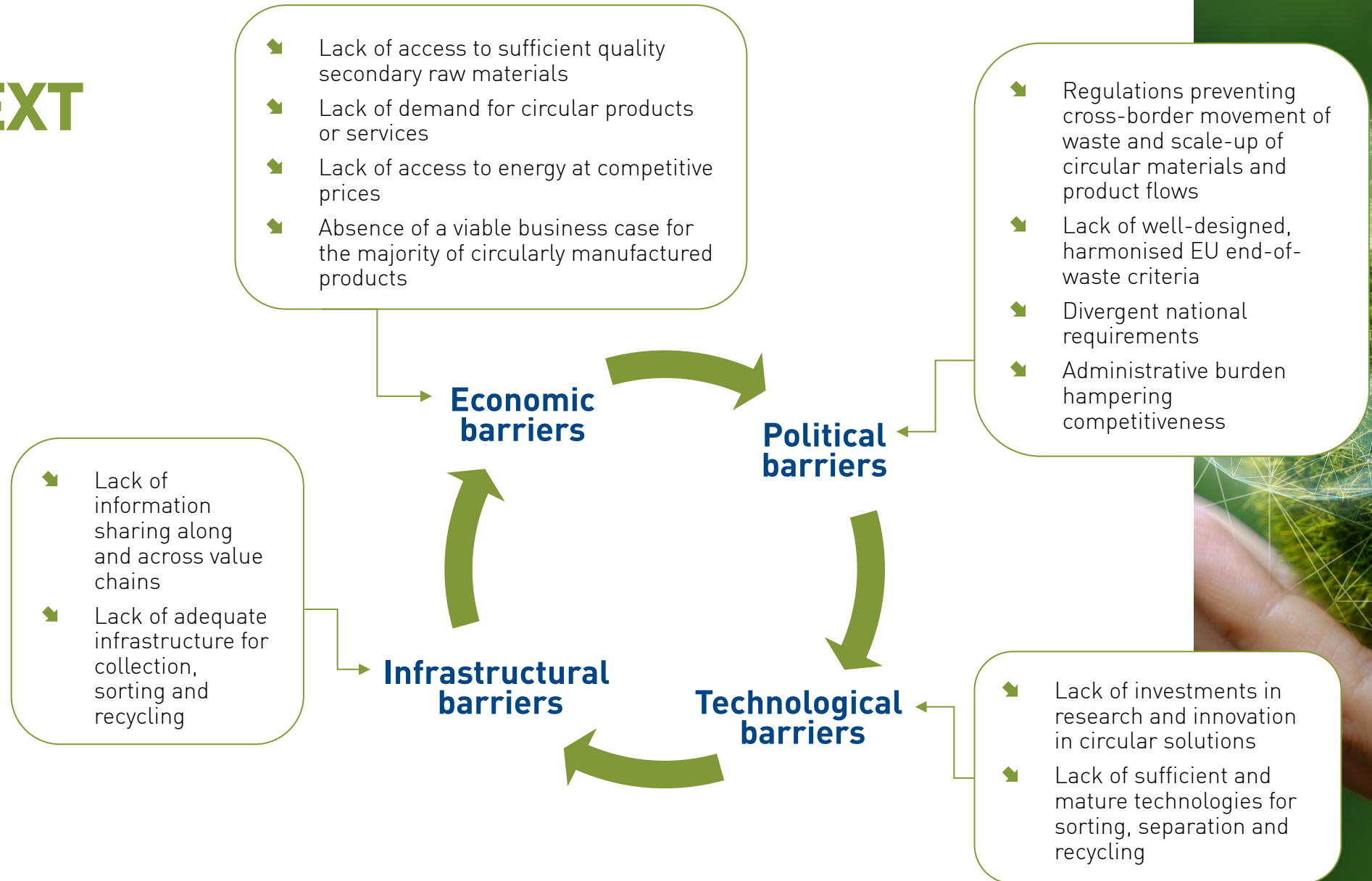
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THE CONTEXT

Important steps have already been taken to accelerate the circular economy transition. However, many barriers persist, and EU policies and legislation designed for the linear economy are not equipped to overcome them.





OUR VISION

European businesses are fully committed to accelerating the circular economy transition for a cleaner and more competitive Europe. Improved resource efficiency at an EU level is critical for preventing biodiversity loss and water stress, along with achieving climate neutrality and a toxic free environment by 2050.



The EU's circular economy and the net-zero ambitions should go hand in hand. This includes incorporating design for circularity principles in new low-carbon technologies, built environment and products. The EU is already leading when it comes to circular economy solutions and products. Together with the right incentives and regulatory landscape, the EU can boost economic opportunities in the circularity business.

To unleash the full potential of circular business models and solutions, there must be first and foremost a strong business case for European enterprises. For this to happen, several actions need to be taken within the next political cycle 2024-2029.



1

Ensure effective implementation of EU legislation

To ensure that EU legislation delivers on their objectives and enhance future competitiveness, time and resources must now be invested in ensuring their effective roll-out. Transitioning from a linear to a circular economy entails a large shift in the way we do business and manage resources, and companies must be given a real chance to absorb and comply with the new requirements.



OUR TOP POLICY RECOMMENDATIONS:

- **Adopting well-designed delegated and implementing acts in a timely manner:** harness industry expertise in all relevant steps of the process.
- **Prioritising easy-to-use tools:** focus efforts on helping businesses to meet new information and reporting requirements, while keeping the administrative burden to a minimum.
- **Enabling knowledge sharing:** ensure best practices are shared across value chains, not least with SMEs.



2

Harness the full potential of the single market

For circular business models to attain economies of scale and operate profitably without restrictions by individual member states, legislation on circular design, labelling, information requirements and producer responsibility should be harmonised across member states. This delivers environmental benefits by strengthening circular business models, as well as facilitating long-term investments and provides predictability for businesses.



OUR TOP POLICY RECOMMENDATIONS:

- **Harmonising implementation of adopted legislations:** ensure consistency on eco-design and circularity requirements through harmonised implementation, common definitions and clear guidelines.
- **Focusing on effective enforcement and market surveillance:** allow new product regulations to deliver for the environment and contribute to creating a level playing field within the EU and vis-à-vis third countries.
- **Prioritising market-driven and internationally aligned circular economy standards:** maintain public-private partnerships and promote European circular economy standards at international level.

3

Stimulate investments in R&D and innovation

Given the need for new business models, processes, and technologies for the circular economy, favourable conditions for innovation and investments in research and development are needed. The development, commercialisation, deployment and uptake of innovative circular products must be enabled.

OUR TOP POLICY RECOMMENDATIONS:

- **Involving industry during the entire legislative process and promote technological openness:** harness industry expertise to ensure primary and secondary legislations are fit-for-purpose and facilitate the use of test-facilities, which allow for demonstration and experimentation of new innovations and technologies.
- **Setting priorities:** EU research funding allocations should reflect focal areas of industry to support the development of innovative circular solutions and necessary infrastructures.
- **Incentivising circularity:** to boost investments in recycling infrastructure and move towards a fully circular economy, well-designed and feasible recycled-content and bio-based targets on EU-level could be implemented for suitable materials such as textiles and plastics.



4

Implement strong 'better regulation' principles

The EU must maintain trust in science-based policymaking to ensure decisions continue to be predictable for market participants, are driven by progress, and supported by robust data. The administrative burden should be reduced for companies of all sizes. Coherence between different circular economy legislations should be ensured and overlaps avoided.



OUR TOP POLICY RECOMMENDATIONS:

- **Focusing on policy coherence:** avoid conflicting requirements under different circular economy legislations and ensure that EU rules fit into the system and contribute to common objectives.
- **Reducing administrative burdens:** simplify procedures and remove unnecessary administrative hurdles for companies to increase uptake in the circular market.
- **Avoiding potential uncertainties and unpredictability coming from the use of delegated and implementing acts:** the main legal acts should clearly define the relevant terms and address technical issues with as much detail as possible.

5

Make waste legislations fit for circularity

It is crucial that waste regulations reflect technological developments, making it possible to give a second life to materials which have previously been seen as waste. Unjustified obstacles for materials and products to be placed on the market should be removed.

OUR TOP POLICY RECOMMENDATIONS:

- **Getting the market conditions right:** manufacturers' access to sufficient quality secondary raw materials, a constant demand for recycled materials, as well as the free movement of materials within the EU destined for recycling and of products for reuse and remanufacturing, are all key for a successful transition.
- **Focusing on increasing recycling rates:** implement the separate collection provisions in the existing EU waste legislations, increase sorting, treatment and recycling capacity, minimise waste incineration and landfilling.
- **Boosting circularity through harmonised end-of-waste criteria (EoW):** further develop and harmonise EU-wide EoW criteria for relevant waste streams at EU level.



6

Scale-up demand for circular products and services

To ensure that competitiveness and circularity go hand in hand, it is important to focus efforts on scaling-up the demand for circular products and services, creating lead markets and ensuring that regulations are tailored for circular business models.



OUR TOP POLICY RECOMMENDATIONS:

- **Enabling circular business models:** review national and EU regulations to identify areas where they are insufficiently adapted, inadequate or insufficiently ambitious regarding the facilitation of economically viable circular business models.
- **Strengthening the role of green public procurement as a lever to scale-up demand for circular products and services:** where a contracting authority specifies performance or awards based on environmental criteria, a “direct link” with the subject matter of the contract must always exist.
- **Updating EPR obligations:** modulate EPR fees based on the upcoming Eco-design criteria under the ESPR, granting lower fees for top-performing products linked to durability, recycled content, repairability, and carbon and environmental footprints.

7

Strengthen circularity with smart digital tools

Ensuring the success of both the circular and digital transitions hinges on their alignment. Increased technological efficiency and enhanced digitalization are crucial for the circular transition, as this will facilitate optimal resource utilization and information sharing.

OUR TOP POLICY RECOMMENDATIONS:

- **Enabling complementarity:** ensure that the circular and digital transition complement and reinforce each other in areas like end-of-life treatment of products, resource use and design as well as sorting techniques.
- **Focusing on standardisation and simplification:** requirements for digital tools such as product passports (e.g., digital products passport) should be standardized and developed to alleviate burdens for companies.
- **Keeping reporting requirements focused:** focus on information relevant for circularity to avoid overburdening actors along the supply chain with information irrelevant for circularity.

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