



# Circular Economy Act

policy recommendations

Executive summary

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# Executive summary

The European Union stands at a critical juncture. With six planetary boundaries already breached and a rapidly shifting global economy, **the Circular Economy Act (CEA) should serve as a guiding compass to drive how we consume and produce differently, how we empower communities, and build resilient economies through job creation in circular sectors.** It must promote value preservation and ensure the **strategic use of our resources**, while ensuring a safe and toxic-free transition for workers, SMEs, and citizens.

## Key Challenges

The current EU framework faces several critical challenges:

- Circular economy policies prioritising resource efficiency while failing to address the ever-increasing consumption, resulting in a stagnating circularity rate and high import dependency .
- Overlooked human safety and health considerations.
- Secondary raw materials remain more expensive than primary.
- Limited success of Extended Producer Responsibility (EPR) in incentivising better product design and waste reduction.
- Insufficient bio-waste management systems.
- High volumes of residual waste being landfilled and incinerated.

## Recommendations

### Strategic use of EU resources and materials

Options in the EU's toolbox include:

- Implementing enhanced Carbon Border Adjustment Mechanism (CBAM) with comprehensive material and product coverage.
- Expanding the Emissions Trading System (EU-ETS)/CBAM combination to other impacts of material use, such as air pollution.
- Transitioning to a comprehensive EU tax on GHG emissions covering products and materials.

### Safety and health: the EU's competitive edge

- Support ambitious measures from the Chemicals Strategy for Sustainability.

- Promote clean manufacturing and safe material cycles.
- Apply essential eco-design criteria for product safety and sustainability.

#### Circularity as a horizontal principle for the EU's clean industrial strategy

- Establish circularity as a horizontal principle in the Clean Industrial Deal (CID).
- Create economic incentives for circular business models.
- Prioritise the Waste Hierarchy as a core principle.

#### Addressing the Waste Framework Directive's current drawbacks

- Revamp EPR as a resource management tool.
- Set binding targets for bio-waste quality and management.
- Mandatory mixed waste sorting systems.

#### Increasing the use of secondary raw materials, but not at any cost

- Expand recycled content targets beyond plastics.
- Strengthen import standards and quality controls.
- Harmonise EU-wide End-of-Waste (EoW) criteria.



Zero Waste Europe (ZWE) is the European network of communities, local leaders, experts, and change agents working towards a better use of resources and the elimination of waste in our society. We advocate for sustainable systems; for the redesign of our relationship with resources; and for a global shift towards environmental justice, accelerating a just transition towards zero waste for the benefit of people and the planet.

[www.zerowasteurope.eu](http://www.zerowasteurope.eu)



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