

ECRN position on the Circular Economy Act

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A shared vision for a circular and competitive Europe

The European Chemical Regions Network (ECRN) welcomes the European Commission's initiative to establish a comprehensive Circular Economy Act (CEA). This legislative proposal represents a unique opportunity to build on the achievements of the European Green Deal and to accelerate Europe's transition towards a fully circular, resource-efficient, and competitive economy by 2050.

Circular economy is not only a matter of environmental protection; **it is a strategic industrial policy**. It addresses the growing dependency of Europe on imported raw materials, supports decarbonisation and the reduction of pollution, and enhances the competitiveness of European industries by fostering innovation and resource efficiency. It is also an essential contribution to achieving the objectives of the Clean Industrial Deal and the Competitiveness Compass, which aim to strengthen Europe's resilience and industrial leadership in a global context.

ECRN frontrunner regions in circular innovation bring complementary experience to this process. Their policies and initiatives demonstrate how regional action, when supported by a coherent European framework, can deliver tangible progress towards circularity. ECRN therefore advocates for a Circular Economy Act that provides the necessary policy coherence, financial support, and governance mechanisms to ensure all regions can contribute effectively to this shared European ambition.

Principles for an effective Circular Economy Act

To deliver its full potential, the **Circular Economy Act must go beyond waste management and address the entire lifecycle of materials**—from extraction and production to consumption, reuse, and recycling. It should serve as the backbone of a coherent European framework for sustainable resource management, integrating circularity into all relevant policy domains including industrial strategy, trade, climate, and regional development.

A key element of this new framework must be a European resource governance structure that ensures coherence across sectors and Member States. This should include the **establishment of science-based targets for resource use and consumption footprints, translated into national pathways that reflect the specific circumstances of different regions**. Such governance would help align industrial, environmental, and trade policies, ensuring that Europe's resource consumption remains within planetary boundaries while safeguarding competitiveness.

Prevention must remain the cornerstone of EU circularity policy. The most effective circular economy is the one that avoids waste in the first place. Extending the lifespan of products through repair, refurbishment, and reuse—combined with incentives for sustainable design—should therefore become guiding principles of the CEA. The Act should promote service-based business models and producer ownership schemes that keep materials in use for longer periods, while ensuring consumer access to affordable and durable products. Fiscal measures such as reduced VAT rates for repair services and second-hand goods can further strengthen these efforts.

Harmonisation and consistency will be critical to success. **Differences in the interpretation of the Waste Framework Directive and end-of-waste criteria continue to hinder cross-border cooperation and innovation.** The CEA should establish EU-wide criteria for key waste streams such as pyrolysis oil, wood recyclate, and tyre recyclate, ensuring that secondary raw materials are safe and of high quality. Where harmonisation is not feasible, the Commission should promote a mutual interpretation framework supported by clear EU guidance to avoid legal uncertainty and regulatory fragmentation.

Finally, the Act must stimulate demand for circular materials and products. Market demand is the foundation of a viable circular economy. **ECRN therefore calls for the inclusion of measures that strengthen demand creation for European circular, recycled, and biobased materials.** This includes ensuring that imported materials meet the same environmental and safety standards as EU products, integrating circularity criteria into EU public procurement, and linking funding programmes to measurable circular outcomes. Public procurement in particular should become a key lever for change, guided by a European 'comply or explain' mechanism to encourage authorities to prioritise quality and circularity in their purchasing decisions.

Delivering consistency, ambition, and implementation

The Circular Economy Act should also serve as a **mechanism to consolidate and strengthen the existing body of EU legislation on waste, materials, and sustainable products.** The implementation of the European Green Deal has generated substantial progress, yet several actions remain incomplete. The ECRN calls on the European Commission to ensure the timely delivery of pending initiatives and delegated acts that are critical to enabling circular business models and investment certainty.

Priority should be given to **finalising the revision of the Waste Framework Directive** to expand its scope beyond textiles and food waste, and to reinforce prevention and reuse. The Act should also **ensure the alignment of the Waste Framework Directive with the Eco-design for Sustainable Products Regulation (ESPR) and the REACH revision,** guaranteeing that products and materials are safe by design and fit for reuse and recycling.

Further progress is needed in specific sectors such as electronics, construction, and wastewater management. The forthcoming **Circular Electronics Initiative should focus not only on recycling but also on repairability, reuse, and product durability.** In the construction sector, binding targets for reuse and recycling, as well as mandatory inventories for reusable building materials, would be major steps forward. Similarly, phosphorus recovery and the safe management of sewage sludge should be prioritised to reduce dependency on imported raw materials and to close critical nutrient loops.

Moreover, implementing acts must be adapted to sectoral realities. The experience of the Single-Use Plastics Directive has demonstrated that **calculation methods and verification procedures cannot be transferred mechanically to other frameworks.** Tailored approaches are needed to ensure consistency, credibility, and practicality across different industrial sectors.

Enabling conditions and supporting measures

Beyond legislation, the circular transition requires a strong enabling environment. Knowledge sharing between industry, regional authorities, and research organisations is essential to accelerate the uptake of innovative circular practices. **The European Commission should therefore support the creation of structured platforms that facilitate cooperation across the value chain**—connecting producers, recyclers, consumers, and policymakers.

Harmonised definitions across EU legislation are also necessary to eliminate inconsistencies and facilitate cross-border cooperation. Discrepancies in biomass definitions, for example, create uncertainty and hinder innovation. **A balanced and context-sensitive approach to harmonisation is essential** to ensure legal clarity without disregarding sectoral or regional specificities.

Financial and fiscal frameworks must also evolve to reflect the value of circular assets. Traditional risk models and investment assessment methods often disadvantage circular business models. **ECRN supports the development of new financial tools and scoring systems**—such as circular risk scorecards—that recognise the long-term value retention and reduced risk inherent to circular investments.

Public awareness and behavioural change initiatives should complement these policy efforts. Circular economy requires not only structural reform but also a cultural shift towards sustainable consumption. Educational programmes, communication campaigns, and incentives can all play a role in embedding circular values in everyday life. **The Commission should also consider supporting non-profit initiatives and local libraries of things** or leasing schemes that make circular practices accessible to all citizens.

Best practices demonstrate the effectiveness of regional cooperation in driving systemic change. Their experiences underline the need for coordinated multi-level governance and show how regional authorities can play a leading role in implementing the CEA's objectives.

Conclusion

The Circular Economy Act should mark a decisive step towards a truly systemic, fair, and competitive European circular economy. It must provide the strategic direction and regulatory coherence necessary to transform Europe's economy into one that thrives within planetary boundaries, ensuring long-term prosperity and resilience.

The ECRN calls on the European Commission to design a framework that enables all regions and industries to contribute effectively, supported by fair financing mechanisms, harmonised standards, and strong governance. By doing so, Europe can lead the global transition to a sustainable and circular economy, reinforcing its industrial base, protecting the environment, and ensuring wellbeing for future generations.

The European Chemical Regions Network in a nutshell

Over the last 20 years, the European Chemical Regions Network (ECRN) has and continues to serve as the **collective voice of its member regions**, in which the chemical industry plays a crucial role in economic development, growth, and employment.

ECRN originally started as an INTERREG IIIc project in 2004, to help regions better tackle common challenges by exchanging information, exploring innovative solutions, and by speaking with a single voice in Europe. Today the network has grown from a temporary project to a **recognized European chemical stakeholder and a network full of expertise**. ECRN is a registered non-profit association under Belgian law and the network currently covers various European chemical regions, whose cooperation is supported by a Brussels-based secretariat.

We work together with European and regional chemical stakeholders and contribute to a range of policy areas from industrial policy, competitiveness, chemical regulation and REACH to skills, innovation, environment, and circular economy.

At ECRN, we advocate for a **stronger regional dimension in European strategies and policies related to the chemical industry**. We believe that the chemical industry can effectively respond to Europe's societal challenges with sustainable and innovative solutions if its economic growth is linked to territorial development. By bringing concrete local experiences and solutions into EU policymaking, the network aims to bridge the gap between policy elaboration and local impact.

We currently represent 16 regions in 7 different countries (Italy, Poland, Netherlands, Germany, Spain, Belgium and Czech Republic). Also, we have contributed to the Union policymaking with policy papers and participated in 11 EU-funded projects.



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