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BRUSSELS

CIRCULAR ECONOMY STAKEHOLDER DIALOGUE

 **Report**





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Executive Summary

On 10 April, the European Circular Economy Stakeholder Platform (ECESP) held a high-level stakeholder dialogue in Brussels. The purpose was twofold: it provided a forum for stakeholders to exchange views and offer feedback on ongoing legislative proposals, and it gathered valuable insights that will contribute to EU Green Week in June. This dialogue reaffirmed stakeholders' pivotal role in shaping the future of the circular economy across Europe.

More than 500 participants attended the event, which opened with high-level remarks and featured a plenary discussion on the Clean Industrial Deal (CID), followed by four thematic breakout sessions focusing on the EU Bioeconomy Strategy and the Circular Economy Act.

Opening highlights

The event opened with a strong call to move from policy ambition to implementation. Speakers emphasised the importance of ensuring that circular economy policies are effective on the ground, calling for less red tape and better harmonisation across Member States. A recurring theme was the need to strike a balance between competitiveness and decarbonisation, with the reminder that 75% of the transition will rely on social innovation. It was made clear that younger generations need to be involved.

Europe's strategic dependency on global supply chains was highlighted as a major vulnerability. Building greater autonomy and resilience was critical for maintaining the competitiveness of European industry. Importantly, companies must view the circular transition as progress, not as a sacrifice. To that end, fostering market demand for secondary raw materials and unlocking the potential of the bioeconomy (particularly through markets for advanced bio-based materials) were identified as key priorities.





Plenary session on the Clean Industrial Deal (CID)

The plenary session on the Clean Industrial Deal underscored the need for interdisciplinary collaboration and innovation to ensure successful implementation. Commission clarified that the CID is intended not as a replacement for the Green Deal but as a complementary strategy to enhance the functioning of the market, bolster industrial competitiveness and accelerate decarbonisation.

Discussions focused on how the CID aligns with circular economy objectives and what it means for Europe's industrial future. Regulatory coherence, the role of public procurement and broad stakeholder cooperation (including meaningful participation by young people) were identified as essential enablers. The dialogue stressed that Europe can only navigate environmental challenges while ensuring economic resilience with a coordinated approach.

Breakout sessions

The breakout sessions were the centre of the event, facilitating focused, dynamic discussions on key legislative and strategic developments.

Bioeconomy sessions:

- Participants highlighted the urgency of embedding biodiversity preservation within the broader bioeconomy framework. The discussions acknowledged the interlinked challenges of climate change, pollution and economic competitiveness, calling for immediate, decisive action. Speakers advocated strongly for a blended approach to policy and education that encourages long-term thinking, sustainable decision-making and the integration of nature-based solutions. Stakeholders stressed the need to scale up bio-based innovation and ensure that the bioeconomy supports environmental and socio-economic goals.

Circular Economy Act sessions:

- These sessions highlighted the significant legislative and behavioural barriers impeding circularity across Member States. Regulatory fragmentation and resistance to change (at both institutional and consumer levels) were seen as major hurdles. Industry representatives called for more ambitious circular economy policies that uphold sustainability and intergenerational equity. Key proposals included the introduction of financial incentives for businesses to adopt circular production models and the use of public procurement to stimulate innovation. Stakeholders urged policymakers to tailor circularity targets to sector-specific contexts and foster intersectoral collaboration to drive systemic change.



Part I : High-level discussion

The remarks highlighted the geopolitical challenges and the need for a collaborative effort by policymakers, businesses and civil society to implement circular economy principles effectively. The speakers called for circularity to be embraced as a necessity for sustainability and an economic opportunity for innovation and job creation. Key points include the need for practical implementation of existing policies, harmonisation across Member States and the acknowledgement that circularity is a business advantage.

Moderator: Tamsin Rose

Speakers:

- Oliver Röpke, President of the European Economic and Social Committee (EESC)
- Luis Planas Herrera, member of Commissioner Jessika Roswall's cabinet
- Jessika Roswall, European Commissioner for Environment, Water Resilience and a Competitive Circular Economy (video message)
- Freek van Eijk, ECEP Co-chair

Key messages

- The current geopolitical landscape, underscored by energy dependency and supply chain vulnerabilities, mean that it is **urgent to shift** from discussions to actions. Speakers emphasised the need for practical implementation over merely drafting policies or action plans. Circularity must be seen as a means to foster innovation, create jobs and improve EU resource independence.
- Europe has many policies on the circular economy and the focus must shift to **implementing them**. This implies harmonising work on this front and ensuring that policies translate into tangible outcomes for businesses and consumers. A collaborative effort, involving all stakeholders, will contribute to a faster and more effective transition.
- The circular economy is more than a sustainable goal: it is a significant **business opportunity**. Economic competitiveness will increasingly depend on the adoption of circular practices. Businesses, particularly SMEs (Small and Medium Enterprises), must be urged to integrate circular principles into their operations.
- Cities and regions play an important role in implementing circular practices. **Local initiatives** can serve as models for broader legislative frameworks and global actions, showing how grassroots movements can contribute to significant changes.
- **Education is key**. Integrating the circular economy concept into educational programmes and building consumer awareness initiatives are vital to enlighten a new generation of consumers and entrepreneurs who prioritise circularity.



- Europe has a global leadership role to play. Future legislative proposals such as the Circular Economy Act, which aims to streamline circular practices and enhance the market for secondary raw materials, have the potential to reinforce Europe's role as a leader in this critical transition.

Speakers' contributions

Oliver Röpke:

- The next five years will define whether we move from words to implementation.
- Three priorities:
 - Start implementing: we must make sure policies work on the ground and we need to harmonise rules across the Member States.
 - The circular economy must be a viable business case: it must make it easier for companies, especially SMEs, to go circular.
 - Make circularity the new normal – it must feel like progress and rather than a sacrifice.

Luis Planas Herrera:

- The dangers of dependency are clear recently and they show that the EU needs to build autonomy.
- The ECESP is a good practice and plays a key role in gathering the voices of stakeholders.
- It is imperative to focus on fostering market demand for secondary raw materials in order to make circularity happen.
- The bioeconomy is a strong sector for Europe's competitiveness, and decoupling from fossil fuel-based materials has to be a priority. The EU needs to develop the market for advanced bio-based materials.

Jessika Roswall:

- We need to reduce our strategic dependency on global supply chains.
- The goal is to make the EU a circular leader by 2030.
- The bioeconomy is also very important for competitiveness and climate neutrality.

Freek van Eijk:

- The EU is a resource-dependent continent, so action is imperative.
- The circular transition requires less red tape, more alignment between Member States, and the right balance between competitiveness and decarbonisation.
- The transition is 75% social innovation and must involve the young generation.
- The ECESP brings civil society stakeholders to the table.



Part II : Clean Industrial Deal

Moderator: Tamsin Rose - **State of play:** William Neale

Speakers:

Dialogue on financing and investment

- Véronique Willems, Secretary General (SME United)
- Emmanuel Chaponnière, Head of Division of Circular Economy and Sustainable Development (European Investment Bank)
- David Fitzsimons, Director (European Remanufacturing Council)

Dialogue on implementation and participation

- Françoise Bonnet, Secretary General (ACR+)
- Sandra Parthie, President INT section, (EESC-ECESP)
- Dana Novăcescu, ESDN Youth Representative

This session focused on the implications of the Clean Industrial Deal (CID) on the circular economy, industrial competitiveness and decarbonisation in Europe. The European Commission's senior advisor on the circular economy, William Neale, presented the CID and said that its objective was not to replace the Green Deal but rather to complement it, with a view to boosting industrial competitiveness and decarbonisation simultaneously. This framing captured the audience's mixed feelings about the CID.

What does the Clean Industrial Deal mean for you?



The following discussions emphasised the importance of regulations, public procurement and collaboration among stakeholders, including cities, industries and civil society, in facilitating the successful implementation of the CID. The session concluded with actionable insights for businesses regarding innovation, public funding and regulatory frameworks, which are necessary tools for a sustainable transition.



Dialogue on financing and investment - Policy takeaways

- **Involve** remanufacturers, recyclers and other stakeholders in shaping the **Ecodesign** requirements
- Boosting the demand - leverage public procurement and address the issue of **double taxation** which is driving up the cost of secondary raw materials
- The **Digital Product Passport** should support competitiveness of circular products
- Simplify **access to funding**, especially for smaller structures. Make **EU funding** easier to access for SMEs and more evenly distributed among business types and models
- In comparison with the US, the European financial landscape lacks large-scale **equity funds** to support economic growth
- Circular business models are often **labour-intensive**, resulting in less favourable labour productivity
- Current concerns over global economy and growth undermine efforts towards **decarbonation** and **sustainability**



Véronique Willems, Emmanuel Chaponnière and David Fitzsimons

Implementation & Participation - Policy takeaways

- The CID should not stop at innovation and productivity but also encompass **human aspects** like **skills** and the **social dimension**
- The missing piece: make a place for EU **young talents** and **energy**
- Promote trans-sectoral and trans-regional **collaboration, industrial + urban symbiosis, and hubs**
- Adopt global and systemic thinking to address the **ecosystemic aspect of circularity**



Sandra Parthie, EESC



Part III : Bioeconomy Strategy

Moderator: Tamsin Rose - **State of play:** Emmanuelle Maire (European Commission - DG ENV), and Cillian Lohan (EESC-ECESP)

Breakout Sessions Speakers:

Harnessing the bioeconomy for biodiversity: conditions for a circular and sustainable future

- **Rapporteur:** Dana Novăcescu (ESDN)
- **Presenters:** Samy Porteron (ECOS), Dániel Komlós (CEPF)

Embedding the circular bioeconomy in the European value chain to secure EU's strategic autonomy and resilience

- **Rapporteur:** Justin Chan (Generation Climate Europe)
- **Presenters:** Wim Haentjens (European Commission - DG RTD), Marianne Kettunen (Ellen MacArthur Foundation), Agnieszka Sznyk (INNWO)

The new Bioeconomy Strategy aims to advance innovation and maintain the EU's leadership in the bioeconomy. The strategy will also focus on reinforcing circularity and sustainability while contributing to the decarbonisation of the EU economy. It will propose actions to unlock the potential of bioeconomy innovations, so that they can reach the market, generating green jobs and growth.

This first set of breakout sessions focused on integrating the bioeconomy into the EU value chain to ensure greater strategic autonomy and its link to biodiversity for a circular and sustainable future.

The sessions pointed out just how urgent it is to advance robust strategies that integrate biodiversity preservation into the overarching bioeconomy framework, while addressing the complexities inherent of climate change, pollution and market competitiveness.

The discussions emphasised the fundamental relationship between bioeconomy and circular economy principles, highlighting how interconnected categories like forestry, agriculture and packaging contribute to a sustainable future. Key themes included the challenges and legislative needs for bioeconomy practices, with a focus on enhancing market incentives to benefit both the environment and economic development.



Emmanuelle Maire, European Commission, and Cillian Lohan, EESC



Key messages

- There is a significant interdependence between bioeconomy strategies and biodiversity preservation. To forge a sustainable future, it is critical to mainstream ecological considerations into all related policies to ensure that they are not overlooked in the quest for economic growth.
- It is crucial to recognise the importance of fostering intergenerational equity. The decisions made today will have a profound impact on future generations. Integrating youth perspectives is crucial for shaping policies that serve both current and future societal needs.
- There is a pressing need for clarity on fundamental terminology such as “bioeconomy” and “competitiveness”. Pinning down definitions can help streamline communication across stakeholders, thereby fostering deeper cooperation and understanding.
- Implementing targeted educational programmes and knowledge-sharing initiatives for stakeholders (from policymakers to local communities) is vital to building a shared understanding and encouraging informed actions promoting sustainability.
- Leveraging nature-based solutions could be a defining strategy for addressing environmental challenges. Innovations such as sustainable forestry can allow for resource security while promoting ecological health, thus aligning economic activities with nature.
- Incorporating a systems-thinking approach is important to understand the complex interconnections between different components of bioeconomy, including production processes and ecosystems. Recognising these interrelations can foster better policymaking that takes systemic impacts into account.
- Introducing policies that support experimentation and innovation rather than constraining them through strict regulations may be essential for fostering breakthroughs that can advance sustainable development.

Bioeconomy for biodiversity - Policy takeaways

- Bioeconomy can support biodiversity
- Incentivise preservation measures for **farmers** and **the forestry sector**
- Reward **ecosystem services** that are met with increasing demand
- Biomass comes in limited supply - the cycle of **renewable biomass** must be fully understood and integrated into policies
- **Think local** at specific ecosystem level - decentralise the bioeconomy

Circular bioeconomy for strategic autonomy - Policy takeaways

- **Targets** and **tax incentives** are critical to boost market demand
- Classify **biowaste** as a material **resource**
- **Performance metrics** need to be updated to match the bioeconomy strategy
- Clarity is needed on **feedstocks** as this could overlap with waste legislation
- The concept of **regenerative economy** needs to be more clearly defined



Part IV : Circular Economy Act

Moderator: Tamsin Rose - **State of play:** Florian Flachenecker (European Commission - DG ENV), and Maria Nikolopoulou (EESC-ECESP)

Breakout Sessions Speakers:

Make the economics work: How the circular economy fosters EU competitiveness and resilience through reuse, repair, and remanufacturing

- **Moderator:** Matteo Magnani (Ellen MacArthur Foundation)
- **Youth rapporteur:** Dana Novăcescu (ESDN)
- **Presenters:** Zhanyl Moldaliev (United Nations Environment Programme), Annika Eberstein (Philips), Theresa Mörsen (Zero Waste Europe)

Advancing the single market for recycled materials in Europe

- **Moderator:** Julia Ettinger (EuRIC, European Recycling Industries' Confederation)
- **Rapporteur:** Justin Chan (Generation Climate Europe)
- **Presenters:** Katharina Schlege (PlasticsEurope), Mauro Scalia (Euratex), Maillard Constance (Veolia)

The Circular Economy Act (CEA) is the Commission's future legislation to create demand for secondary raw materials and a single waste market, notably concerning critical raw materials.

The second set of breakout sessions tackled issues related to competitiveness and the single market for recycled materials in Europe. The first session focused on reuse/rethink/reduce, prevention, financial incentives and subsidies, while the second asked how to strengthen the single market for recycled materials by addressing key regulatory and economic barriers.

The discussions highlighted the significant barriers in Member States regarding the legislative process, as many innovations struggle with consumer resistance to product reuse. Industry leaders' input underscored the urgent need for ambitious circular economy policies prioritising sustainability and intergenerational equity.

Participants also highlighted the dire environmental threat posed by increased material consumption, particularly in high-income countries, and called for legislative approaches that capture the environmental costs of production.

Maria Nikolopoulou, EESC, and
Florian Flachenecker, European Commission





The discussions also pointed to a clear need for financial incentives to help businesses transition to circular production practices and proposed public procurement measures to enhance innovation in that area.

While many stakeholders agree on the policy's direction, further attention must be paid to ensuring that individual sectors can reach circularity targets.

Key messages

- **The circular economy is a global economic imperative.** The disparities between high- and low-income countries accentuate the need for a coordinated international approach to manage consumption sustainably.
- Legislative frameworks should not inhibit innovative practices. There is a need for **policies to support innovation** by reducing unnecessary barriers that discourage businesses from adopting eco-design principles.
- Industries fear that current **policies lack ambition to drive necessary change** in the circular economy. They call for stronger policies that encourage sustainable innovation and equitable resource distribution.
- **Intergenerational fairness** in resource use is pivotal to successfully transition away from a linear economic model.
- There is a need for robust education and transparent marketing of eco-friendly products to **bridge the gap between consumers' preferences and sustainable products**.
- The workforce does not meet the demands of a circular economy. Initiatives centered on **vocational education and retraining programmes will be crucial in filling this gap** and preparing for future workforce needs.
- The call to action for stakeholders to come up with **innovative strategies** highlights the collaboration needed to foster a conducive environment for **sustainable business practices**.



Make the economics work - Policy takeaways

- Insufficient or later action will increase the threat of **intergenerational justice**
- Some sectors are particularly lagging behind for biases or usage habits, like the medical sector where a lot of waste remains unaddressed
- Circular products are still not competitive: secondary raw materials are more expensive than virgin ones and technical constraints apply
- Financial incentives for businesses are needed, such as moves to address **double taxation** and a shift in **accounting methodology**
- Public procurement can be a powerful lever.
- The Member States have to take the lead in bolstering skills.
- Energy and commitment of youth networks are widely unexploited at EU level



Dana Novăcescu, Rapporteur

Advancing the single market in secondary raw materials - Policy takeaways

- Steps are needed to increase demand, such as:
- Tackling **inadequate information** on the composition of secondary raw materials
- Stepping up **green public procurement** with circular content criteria
- Establishing a **lower VAT rate** for products with recycled content
- **Addressing double taxation** which is making secondary raw materials too expensive
- Give consumers and **young people** a role in this process
- Consider creating a **circular competitiveness fund**



Conclusions

Throughout the dialogue, there was a clear consensus: achieving the EU's circular economy ambitions requires more than good intentions. It demands coherent legislation, market-driven incentives, cross-sector collaboration and inclusive social participation.

Stakeholders expressed their hope that policymakers will consider the outcome of this dialogue and reflect it in future legislative proposals.

The input gathered during this event will help shape milestones, including EU Green Week.



With our warmest thanks to all participants.