Generation Climate Europe

The New Circular Economy Act

Response to the Commission's Call for Evidence

Generation Climate Europe (GCE) welcomes the European Commission's initiative on a Circular Economy Act, a very important step forward to enhance the circular economy in the EU. In response to the Call for Evidence of the EU Commission, GCE wants to highlight the **necessity of rethinking the current economic system**. Such a rethinking is a systemic change necessary to secure intergenerational justice and resource justice, the respect of planetary boundaries and ultimately the resilience and security of the EU, and must be integrated in the Act.

So far, the focus of EU legislation such as the Critical Raw Materials Act has been on continuing to carry out an extractive production model with regards to primary raw materials, which are often cheaper than secondary raw materials. We then welcome the observation of the Call for Evidence that in order for **secondary raw materials** to compete with primary, **incentives** have to be put in place. The cost of primary raw materials, which are extracted anew, has to reflect their true environmental and social impact. Both the EU and in third countries are impacted by European extractivism and consumerism, which will affect future generations. Incentivising secondary raw materials will have the effect of sending a positive signal to businesses that are willing to change their productive model, but are struggling to do so in economic terms.

However, incentivising the market for secondary materials will **not be enough for meeting the circular material use rate that the EU has committed to in its Circular Economy Action Plan**. Additional actions are needed, outlined in the points below. In summary, we demand that the Circular Economy Act be an **ambitious proposal** that will safeguard the **resources of present youth and future generations**. Addressing rising material consumption is more necessary now than ever. We need an enforceable proposal to ensure that despite procedural simplification through the Omnibus Initiatives, the **Commission** still **remains vigilant** in ensuring that the **substantial objectives of the Circular Economy Action Plan** are met.

1. Prioritising reusing and remanufacturing

It has been proven how through **recycling alone the EU will not meet the circular material use rate that it has committed to in the Circular Economy Action Plan**. Reusing and remanufacturing should be incentivised and prioritised over recycling, given that they are less resource intensive. Keeping products in use - especially textiles and electronic and electrical products - should be the primary aim of the Circular Economy Act.

When recycling is the only option, legislation should consider **incentivising the use of less resource-intensive technologies** (energy, water) in secondary material processing. Ensuring that secondary raw materials are produced through green energy and sustainable water management systems, is an important step in lowering their environmental footprint. Furthermore, as the final composition of secondary materials tends to be more complicated than that of primary materials, an End of Life (EoL) strategy must always be designed when launching a secondary product.

Additionally, enhancing the circular economy means **rethinking existing business and governance models**. This includes championing new models such as Materials-as-a-Service (MaaS), cooperative and collective ownership models, and developing true, competitive markets for secondary materials with harmonised standards.

2. A binding material footprint reduction target

Overconsumption and overproduction are the real obstacles to a circular economy, and have to be addressed by the Act. The 2024 Global Resources Outlook 2024 highlights how the extraction and processing of materials is overwhelmingly responsible for environmental destruction: it drives 55% of climate impacts, causes over 90% of land-related biodiversity loss and water stress and it is linked to approximately 40% of health-related pollution impacts. The report also notes that the influence of resource use on all these crises has increased since the last global assessment in 2019. To respond to this increasingly concerning situation, GCE joins EU civil society in asking for a **binding EU material footprint reduction target**.

As stated in the Manifesto for 'Sufficiency at the Heart of the EU's future' signed by more than 90 organisations, a material footprint reduction target is necessary to drive clear and measurable action. The measure should include a **binding reduction in EU material footprint** (raw material consumption, as measured by Eurostat) to 5 tonnes per capita by 2050 (a 66% reduction compared to 2022 levels of 14.8 tonnes per capita), with mid-term reduction targets of at least 20% by 2030 (11.8 tonnes per capita per year) and at least 50% by 2040 (7.4 tonnes per capita per year). **National targets** for each Member State to reach should subsequently be developed, indicated in tonnes per capita, and taking into account specific Member State contexts, biocapacity, historical responsibility and more. Targets could be supported by binding caps on domestic raw material extraction and on resources'/products' imports to the EU.

3. Ambitious measures in textiles and electronics

More ambitious measures in the textile sector and in the electronics sector, two of the most resource and waste intensive industries, are needed. The Circular Economy Act should establish **harmonised end-of-waste criteria** for textiles, in order to prevent fragmentation across Member States and support the development of recycling solutions where appropriate. However, recycling should not be seen as the ultimate goal. The priority must be to ensure a **systemic shift in the business model**, moving away from fast fashion and overproduction, with the active support of the EU in enabling and incentivising such a transition.

Saying 'no to fast fashion' through solutions such as the French eco-tax is also crucial, alongside the introduction of reuse and repair targets that complement collection targets, to ensure textiles are genuinely kept in circulation within the European market and their lifespan is extended. On **electronic and electrical waste**, we welcome the revision of the WEEE Directive, which has long been insufficient in addressing such a growing waste stream. In particular, we want to stress the importance of ensuring **appropriate waste collection in member states**, and promoting reuse and repair.

4. Adopting a perspective that goes beyond EU borders

While measuring the circularity of EU economies and while developing circular policies, the EU must look beyond its borders, to **adopt metrics** focused not only on the national/EU material and CO2 intensity, but also **consumption-based emissions** from **goods** (and services) **produced outside the EU**. As most EU economies have structurally shifted toward a service-based economy, we must take into consideration increasingly offshored resource and energy intensive production occurring in other regions.

Only such a perspective can account for the environmental and social damage that European overconsumption produces in third countries. Integrating this perspective in the CE Act would reduce overconsumption and 'fast' consumption in Europe, **improving environmental and labour standards abroad** and consequently the **EU's relationships with third countries**.