



PRO Circularity Alliance Position Paper for the Stakeholder Consultation for the EU Circular Economy Act (CEA)

Executive Summary

The PRO Circularity Alliance welcomes the European Commission's (EC) proposal for a Circular Economy Act (CEA) and stresses the central role of Producer Responsibility Organisations (PROs) in enabling efficient, transparent, and harmonised circular systems across the European Union (EU). To overcome current fragmentation and ensure competitiveness, the Act must establish EU-wide minimum requirements for Extended Producer Responsibility (EPR), harmonised reporting and eco-modulation rules, and effective enforcement against free-riders. By empowering PROs across packaging, batteries, WEEE, and textiles, the Act can strengthen Europe's secondary raw materials markets, drive innovation and investment, and deliver both sustainability and economic security.

Our key policy recommendations:

- ❖ **Reaffirm producer-led and privately governed PROs:** Ensure responsibility remains with those placing products on the market, within flexible, innovation-driven and transparent governance frameworks.
- ❖ **Harmonise reporting and data systems:** Create harmonised registers for PROs and producers or ideally put into place a centralised EU-wide system to increase transparency, reduce duplication, and simplify compliance.
- ❖ **Promote fair competition and efficiency:** Give preference to competitive structures that drive innovation, cost-effectiveness, and transparency in collection and recycling systems.
- ❖ **Strengthen cross-border cooperation among PROs:** Facilitate economies of scale, shared infrastructure, and regional circularity hubs through mutual recognition and cooperation mechanisms.
- ❖ **Integrate new PRO responsibilities: Encourage** PRO involvement in sustainability initiatives, R&D, eco-modulation, consumer communication, and improved producer-waste-operator coordination.
- ❖ **Anchor EPR within Europe's industrial and strategic autonomy goals:** Recognise that strong, efficient PRO systems are essential for securing secondary raw materials, reducing resource dependence, and boosting EU competitiveness.

Harmonisation of EPR will ensure a level playing field, drive investment in recycling infrastructure, and strengthen trust in the EU market for secondary raw materials. A well-designed Circular Economy Act, with PROs at its core, can deliver on the EU's dual objectives of enhancing competitiveness and ensuring sustainability.



PROs as Key Enablers of the Circular Economy

The PRO Circularity Alliance is an international industry membership association of Producer Responsibility Organisations (PROs) committed to accelerating the transition towards a circular economy. Based in Brussels, the Alliance represents its members in dialogue with policymakers, industry stakeholders, and international partners, promoting effective and harmonised EPR solutions across sectors.

Producer Responsibility in Numbers:

30+ Years of Operation: Europe's first EPR and PRO schemes were launched in the early 1990s, making them one of the most established circular economy policy instruments.

100s of organisations: 30+ PROs for packaging, 50+ for electronics, 30+ for batteries, with many more across other streams, adding up to several hundred PROs across Europe.

10s of millions of tonnes managed annually: European EPR schemes handle tens of millions of tonnes of waste each year, e.g. 83 Mt of packaging waste, 5 Mt of WEEE, and 0.1 Mt of portable batteries in 2022.

10s of billion annual turnover: Packaging EPR alone represents around €11 billion in Europe; the broader PRO and recycling services sector is worth several tens of billions of euros per year.

PROs have become a structural pillar of Europe's circular economy: Over three decades, they have evolved from compliance mechanisms into complex systems that finance, coordinate, and optimise the collection and recycling of major product groups. Their reach now extends across Member States, providing the infrastructure that allows millions of consumers and businesses to participate in circular material flows every day.

The scale of the sector reflects its importance: With hundreds of organisations operating under national frameworks, PROs collectively mobilise billions of euros annually, ensuring that tens of millions of tonnes of waste are collected, sorted, and reintegrated into the economy. Their long-term presence has enabled the growth of entire secondary-materials markets, and supported innovation in product design, labelling, and recyclability.

PROs serve as the operational backbone for Europe's resource-efficiency and strategic-autonomy goals: They connect producers with waste operators, data systems, and policymakers, turning legislative ambition into measurable circular outcomes. Strengthened and modern PROs through transparency, competition, harmonisation, are not just an administrative necessity, but a prerequisite for broader EU environmental and industrial objectives.

Our Position on the CEA

The PRO Circularity Alliance welcomes the European Commission's (EC) initiative to prepare a Circular Economy Act (CEA) as a cornerstone of European Union (EU) efforts to enhance economic security, strengthen competitiveness, and accelerate the transition to a climate-neutral, resource-efficient economy.

As collective compliance and system operators under Extended Producer Responsibility (EPR), Producer Responsibility Organisations (PROs) play a central role in delivering circularity across Europe. They ensure that products at end-of-life are collected, sorted, treated, and reintegrated into the economy as secondary raw materials in a cost-efficient, transparent, and fair manner.

- The Evolving Role of PROs

PROs are taking on new responsibilities that reflect the evolving priorities of circularity:

- ❖ Support sustainability objectives across the product life cycle
- ❖ Develop and promote innovative recovery and recycling pathways
- ❖ Invest in research and development to enhance material efficiency
- ❖ Strengthen communication/ coordination between producers and waste management

PROs have evolved beyond compliance to driving systemic circularity and resource resilience!

- The Foundations of EPR

The original principles of EPR, as articulated by Thomas Lindhqvist, remain highly relevant today. Producers are expected to take responsibility not only for financing but also for the environmental impacts of their products across the life cycle, creating incentives for eco-design, fair cost allocation, and innovation in reuse and recycling.

We support this spirit and see the CEA as an opportunity to reaffirm these foundations!

- Promoting Competition and Efficiency

Wherever possible, preference should be given to competitive structures. Competition fosters:

- ❖ Efficiency, innovation, and cost-effectiveness in collection and recycling systems
- ❖ Transparency and accountability towards producers and consumers
- ❖ Continuous improvement and prevention of market distortions

A well-functioning competitive environment supports the goals of fair and effective circularity!

- Support for Producer-Led PROs

The European Commission should reaffirm its commitment to producer-led and privately governed PROs, ensuring that responsibility for end-of-life management remains with those who place products on the market. At the same time, flexibility, innovation capacity, and efficiency of privately organised structures must be maintained within a clear and stable regulatory framework.

- **The Case for Harmonising EPR**

To make the CEA effective, the role of PROs must be fully recognised. The Act should build on PROs' unique position at the interface between producers, recyclers, consumers, and public authorities, while ensuring harmonisation and efficiency across Member States and various waste streams. Despite decades of EU legislation on waste and EPR, significant fragmentation persists. Divergent rules, inconsistent definitions, and uncoordinated targets undermine the Single Market for secondary raw materials and create unnecessary administrative burdens.

Harmonisation of EPR across the EU is essential to ensure efficiency, transparency, and a level playing field for producers, PROs, and waste operators. Divergent rules, inconsistent definitions, and uncoordinated targets across Member States create administrative burdens, hinder cross-border cooperation, and limit the potential of secondary raw materials markets. A harmonised framework will strengthen the Single Market for circular materials, drive investment in recycling infrastructure, and enhance trust in EPR schemes.

Our Recommendations for the CEA

- ❁ **Establish EU-wide minimum requirements for EPR schemes across all relevant waste streams:** Define clear baseline obligations for collection, treatment, and recycling that apply consistently across Member States. Minimum requirements will reduce fragmentation, ensure fair competition, and guarantee that all producers contribute to circularity across the EU.
- ❁ **Harmonise reporting and data systems:** Create harmonised registers for PROs and producers or ideally put into place a centralised EU-wide system to increase transparency, reduce duplication, and simplify compliance. Access to consistent data will also facilitate benchmarking of PRO performance.
- ❁ **Simplify compliance for multi-country producers:** Use mutual recognition and streamlined administrative processes to reduce duplication of reporting and obligations. Simplification will lower barriers for businesses operating across multiple Member States while maintaining high environmental standards.
- ❁ **Allow flexible PRO governance structures:** Enable organisations to design governance models tailored to their national or sectoral context, while ensuring accountability, transparency, and operational efficiency. Flexibility encourages innovation and responsiveness to changing market and regulatory conditions.
- ❁ **Strengthen performance monitoring:** Establish clear, comparable indicators to measure collection rates, recycling quality, and material recovery outcomes. Regular monitoring will provide evidence for policy decisions, support continuous improvement, and reinforce trust in the effectiveness of PRO systems.
- ❁ **Support innovation and investment:** Create stable conditions for long-term investment in sorting, recycling, and recovery infrastructure. Encourage eco-design, development of new recovery pathways, and resource-efficient solutions, helping the EU meet circularity targets while fostering industrial competitiveness.

Sector-Specific Priorities

- ❶ **Batteries:** Ensure ambitious but realistic collection targets, consumer-friendly take-back systems, and harmonised reporting; link PROs to battery passports to enable traceability and recovery of critical raw materials.
- ❷ **Packaging:** Establish common eco-modulation principles, support investment in recycling and sorting capacity, and close enforcement gaps, particularly in cross-border e-commerce.
- ❸ **WEEE/ e-Waste:** Harmonise collection and reporting rules, strengthen take-back options through retailers and online sellers, promote design-for-repair, and combat illegal exports.
- ❹ **Textiles:** Introduce harmonised EPR schemes across the EU, with transparent systems for collection, sorting, reuse, and recycling; apply eco-modulated fees to reward durability and recyclability.

Conclusion and Way Forward

The PRO Circularity Alliance urges the European Commission to make harmonisation and simplification of EPR a central pillar of the Circular Economy Act. Without strong and efficient PRO schemes, the EU will not achieve its ambitions on secondary raw materials, circular product markets, or climate neutrality.

Circularity is not only a cornerstone of environmental sustainability but also a strategic driver for industrial investment and resilience in Europe. In times of growing geopolitical uncertainty and resource dependence, keeping critical materials, technologies, and industrial assets within Europe has become essential for long-term economic stability.

By strengthening EPR and ensuring that secondary raw materials are reintegrated into European value chains, the CEA can secure access to resources, stimulate innovation, and anchor green industrial investment in Europe - making circularity a key pillar of both sustainability and economic sovereignty.

Harmonisation of EPR will ensure a level playing field, drive investment in recycling infrastructure, and strengthen trust in the EU market for secondary raw material - A well-designed Circular Economy Act, with PROs at its core, can deliver on the EU's dual objectives of enhancing competitiveness and ensuring sustainability!