

PRO Circularity Alliance - Position Paper: Calling on the European Commission to oppose shift to State-run PROs

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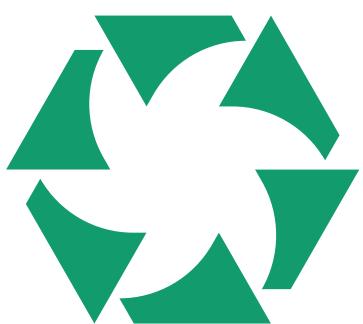
We call on the European Commission to speak out against emerging moves by certain Member States to establish State-run PROs or to reclassify producer fees as public revenue. This trend risks undermining decades of environmental progress in the EU. This represents a fundamental deviation from general EPR principle, weakens environmental accountability, and erodes the innovation potential that Europe urgently needs to deliver a circular, climate-neutral economy. This applies across all EPR-regulated waste streams and should be explicitly considered in the design and rollout of textile EPR schemes across Member States.

The European Commission should reaffirm the Role of Producer Responsibility

Given the current policy developments in several Member States, we respectfully call on the European Commission to:

- ⌚ **Clarify that producer responsibility must remain industry-driven**, in accordance with the polluter-pays principle embedded in the Waste Framework Directive and other sector legislation.
- ⌚ **Reaffirm that EPR fees are not general public revenues**, but dedicated environmental contributions that must be directly reinvested into achieving circular-economy outcomes.
- ⌚ **Discourage the establishment of single, State-run PROs**, except in clearly justified, exceptional circumstances. In such cases, measures should promote the potential allocation of a share of resources towards management and efficiency improvements.
- ⌚ **Ensure that future revisions of EU law explicitly protect the independence and operational role of PROs**, safeguarding transparency, competition, and the ability to innovate.
- ⌚ **Promote EU-wide best practice principles for EPR governance**, supporting systems that are accountable, efficient, and aligned with Europe's environmental objectives.

Europe's circular economy is built on strong producer responsibility. Re-centralising EPR within Member State administrations threatens to reverse critical progress at a time when Europe must accelerate its transition away from wasteful, linear models. We therefore urge the European Commission to take a clear stance on this issue.



State-run PROs Undermine the Logic of Producer Responsibility

EPR works only when producers retain clear responsibility for the products they introduce to the market. Handing full control of PROs to the State, whether through direct operation or by treating EPR revenues as public funds, cuts against that logic and weakens the mechanism that has driven circular-economy progress for three decades:

- ❖ Responsibility shifts away from producers, breaking the link between product design, material choice, and end-of-life outcomes.
- ❖ Financial contributions lose their connection to actual waste-management performance and no longer incentivise better design or prevention.
- ❖ EPR revenues risk being treated as general State income rather than ring-fenced for system improvements, data quality, infrastructure, and innovation.

This dilutes accountability, weakens incentives, and ultimately contradicts EPR.

Public administration of PROs reduces environmental accountability

Successful EPR relies on transparent, performance-driven governance with clear responsibilities, measurable targets, and reporting obligations. When Member States assume the role of PROs or transform them into public authorities:

- ❖ Operational accountability becomes blurred, with producers unable to exert meaningful oversight over performance or compliance.
- ❖ Independent monitoring and competition between PROs - which drive quality, efficiency, and improved collection and recycling outcomes - are removed.
- ❖ Systemic checks and balances are weakened, increasing the risk of inefficiencies, conflicts of interest, and reduced ambition.

Environmental performance should remain linked to producer responsibility.

Removing industry control stifles innovation and investment

State-run PROs lead to operational inefficiencies that constrain market uptake, limit scalability, and undermine long-term economic viability of circular business models, ultimately weakening investment certainty and engagement among both producers and consumers. Europe's transition to a circular economy depends on innovation throughout the value chain, including:

- ❖ Eco-design for recyclability and reuse,
- ❖ Investment in collection, sorting, and high-quality recycling infrastructures,
- ❖ Digital reporting and traceability (including Digital Product Passports),
- ❖ New business models that reduce waste generation.

Producer-led systems have historically been central to enabling these innovations.