

Joint Industry Statement in view of the upcoming New Circular Economy Act

The announced New Circular Economy Act represents a unique opportunity to address the structural deficiencies currently present in (packaging) waste management across Europe¹. The recent targeted revision of the Waste Framework Directive (WFD) ultimately fell short in resolving the deep-rooted structural shortcomings that continue to hinder the efficiency of the European (packaging) waste management systems². These shortcomings must be tackled head-on in order to achieve a truly circular economy in Europe, establish a robust EU market for secondary raw materials and create the enabling conditions needed to meet the sustainability requirements set forth at EU level, for instance as part of the EU Packaging and Packaging Waste Regulation (PPWR)³.

To turn these goals into practice, the undersigned organisations are calling on the European Commission to address the following points as part of the New Circular Economy Act

1. Better leverage and improve the functioning of Extended Producer Responsibility (EPR) schemes by:

- **Ensuring the effective enforcement of Article 8a of the WFD**, which outlines EU-wide general minimum requirements for EPR, established to foster the harmonisation of EPR governing principles, increase their transparency and cost-efficiency. The creation of a horizontal, directly applicable EU EPR Regulation could be explored to reconcile the diverse EPR requirements currently found across various pieces of EU legislation in a legislative instrument establishing underlying harmonised governing principles applicable to all waste streams.
- **Banning State-run PROs and removing all references to State-run systems from EU legislation**⁴. A basic principle of EPR is that the payment of a fee is linked to the delivery of a service, shifting responsibility for waste management away from the public sector to the producers. Contrary to this, State-run models might entail that the fees collected from different producers will be used to finance the general State budget, rather than being reinvested in waste management operations for different waste streams. In addition to undermining the EU ability to achieve its recycling goals⁵, State-run PROs represent a critical threat to the recyclability at scale objective established in Article 6 of the PPWR, which could result in loss of market access for several packaging applications as of 2035, despite their full recyclability in line with the PPWR Design for Recycling obligations.
- **Enshrining the earmarking principle into EU law** to finance the net cost of collection, sorting and recycling infrastructure of the packaging type it is paid for, thus ensuring that EPR fees are effectively reinvested in managing the end of life of packaging that are designed to be recycled in line with upcoming Design for Recycling criteria. As an example, EPR fees should be used to finance further technical innovation and upgrades in the collection, sorting and recycling of all packaging wastes including, for example, small and flexible formats, leading to higher yields. The periodical upgrade of collection, sorting and recycling centres will also be critical to allow innovative

¹ In 2024, the EU Commission issued Early Warning Reports to 2/3 of EU Member States highlighting that 10 out of 27 EU Member States are at risk of missing the target of 65% recycling of packaging waste by 2025. Most Member States also failed to meet the specific minimum levels for different packaging materials. See [COM/2023/304 final](#) and the Infringement Package from July 2024, [here](#).

² This targeted revision exclusively focused on food waste reduction targets and EPR for textile waste.

³ Article 6 of the PPWR establishes that, from 1st January 2035, all packaging placed on the EU market will have to be recycled at scale. This means that the annual quantity of separately collected, sorted and recycled material under each PPWR packaging category will need to be greater than 30% for wood and 55% for all other materials (calculated at Union level). Recyclability at scale is a market access condition.

⁴ Such concept has recently been introduced in Regulation (EU) 2023/1542 on Batteries, Regulation (EU) 2025/40 on Packaging and Packaging Waste and in Directive (EC) 2008/98 on waste (in relation to textile waste).

⁵ Some EU Member States, such as Croatia and Hungary, have established State-run PROs to manage their EPR systems with negative repercussions on their recycling performance. For instance, the experience of Hungary shows that countries operating such systems present high levels of taxation (compared to EPR costs in other Member States) and corresponding low packaging recycling rates. According to Eurostat data, Hungary's packaging recycling rate was 42.2% in 2022, well below the EU average of 65.4%, see [here](#). The Commission's Early Warning Report also show that Croatia and Hungary are both among the list of Member States at risk of missing the 2025 recycling targets for municipal and packaging waste.

packaging to be quickly included into the recycling stream. To make the earmarking principle effective, it is essential to establish a clear and robust reporting and traceability mechanism to ensure transparency and accountability in the allocation and use of EPR-related fees along the entire supply chain.

2. Foster the creation of an EU market for secondary raw materials by:

- **Establishing EU-wide End of Waste Criteria**, to clearly define when waste ceases to be waste and becomes a product, except for waste streams where existing recycling systems already operate efficiently and where the introduction of End of Waste criteria would not improve recycling rates or material flows⁶. Establishing these criteria as soon as possible, is critical to ensure a harmonised approach across all Member States, fostering a level playing field, legal certainty for economic operators and promoting recycling in Europe.
- **Creating Trans-Regional Circularity Hubs**, as proposed in the EU Commission's Clean Industrial Deal. As a complementary measure to the development of national sorting and recycling infrastructure, these hubs will maximise the potential of the Union market and promote economies of scale in recycling. Trans-Regional Circularity Hubs should be established as soon as possible to allow Member States lacking sufficient sorting or recycling infrastructure to send their (packaging) waste to neighboring countries, ensuring that (packaging) waste is effectively recycled. The establishment of Trans-Regional Circularity Hubs holds significant potential to modernise the application of the proximity principle, as enshrined in the WFD and the Waste Shipment Regulation (WSR). These hubs could help align the principle with 21st-century realities, ensuring its implementation supports both the integrity of the Single Market and the EU's ambition to foster a well-functioning market for secondary raw materials⁷.
- **Explore the establishment of a 28th legal regime**, already introduced in the EU Competitiveness Compass⁸, to streamline and fast-track registration or authorisation procedures under different EU waste-related legislations, reducing unnecessary burden for businesses operating in the Union and fully implementing a principle of mutual recognition. As an example, the regime could be leveraged to simplify, digitalise and accelerate the Prior Informed Consent (PIC) procedure under the recently revised WSR, as well as to simplify registration requirements for EPR schemes applicable to different waste streams. The administrative burden carried by companies should also be reduced by removing the obligation under Article 45(3) of the PPWR for producers to appoint an authorised representative for the purpose of fulfilling EPR obligations in each Member State where the producer makes packaging or packaged products available for the first time.
- **Reviewing the Waste Framework Directive** to limit the opportunity for Member States to divert from their obligations on separate collection under Article 10(3) of the WFD, consequently supporting the attainment of the obligations foreseen in Articles 48 and 49 of the PPWR⁹. The experience from Member States where separate collection targets have already been established demonstrates their potential in supporting recycling¹⁰. The WFD should also be integrated with a solid mechanism to track Member States' progress in relation to separate collection, with regular

⁶ Notably in the case of paper and board.

⁷ Contrary to this, France is currently considering amending its parameters for the modulation of EPR fees regarding the incorporation of recycled plastics in packaging and other products. Amongst others, to be eligible for an EPR bonus, products must satisfy a 'proximity principle', which can only be met if the collection, sorting, recycling and incorporation of recycled plastics takes place within a maximum radius of 1,500 km around the barycentre of the French territory. See the draft order, [here](#).

⁸ See page 4 of COM(2025) 30 final, available [here](#).

⁹ Article 48 of the PPWR bans the landfill or incineration of packaging designed in line with design for recycling criteria, whilst Article 49 of the same Regulation obliges Member States to set mandatory collection objectives by 1 January 2029. See Regulation (EU) 2025/40 on Packaging and Packaging Waste, available [here](#).

¹⁰ This is, for instance, the case of Italy, where mandatory targets for separate collection have been introduced by Article 205 of Legislative Decree 152 of 3 April 2006, available [here](#).

reporting on the material and territorial coverage of separate collection, as well as justifications for possible derogations.

The New Circular Economy Act represents a pivotal opportunity to transform packaging waste management across Europe. It is crucial that the Act lays the foundation for ensuring greater transparency and oversight in packaging waste management while driving increased investment in collection, sorting, and recycling infrastructure, supporting the EU's decarbonisation and competitiveness objectives.

Signatories



AGMPM - Association of Greek Manufacturers of Packaging & Materials



A.I.S.E - International Association for Soaps, Detergents and Maintenance Products



Aluminium Closures Group



CEPE - European Council of the Paint, Printing Ink and Artists' Colours Industry



Cepi



CICPEN - Czech Industrial Coalition for Packaging and the Environment



CITPA - The International Confederation of Paper and Board Converters in Europe



Cosmetics Europe - The personal care association



EAFA - European Aluminium Foil Association



ECMA - The European Carton Makers Association



EFIC - European Furniture Industries Confederation



EGMF - The European Garden Machinery Federation



EKO-PAK - Packaging Industry Union of Employers



ELIPSO - Les entreprises de l'emballage plastique et souple



EPLF - European Producers of Laminate Flooring Association



EPPA - European Paper Packaging Alliance



EUBP - European Bioplastics



EUMEPS - European Manufacturers of Expanded Polystyrene



EuPC - European Plastics Converters



EuromContact - The European Association of Manufacturers of contact lenses and lens care



EUROPEN - The European Organisation for Packaging and the Environment



EVA - European Vending & Coffee Service Association



EXPRA - Extended Producer Responsibility Alliance



FBCA - The Food & Beverage Carton Alliance



FEA - European Aerosol Federation



FEFCO - The European Federation of Corrugated Board Manufacturers



FEICA - Association of the European Adhesive & Sealant Industry



FEPA - Federation of European Producers of Abrasives



Federation of the European Sporting Goods Industry

FESI - Federation of the European Sporting Goods Industry



FEVE - European Container Glass Federation



FPE - Flexible Packaging Europe



FTA Europe - The European Flexographic Printing Industry



INCPEN - The Industry Council for Packaging & the Environment



Independent Retail Europe



Intergraf - European Federation for Print and Digital Communication



Istituto Italiano Imballaggio



MPE - Metal Packaging Europe



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PAKKAUS - The Finnish Packaging Association



PET EUROPE - Producers' Association



Plastics Europe



Pro Carton - European Association of Carton and Cartonboard manufacturers



RUCODEM - Romanian Union of Cosmetics and Detergents Manufacturers



SCS - Styrenics Circular Solutions



SfPE - Steel for Packaging Europe



SZZV - Slovak Association for Branded Products



TIE - Toy Industries of Europe



UNESDA - Soft Drinks Europe