

Europe's Resource Transition Needs an Overarching Steering Act

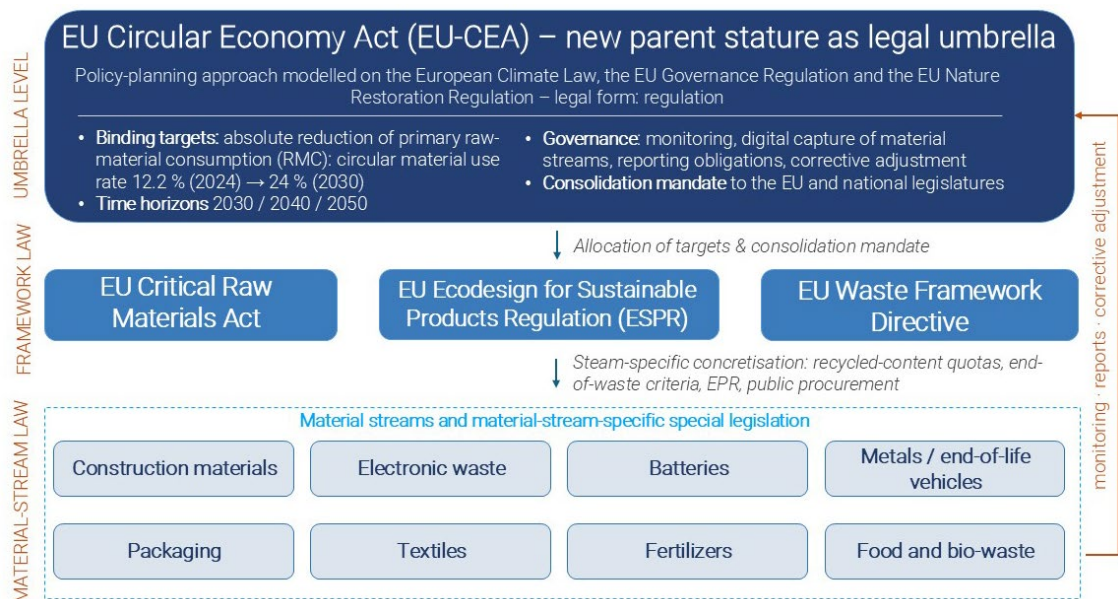
The Circular Economy Act (CEA) as a Governance Framework for the Circular Economy

Key Points Based on a Legal Opinion

The European Union faces the challenge of making its economy more circular while strengthening resilience and reducing dependency on primary raw materials. Against this background, WWF and the environmental umbrella organization "Deutscher Naturschutzring" (DNR) commissioned a legal opinion examining how a Circular Economy Act (CEA) should be designed from a legislative perspective to advance raw material security, reduce overall resource consumption, and strengthen the circular economy.

The legal opinion, "Towards an EU Circular Economy Act: Governed resource stewardship as foundation of European raw-materials independence and environmentally sound resource use through a new steering act", concludes that: To achieve a long-term transition towards a circular economy, the European Commission should **establish the CEA as an overarching framework regulation setting legally binding resource targets over multiannual time horizons**. Such a strategic governance approach would align the current patchwork of environmental, waste and product legislation with overarching resource objectives while providing the legal foundation for a coherent, forward-looking and reliable framework for circular resource management.

By integrating existing framework legislation and material-stream law into a common governance architecture, the CEA would strengthen the effectiveness and coherence of existing legislation and policy instruments while paving the way for greater economic resilience and reduced dependence on primary raw materials.



The figure above illustrates how the CEA, as an overarching framework law, would align the existing body of framework and material-streams legislation with common strategic objectives.

Why a Strategic Governance Framework Matters

Through the Circular Economy Act, the European Commission aims both to double the EU circular material use rate from 12.2% in 2024 to 24% by 2030 and to reduce Europe's dependence on critical raw materials while establishing a well-functioning Single Market for secondary raw materials and circular products. To achieve these objectives, the Commission envisages a three-pillar approach consisting of: 1) a revision of the Waste Framework Directive and the Landfill Directive; 2) a revision of the WEEE Directive; and 3) complementary targeted measures.

While the political idea underpinning the announced CEA is commendable, the legal opinion demonstrates how this ambition could be secured through a lasting legislative architecture extending across individual legal acts. It therefore argues for establishing the CEA as an overarching circular economy framework law providing a common strategic vision and governance function. Such an approach would offer several key advantages.

- 1. Binding aligned objectives deliver greater policy effectiveness.** Existing EU legislation, including the Critical Raw Materials Act (CRMA), the Ecodesign for Sustainable Products Regulation, the Waste Framework Directive and sector-specific material-stream legislation, has evolved incrementally over time. While these instruments address important aspects of resource management, they do not yet constitute a coherent body of circular resource law. Instead, they operate largely in parallel, without a common strategic vision or shared objectives. For example, the CRMA requires that 25% of the EU's annual consumption of strategic raw materials be supplied through recycling by 2030. However, other legislative instruments such as the Ecodesign Regulation, the Waste Framework Directive and sectoral material-flow legislation are under no legal obligation to contribute to achieving this target. This creates regulatory gaps and leaves important synergies untapped. An overarching CEA could provide precisely this missing coordination function by aligning existing legislative frameworks with common strategic objectives.
- 2. A binding target for reducing primary raw material consumption strengthens strategic autonomy.** A suitable overarching objective would be the reduction of the EU's absolute consumption of primary raw materials. Such a target addresses the resource demand of the economy as a whole while aligning all circular economy instruments towards a common objective. Doubling the circular material use rate, as proposed by the Commission, represents an important step in this direction. However, this indicator alone cannot guarantee an actual reduction in primary raw material use. If total material consumption grows faster than circular material use, efficiency gains may be partially or entirely offset. The CEA should therefore establish, alongside sector-specific targets such as recycling rates, collection targets and recycled content requirements, a legally binding objective for reducing the absolute consumption of primary raw materials. Such an overarching target would align existing legislation around a common strategic direction, limit rebound effects, strengthen policy coherence and improve the EU's long-term resource security by reducing dependence on primary raw materials.
- 3. A genuine Single Market for circular value chains enhances resource efficiency, competitiveness and security of supply.** Creating a well-functioning EU Single Market for secondary raw materials and circular products is central to the success of Europe's circular economy. Today, key policy instruments are collection targets, recycling targets, recycled content requirements, end-of-waste criteria, Extended Producer Responsibility (EPR) schemes and product legislation. However, they remain unevenly developed within the value chain and across material streams and Member States. This fragmented regulatory landscape, characterised by divergent end-of-waste criteria, different EPR systems and inconsistent enforcement practices, creates inefficiencies, market barriers and legal uncertainty. For example, mandatory recycled content requirements can stimulate demand for recycled materials. However, without harmonised end-of-waste criteria, recycled materials that continue to be legally classified as waste cannot be used in products. Conversely, while end-of-waste criteria exist for certain fertilisers, the absence of mandatory recycled content requirements means that demand for recycled nutrients remains insufficient to compete with low-cost imported fossil-based mineral fertilisers. A harmonised and integrated application of governance instruments across all circular economy strategies (rethink, reduce, reuse, repair, refurbish, remanufacture, repurpose and recycle) is therefore essential to stimulate both supply and demand for circular materials and products while supporting the establishment of necessary infrastructure.

4. **Strategic policy planning creates investment certainty and drives innovation.** The transition to a circular economy requires the transformation of entire value chains: from raw materials to recycled feedstocks, and from linear product sales towards take-back systems and remanufacturing loops. Such systemic transitions require investments with capital commitments extending over 15 to 30 years. Amendments to individual directives do not provide sufficient long-term certainty for businesses. A strategically designed CEA with legally binding objectives and clearly defined implementation horizons would provide the predictability needed to make investments in circular business models economically viable while stimulating innovation.

Recommendations for the Legislative Architecture of the CEA:

The Circular Economy Act should:

- be established as an **overarching regulation serving as the Union's overarching steering law for circular resource governance**, providing direction for existing legislation through common objectives;
- establish binding targets not only for doubling the circular material use rate from 12.2% in 2024 to 24% by 2030, but also **for 2040 and 2050**;
- complement this objective with **a legally binding target for reducing absolute primary raw material consumption** expressed as a per-capita Raw Material Consumption (RMC) target for 2030, 2040 and 2050. Current consumption stands at 14.1 tonnes per capita in 2024, substantially above both the global average and levels considered compatible with planetary boundaries. Current scientific literature discusses target corridors of approximately 5–7 tonnes per person per year;
- include **a legislative alignment mandate requiring both European and national legislators to translate these overarching objectives into existing framework legislation**, including the Critical Raw Materials Act, the Ecodesign for Sustainable Products Regulation and the Waste Framework Directive. Each legal act should contribute quantitatively to achieving the common objectives. These framework targets should subsequently be reflected in material-specific legislation covering construction materials, electrical and electronic equipment, batteries, metals, packaging, textiles, fertilisers and other material streams through appropriate recycling targets, collection targets, recycled content requirements and harmonised end-of-waste criteria;
- **harmonise and align the existing policy toolbox** such as durability and repairability requirements, recycled content obligations, end-of-waste rules, green public procurement and fiscal instruments across both Member States and material streams; and
- **establish a robust governance mechanism** ensuring that progress towards the objectives remains measurable and enforceable through monitoring, digital material-flow tracking, Member State reporting obligations and regular review and adjustment cycles.

An overarching governance framework of this nature would enable the European Union to align existing legislative instruments with common resource objectives while systematically reinforcing their combined impact. By establishing legally binding targets, long-term implementation horizons, a legislative alignment mandate and a harmonised governance architecture, the Circular Economy Act can significantly strengthen the coherence of EU circular resource legislation and improve the Union's ability to achieve the Commission's strategic objectives, including doubling the circular material use rate by 2030 and enhancing Europe's long-term raw material resilience.

The legal opinion can be viewed [here](#).

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