

DUTCH BUSINESS PERSPECTIVE ON THE EU CIRCULAR ECONOMY ACT

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Summary

In line with the recent reports by Mario Draghi (*"The Future of European Competitiveness"*) and Enrico Letta (*"Much More than a Market"*), the Circular Economy Act (CEA) provides a key opportunity to strengthen Europe's strategic autonomy, competitiveness and sustainability. VNO-NCW¹ and MKB-Nederland², representing the Dutch business community as a whole, support the European Commission's ambition to make the European Union more resilient and future-proof through the CEA. The Act can make a significant contribution to reducing dependency on primary raw materials, reinforcing the internal market, and limiting the environmental impact of industrial production. To achieve these goals, it is essential that the CEA strengthens the economic and regulatory framework conditions for circularity — ensuring legal clarity regarding the reuse and recycling of materials, a well-functioning internal market for secondary raw materials, and effective demand creation for circular products.

We focus our input on three key priorities:

1. Redefining waste – towards an approach that stimulates and rewards reuse and recycling.
2. Strengthening the internal market for secondary raw materials – through harmonized and improved rules and procedures and by implementing streamlined and future-proof extended producer responsibility schemes that support circularity across sectors.
3. Creating lead markets for circular products – through demand stimulation and market-based instruments.

1. Redefining waste

The current European waste framework in practice creates obstacles for circular value chains. Materials with real economic value which should be retained and with potential

¹ The Confederation of Netherlands Industry and Employers (known as VNO-NCW) is the largest employers' organization in the Netherlands: [About us - VNO-NCW](#)

² The Royal Association MKB-Nederland is the largest entrepreneurs' organization in the Netherlands: [About us - MKB-Nederland](#)

for safe reuse are subjected to a strict and fragmented regime due to their formal classification as waste, hindering transport, reuse and processing.

We therefore call for a paradigm shift from a “waste unless” to a “resource unless” approach. The revision of the Waste Framework Directive (WFD) under the CEA should lead to a system in which materials are considered resources or secondary raw materials unless their use or processing poses a demonstrable risk to human health or the environment and no mitigating measures are possible.

In concrete terms, we propose to organize expert deep-dives for the legal elaboration of alternative approaches and classifications of waste streams, for example:

- Risk-based classification of material streams, ensuring that only hazardous or other high-risk materials automatically fall under strict waste legislation.
- Recognized resource status for high-quality, clean, and separately collected secondary material streams.
- Accelerated development of EU-wide end-of-waste criteria, including output streams of products generated via chemical recycling.
- Digital and transparent procedures for granting resource status through linkage with the Digital Product Passport.
- Mutual recognition of national end-of-waste decisions or resource declarations within the EU through a European Circular Materials Authority.
- Alignment with product regulation; for not-waste materials, applicable product related legislation (e.g., REACH), process related and environmental legislation (e.g., IED), health and safety legislation provide sufficient guarantees for safe use and safe access to market. This prevents double regulatory assessments under both waste *and* product law.

In addition, greater emphasis should be placed on the prevention element of the waste-materials hierarchy, and not only on end-of-life treatment.

2. Strengthening the internal market for secondary raw materials

A well-functioning internal market is a prerequisite for a competitive circular economy. At present, the free movement of secondary raw materials is hindered by differing national interpretations of waste definitions, permitting procedures and end-of-waste criteria.

The CEA should eliminate this fragmentation and strengthen the internal market by:

- Converting the Waste Framework Directive into an EU regulation to ensure uniform application.
- Harmonizing definitions of waste, by-products, and secondary materials.
- Establishing EU coordination of end-of-waste decisions through a central register.
- Clarifying the proximity principle for waste treatment versus the internal market principle for circular materials.
- Setting uniform quality and traceability standards for secondary raw materials.
- Feedstock neutrality. Ensure a level-playing field for all circular feedstock-related technologies. The use of targets to create market pull for circular feedstocks

should be expanded with new targets supporting also biomass-derived and CCU products.

- To further facilitate the shipment of waste within the European Union, it is essential to expand the scope of waste types classified under the green list. By including more waste streams in this category, particularly those that pose low environmental risk and are destined for recovery operations, Member States can promote circular economy practices, enhance resource efficiency, and support the internal market for secondary raw materials.

We furthermore supports periodic reviews of waste-processing permits and measures to enhance sorting and recycling, while phasing out exports and landfilling and limiting incineration.

3. Market creation and demand stimulation for circular products

Without sufficient demand for circular products, the transition will remain limited to small-scale initiatives. Experience in European industry demonstrates that market formation does not occur automatically. We therefore support the call³ for and the development of demand-driven policy instruments to strengthen markets for circular materials and products.⁴ The CEA could distinguish three pillars in this context:

1. Demand obligations and certification

The EU should explore how mandatory minimum shares of circular and secondary raw materials in specific product groups can contribute to economies of scale and cost reduction. Where appropriate additional market-mobilizing instruments to incentivize use of low-carbon and circular materials shall be explored and developed. Such instruments should be introduced EU-wide, based on a robust yet simple certification system, and applied to sectors with high material volumes and limited substitution options.

2. Public market creation

Governments can play a leading role as market actors through sustainable and circular public procurement. The CEA should encourage the use of performance-based criteria in procurement to foster innovation and fair competition.

3. Level playing field

The CEA must ensure that European circular products are not displaced by linear imports. This requires equal treatment of imported goods, the option to introduce demand obligations based on EU origin (e.g. secondary or circular material streams processed within the EU), and financial support through European funds to promote competitiveness.

³ [Call for Demand Creation to Drive Industry Investments](#)

⁴ [20250910-EU-Demand-Creation-Deloitte-Report.pdf](#)

Conclusion

The Circular Economy Act presents a unique opportunity to connect industrial, environmental and market policy within a single strategic framework. We call on the European Commission to adopt the following guiding principles in further elaborating the CEA:

- **Legal clarity:** clear and uniform definitions of waste and secondary materials to facilitate reuse and recycling.
- **Harmonization:** one European internal market for secondary raw materials and circular products.
- **Market functioning:** demand-oriented instruments that stimulate investment and innovation.
- **Competitiveness:** policy that strengthens circularity and industrial value creation within Europe.

By following this approach, the Circular Economy Act can make a substantial contribution to building a climate-neutral and globally competitive European economy.

Annex – Link to the White Paper “End-of-Waste Status: Issues, Cases and Solutions from the perspective of Dutch industry”

Building a Functional System for Circular Raw Materials

The transition to a circular economy requires a fundamental shift in how we define and handle waste materials. As long as recovered materials are legally classified as waste, sustainable value chains will remain unnecessarily constrained. To achieve the European and Dutch climate and circularity goals, legislation must move from “waste, unless” to “resource, unless.” This means introducing an (extended) resource status for materials that can demonstrably be reused safely and usefully, applying the same standards and safeguards as for primary raw materials and products.

At the same time, member states such as the Netherlands must invest in practical procedures that foster innovation and legal certainty. This calls for a single national resource authority *and* for a central European Authority that applies uniform assessment frameworks, enables pilot permits, and shares accumulated knowledge publicly. By providing room for experimentation and embedding proportionality in risk assessment, entrepreneurs gain the space to invest in new recycling and reuse routes, while regulators can focus enforcement where it truly matters: protecting people and the environment.

Finally, European harmonization is essential. The circular economy does not stop at borders, and without mutual recognition of end-of-waste statuses between member states, the internal market for secondary raw materials will remain fragmented. The Netherlands can take the lead by promoting developing common standards, and expanding public-private knowledge-sharing models. In doing so, we can create a level playing field where circular innovation becomes the norm—built on safety, transparency, and economic value.

[Link to [White paper End-of-Waste](#) (in Dutch)]

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