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# Circular economy as a local task of the future

Position paper of the associations of Local Authorities from Bavaria and Baden-Württemberg<sup>1</sup>

For decades, local authorities and their public waste disposal agencies have ensured reliable, sustainable, and socially acceptable waste recycling and disposal. The proven system of multiple services of general interest in Germany must continue to play a key role in a further developed European single market. Experience in Germany shows that private or shared responsibilities lead to higher costs, a lack of transparency, and more bureaucracy. The 'waste business' often overshadows the underlying environmental goals. The circular economy is also a key European issue for the future. The Clean Industrial Deal and the Single Market Strategy refer to further legislative procedures, including the amendment of the Waste Framework Directive, the harmonisation of extended producer responsibility, product passports, and harmonised labelling requirements. Local authorities are ready to actively support these efforts. To this end, it is necessary to shape European framework conditions in such a way that. In recognition of the principle of subsidiarity, it remains up to the EU Member States to decide how collection responsibilities are organised at the internal level. Conservation of resources, waste prevention, reuse, and a municipal recycling economy can thus be developed effectively and economically.

In the context of the new Circular Economy Act announced by the European Commission for 2026, we therefore call for:

#### Taking advantage of 'low-hanging fruit' such as the ban on landfilling municipal waste

In the Clean Industry Deal, climate policy targets are being reassessed, considering a changed global political situation. More than ever before, it is important to use low-investment and fast-acting measures to achieve climate targets. A prompt ban on the landfilling of municipal waste could save around 190 million tonnes of  $CO_2$  equivalents across Europe.<sup>2</sup> The methane produced in landfills and dumps in many member states is up to 86 times more harmful to the climate than  $CO_2$ <sup>3</sup>. As long as and to the extent that the long-term goal

<sup>&</sup>lt;sup>1</sup> Bavarian Association of Municipalities, Bavarian Association of Cities, Bavarian Association of Counties, Bavarian Association of Districts; Association of Municipalities of Baden-Württemberg, Association of Cities of Baden-Württemberg, Association of Counties of Baden-Württemberg.

<sup>&</sup>lt;sup>2</sup> Source: Federal Environment Agency, Climate Relevance of Waste Management 2011, p. 5; https://www.umweltbundesamt.de/sites/default/files/medien/publikation/long/4061.pdf.

<sup>&</sup>lt;sup>3</sup> Source: Gunnar Myhre, Drew Shindell, Anthropogenic and Natural Radiative Forcing, in: Climate Change 2013 Fifth Assessment Report of the Intergovernmental Panel on Climate Change, p. 56, https://www.ipcc.ch/site/assets/uploads/2018/02/WG1AR5\_Chapter08\_FINAL.pdf#page=56.

of complete recyclability at the product level is not achieved, thermal recovery plants should be recognised and used as systemically relevant and base-load capable energy producers within the existing waste hierarchy.

### Thermal waste treatment as a key strategic resource for the European circular economy

Their inclusion in the European Emissions Trading System (ETS) would not have the intended ecological steering effect. Higher waste treatment fees would be borne by citizens and would ultimately lead to waste being transferred to non-European countries with significantly lower environmental requirements. In our view, thermal treatment plants should not only be considered key strategic elements in terms of energy policy. As recycling plants, they also help to recover critical raw materials such as copper, calcium sulphate, and phosphate precipitants. Initiatives for CO<sub>2</sub> capture and utilisation must be supported at the European level and given legal certainty.

#### Producer responsibility does not mean collection responsibility

Genuine producer responsibility is essential: product manufacturers must be obliged to contribute financially to the costs of collecting, recycling, and disposing of the products they place on the market. In this case, responsibility does not mean responsibility for collection. The decision on this must remain a matter for the Member States. Experience with existing systems in Germany shows that the 'waste business' conflicts with environmental goals and is inefficient and non-transparent at the expense of consumers. The dual system in Germany, a system of shared collection responsibility, has not proven itself in its current form – as it entails immense enforcement expenses and economic default risks for counties and (independent) cities and should not be used as a model for European developments. We expressly reject any further fragmentation of collection responsibility. Public waste disposal authorities do not pursue any original economic interests of their own. They should be strengthened throughout Europe as guarantors of resilient structures. Especially in the circular economy and in the collection and management of waste streams, they must be given priority over purely private-sector profit-making interests.

In short, responsibility for all recyclable waste must remain with public waste disposal authorities. Any deviation from this principle will lead to inefficient and expensive parallel structures and the exploitation of the system to the detriment of citizens. Against this background, the Waste Framework Directive should clarify that, under European law, the term 'producer responsibility' is limited to financial responsibility and that the operational aspects are left to the Member States to determine. Considering the principles of subsidiarity and local self-government, the European legislator is called upon to refrain completely from regulating the responsibilities for collection.

# Clear and binding standards for product design

Resource conservation and waste prevention must begin with product development. Products must be designed to be durable, easy to repair, and recyclable throughout Europe. We welcome the fact that the EU has taken the first steps towards a right to repair and eco-design for sustainable products. These initiatives must be implemented swiftly and extended to other product groups. To achieve a single market for waste, we recommend learning from the experiences of the last 50 years in the construction products sector and defining uniform rules across Europe from the outset. This includes uniform and enforceable pollutant limits. For example, it is striking that the REACH Regulation imposes an absolute ban on the asbestos trade, even though this substance is ubiquitous, for example, in granite and other natural products. It must be possible le to remove pollutants from partially contaminated structures without the need for complex and therefore

expensive investigations. Among other things, this requires the development of uniform European guidelines for the reuse of building materials containing low levels of asbestos to prevent the irretrievable loss of building materials and, at the same time, a multiplication of disposal costs during the wave of renovations. Problems such as these must be addressed in the announced reform of the criteria for the end of waste and by-products and the creation of a more harmonised, streamlined framework in the single market for waste and by-products.

#### **Avoiding disposable products**

Products that cannot be recycled effectively due to their design or that cause massive environmental problems – such as disposable e-cigarettes – must be banned throughout Europe or made unattractive by high environmental taxes. Possible loopholes, such as reclassifying disposable products as reusable products, must be prevented. In addition, clear legal requirements are needed to significantly increase the proportion of recycled materials in new products, to make their use attractive from an economic point of view, and to promote the development of sustainable markets for secondary raw materials. In general, the goal must be to keep raw materials as local as possible and in circulation as much as possible, i. e., strengthening regional economic cycles and reducing transport costs could create more resilience. The key to this lies once again in product design and the relevant specifications.

# Uniform European standards for transparency, efficiency, and environmental impact – addressing non-EU trade as a reason for a disrupted circular economy

The existing targets for recycling rates and waste streams must be harmonised across the EU and made verifiable. Non-transparent or symbolic targets benefit neither the environment nor citizens. A genuine circular economy requires transparent standards, honest calculation bases, and effective enforcement controls at all levels. However, care must be taken to ensure that the system is not overly bureaucratic. In addition, solutions are needed for products frequently imported from non-EU countries, such as electrical appliances, batteries, and used textiles, which counteract European efforts to standardise products and achieve higher recycling rates. Customs and national market surveillance authorities are hopelessly outmatched by new direct marketing channels used by international online retailers based outside the EU, who flood the market with cheap products. To realistically achieve better recycling rates in import-intensive industries, product standards must also apply to imports and be enforceable.

# Our appeal to the European Commission is therefore:

- Use the ban on landfilling municipal waste as a cost-effective and quickly implementable CO<sub>2</sub>
  reduction mechanism
- Recognise the importance of modern thermal waste treatment for a sustainable energy and raw materials transition
- Preserve and strengthen the role of public waste disposal authorities in the Member States
- Producer responsibility as financial responsibility for products and their consequences
- Make binding product standards the key to a sustainable circular economy
- Ban on non-recyclable single-use products and disposable items
- Effectively countering the circumvention of customs and market surveillance through the direct marketing of non-EU-compliant products from third countries

Local responsibility and European governance must go hand in hand to protect our planet's natural resources and ensure a sustainable quality of life in Europe. The transition to a sustainable circular economy can only succeed if local authorities and their public waste disposal authorities are involved in a spirit of partnership. The European Offices of the Bavarian and Baden-Württemberg Local Authorities are available for any further enquiries.