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FEAD feedback to the call for evidence for a Critical Raw Materials Act

FEAD, the European Waste Management Association representing the private waste and resource management industry across Europe, is fully committed to the objectives of the European Green Deal and the Circular Economy Action Plan as essential tools for providing the adequate stimuli to our economy while pushing forward EU Climate goals through the circular economy. To this end, **FEAD has welcomed on 15 September the European Commission's announcement on the upcoming launch of a Critical Raw Materials Act (CRMs).**¹

CRMs are crucial for the sustainable function of the European economy, for European citizens' everyday life and for key industry sectors' competitiveness. The coronavirus pandemic and its economic aftermath along with the current energy crisis resulting from EU's dependency on Russian fossil fuels have only increased the urgency to ensure the security of supply of raw materials to the EU and its strategic independence, as well as to reduce the impacts on the environment due to increased use of CRM in the global economy. Considering the situation, **FEAD believes that the recycling potential must be fully exploited in EU policies, and hence welcomes the Commission's stressing the importance of circular economy regarding the supply of critical raw materials to the Union. Consequently, FEAD calls for the inclusion of strong recycling elements that could contribute to addressing those issues.**

Waste management companies enable the transition to a circular economy by producing material resources from waste which can be re-injected back into the economy. Therefore, **to secure a sustainable supply of CRMs, FEAD strongly recommends their recycling.** Even though today recycling is not a significant potential source for recovery for all CRMs, studies² have shown that the industry has enormous potential to increase the bloc's strategic autonomy. In particular, according to the KU Leuven report for Eurometaux, release in 2022, in mature markets, such as the ones of aluminium, copper and zinc, recycling will be able to supply 40-65% of Europe's base metals demand in 2050. To address recycling bottlenecks, the EU legislator should promote improved collection and sorting systems, smarter product design, and the control of waste leakage:

- Concerning smarter **product design**, every product needs to be designed following design for recycling requirements, given the difficulties in dismantling, the increased cost due to Europe's high labour costs, and the limited post-

¹ <https://fead.be/position/fead-welcomes-commission-announcement-on-the-creation-of-a-critical-raw-material-act/>

² https://frdo-cfdd.be/wp-content/uploads/2022/10/1_Karel_Van_Acker.pdf

shredding technologies. **Poor ecodesign means that not all raw materials can be technically or economically recovered from many end-of-life products and their components.** The new EU regulatory framework under the Ecodesign Regulation should address those issues with relevant incentives or other measures.

- **Increased incentives for (separate) collection of waste containing CRMs** should also be provided in waste streams such as **in the End-of-Life Vehicles (ELVs) and in the Waste from Electrical and Electronic Equipment (WEEE).** Concerning the first, the EU could establish financial incentives for the recycling of ELVs. This would promote the recycling of ELVs in the EU. Concerning WEEE, these are the fastest growing waste streams, with modern electronics containing rare and expensive resources that should be recycled and re-used through the effective management of waste. **FEAD calls for the drastic improvement of the collection of electronic waste as well as the processing of data.** In 2019, the collection rate of WEEE was only 48.5 % in the European Union (measured as the volume of WEEE collected in relation to the average amount of electronic equipment put on the market in the three preceding years, i.e. 2016-2018). To this end and in a bid to achieve a level playing field, a digital product passport can improve collection rates and recycling efficiency. Another example is provided by Germany, that has recently introduced a take-back obligation of WEEE for supermarkets and stores that have a surface exceeding 800m². More improvement possibilities in terms of WEEE collection can be found in FEAD's feedback to the call for evidence for the evaluation of the WEEE Directive. Enforcing such commitments and raising consumer awareness are key factors to secure better collection rates.
- **FEAD also draws attention to the illegal waste shipment of waste containing CRMs to third countries.** Every year, millions of tonnes of valuable raw materials “disappear” from the European markets. In particular, 23 out of the 30 CRMs are regularly contained in WEEE, whose illegal collection and recycling is estimated at 33% across the EU. To this end, **FEAD calls for the enforcement of the existing waste shipment rules through improved controls and checks, while ensuring open markets.** Improved waste shipments within the EU will serve the objective of facilitating the recycling of CRMs within the EU.

FEAD strongly advocated for political actions that level the playing field between primary raw materials and secondary raw materials to ensure the competitiveness of the latter by recognising its positive impacts on climate and circularity, and by internalising the negative external costs of the extraction of raw materials. The environmental added value of collection, sorting, processing, and use of recycled raw materials must be maintained from the initial recycling raw material to the production of end products. As an example of the possible incentives, FEAD suggests the idea of the provision of credits for CO₂ certificates for recyclers along the whole supply chain.

To ensure Europe's competitiveness and to guarantee its strategic autonomy, **FEAD also stresses the need for industrialisation policies that use the principles of circularity**

as the main lever of sustainable development. The waste management industry already makes an important contribution to sustainable production by recycling different materials, however, strategic autonomy in the EU can be strengthened through appropriate **investments in additional recycling technologies, funding R&D and innovation projects**; through **favourable production conditions** (through the required electricity price that will also apply to treatment plants); and through **simplified approval conditions for recycling plants** that contribute significantly to CO2 reduction.

Discrepancies among Member States, both in terms of size but also structure of their industries, shape the demand for raw materials, with several actors highly consuming industrial metals such as copper and nickel, and other actors voicing concerns over mining activities. To prevent an increase in global mining investment, **FEAD calls for the improvement of the recycling capacities regarding CRMs within the EU, to ensure a circular and sustainable use of CRMs put in the EU internal market. This requires:**

- **public support to improve separate collection and increased sorting capacities of waste containing CRMs;**
- **mandatory recycled content targets, where appropriate, considering existing recycling markets, feedstock availabilities and their fluctuation;**
- **improved ecodesign that allows for better dismantling and recycling; and**
- **other incentives, such as CO2 certificates or green public procurement.**

This will enable investments in recycling capacities regarding waste containing CRMs within the EU, to ensure that growing tonnages of materials that have come into the EU Internal Market will be reincorporated endlessly into new products.

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