

RESPONSE TO CALL FOR EVIDENCE:

Putting recycled materials at the centre of the Critical Raw Materials Centre



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Introduction

Securing access to Critical Raw Materials (CRM) is crucial to strengthening Europe's resilience and competitiveness. The creation of the CRM-Centre (CRM-C) is therefore a step in the right direction. This new EU body could help create demand for recycled materials, a much-needed element to scale recycling capacities in Europe. But for this, the CRM-C must be fit for recycled CRM by design.

Recycling Europe's key asks for the CRM-Centre

- **Recognising the role of recycled materials:**

Developing recycling capacities for CRMs should be a core mission of the CRM-C. By turning domestic waste into a local source of raw materials, recycling reduces dependency on third countries and the need for the extraction of primary raw materials. To scale this industry, the CRM-C should be staffed with dedicated experts that systematically assess the impact of policies on the entire CRMs' recycling value chain - from waste collection to sorting and treatment.

- **Scaling up CRM recycling through targeted support and the creation of favourable market conditions:**

In the short term, the CRM-C should channel public funding towards recycling projects, from collection to treatment. Funding instruments such as grants from Horizon Europe and from the European Innovation Council are critical for scaling recycling plants from the pilot-phase to industrial scale. But they can be difficult to access. The CRM-C should offer a one-stop shop specialised in CRM funding, helping recyclers access information on funding opportunities, navigate institutions, and complete administrative procedures.

In the long run, however, the CRM-C should phase out public funding and focus on creating favourable market conditions for recycled CRMs. For this, growing demand for recycled materials is crucial. Apart from copper and aluminium, CRMs are often present as traces in products, whereas recycling needs to reach a critical mass in terms of volumes to scale up and be viable.

To encourage investment in advanced technologies and new recycling capacity, the EU must incentivise downstream stakeholders to use more recycled materials. The CRM-C should therefore be empowered to investigate the implementation of recycled content targets and tax breaks for recycled CRM. These tools were successful in delivering stable demand for recycled plastic, at a limited cost for public authorities.

Finally, public authorities should also lead by example. The CRM-C should support public authorities in leveraging public procurement and offtake agreements to create demand for CRMs recovered from waste. The purchase of large volumes of recycled CRMs by public authorities would create predictable and long-term demand and create a market signal channelling investments into new recycling capacities.

- **Stockpiling as an opportunity to stabilise prices and improve security of supply for recycled CRM:**

If designed well, stockpiling represents a valuable opportunity to improve the price stability and supply security of CRMs - two conditions that recyclers need in order to invest in new recycling capacities. To facilitate coordination between regions while preventing conflicts of interest, the responsibility for creating and managing stockpiles should be on the EU and Member States. Following the example of the US, they should build reserves by purchasing both primary and recycled CRM at market price, for example through offtake agreements.

However, stockpiling remains a big market disruption and should therefore only be used for materials for which new treatment capacities is expected to be developed within the EU. The conditions for releasing stockpiled materials should be strict to prevent price volatility and market speculation. If the European Commission were to request recyclers to stockpile materials, such a scenario would not be feasible and Recycling Europe opposes it. Private recycling companies cannot store large quantities of materials at their facilities, as permits prohibit such storage.

- **A stable and independent governance based on evidence:**

Independence and clearly defined responsibilities are crucial for the CRM-C to implement stable and predictable strategies. The respective roles and responsibilities of the CRM-C, the European Commission, Member States and companies (industry) should be clearly delineated and transparently communicated. Experts in recycled CRMs should be appointed at the highest level of governance alongside experts in primary CRMs.

It is also essential for the CRM-C to collect data for supporting policy choices. Trade flows, market dynamics and new refining and recycling capacities should be collected and analysed. These data should then be shared across institutions, to feed policy work. However, we caution against collecting data on future recycling capacities. Investment plans are made against market trends and changes in the policy landscape, and situations can evolve quickly. Collecting irrelevant data and using them for policy work could lead to unintended consequences.

Note to editor: Recycling Europe (formerly EuRIC) is the voice of Europe's recycling industry, including 84 national federations and companies across 24 EU & EFTA countries, plus the UK. From metals and paper to plastics, textiles, tyres, ships, construction & demolition waste, WEEE and ELVs, our members transform waste into resources, powering Europe's circular economy, ensuring resource autonomy, and boosting competitiveness and sustainable industrialisation across the continent. For press-related enquiries, please contact Zoi Didili, Recycling Europe's Senior Public Affairs & Communications Advisor, by email at zdidili@recyclingeurope.org or by phone at +32 (0) 489 09 46 02.