

# Interpanel debate

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European  
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## Panel 2

**#ESA26**  
5th edition

Scaling the circular economy. How can the EU overcome uneven progress and encourage change across sectors and societies?

# Proposals 1-12

## Session 1

1. **Helping SMEs Go Circular:** Tailored Roadmaps and Automatic Funding Based on National Readiness
2. **Greening AI infrastructure:** Mandatory Water-Efficiency Framework for EU Data Centers
3. **Reducing the Residual Waste::** Extending Producer Responsibility to Absorbent Hygiene Products (AHP)
4. **Design for Repair:** Making Products Easy to Disassemble Under the ESPR Directive
5. **Cleaner Construction:** Faster EU Approval and Procurement of Low-Carbon Materials
6. **Connecting Local Economies:** A European Platform for Stronger Local Business Ecosystems

**Mario**

## Session 2

7. **From Rain to Resource:** A European Framework to Capture, Reuse, and Value Urban Rainwater
8. **Mandatory Green Procurement:** Boosting Industrial Circularity
9. **The Territorial Circular Innovation Alliance (TCIA):** University Partnership for Circular Innovation in Regions
10. **From Reaction to Prevention:** Using Circular Resource Planning in EU Disaster Preparedness
11. **Scan Before You Buy:** An EU-wide Sustainability Food Labelling System
12. **Circular Logistic Hubs:** Reducing Waste in EU Supply Chains

**Anna**



**#ESA26**



# PROPOSAL 1

**Helping SMEs Go Circular: Tailored Roadmaps and Automatic Funding Based on National Readiness**

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**Four-level national readiness tiers:** Emerging → Developing → Advanced → Leading  
→ each with tailored Circular Economy Transition Roadmaps integrated into the European Semester

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**Automatic SME Funding Trigger:** Once a Member State reaches 'Developing' level, a dedicated facility provides simplified, direct financial support

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**Closes a critical policy gap:** No EU mechanism currently adjusts timelines or funding access based on national capacity  
→ *recycling rates vary from 12% to 69% across Member States*



# PROPOSAL 1

## Helping SMEs Go Circular: Tailored Roadmaps and Automatic Funding Based on National Readiness

Despite ambitious targets under the European Green Deal, recycling rates vary from 12% to 69% across Member States, with SMEs — 99% of EU businesses — facing disproportionate barriers in accessing circular economy funding. We recommend that the European Commission establish a Differentiated Readiness Framework under Articles 175 and 173 TFEU. This would introduce standardized national readiness assessments, assigning Member States to four transition levels: Emerging (basic capacity-building), Developing (infrastructure development), Advanced (innovation focus), and Leading (best practice dissemination). Tailored Circular Economy Transition Roadmaps would be integrated into the European Semester, with an Automatic Circular Economy SME Access Facility triggering simplified funding disbursement once countries reach the Developing level—moving beyond the current EuroAccess portal complexity to direct financial support. This framework fills a critical policy gap: while Articles 175 and 173 support industry and regional development, no mechanism currently adjusts implementation timelines or funding access based on national capacity, ensuring more equitable and effective circular transition.

# PROPOSAL 2

## Greening AI Infrastructure: Mandatory Water-Efficiency Framework for EU Data Centers

### EU-wide licensing for data

**centres:** Integrate a binding framework into the Water Resilience Strategy, mandating closed-loop cooling technologies in water-scarce regions such as Spain and Italy

### Full Life Cycle Assessment

**(LCA):** Expand regional planning requirements to whole-building LCAs with emphasis on water indicators

→ presenting both results and model quality to ensure transparency

### Commission-provided tools &

**data:** Addresses the regulatory gap where current frameworks (2000/60/EC, WUE reporting, 'Water Efficiency First' 2025) remain non-mandatory and insufficient

# PROPOSAL 2

## Greening AI Infrastructure: Mandatory Water-Efficiency Framework for EU Data Centers

Despite the constitutional mandate for environmental and natural resource protection under Articles 191 and 192 TFEU, a regulatory gap remains, which leaves water-scarce regions like Spain and Italy vulnerable. Current EU frameworks like 2000/60/EC, reporting on Water Usage Effectiveness (WUE) and the „Water Efficiency First“ (2025) recommendation, remain non-mandatory. To address this, we propose that the European Commission integrate a Europe-wide licensing framework for data centres into the upcoming Water Resilience Strategy to reduce water consumption. This framework could mandate closed-loop cooling technologies (e.g., liquid and immersion cooling) and expand current regional planning requirements into a full Life Cycle Assessment (LCA). We recommend emphasizing the importance of water indicators within the LCA assessment criteria, presenting both the results and the quality of the model, and encouraging technological innovation. The European Commission might also provide tools and data on building materials and the properties of the resources used, which are required for the LCA model.

# PROPOSAL 3

## Reducing the Residual Waste Extending Producer Responsibility to Absorbent Hygiene Products (AHP)

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### EU-wide EPR scheme for nappies

**by 2028:** Producers finance separate collection, transport, and treatment of baby & adult nappies  
→ currently accounting for up to 10% of residual household waste, with disposal as the default

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### Binding targets with harmonised reporting:

90% separate AHP collection by 2040, with mandatory EEA reporting on volumes placed on market, collected, and recycled  
→ *turn a 'dirty' stream into a strategic resource!*

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**Proven feasibility:** Existing facilities (FaterSMART in Italy, Pampers pilots in Netherlands) demonstrate high-quality recovery of plastics and cellulose for the circular bioeconomy

# PROPOSAL 3

## Reducing the Residual Waste: Extending Producer Responsibility to Absorbent Hygiene Products (AHP)

The European Commission could establish an EU-wide EPR scheme for absorbent hygiene products (AHP), notably baby and adult nappies, under Articles 191–192 TFEU and the Waste Framework Directive by 2028. Producers placing nappies on the EU market would be required to finance separate collection, transport, and treatment, prioritising recycling over disposal, which is currently the main route for this waste stream and accounts for up to 10% of residual household waste. Existing facilities, such as the FaterSMART plant in Italy and Pampers pilots in the Netherlands, demonstrate the feasibility of high-quality recycling, recovering plastics and cellulose for the circular bioeconomy. The Commission should set progressively more ambitious binding targets, aiming for 90% AHP separate collection by 2040, and require harmonised reporting to the European Environment Agency on quantities placed on the market, separately collected and recycled. This proposal would turn a “dirty” waste stream into a strategic resource.

# PROPOSAL 4

## Design for Repair: Making Products Easy to Disassemble Under the ESPR Directive

**Modern products rely on permanent joining methods** which makes repair and component recovery technically difficult and economically unviable

**Up to 80%** of a product's lifecycle environmental impact is determined during the design phase

→ **The Disassembly Performance Index (DPI) and Time-to-Access (TTA)**

Modern products often use permanent joining methods, such as industrial glues, which make repairs and component recovery technically difficult and economically unviable, thereby institutionalizing waste. The European Commission should amend the Ecodesign for Sustainable Products Regulation (ESPR) to establish a mandatory Disassembly Performance Index (DPI) as a market-access requirement by 2030. This index mandates that core components must be accessible and removable by a professional within a product-specific Time-to-Access (TTA) threshold, calculated based on category-specific modularity benchmarks. Products must allow for non-destructive disassembly and safe reassembly using standard, non-proprietary tools. Items failing to meet these category-specific TTA benchmarks will be denied the CE mark, excluding them from the European Single Market. By transforming disassembly from an optional choice into a structural requirement for market entry, this policy forces the "designing out" of waste at the source and ensures long-term resource efficiency across all Member States.



## PROPOSAL 4

**Design for Repair: Making Products Easy to Disassemble Under the ESPR Directive**

# PROPOSAL 5

## Cleaner Construction: Faster EU Approval and Purchasing of Low-Carbon Materials

**Conventional concrete and steel remain the default choice for major infrastructure projects**

→ By 2028 all major public projects over 20 EUR million must mandate low-carbon materials

**The issue of embodied carbon**

→ 10% of all EU GHGs

**Cheaper short-term solutions and expensive long-term** →

Life-cycling costing calculate the total cost of ownership over 50 years

# PROPOSAL 5

## Cleaner Construction: Faster EU Approval and Purchasing of Low-Carbon Materials

The European Commission should launch the EU Low-Carbon Construction Procurement & Approval Accelerator to scale low-carbon cement and steel by 2028. It would require all public contracts over €20 million to meet strict embodied CO<sub>2</sub> limits, apply life-cycle costing, and a regulatory sandbox to fast-track pre-certified low-clinker mixes. Through simplification of the approval procedure and avoidance of repeated testing, the scheme will make it easier to adopt low-carbon materials.

The policy addresses current market failure: due to perceived legal certainty and lower upfront costs, conventional concrete remains the default. By using the EU's public procurement spending, the Accelerator will convert low-carbon options into predictable demand, optimising industry uptake.

Legally grounded in the Construction Products Regulation (2024/3110) and the EPBD (2024/1275), and aligned with the 2026–2029 CPR Working Plan, it ensures harmonized technical standards. The goal is to reach 90% low-carbon concrete volume use in eligible projects by 2040, supported by transparent EEA monitoring and iterative benchmark updates.



# PROPOSAL 6

## Connecting Local Economies: A European Platform for Stronger Local Business Ecosystems

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**Isolated SMES** because there is no EU-level connective tissue that allows a producer in one region to link with circular partners in another  
→ A GloCal Autonomous Platform embedding Infrastructure as a service

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**Economically weaker regions bear a disproportionate burden of green transition costs**

→ Facilitation of short supply chains results in reduction of external dependencies and stronger resilience



# PROPOSAL 6

## Connecting Local Economies: A European Platform for Stronger Local Business Ecosystems



Small and medium-sized enterprises (SMEs) are the backbone of Europe's industry and economy. The EU already funds initiatives that strengthen cross-border cooperation and sustainable business growth. For instance, COREnet and Bio-Districts under the CAP 2023–2027, aligned with Articles 173 and 175 TFEU, the EU's 2026 shift toward "Strategic Autonomy" and the Clean Industrial Deal. However, there is still no existing EU-level network that directly connects local producers or helps regions build strong circular supply chains. Thus, we propose that the European Commission establish a European Network for Local Production and Short Supply Chains, a non-profit, public-private, autonomous platform open to rural and urban companies engaged in local manufacturing, processing, and distribution. This network would promote knowledge, experiences and best practices exchange, create opportunities for companies to showcase locally produced goods and services, develop new markets, and benefit from coordinated support in areas like green transition, digitalization and logistics.

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34% to 38% of the EU population faces water scarcity, which is projected to worsen as water demand is expected to triple by 2030

While Regulation (EU) 2020/741 addresses agricultural water reuse, no dedicated EU framework exists for urban rainwater reuse for non-potable uses

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A mandatory EU framework for rainwater harvesting:  
Sets Quality Standards for non-potable reuse + ensure public health through safety protocols + integration into urban master plans

Implementation: Under Water Resilience Strategy (Dedicated Funding + Reduced VAT rates + incentives for rainwater infrastructure)

# PROPOSAL 7

**From Rain to Resource: A European Framework to Capture, Reuse, and Value Urban Rainwater**

As the 2027 deadline for implementing the Water Framework Directive approaches, 34% of the EU population continues to suffer from water stress. Under Article 192 TFEU and the 2026 Water Resilience Strategy, the Commission is mandated to adopt environmental standards. Although Regulation (EU) 2020/741 addresses water reuse, its optional nature and the lack of harmonized EU policies for rainwater leads to a critical gap. We propose that the European Commission establish an EU framework for rainwater harvesting and urban non-potable water reuse. This framework could set quality standards for urban non-potable and industrial applications, introduce safety protocols to ensure harvested rainwater and reused water meet public health standards in reclaimed water and require Member States to integrate these systems into urban master plans. Furthermore, the Commission should support implementation through dedicated funding and encourage Member States to apply reduced VAT rates and incentive principles to rainwater harvesting equipment and infrastructure, under the Water Resilience Strategy.

**From Rain to Resource: A European  
Framework to Capture, Reuse, and Value  
Urban Rainwater**

**PROPOSAL 7**

# PROPOSAL 8



## Mandatory Green Procurement: Boosting Industrial Circularity

**The voluntary Green Public Procurement framework is failing**

→ only 27% of EU public tenders include environmental criteria and fewer than 8% apply circularity measures

**Mandatory lifecycle costing, 20% recycled content, and circularity reporting** for all public infrastructure contracts above €20 million from 2028 onward

**Products with a Digital Product Passport would receive a "Circular Bonus" in tender evaluations**, converting 14% of EU GDP in public spending into a driver of circular demand

Public procurement represents around 14% of the EU's GDP, yet it remains underused in advancing circular economy goals. The European Commission's 2022 Green Public Procurement Monitoring Report found that only 27% of public tenders include environmental criteria and fewer than 8% explicitly apply circularity measures. Because the Green Public Procurement framework is voluntary, implementation remains uneven across Member States and progress has been limited. Under Article 114 TFEU, we propose that the European Commission establishes a mandatory EU Circular Public Procurement Accelerator through a revision of Directive 2014/24/EU by 2026. From 2028, infrastructure and industrial contracts above €20 million would apply lifecycle costing, include at least 20% recycled or reused content, integrate lifecycle carbon performance into award criteria and submit circularity reports. Linked to the ESPR, products with a Digital Product Passport could receive a "Circular Bonus" in tender evaluations, supporting strategic autonomy and the Circular Economy Action Plan.

# PROPOSAL 8

## Mandatory Green Procurement: Boosting Industrial Circularity



**Circular economy implementation is taking longer in peripheral and transition regions** due to lack in human capital and infrastructure

**A structured EU university network coordinated by the EIT under Horizon Europe,** connecting industry, infrastructure with regional universities via Erasmus+, joint degrees, and ERDF-funded R&D hubs

**Fosters collaboration between SMEs, students, and industrial clusters** to build regional circular economy capacity and align human capital with local labor market needs

# PROPOSAL 9

**The Territorial Circular Innovation Alliance (TCIA):  
University Partnership for Circular Innovation in Regions**



# PROPOSAL 9

## The Territorial Circular Innovation Alliance (TCIA): University Partnership for Circular Innovation in Regions

Circular Economy (CE) implementation remains uneven, constraining socioeconomic transformation in peripheral and transition regions. Under Articles 179-180 TFEU, we propose the TCIA: a structured university network coordinated by the EIT within Horizon Europe to reinforce CE innovation and assimilation, leveraging existing funding instruments, including InvestEU. The TCIA connects leading universities with regional institutions via Erasmus+ funded curriculum support, joint degrees, doctoral networks and mobility schemes. By leveraging cohesion funds, specifically the ERDF's I3 instrument, the Alliance establishes shared research infrastructures and applied collaborative R&D hubs. These ecosystems foster collaboration between SMEs, industrial clusters and students, enhancing CE knowledge diffusion and workforce development. EIT-labelled programmes, executive education, scholarships, and industrial doctorates further align human capital with regional labor market needs. Utilizing the Triple Helix Model of Innovation and work-integrated learning while maintaining institutional autonomy, the TCIA mitigates structural disparities to ensure an efficient, equitable European transition.

## **Mandatory vacant-building**

**register:** Member States conduct regular audits and report suitable vacant public buildings in a shared European database, enabling civil protection authorities to identify emergency shelter spaces rapidly

## **48-hour conversion**

**capability:** EU funding supports pre-retrofitting with modular materials so registered buildings can be *converted into safe accommodation within 48 hours*

## **Integrated with CEAP &**

**Bauhaus:** The register feeds into the EU Civil Protection Mechanism and advances New European Bauhaus objectives by *reusing existing infrastructure rather than building new*

# PROPOSAL 10

**From Reaction to Prevention: Using Circular Resource Planning in the EU Disaster Preparedness Framework**

A person wearing a blue surgical mask and a high-visibility yellow vest is holding a sign. The sign features the European Union flag (a blue field with twelve yellow stars) and the text 'rescEU' below it. The background shows a white building with a sign that says 'mfa' and a person in a military-style uniform.

# PROPOSAL 10

## From Reaction to Prevention: Using Circular Resource Planning in the EU Disaster Preparedness

Natural disasters in the EU often cause disproportionate damage due to poor preparedness rather than the intensity of the events themselves, as demonstrated by coordination failures during Cyclone Harry. Many regions struggle to quickly provide safe accommodation for people, despite vacant public buildings. To address this, we propose that the EU introduce a mandatory register of vacant buildings that are suitable for emergency use under the legal basis of Article 196 TFEU. This initiative requires Member States to conduct regular national audits and report these facilities in a shared European database. It would enable rapid identification of suitable shelter spaces by civil protection authorities, ensuring optimal utilization of existing infrastructure in line with CEAP. EU funding will support pre-retrofitting these facilities with modular materials, enabling conversion into housing within 48 hours. The register could be integrated into the EU Civil Protection Mechanism, contributing to the objectives of the New European Bauhaus by reusing existing buildings.

# PROPOSAL 11

## Scan Before You Buy: An EU-wide Sustainability Food Labelling System



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**Food products currently lack a standardized EU sustainability label**, leaving consumers vulnerable to greenwashing and uninformed purchasing decisions

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**A mandatory front-of-package QR code** linking to a digital dashboard covering environmental, social, and economic sustainability metrics based on the Product Environmental Footprint (PEF) methodology

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**Fills the gap left by the Digital Product Passport**, which excludes food, and gives consumers transparent, comparable data at the point of purchase

According to the Farm to Fork Strategy, food labelling is identified as a prioritized domain for the creation of sustainable food environments. Under the Articles 114 and 169 TFEU, the EU has the mandate to harmonize the internal market and protect consumers from misleading information and greenwashing practices. The Digital Product Passport (DPP) will provide product-specific data accessible throughout the value chain, however, it does not include food products. Thus, we propose that the European Commission creates a mandatory and harmonized front-of-package sustainability QR-code for food products to have access to a digital color-coded dashboard with metrics about the 3 dimensions of sustainability: environmental, social and economic. This dashboard would be based on the Product Environmental Footprint (PEF), a validated methodology to analyze the environmental impacts of a product over its life cycle, by including several impact categories, such as climate change, ozone depletion, land use or water use.

# PROPOSAL 11

## Scan Before You Buy: An EU-wide Sustainability Food Labelling System



# PROPOSAL 12

## Circular Logistic Hubs: Reducing Waste in EU Supply Chains

**EU freight infrastructure is currently built only for linear one-way distribution,** actively undermining reverse logistics, repair, and material reintegration

**Redesignating TEN-T Urban Nodes as Circular Logistics Hubs,** integrating reverse-flow consolidation, repair facilities, and shared secondary material warehousing

**Standardized digital material tracking embedded into existing TEN-T funding** would reduce freight emissions and close the loop on supply chains at the infrastructure level

# PROPOSAL 12

## Circular Logistic Hubs: Reducing Waste in EU Supply Chains

Europe's transition to a circular economy is constrained by freight systems designed for linear flows. While product policies advance circularity, logistics networks still prioritize one-way distribution over return, repair, and reintegration. The TEN-T Regulation already provides a foundation for change by requiring multimodal freight terminals in designated Urban Nodes. This proposal leverages that framework by redefining these nodes as Circular Logistics Hubs. TEN-T Urban Nodes should integrate reverse-logistics consolidation, repair and refurbishment facilities, and shared warehousing for secondary materials, alongside strong rail and inland waterway connections. Standardized digital tracking of material flows should support efficient sorting, certification, and reintegration into supply chains. By embedding circular functions directly into TEN-T infrastructure planning and funding, the EU can transform existing logistics nodes into enablers of closed-loop systems while reducing freight emissions, improving resource efficiency, and strengthening supply chain resilience.



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Any  
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