

EXPRA Position Paper on the EU Waste Target Review and the revision of related waste directives

This paper provides the position of the Extended Producer Responsibility Alliance (EXPRA) on the Commission's ongoing exercise to review EU waste management directives and targets.

The work of EXPRA's members focuses in general on co-organising and co-ordinating the collection, sorting and recycling of used packaging (particularly household packaging), in close cooperation with municipalities. This work is carried out on behalf of and by obliged industry so that they fulfil their legal take back and recycling obligations. Therefore the EU Packaging and Packaging Waste Directive (94/62/EC) (PPWD) holds great significance for our organisation, and that targets are met at national level.

EXPRA's position can be summarised as follows:

- It is of key importance to ensure that **EU waste legislation is fit for purpose** and up to date, and the Waste Target Review and Waste Fitness Check are important exercises in this regard.
- However, it should be ensured that **focus and efforts are not taken away from the implementation of the current legislation in place**. There are still implementation gaps in certain Member States when it comes to existing legislation, and addressing these would contribute to ensuring that the EU increasingly moves towards becoming a circular economy.
- EXPRA is in favour of **further assessing more ambitious but realistic targets for different waste streams**, but considers that a prerequisite for a realistic and credible analysis is to first **ensure that the necessary conditions such as harmonised and consistent definitions, reliable data collection techniques and calculation methods are in place**. EXPRA would welcome a requirement for Member States to send more descriptive reports further explaining their data, rather than just focusing on data and numbers. EXPRA would also welcome reinforced quality controls by Eurostat.
- At present, it is **not possible to fully compare the quality of recycling results between Member States**. Before setting higher targets, it is EXPRA's view that it should first be possible to easily compare Member States' recycling / recovery performance.
- It is also crucial that the surplus cost versus environmental benefit ratio has been accurately calculated. An analysis carried out by EXPRA's technical working group on a potential increase of the recycling target for plastic showed for example that a **target increase to 50% by 2025 could imply a cost increase of up to 50%, for some systems even doubling the costs**, of course strongly depending on the cost structure of each Member State.
- As Producer Responsibility Organisations (PROs) have important roles to play when it comes to fulfilling EU waste targets, in particular for household packaging, **EXPRA calls for the Commission to put forward proposals that would contribute to promoting the optimal use of EPR schemes**, which is currently being worked on under a separate, but linked Commission initiative. **EXPRA also considers it crucial to include an explicit reference and minimum requirements for EPR in the PPWD**. However, it needs to be ensured that industry and PROs are not put in a position where they need to pay the financial responsibility for costs that are caused by factors out of the scope of their responsibility and influence, such as littering.

To review the PPWD targets is a legal obligation under the directive and currently forms part of a broader EU Waste Target Review, also encompassing the Waste Framework Directive (WFD, 2008/98/EC) and the Landfill Directive (LD, 99/31/EC). EXPRA welcomes this exercise as it is important to ensure that EU waste legislation is up to date and fit for purpose. EXPRA also appreciates that the targets under the three directives are revised at the same time as it is crucial that the directives are coherent and consistent with one another.

However, EXPRA believes that there are certain specific aspects that need to be further considered in the EU discourse on a possible increase of the waste management targets for packaging. These are outlined in further detail below.

EU Waste Targets

It is important to ensure that EU waste management targets are ambitious, yet realistic. The Commission's ongoing work on the review of EU waste targets focuses *inter alia* on assessing whether the current targets are adequate and if not, whether they need to be reinforced.

In the context of this exercise, it is critical that focus and efforts are not taken away from the implementation of the current legislation. There are still implementation gaps between Member States when it comes to existing legislation, but also when it comes to how they explain the packaging statistics that they report to the EC. For example, EXPRA understands that one Member State reported 0% municipal waste recycling for various years (in 2011 for the first time 3%) and has reported packaging recycling rates of 62% in 2010 and 65% in 2011. As experience shows that almost 50% of the packaging put on the market is household waste, there should be at least some reported recycling from household waste in the years up to 2010. It seems to be a clear discrepancy indicating that these either (or both) of the statistics provided cannot be correct.

Ensuring full implementation of the EU waste legislation in place would contribute significantly to getting the EU further on track towards becoming a circular economy. In this context, it is also important to identify best practices from top performing Member States, as well as the reasons why others are lagging behind. Ways to improve this should also be identified, and cost benefit analyses for the measures identified should be undertaken. In this regard, the least performing Member States should be incentivised to enhance their recovery and recycling and overall waste management performance and the Commission should be strict when it comes to ensuring enforcement.

The need for clear definitions and coherent reporting

EXPRA considers that having regulation that can be interpreted in multiple ways can be worse than having no regulation at all. Results coming from multi-interpretable regulation may be compared without knowing or neglecting differences in calculations. This, in turn, can lead to conclusions that are not in line with reality and thus not a sound basis for developing future policy. Therefore, EXPRA calls for regulation that is complete and open for one interpretation (and method of calculation) only.

In relation to the target review, clarification and harmonisation of terminology and concepts used, together with standardised calculation methods and data collection procedures are also needed. These are key factors in order to understand whether the current targets are met and in order to compare data accurately. It is currently not possible to fully compare the quality of recycling results between Member States. Therefore, additional measures must be taken to align the level of quality of data Member States report to the European Commission. The results of the Commission's consultation on

the Waste Target Review also showed that “...significant levels of support were shown for only two options, that is, to standardise the methodology for calculating recycling rates...”¹.

It is important that consistent definitions and calculation methods are used for key waste management concepts across the EU in key pieces of legislation such as the WFD and the PPWD. This will also contribute to making it easier to stock take Member State performance. An example is that of Extended Producer Responsibility (EPR), which was identified as a key tool to shift waste streams to more sustainable paths in the 2012 study on the *Use of Economic Instruments and Waste Management Performances*². EXPRA considers it crucial to introduce an explicit reference to EPR in the PPWD together with minimum requirements for producer responsibility systems *inter alia* so as to ensure that the systems are transparent in their operations and governance principles.

EXPRA favours a further assessment of setting higher targets for different waste streams, if the necessary conditions, such as harmonised and consistent definitions, data collection techniques and calculation methods, are in place first. EXPRA would be glad to provide further input to this exercise.

When analysing the different targets, it is necessary to carry out sound technical, environmental, social and economic assessment for the different waste/streams/materials and how higher targets could be met. In this regard, the cost-benefit balance of setting more ambitious requirements should also be taken into account. This includes ensuring that the surplus cost versus environmental benefit ratio has been calculated accurately.

It is also of key importance to ensure that there are no provisions introduced in EU waste legislation that could negatively impact the functioning of the internal market. For example, to encourage issues such as national preparing for re-use targets or national packaging design requirements could result in different design requirements across the Member States and significant logistical challenges for packaging producers. Another key point is the need to ensure that the targets for preparing for re-use and recycling are not mixed.

It is also important that any increase of targets should be supported by accompanying policies/measures from the EU, such as support for R&D measures or measures to make certain that packaging waste is collected using efficient methods.

The EU Target Review of the PPWD

With its dual objectives to protect the environment and ensure a harmonised approach to the free movement of packaging and packaged commodities on the Single Market, the EU PPWD provides an important legislative framework. With its set of differentiated targets, the Directive has also made a significant contribution to increasing the levels of recycling and recovery of packaging across the EU.

The Directive provides an important legislative framework for packaging, adapted to the characteristics and specificities of the market. EXPRA is therefore in favour of keeping specific requirements for packaging in the PPWD, as it is necessary to have the obligations and responsibilities corresponding to waste streams clearly allocated. The WFD should remain the umbrella directive, but specific requirements for each waste stream should be individually regulated.

Assessment of a potential increase in the minimum recycling target for plastic packaging

When it comes to the calculation of the targets, it is of key importance to maintain and enforce the existing measurement point, i.e. the sorted material that is put into recycling without significant losses. A change in the point of measurement would impact the target analysis and not be in line with a target

1 http://www.wastetargetsreview.eu/shopimages/Targets_Review_Project_Summary_Consultation_Results.pdf, p. 11

2 http://ec.europa.eu/environment/waste/pdf/final_report_10042012.pdf

increase in the directive (for example if output recycling would be calculated the current target levels would require an increase in recycling in order to be met). Many member states implement the PPWD with a system of EPR. It should be noted that Packaging Recovery Organisations (PROs) are only responsible for the value chain until the material enters a recycling facility and as from this point, the EPR schemes are not choosing technology of the recycling process, use of the material, etc. Producers/importers of packed products or their PROs can therefore not be held responsible for any losses that occur in the recycling process.

When analysing the different targets, it is also necessary to carry out sound technical, environmental, social and economic assessment of the possibilities to reach them. For example, the existence and availability of efficient sorting and recycling techniques, as well as suitable and sustainable markets for the recycled materials also need to be taken into consideration. To feed into this analysis, EXPRA's technical working group has made an assessment of what implications an increase of the minimum recycling target for plastics packaging could have.

EXPRA's technical working group studied 8 systems, during the timeframe of the study. This methodology included looking at the local market conditions, the regulatory framework and the structure of the plastic packaging put on the market. These factors combined determine the parameters for potential increases in plastic waste recycling.

The EXPRA analysis looked at different scenarios of what the impact would be of increasing the recycling target for plastic packaging to 40%, 50% and 60%. While the 40% target could be reached in all countries analysed by 2020 with a cost increase that would be normal in range and in line with existing business plans, a higher target of 50% by 2025 could imply a cost increase up to 50% with some systems even doubling their costs. The analysis showed that a 60% recycling target though should not be considered an option at this stage, as this would be likely to involve technical difficulties and very high costs. In this context it is also very important to carefully evaluate what impacts a 50% target for the recycling of plastic packaging could have. Such a target could, in fact, have a negative impact on the environment in the sense that more energy /CO₂ emissions are put into the collection and recycling process than what would be gained from the recycling.

EXPRA is of the view that introducing a 60% target for plastic packaging would for example neither be economically nor environmentally justifiable. Instead, it would be extremely financially burdensome for both industry and consumers.

In this context, EXPRA would like to emphasise the importance of making sure that the environmental gain is weighed against the cost of the measures before any decision is made of an increase in the waste management targets. This is a complex undertaking as it is also vital to consider not just the environmental benefit, but also the cost on a per unit basis taking into account that there are variations between the Member States in terms of issues such as CO₂ taxes and the European wide cost of CO₂ per tonne emitted that could rise. It is of high importance that the PPWD should achieve a sustainable solution.

The role of EPR in the context of the Waste Target Review

PROs have an important role to play contributing to the fulfilment of EU waste management targets, given their responsibility to organise the collection, sorting and recycling of used packaging on behalf of obliged industry.

Linked to the Waste Target Review is the Commission's ongoing work to identify common characteristics across schemes that could guide improved effectiveness. EXPRA has actively fed into this work and would urge the Commission to put forward proposals to promote optimal use of EPR schemes across the EU and the sharing of best practice, as this could further contribute to better take back and recycling

performance. Any discussion on increased targets needs to come together with clear guidance on how key tools to achieve this can best be used. PROs are also very active when it comes to consumer information and awareness raising on the importance of separate collection and recycling, which also contributes to boosting recycling across the EU. That said, it needs to be ensured that industry and PROs are not put in a position where they need to pay the financial responsibility for costs that are caused by factors out of the scope of their responsibility and influence. A clear example is littering, which is caused by misbehaviour by inhabitants. What should be considered when determining the industry contribution are the net costs i.e. the costs for collection and recycling minus the revenues gained from the selling the sorted material.

EPR is not an end goal in itself, and should not be seen as a business opportunity. It is a waste management tool that fulfils a functional service mission. In the context of broader objectives, such resource efficiency and sound waste management, clearly defined roles and responsibilities of the actors involved in waste management and EPR is of key importance in order to avoid inefficiencies, non-optimisation and conflicts of interest. Legislators need to ensure that legislation is clear and well-defined. Industry and their EPR schemes should take financial and coordination responsibility. Industry should also be actively involved in the EPR scheme by controlling the performance and the direction of the scheme, and by this control the operational implementation.

It is also essential that PROs and municipalities work closely together in order to ensure effective and efficient EPR. This for example when it comes to choosing the collection system that is feasible. They also share a responsibility for appropriate communication to the inhabitants as the citizen needs to collect, separate and recycle. The operator (collection, sorting company or recycler) also has a key role to provide high quality services.

As such, it is also necessary to ensure the full involvement of all stakeholders, not only obliged industry and PROs, but also national authorities, local entities, citizens and waste treatment facilities (e.g. recyclers). Therefore, EXPRA supports co-responsibility as a principle to be endorsed in EU waste legislation.

As outlined above, EXPRA calls for an explicit reference and minimum requirements for EPR systems in the PPWD and would also like to see a provision introduced that requires Member States to ensure that roles and responsibilities are assigned both to economic operators and municipalities.

Conclusion

The review of EU waste management targets is an exercise that contributes to making sure that EU waste legislation is up to date and fit for purpose. EXPRA is in favour of further assessing higher targets for different waste streams. However, a prerequisite for a realistic and credible analysis is to ensure that Member States are providing accurate, complete and reliable data that are in line with the obligations in Commission Decision 2005/270/EC, establishing the formats relating to the database system pursuant to the PPWD. It also needs to be made sure that the necessary conditions such as harmonised and consistent definitions, data collection techniques and calculation methods are in place.

At current, it is however not possible to fully compare the quality of recycling results between Member States. The recent 'EPR Data Verification Study' performed by 15 packaging recovery organisations on how Member States collect and consolidate the data reported to Eurostat on packaging statistics showed that a fully comparable and reliable picture of the current state of packaging recycling does not exist. However, some countries have proven to have very effective procedures in place. Before setting higher targets, it is EXPRA's view that it should first be possible to easily compare Member States' recycling / recovery performance. Currently it seems uncertain if higher targets can realistically be met

by each Member State in practice. EXPRA would welcome additional measures by the Commission to align the level of quality of Member State reporting to the European Commission.

It is also of key importance that the environmental gain is weighed against the cost of the measures before any decision is made of an increase in the waste management targets. The analysis carried out by EXPRA's technical working group on a potential increase of the recycling target for plastic shows, for example, that a plastic waste recycling target increase to 50% could imply a cost increase of up to 50%, for some systems even doubling the costs.

On a related note, EPR has been acknowledged by the Commission as an important waste management tool that can contribute to shifting waste streams to more sustainable paths. PROs have an important role to play when it comes to fulfilling EU waste targets, in particular for household packaging. EXPRA calls for the Commission to put forward proposals that would contribute to promoting the optimal use of EPR schemes. In this context it is of key importance that all actors involved in waste management and EPR have clearly defined roles and responsibilities.

About EXPRA

Founded in 2013, is the alliance for packaging and packaging waste recovery and recycling systems which are owned by obliged industry and work on a not-for-profit basis. EXPRA acts as the authoritative voice and common policy platform representing the interests of all its member packaging recovery and recycling organisations founded and run by or on behalf of obliged industry. For additional information, please visit www.exptra.eu