

Future Direction  
of the  
Circular Economy, EU Waste Review,  
Extended Producer Responsibility.

Shared Views and Recommendations of European  
Producer Responsibility Organisations for Packaging  
and Packaging Waste Recovery

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## Future Direction of the

### Circular Economy, EU Waste Review, Extended Producer Responsibility

- 1. Introduction.** The following are the key views and recommendations of packaging Producer Responsibility Organisations (PROs) who represent obliged industry across the EU, on the circular economy, EU waste review and extended producer responsibility (EPR). These views were compiled as a result of dialogue and a consultative process among PROs and include input from a number of international producers. The PROs while acknowledging that there may be differences in approach and structure (see Appendix1), share the same views and are in agreement on the central issues which they believe should shape and guide the implementation of EPR policy in the future. The purpose of this paper is to highlight those key central issues to be considered by EU legislators and other stakeholders in the ongoing debate regarding the new Circular Economy Legislative Proposal, due in 2015.
- 2. Extended Producer Responsibility (EPR).** The recognition of the EPR environmental policy approach under the first Waste Target Review is very much welcomed. The OECD defines Extended Producer Responsibility as “an environmental policy approach in which a producer’s responsibility for a product is extended to the post-consumer stage of a product’s life cycle. An EPR policy is characterised by: (1) the shifting of responsibility (physically and/or economically; fully or partially) upstream toward the producer and away from municipalities; and (2) the provision of incentives to producers to take into account environmental considerations when designing their products.”

EPR applies not only to packaging and packaging waste from domestic households, but equally to packaging waste from other sources such as commercial and industrial operations.

PROs play a central role in implementing the EPR approach, towards the achievement of National and EU recycling and recovery targets.

- 3. EPR with Minimum Requirements.** We recommend that EPR be maintained and strengthened in future EU legislation through the development of EPR minimum requirements. From an implementation viewpoint, this will increase performance levels and transparency across the EU and create a level playing field among all stakeholders. Ensuring high and consistent standards is a key requirement of producers and this can be achieved without being overly detailed or restricting the ability of Member States (MS) to implement systems which suit their own particular circumstances.

EPR minimum requirements are likely to vary significantly in priority and detail depending on the product or material stream. Therefore they are best set in the relevant product based EU legislation, for example in the PPWD (similar to other waste streams such as WEEE, batteries, ELVs), in order to guide and harmonize the implementation of the principles of EPR at MS level (i.e. in national legislation).

Minimum requirements will help MS achieve a degree of consistency which will contribute to the transparency and comparability between MS. It will also support obliged industry in reducing administrative costs and will give industry confidence that they have a voice and input in ensuring that their financial contributions are used in the most efficient way, in

achieving sustainable goals. These requirements should be consistently applied by MS to each entity or company that is involved in the practical implementation of EPR.

Minimum requirements should at least include the following;

- **Common Objectives and Definitions.** It is desirable that common objectives and definitions be set for EPR across the EU. These should include the objectives of transparency of systems, credibility, reliability, and comparability of reported data and common definitions for recycling, reuse and recovery.
  - **Basic Criteria for EPR Compliance Schemes and Companies.** Given the level of diversity among MS, EU legislation should give guidance on basic criteria for compliance schemes and other obliged parties, while allowing each MS the flexibility to implement and apply additional criteria at national level.
  - **Approval/Accreditation Process.** MS should be required to establish minimum criteria for the accreditation of and the monitoring and performance of PROs (and other companies to whom obliged companies can outsource their obligations). This will ensure high environmental standards of operation, auditing, traceability etc. All PROs (i.e. single, competing schemes, self-compliers) should be subject to the same criteria.
  - **Roles and Responsibilities.** EU high level guidance is recommended on the roles and responsibilities of all EPR stakeholders (legislators, packaging producers, fillers, importers, retailers, compliance schemes, municipalities and local authorities, enforcement authorities, waste management companies, recyclers, waste producers, etc.). MS depending on their national situation, should then issue further guidance and clarification, while ensuring conflicts of interest are avoided.
  - **Financial Responsibility.** Stakeholders should only be financially responsible for the costs falling within their remit and influence. For example the collection of litter and packaging in municipal solid waste are the responsibility of other stakeholders not PROs; hence the financial responsibility should lie with those other stakeholders.
  - **Fairness, Operational Transparency and Fair Competition.** Fairness, operational transparency and fair competition are key principles in the design of EPR systems at individual MS level. These principles should apply to all business models (i.e. single or competing schemes, profit/not for profit, the establishment of other entities such as a central organisation/clearing house in situations when infrastructure is shared between competing PROs etc.). In addition, fair competition on the operational level to include collection, sorting and recycling is essential to create well-functioning markets and to reduce the overall cost. To add further clarity, MS should document roles, responsibilities, monitoring procedures, market principles and comment on performance in an annual report specifically to ensure that the results reported to EUROSTAT are complete, accurate and reliable.
  - **Enforcement.** A sound legislative framework supporting a strong, robust enforcement regime is essential.
4. **Targets, Data Reporting, Performance Measurement.** There is significant concern and unease regarding the lack of comparable and reliable data on waste collection, separation and treatment across the EU. Reliable statistics, as well as a common data collection and

reporting methodology for all MS are fundamental issues. In this regard, there is considerable concern regarding the proposal to change the point of measurement for recycling (from input to output). As it is not feasible to allocate losses per individual flow, this change would have a negative impact on the accuracy of the recycling data reported. As long as there are question marks over the reliability and comparability of data and statistics, it is not possible to determine with any degree of accuracy the status quo, let alone set future targets/goals which need to be both feasible and realistic.

Key issues here are;

- **Cost Benefit Analysis, Impact Assessment.** All significant proposals should be subject to a comprehensive cost-benefit analysis, both from an economic and environmental viewpoint.
- **Harmonised Reporting Standards.** Reporting standards based on sound, reliable, accurate and comparable data across all MS are essential to track and monitor performance. The data to be captured extends not only to the collection, sorting and recycling of packaging waste but also to total packaging placed on the market. The EU Commission should establish common standards and methodologies for MS to adopt in providing such data. MS should then assign key responsibilities within their own systems for reporting the required information to the set standards, which may involve some or all of the following key stakeholders; producers, compliance schemes or any other organisations who have accepted legal responsibility for producers' obligations, municipalities, waste management companies and recyclers.
- **Realistic Targets.** New recycling and waste management targets for any waste streams need to be justified from an economic, environmental and social perspective. Realistic EU recycling targets which are achievable by all MS, need to be set over a manageable timescale with intermediate steps if necessary. Derogations may be appropriate as an interim measure, to allow more time for some MS to achieve targets. Derogations should only be granted on an exceptional basis, once the EU Commission has considered all relevant factors.
- **Target Measurement Point.** The measurement point for packaging recycling should continue to be based on input of a final recycling process in line with the overwhelming majority of today's industrial standards for efficient processing. While it is a global market and the recycler can be located anywhere in the world, nevertheless sufficient evidence according to EU regulation and standards needs to be provided as proof of recycling.
- **Transparency and Auditing of Reported Waste Streams.** Auditing procedures should be set on a national (i.e. MS authorities) and pan-European (Eurostat) level to provide increased transparency and comparability.
- **Environmental Standards of Recycling.** Common criteria for MS operational permits should be agreed.
- **Recovery Targets, SRF, RDF.** In line with the waste hierarchy recycling should take precedence over recovery where ecologically and economically feasible.

- **MS Oversight of Market.** MS governments should monitor closely the market to include; packaging on the market, packaging waste collection, sorting and recycling and publish an annual implementation report to include an assessment of the performance of all stakeholders (based on transparency, completeness, accuracy and reliability).

5. **Prevention, Reuse, Design for Recycling.** An essential first step is full implementation of the Essential Requirements by MS. Obligated producers are influenced in their packaging choices by cost savings which can be achieved through design for recycling, technical innovation and prevention measures.

Continuous improvement in eco-design choices and prevention measures are to be encouraged without compromising the internal market; in effect this means that for the most part measures to promote eco design can only be taken at EU level, recognizing the importance of a stringent cost-benefit analysis.

- **Prevention.** Defining measurable targets for prevention is at this stage overly ambitious and further research is required before considering any additional measures regarding packaging prevention targets. One of the key challenges is to decide on criteria for monitoring and measuring prevention, particularly in light of packaging reduction already achieved in the past and the potential risk of product loss.
- **Design for Recycling.** Design for recycling is a complex topic, which involves balancing packaging reduction, recyclability and the impact this has on the protection of products (i.e. to avoid measures that could lead to product loss or food wastage). The demand from consumers, coupled with a financial incentive to reduce material use and increase recyclability, are mechanisms which have already and will over time increase the importance of design in the markets without regulatory intervention.

**In conclusion, the contributors to this paper applaud the initiative of the EU Commission to drive the Circular Economy forward, and offer their active support in advancing the constructive dialogue on this complex issue along the packaging chain.**

### **Background Note on Role of EU, EPR and PROs.**

The EU through its Directive on Packaging and Packaging Waste aims to “harmonise national measures concerning the management of packaging and packaging waste to provide a high level of environmental protection and ensure the functioning of the internal market.” EPR as a principle in waste management policy has evolved over the past two decades and has been successful in ensuring that producers assume responsibility for managing the waste generated by their products put on the market.

The current EU Directive is not prescriptive and it is left to each MS to interpret and apply the principles to best suit national and local circumstances. It is therefore not surprising that in MS across the EU that there are various approaches to the implementation of EPR and that a number of different models of PROs have evolved. While these organisations may hold different views on certain aspects, such as how their ownership should be structured and how the market in which they operate should look etc; it should be borne in mind that on the key issues they have more in common than separates them. It should also be borne in mind that different models/approaches have been successful in different ways and have contributed significantly to the increases in recycling rates and the achievement of recovery and recycling targets across the EU. The following is a range of the types of EPR schemes in existence:

- systems in which responsibilities are fully transferred to producers and importers of packed products.
- systems in which responsibilities are shared between producers and importers of packed products and other entities, such as packaging producers, retailers, waste management companies and recyclers or with participation of national/local authorities.
- systems in which PROs are owned by producers and importers of packed products.
- systems in which PROs are owned by other companies than producers and importers of packed products, but act on their behalf.

It is encouraging that the PROs (listed hereunder) who contributed to this paper are, despite their organisational differences, in agreement on the key challenges and the central issues facing this sector in the reworking of the CEP Proposal in 2015. It is recognition of the fact that the output of this review process has the potential to have far reaching consequences for the sector over the next two decades.

## List of Packaging Recovery Organisations

This paper was coordinated by Repak Ireland, as facilitator to represent the common position of the PROs listed below:

ARA, Austria

Eco Emballages, France

Der Grüne Punkt – Duales System Deutschland GmbH, Germany

Rekopol, Poland

SPV, Portugal

Valpak, United Kingdom



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<sup>1</sup> EXPRA

(EXTENDED PRODUCER RESPONSIBILITY ALLIANCE, for further information see <http://www.expra.eu>)

EXPRA members include the following: Fost Plus Belgium, Eco Pack Bulgaria, Green Dot Cyprus, EKO KOM Czech Republic, PYR Finland, Herrco Greece, Öko Pannon Hungary, CONAI Italy, Valorlux Luxembourg, PAKOMAK Macedonia, Greenpak Malta, Nedvang Netherlands, Green Dot Norway, Eco Rom Romania, Envipak Slovakia, Eco Embes Spain, Eco Vidrio Spain, FTI Sweden.