

Circular Economy Package of the EU Commission

Requirements for EPR schemes

PPWD Review

Views and Recommendation of European Producer Responsibility Organisations for Packaging and Packaging Waste

February 1, 2016

The following are the key views and recommendations of the major Producer Responsibility Organisations (PROs) for packaging in Austria, France, Germany, Ireland, Poland, and Portugal, on the circular economy package put forward by the Commission on December 2, 2015.

Signatories:

- ARA, Austria
- Eco Emballages, France
- Der Grüne Punkt – Duales System Deutschland GmbH, Germany
- Repak, Ireland
- Rekopol, Poland
- SPV, Portugal
- Valpak, United Kingdom

**Commission Proposal December 2, 2015, on the
Circular Economy, Extended Producer Responsibility, Packaging Waste Legislation**

1. **Extended Producer Responsibility (EPR).** The recognition of the EPR policy approach under the CEP is very much welcomed.
 - a. **General Requirements.** We welcome that EPR is maintained and strengthened in future EU legislation through the development of General Requirements to ensure a level playing field among all stakeholders. These should apply to the principle of EPR, not only to EPR schemes.
 - b. **Roles and Responsibilities.** EU high level guidance is recommended on the roles and responsibilities of all EPR stakeholders (for example, legislators, packaging producers, fillers, retailers, importers, compliance schemes, municipalities and local authorities, enforcement authorities, waste management companies, recyclers, waste producers, waste holders, etc.). These definitions are critical for the proper allocation of the responsibilities.
 - c. **EPR minimum requirements:** the inclusion of a concrete description in the proposal is welcomed. Concrete proposals include the following:
 - I. **Financial Responsibility.** EPR Stakeholders/PROs should be financially responsible for the costs falling within their remit and influence and within the scope of their national system only. The demand that producers/importers should “cover the entire cost of waste management” including undefined “treatment operations” and potentially including other measures (e.g. paying for the cleanup of litter outside their remit) is not appropriate, also because it severely limits Member State ability to determine their best implementation approach for their own national situation.
 - II. **Fairness, Operational Transparency and Fair Competition.** These principles should be adapted and applied appropriately depending on the business model used (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.).
 - III. **Cost-benefit Analysis.** Cost-benefit analysis should be led by the Member States prior to transposing these general requirement so as not to generate unnecessary additional administrative and costs burden for little advantage (e.g. an independent authority can be understood as being necessarily a new body independent from producers but other efficient ways could be used for supervision of competing PROs)
 - IV. **Enforcement:** Additionally, a sound legislative framework supporting a strong, robust enforcement regime to ensure the fulfilment of the EPR requirements on the national level is essential.

2. Review of the Packaging and Packaging Waste Directive

- a. **Internal Market:** The legal base of the PPWD, which safeguards against protectionist measures and market fragmentation, is a fundamental legal instrument for guaranteeing the free movement of packaging and packaged goods in the EU Internal Market. Therefore, we strongly support the retention of the Internal Market safeguard, which remains vital to achieving a competitive and resource efficient Circular Economy for our value chain.
- b. **Targets, Data Reporting, Performance Measurement.** Reliable statistics, as well as a common data collection and reporting methodology for all MS are fundamental issues.

Key issues here are:

- i) **Cost Benefit Analysis, Impact Assessment.** All significant proposals should be subject to a comprehensive cost-benefit analysis, both from an economic and environmental viewpoint.
- ii) **Targets.** We welcome that the PPWD plans to revise the targets, provided this is environmentally and economically justified and takes into account new recycling technologies as well as the demand for recycled materials. In addition, the proposed targets involve a new concept now including re-use, but the application of this concept to packaging is not fully clear. We would request the Commission clarify how this would impact in particular re-usable transit packaging systems such as pallets and crates. Would this entail full reporting of these items each time they are reused through the supply chain? If so this would be a major impact on business which is not currently quantified.
- iii) **Harmonised Reporting Standards.** Reporting standards based on sound, reliable, accurate and comparable data across all MS are essential to track and monitor performance. It is critical that the current reporting procedure via EUROSTAT is updated, and that Member States are obligated to report in a timely and consistent manner.
- iv) **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. This also applies to recycling of packaging in plants outside Europe (certification of recyclers/operational permits).
- v) **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).

- c. **Design for Recycling.** Design for recycling for packaging 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). Policies regarding eco-modulation have to be viewed with regard to their potential impact on the free movement of packaging and products in the internal market.

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.

Appendix 1.

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 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 (e.g. Austria, Germany)
- 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 (e.g. France, Portugal, Ireland)
- systems in which PROs are owned by producers and importers of packed products (e.g. Austria, France, Ireland, Poland, Portugal)
- systems in which PROs are owned by other companies than producers and importers of packed products, but act on their behalf (e.g. Germany, UK).

It is encouraging that the PROs who contributed to this paper are, despite their organizational differences, in agreement on the key challenges and the central issues facing this sector in the CEP Proposal of December 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.