

Reloop's Position Paper on the European Commission's Legislative Proposals on Waste under the Circular Economy Package

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Reloop is a platform that brings together industry, government, and non-governmental organisations to form a network for advances in policy that create enabling system conditions for circularity across the European economy.

Reloop welcomes the release by the European Commission of the new Circular Economy Package (CEP) and is pleased with many of the proposed amendments. We see a need, however, for certain elements of the Package to be clarified and strengthened in order for the circular economy to become a reality. This position paper summarizes our views on several critical elements of the legislative proposals of the CEP as well as the EU Action Plan for the Circular Economy, each of which are priority areas of concern for Reloop.

1. Definitions (Article 3 of the Waste Framework Directive (WFD))

Clear and consistent definitions are crucial for a successful implementation of circular economy. For this reason, Reloop is pleased that the definition of *recycling* in the Packaging and Packaging Waste Directive (PPWD) has been made consistent with that in the Waste Framework Directive (WFD). That being said, we have concerns regarding the proposed definition of *preparing for re-use*.

If left unchanged, this new definition could have serious consequences for re-use organisations currently exempt from EU waste legislation, but that have been active in the circular economy for many years. In many cases, having to comply with new requirements requires too many resources and can put these companies out of business.

We are also concerned that the proposed definition broadens the scope of materials included within the rate calculations excessively, by including categories of products beyond *waste*. By artificially boosting the recycling and preparation for reuse rates beyond what they are intended to measure, meaningful analysis of the information is rendered impossible. While Reloop recognizes the difficulty of distinguishing “waste products” from “products,” a reasonable line should be drawn to ensure that the weight of items never destined for disposal (i.e. second-hand furniture, appliances, etc.) are not included.

2. Waste Hierarchy (Article 4 of WFD)

Reloop recommends the inclusion of references in Article 4 of WFD to specific economic incentives to encourage waste prevention and diversion, such as pay-as-you-throw, landfill taxes, and deposit-return, as contained within the previous CEP. This would also be consistent with the approach used in the legislation on plastic bags (Directive (EU) 2015/720).

3. Extended Producer Responsibility (Article 8a of WFD)

Reloop believes the new language in paragraph 4 of Article 8a of WFD is a step in the right direction. We also support the amendment to Article 8 of WFD, which helps clarify the “rules of the game” for producers. A key part of those rules—and fundamental to successful EPR—is the development of operating standards and quality criteria for the end-of-life management of waste products and materials. To avoid conflicts of interest, any standards, criteria and methodologies used to measure performance should be developed independently and be led by Member States.

4. Prevention of Waste (Article 9 of WFD)

The science is clear that waste prevention (also called source reduction) is preferable to any waste management option (including recycling), as it avoids all of the greenhouse gas (GHG) emissions associated with resource extraction, manufacturing and end-of-life management.

The benefits of climate change mitigation and resource efficiency are the reasons why setting a reduction target on residual waste (e.g. kg/cap/year) should be considered, as it is the best approach to measuring progress on what is the most important: waste prevention. This too, would also be consistent with the approach used in the new legislation on plastic bags (Directive (EU) 2015/720).

5. Targets (Articles 11 of WFD and 6 of PPWD) and recycling calculation (Articles 11a of WFD and 6a of PPWD)

In order to have a fruitful discussion about the targets presented in Article 11 of WFD and Article 6 of PPWD (Packaging and Packaging Waste Directive), we need to take a closer look at the methodology behind the calculation. To this end, understanding each variable in the formula (shown below) and how it affects the overall rate calculation is paramount.

$$E = \frac{(A+R) * 100}{(R+P)}$$

A: What's in and what's out?

One variable that calls for closer consideration is “A”, which represents the weight of municipal waste recycled or prepared for reuse. “A” also includes the weight of materials that are disposed or sent for energy recovery, below the Commission’s proposed threshold level of 10%.

Reloop strongly believes that there should be no maximum threshold, and that all **recycling tonnage** should be measured net of downstream losses. Further, we propose that downstream loss rates should be determined **by material category** and based on **the collection system** used to collect the material. Member States should be directed to determine average downstream loss rates for all materials being shipped, based on the latest figures provided by local material recovery facilities and recyclers. This exercise could be made consistent in terms of research methodology and could be used to inform secondary material specification requirements.

In addition to offering transparency into the efficiency of Member States’ recycling efforts, this approach provides greater accuracy for measuring recycling performance, as it is a direct reflection of quality. It should also allow for more reliable and consistent reporting among municipalities, for whom it is onerous to access this type of information.

Consistent Data Collection Methodology for Municipalities

The importance of consistent data collection and reporting methods cannot be overstated. Reloop suggests that the EU build on the work done by the Regions for Recycling (R4R). In an effort to facilitate and streamline reporting of waste and recycling data, R4R developed a new methodology and online tool dubbed “*Destination RECYcling*” (DREC), which allows comparison and benchmarking between jurisdictions. When combined, these two approaches—municipalities’ use of DREC and Member States’ application of downstream loss rates to national data—offer a much more transparent and accurate way to measuring recycling.

R: Separate Reuse Targets for Bulky Waste, Appliances and Electrical Equipment

Waste is complex, partly because of the different materials found within the municipal waste stream, each of which have significantly different weights. Plastics, for example, are much lighter than mattresses, appliances, or electronic goods, and therefore have a comparatively smaller influence on the recycling rate. For this reason, Reloop proposes separate **reuse and recycling targets for bulky waste items** that are unit-based, as they are more meaningful indicators of progress towards a circular economy.

R: Separate Reuse and Recycling Targets for Packaging

While legislation is necessary to encourage the transition to a circular economy, it should not interfere in legitimate economic enterprises where closed and open loop reuse systems are already in place, such as in the area of transport packaging. Reloop believes that targets for transport packaging should promote pooling models whereby pallets, crates, drums, etc. are shared, repaired (if necessary), and continuously reused. These shared systems maximize the utility of the material while circulating it in the economy for as long as possible.

Reloop prefers to have separate recycling and preparation for reuse targets for packaging (sales and transport). This marks a clear distinction between the two systems and helps mitigate the possibility of large weight-related gaps and overshadowing effects in data amalgamation. Separate targets for recycling and preparation for reuse would be the best approach to set goals for both quality recycling and prevention through reuse.

6. Early Warning System (Article 11b of WFD and 6b of PPWD)

Reloop proposes the inclusion of the provisions contained in the previous CEP of 2014, which is what gave the early warning system its strength. Furthermore, while we appreciate the underlying intention of the new Article 4 (paragraph 3) of WFD, which directs Member States to incentivise the waste hierarchy using economic instruments, we regret that it fails to introduce binding obligations, aside from having to submit a report.

7. Priority Area: Plastics

Reloop acknowledges that separate collection is necessary and should be expanded beyond packaging to other types of household plastic wastes, like toys, outdoor furniture, etc. However, we also realize that additional measures—some material or product-specific—will be required to sufficiently address the problem. One example is deposit-return for beverage containers. In addition to increasing diversion and reducing litter, deposit-return can play a key role in ensuring a sufficient supply of high-quality feedstock for re-processors.

8. Priority Area: Marine Litter

In addition to including reduction targets for municipal waste, amendments should be made to the WFD, which specifically address actions already agreed upon by Member States. The Marine Strategy Framework Directive (2008/56/EC (MSFD)), for example, commits Member States to create regional subgroups to tackle marine litter in specific bodies of water. All three subgroups (OSPAR, MED POL, and HELCOM) have prepared regional action plans (RAPs) that call for specific measures to reduce land-based litter, such as the implementation of fishing for litter programs. Given the current state of the marine environment, Reloop suggests that the WFD be amended to contain specific provisions obligating—or at least giving support to (either in an Article or Recital of the WFD)—Member States to implement the measures agreed upon in these RAPs.

9. Priority Area: Food Waste

In addition to supporting the inclusion of stronger language around bio-waste management, Reloop supports that Member States shall be required to ensure separate collection of bio-waste by 2025 (as proposed in the 2014 CEP). Reloop also supports minimum requirements for bio-waste management as well as quality criteria for compost and digestate from bio-waste.

10. Priority Area: Resource Efficiency

Reloop supports the introduction of the resource efficiency target, which was proposed by the European Commission in its communication of 2014 on circular economy (COM(2015)398). Unlike the first legislative proposal of CEP, this communication was notably not withdrawn. The Commission proposes a non-binding 30% resource productivity target, measured by GDP relative to Raw Material Consumption (RMC). Reloop agrees with the Commission and the European Resource Efficiency Platform that this is a realistic target to increase resource productivity which would help create sustainable growth and jobs and is thus essential to promote the transition to a more circular economy.

The rationale for the preparation of this short position paper is to present recommendations and suggestions for improvements to the CEP that would significantly strengthen Europe's efforts in the transition towards a true circular economy. Reloop hopes that these are taken into consideration and looks forward to discussing these ideas with the European Parliament and the Council in the months ahead.

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