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## Towards a common approach to modulated fees

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## I) New WFD demand on EPR fee

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**Coming soon WFD Article 8.a, point 4 (b)**

In case of collective fulfilment of extended producer responsibility obligations, **financial contributions** are **modulated**, where possible, **for individual products or groups of similar products**, notably **by taking into account their durability, reparability, re-usability and their recyclability and the presence of hazardous substances, thereby taking a life-cycle approach** and aligned with the requirements set by relevant Union law, and when available, based on harmonised criteria in order to ensure a smooth functioning of the internal market;



## II) Definition of fee

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Fee, also known as Compliance fees : This is a financial contribution for products (packaging) placed on the market by obliged companies who participate in the recovery system for packaging through a compliance scheme. May also be considered as a „service fee“

Source:

[www.expra.eu/uploads/downloads/EXPRA\\_EPR\\_Glossary\\_2014-04\\_lowres.pdf](http://www.expra.eu/uploads/downloads/EXPRA_EPR_Glossary_2014-04_lowres.pdf)



## III) Expra's member current fee modulation

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Within our legal scope, the **fee is already modulated** as a driver to boost packaging optimisation & recyclability, because of:

- **Fee set up € per ton, to incentive the efficient/effective use of resources**
  - ➔ less material quantity use for a packaging = less contribution
- **Fee set up € per type of material, to reflect the respective real environmental cost**
  - ➔ low % material recycling rate = high fee

... with the aim of internalising fees by the “Producers” in the product to avoid additional owners for the end consumers



### III) Expra's member current fee level

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- Every country has implemented the European Packaging Directive in a different way by allocating different obligations to obliged industry.
  - The costs for compliance with obligations contain different factors affecting the cost levels:
    - ✓ Existing collection and recovery infrastructure in the waste management sector.
    - ✓ Packaging sources to be considered (household packaging vs industrial packaging)
    - ✓ Proportionate share of costs being borne by industry (costs for collection, sorting and recovery of used packaging)
    - ✓ Respective recycling quotas and the effect of derogations.
    - ✓ Collection systems being used (bring systems or door-to-door collection)
    - ✓ Geographic location and population density (remote and sparsely populated regions)
    - ✓ Number of companies participating in the scheme
    - ✓ Labour costs and general overheads differ depending on the prevailing local economic conditions.
- ... that should be taken into account when comparing the relative costs of compliance across various European schemes



### IV) Expra's principles standpoint on "harmonized" fee modulation

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Within the overarching principle that **"no modulation fee regime shall affect the effectiveness and efficiency of EPR schemes"**, the following principles should lay the foundation for a common approach:

- Reflect the real effective and efficient management cost of the concerned packaging
- Be based on appropriate, real and measurable technical references
- Be minimally based on the packaging LCA approach, or ideally a full packaging LCA, considering at least impacts from material collection through to the end-of-life treatment and according to standard ISO 14040-14044
- Avoid market restrictions and distorting the free flow of products
- Be open to innovation and R&D
- Be transparent, affordable and administratively simple



## VI) Further modulation (if necessary)

Within the current philosophy based on a shared balance sheet (per material), according to packaging recyclability economic cost, EXPRA recognize the following further sub classification of the levels based on LCA :

€x ton x packaging material x

submaterial	
plastic	PP, PET, PS, HDPE, LDPE...
paper	Paper, board, corrugated
metal	ALU, FE
glass	green, brown, white

Subtype of packaging	
plastic	Bottle, flask, wrapfilm, trays, crates, bags ...
paper	Box, cartons, pallet, bags
metal	can, pallet, foil, barrel...
glass	Bottle, jar, ...



## VII) Exptra's criteria on "harmonized" further fee modulation

The principles should pivot around the recyclability criteria. In this light, the eco-modulation would reflect a 'recyclable' vs 'non-recyclable packaging' norm., already in place.

These encompass:

- The packaging material being sortable
- The existence of one or more recyclers
- The existence of one or more companies using the secondary raw material
- That there is a minimum available quantity

That the packaging material is compatible with industrially-available known sorting and recycling technologies

... according to harmonized standard EN 13430 requirements



## VIII) OUT of Fee Modulation

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Outside of eco-modulation scheme, EXPRA's member adopt several Rewarding programme to prevent the environmental impact of prevention measures based on bonus criteria for each packaging solution assessment:

<http://www.expra.eu/en/Sustainability/sustainability-drops-news-from-expra-members>