

## **Mandatory separate collection targets are not the way forward to drive a circular economy**

As the debate on the proposal for a Regulation on Packaging and Packaging Waste (PPWR) advances, Producer Responsibility Organizations (PROs) across the EU reiterate the vital importance of effective collection and sorting of packaging waste, including comprehensive infrastructure, to drive a circular economy. However, we consider that Amendment 272 on 90% mandatory separate collection for all packaging materials, put forth by the European Parliament in its negotiating position dated 22 November, should be disregarded in favour of simpler and more effective measures. Ahead of the Trilogue on PPWR, PROs are calling to consider the consequences of mandatory collection targets and more alternative appropriate measures.

### **Summary**

- The introduction a 90% separate collection target for all type of packaging was not part of the Commission's impact assessment for the PPWR and so the impact of the measure has not been properly evaluated. It is difficult to assess the feasibility of meeting such target.
- PROs are already bound to ensure the achievement of recycling targets, requiring optimization and sufficient collection, sorting and pre-treatment of packaging waste.
- There would have to be a complete redesign of collection systems at national level which would require significant resources to be deployed and would likely divert resource away from other important interventions being carried out by EPR schemes on sorting or recycling.
- Even when fully resourced, enforcement of a 90% separate collection target will be a challenge or even not possible in many scenarios, such as where communal and on-street containers are used.
- There are more effective ways to increase separate collection and to ensure that packaging is effectively sorted for recycling through reinforcement of communication and education campaign, stronger enforcement of existing recycling targets or developing pay as you throw models.

### ***Do we need a separate collection target?***

The draft PPWR already has recycling targets set out in Article 46. To meet these targets, PROs are already bound to requirements aimed at ensuring that there is sufficient collection and sorting of packaging waste to facilitate them being met. As such, additional separate collection targets will not, by themselves, drive more collection. It is rather the combination of different concrete levers that will improve overall collection at EU level as more effective alternative measures already exist.

Instead, a drive to meet existing targets must be accompanied with strong enforcement of levers at both EU and Member State level to ensure that the necessary progress is being made. Currently, as highlighted in the last *Waste Early Warning Report* by the Commission, this is not the case in all countries.

### ***Challenges with a separate collection target***

The introduction of a separate collection target was not part of the Commission's impact assessment for the PPWR and so the impact of the measure has not been properly evaluated. The importance of a full assessment increases with the ambition of the target, which is extremely high at 90% for each

material. In addition, it is difficult to assess the impact and feasibility of meeting the targets until the methodology for calculating them is defined.

Likely challenges related to the use of separate collection targets:

- **Achievability.** It is difficult to envisage how 90% separate collection would be achievable for a number of different materials, including plastic and metals, even in optimal conditions. It would require all citizens to be able to correctly identify and sort all their packaging waste and to do this almost without exception, all the time, everywhere. Even the best performing DRS systems where specific items are easily identifiable and where there is a financial incentive to return the packaging only achieve around 90% collection rates.
- **Mandatory use of separate collection.** To achieve such high levels of collection the separate collection by citizens would have to be specifically mandated both at home and on the go. It will also have to be mandated in offices, restaurants, hotels, and bars. To achieve levels of 90% collection, high penalties and significant resources to enforce these requirements will need to be deployed. Even when fully resourced, enforcement will be a challenge or even not possible in many scenarios, such as where communal and on-street containers are used.
- **Impact on collection systems.** There would have to be a complete redesign of collection systems at national level which is likely to divert resource away from other important interventions being carried out by EPR schemes such as measures to increase waste avoidance, recyclability of packaging and innovative sorting and pre-treatment of packaging waste. A strategy to reach such high collection levels has not yet been developed and so its impact, including on wider circular economy policy objectives, has not yet been assessed.
- **Quality of collected material.** Citizens are sometimes asked to place recyclable packaging in the residual fraction in scenarios where it may harm downstream recycling, for example packaging heavily contaminated with food waste. There may be a tendency to place these contaminated items into the separate collection if its use is mandatory and non-compliance accompanied with heavy fines, of the type likely to be required. This would harm ambitions around high quality recycling.
- **Monitoring.** Significant resource would have to be deployed to measure against separate collection targets. Depending on the exact methodology, this is likely to include extensive sampling of input streams to sorting centres and adjustments to account for contamination in and on the packaging, such as moisture and food contamination.
- **Proportionality.** The amendment as proposed fails to address specific situations in which derogations to separate collection requirements may be needed. These derogations may indeed be required where Member States can demonstrate that other collection methodologies lead to better outcomes. A 90% separate collection target without the ability to use waste packaging collected through specific derogations risks incentivising a move to less effective collection systems with lower capture rates in some instances.

### ***The relationship between separate collection and recycling***

Increasing separate collection remains the backbone to improve recycling - however, all elements of the value chain must be considered for an optimized system. By 2030, all packaging shall be recyclable. It means that producers and recyclers will be required to improve the recyclability of packaging and develop new sorting technologies to achieve a significant contribution to meet the recycling targets. PROs will optimize the value chain of packaging overall – including all steps of collection, sorting, pre-treatment and recycling in order to meet recycling targets. An isolated view on separate collection targets is not efficient.

On the other hand, setting additional collection target may encourage unwanted side effects. For instance, when a separate collection target is higher than required to meet the recycling rate target,

there is a risk that sorting centres may choose to divert some lower value streams to energy recovery when this is cheaper than recycling and where this recycled material is not required to meet the targets. This is primarily a risk for plastics.

#### ***Inconsistencies with the separate collection and other provisions of the Regulation***

It is important that any separate collection targets align with other requirements in the PPWR. This includes recycling rate targets, but also other provisions. For example, it is unclear why the DRS elements of the PPWR would be required if separate collection rates of 90% were met; as noted, this is the level that a high-performing DRS achieves. The proposed amendment from the European Parliament to capture any remaining packaging from residual waste would also appear to be redundant. In addition, if only 10% of the packaging, or less, remains in the residual fraction, the capture of any significant percentage of this would be challenging technically as well as very expensive due to the capital expenditure requirements and reduced tonnage to spread the cost over. Proposals around covering litter costs would also, most likely, not be required.

#### ***Alternative solutions to increase separate collection rates***

There are more effective ways to increase separate collection and to ensure that packaging is effectively sorted for recycling. These include:

- Reinforcing communication and education campaigns for citizens on the use of separate collection systems as their behaviour remains key to effective separate collection.
- Stronger enforcement of existing recycling targets. The 2030 recycling targets in the PPWR will necessitate increased collection across many European countries if they are to be met. If they are met, significant increases in collection will have been achieved. Arguably greater increases in collection would result if the resource required to implement and monitor separate collection targets is instead deployed in supporting countries to meet existing targets, using enforcement action where required.
- Developing pay as you throw models for residual waste to incentivise citizens to save disposal fees through better sorting, while ensuring that the quality of separate collection does not suffer.