

## The packaging supply chain's policy recommendations for a competitive, resource-efficient and growth-oriented Circular Economy

### EUROPEN Key Policy Recommendations

1. **Ensure full implementation and enforcement of existing EU laws**, in particular the Waste Framework Directive (WFD) and Packaging & Packaging Waste Directive (PPWD)
2. **Define a clear and harmonised methodology** for measuring and reporting national packaging recycling rates
3. **Set realistic and achievable packaging recycling targets**, based on clear starting points, taking into account the different packaging waste management infrastructures and implementation capacities in the 28 Member States
4. **Provide a definition of Extended Producer Responsibility (EPR) for used packaging and introduce mandatory EPR minimum performance requirements in the WFD and PPWD**, accompanied by EU guidance on the roles and responsibilities of each and all actors involved in packaging waste management
5. **Promote diversion of packaging materials from landfill for recycling and/or recovery**

### Role of Packaging in a Circular Economy

Packaging plays a positive and enabling role in a Circular Economy by optimising resource use, minimising waste and extending the value in a product and the economy. EUROPEN<sup>1</sup> is supportive of a Circular Economy that stimulates innovation, growth, jobs, and global competitiveness for businesses and consumers in Europe. To meet this objective, the EU policy framework needs to facilitate sustainable and efficient resource use from a full life-cycle perspective, taking into account trade-offs and entire value chain material and sector specificities.

A life-cycle perspective is important because choices and changes in one part of the value chain will inevitably affect another part. For instance, changing the type, weight and design of packaging may negatively impact the pack's ability to protect, preserve and market a particular product. Therefore, in order for packaging to effectively perform its role in a Circular Economy, its design cannot be considered in isolation from the packaged product and its value chain. The need for this holistic approach is reflected in the Packaging and Packaging Waste Directive, which has integrated product and waste policy, covering all packaging materials in a non-discriminatory and effective manner, across the life-cycle.

### Strengthening the EU Policy Framework to facilitate a Circular Economy

A strengthened EU policy framework is needed to optimise the availability and economic and environmental viability of secondary raw materials, which is a precondition towards an effective Circular Economy. In the case of packaging, this can be achieved first and foremost by optimisation of the structures and measurements that underpin recycling and recovery in Europe. This in turn will help secure material access and energy supplies at competitive prices, legal predictability for long term investments and innovation in materials, products and business models.

Our policy recommendations aim to inform the Commission's upcoming legislative proposal, which should be assessed for impacts at the beginning, during and at the end of the legislative process to avoid unintended consequences, once a compromise has been achieved among the EU co-legislators. This legislative quality check should also help to safeguard the Internal Market for packaging and packaged goods and prevent a disproportionate cumulative legislative burden on Member States and industry at EU, national and regional level or open the door to lengthy secondary legislation, consistent with the better regulation agenda. EUROPEN will offer additional comments, where needed, on the EU Circular Economy package during the planned public consultation and beyond.

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<sup>1</sup> EUROPEN is the EU industry association representing the views of the packaging supply chain in Europe, without favouring any specific packaging material or system. EUROPEN members include international companies spanning the packaging value chain (raw material producers, converters and brand owners), as well as national packaging organizations, all committed to continuously improving the environmental performance of packaged products, through supply chain collaboration. [www.europen-packaging.eu](http://www.europen-packaging.eu)

## Justifications for our key policy recommendations:

- 1. Ensure full implementation and enforcement of existing EU laws, in particular the WFD and PPWD** in Member States where implementation gaps persist to meet current and future packaging recycling and recovery targets. Full implementation and enforcement is a pre-requisite to ensure conditions for viable secondary raw material markets in the transition towards a sustainable and competitive Circular Economy. For instance, the WFD sets a requirement for separate collection of paper, metal, plastics and glass by 2015. This will have to be implemented in all Member States if the recycling target (min 50%) is to be met by 2020.
- 2. Define a clear and harmonised methodology for measuring and reporting national packaging recycling rates.** EUROPEN recommends to define the point at which packaging recycling is measured as the *“input into a final recycling process, after all sorting operations have been completed”*<sup>2</sup>. This definition would be compatible with the existing industry standards for each packaging material that provide quality specifications for recyclable packaging materials. A harmonised methodology will (1) ensure more reliable data; (2) set a clear and real baseline for measuring recycling, and (3) enhance the comparability of Member States' recycling rates.
- 3. Set realistic and achievable packaging recycling targets<sup>3</sup>, based on clear starting points, taking into account the different packaging waste management infrastructure and implementation capacities of the 28 Member States.** While considerable progress has been made in achieving those targets, waste management performance among Member States varies greatly. EUROPEN therefore welcomes a tailored and differentiated approach taking into account national specificities and waste management planning as reflected in the European Commission's initiative to take up bilateral contacts with 10 lesser performing Member States. This approach will (1) achieve more convergent packaging waste management performance levels across the EU; (2) ensure more quality secondary raw materials are reintroduced into the economy; (3) decrease the number of Member State infringements for non-achievement or lack of implementation and (4) keep the direction and required long term legal predictability and stability for related investments. Finally, the technical, environmental, infrastructural and economic limits to recycling need to be understood and acknowledged. Going beyond these limits, seeking increased yields, can entail disproportionate costs (e.g. additional investments in infrastructure and reprocessing capacity) with little or no net environmental gain. In the latter case, energy recovery which provides heat and/or electricity is a viable option, in line with the EU's Circular Economy and Energy Union objectives.
- 4. Clarify EPR for used packaging: define Extended Producer Responsibility (EPR) for used packaging and introduce mandatory EPR minimum performance requirements in the WFD and PPWD. In addition, develop EU guidance on the roles and responsibilities of each and all actors involved in packaging waste management (producers, private and public waste management operators, consumers, local and national authorities and EPR schemes).** Extended producer responsibility (EPR)<sup>4</sup> applicable to packaging has been instrumental in helping Member States successfully meet packaging recycling and recovery targets. To ensure the continued and increased effectiveness of EPR the following 3 principles will need to be enshrined in EU law: (1) Shared responsibility and accountability between each and all actors involved in packaging waste management. There is currently no clarity on who is responsible for which elements of this shared responsibility for packaging waste management. (2) Transparency of material flows, cost, tendering procedures, geographic scope and collected materials; monitoring, reporting and audits by EPR schemes. (3) Enforcement of all national EPR schemes by national authorisation and approval procedures. These EU minimum performance requirements will facilitate better implementation and enforcement of separate collection and sorting of used packaging; ensure better quality recycling; help secure cost-efficient access to raw materials and promote a viable market for secondary raw materials; level the playing field between existing EPR schemes with different ownership models (e.g. not for profit versus

<sup>2</sup>cyclos/HTP (2014) Impact assessment: The European Commission's Proposed Changes to the Calculation Method for National Packaging Recycling Rates. Brussels: EUROPEN. (Based on previous July 2014 Commission proposal) – Study available upon request.

<sup>3</sup> The overall packaging recovery rate in the EU as a whole was 77% in 2011. Performance in EU-12 was lower (60%) than in EU-15 (80%). The overall recycling rate in the EU as a whole was 64% in 2011. Performance in EU-12 was lower (51% than in EU-15 (65%).

<sup>4</sup> Extended Producer Responsibility (EPR) is the producer's full or partial financial and/or operational responsibility for a product, extended to the post-consumer state of a product's life cycle, in order to help meet national recycling and recovery targets.

for profit); and facilitate communication and cooperation between consumers, producers, waste management and authorities. While virtually all MS apply EPR as a successful economic instrument, each MS should retain the flexibility to implement it in a way that reflects national, regional and local realities<sup>5</sup>, in line with the subsidiarity principle.

- 5. Divert packaging materials from landfills for recycling and recovery**, provided that there is integrated waste management planning in Member States to ensure that separate collection, appropriate waste treatment facilities and capacities are located where needed. This would provide stakeholders with a predictable timeframe and an economic incentive to adjust, away from landfilling, and would help create the market necessary to bring valuable secondary materials back into the economy.

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EUROPEN views on the EU waste legislation review and the circular economy can be found on our website: <http://www.euopen-packaging.eu/circular-economy.html>

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<sup>5</sup> Read more detailed EUROPEN recommendations for EPR for post-consumer packaging in our EPR factsheet available [here](#).