

PRO EUROPE COMMENTS

Interim Report of Ecolas PIRA for the study of the implementation of Directive 94/62/EC on Packaging and Packaging Waste and options to strength prevention and re-use of packaging

PRO EUROPE represents 24 national schemes responsible for the collection, recovery and recycling of packaging waste which are active in 20 Member States, Bulgaria, Turkey, Norway and Canada¹. PRO EUROPE's member organisations are responsible for meeting the recovery and recycling targets laid down in EU Directive 94/62/EC on Packaging and Packaging Waste. As practitioners who are closely involved in the collection and recycling of packaging waste, PRO EUROPE has widely collaborated with the European institutions in shaping the revised Packaging Directive by sharing experience and expertise.

GENERAL COMMENTS

Article 6 paragraph 8 of Directive 94/62/EC on packaging and packaging waste, as amended by Directive 2004/12/EC, envisages that the Commission will present a report to the European Parliament and the Council on the progress on the implementation of the Directive as well as of the functioning of the internal market by 30 June 2005. This report will take into account individual circumstances in each Member State.

Having reviewed the Interim Report of Ecolas/ PIRA for the Commission, PRO EUROPE would like to make the following general comments:

- The interim report only considers the situation of Greece, Ireland and Portugal as regards the deadline for achieving the recovery and recycling targets. PRO EUROPE believes it is essential to take into account the state-of-the-art technology, demography as well as environmental and geographic factors in the Member States. Only after having taken all these circumstances into account will it be possible to understand the effectiveness of Directive 94/62/EC. Should this not be the case, the conclusions will not be very realistic.
- The impact analysis in the interim report contains too little information to make an appraisal of it. It does not show what the input and the output of the analysis are, nor what the system boundaries are. No sensitivity analysis is made. It is important that the analysis is done for every country separately even if the aim is to come to an overall result for the European Union.
- The studies used in the report are often based on data which is out of date. Concerning compliance schemes, PRO EUROPE is providing an updated overview including information on the turnover of the compliance schemes members of PRO EUROPE for the business years 1998 until 2003 (Table 7, page 17, **attachment 1**) as well as updated licence fees for 6 packaging examples (2004 figures, Table 24, page 108, **attachment 2**).
- The SOFRES study is used as the most important data source. It must be taken into account that the study only gives information on four countries (two of them without compliance schemes) and therefore this information cannot be extrapolated for other Member States.
- The interim report does not take into account European legislation which has already been passed, e.g. the Landfill Directive, which will have a major and drastic impact on the future development on waste and its treatment, on costs and capacities for the treatment of waste.

¹ ARA – Altstoff Recycling Austria (Austria); DSD – Duales System Deutschland AG (Germany); Eco Emballages (France), Eco Embalajes Espana (Spain); FOST Plus (Belgium); HE.R.R.CO (Greece); REPA (Sweden); REPAK (Ireland); SPV – Sociedade Ponto Verde (Portugal); VALORLUX (Luxembourg); Materialretur (Norway); CEVKO (Turkey); EKO KOM (Czech Rep.); EnviPak (Slovakia); Green Dot Cyprus (Cyprus); Latvijas Zalais Punkts (Latvia); ÓKOPANNON (Hungary); RekoPol (Poland); Zaliasis Taskas (Lithuania), EcoPack (Bulgaria), GreenPak (Malta) and the co-operation partners VALPAK (UK) and CSR (Canada)

- The interim report is basically descriptive and a lot of information is missing or incomplete. Moreover, very few concrete proposals are presented. Consequently, it is very difficult to make an overall assessment on all the issues at this stage.

SPECIFIC COMMENTS ON THE TASKS EVALUATED BY ECOLAS/PIRA

Task 1: Evaluation of the implementation of the Packaging Directive 94/62/EC

1.2 Impacts of the Directive evaluated from environmental perspective

The report states that one of the aims of the study is to assess the environmental impact of the Packaging and Packaging Waste Directive. PRO EUROPE has the following comments on the key assumptions related to the models used in this section:

- The collection and transport of used packaging are not considered, although they represent significant environmental factors.
- Recycling of plastic: taking only PET bottles into account (plastic with high recyclability in comparison to other kinds of plastics) means that lower costs from an environmental and economical point of view alone are considered. Therefore, the real impact of plastic packaging collection, sorting and management is not reflected.
- The study considers only steel cans, ignoring industrial steel packaging, thus rendering the different scenarios studied unrealistic; e.g. in the UK the majority of steel packaging recycled consists of commercial and industrial drums and strapping.
- Paper recycling: the report indicates that all paper recycling has been considered as corrugated board. This means that only the most easily recyclable paper fraction has been considered, not taking into account other paper fractions, which have to be collected, transported, sorted and appropriately managed in different ways (recycling, incineration with energy recovery, etc).
- It seems that the positive effects of packaging recycling to the environment are not adequately taken into account. In Germany and by recycling household packaging alone, primary energy totalling 64.1 billion mega joules was saved in 2003. In addition, recycling prevented the emission of 1.32 million tonnes of climate endangering greenhouse gases (www.gruener-punkt.de/environmental:performance_balance).

For the above-mentioned reasons, the assumptions of the report do not reflect the real environmental costs of packaging waste collection and management.

1.3 Impacts of the Directive evaluated from economic perspective

Regarding calculation method 1 (pages 22 and 24), the interim report recognises that the accuracy of the cost values can be considered to be within a range of 10% to 15% for household packaging and that for non-household packaging the accuracy may be much lower. According to the report, the resulting overall uncertainty (household + commercial + industrial) would be above 30%. PRO EUROPE believes this high degree of uncertainty makes it very difficult to extract any firm conclusion.

Moreover, the conclusion on pages 27-28 that “*on the [sic] average, the financing need for packaging recycling is in the same order of magnitude as the saved waste disposal costs*” does not reflect the economic efforts from both public administrations and industry in most Member States, whereby packaging recovery is much more expensive than waste disposal. In this sense, it is difficult to believe that implementing packaging waste management systems and achieving the recovery and recycling targets has the same impact from an economic and environmental point of view than not doing anything at all, and therefore not achieving the environmental targets established by the Directive.

1.3.5.2 Economic growth

Compliance schemes (with the involvement of packer/ fillers, retailers and packaging producers) have contributed to the practical implementation of the Packaging Directive in ten (and not eight, as quoted on page 15) of the EU-15 Member States. These schemes are financed through the payment of a waste management fee against which those putting packaging on the market can attach the Green Dot mark (financing symbol) on the packaging.

The interim report's Table 6: Areas of activities of main compliance schemes (page 16) should be amended to reflect the following:

- France: Adelphe also uses the Green Dot.
- Luxembourg: Valorlux also deals with industrial packaging.
- Spain: Ecovidrio also uses the Green Dot.
- Sweden: REPA also uses the Green Dot.
- Greece: HERRCO is responsible for all kinds of packaging waste and also uses the Green Dot.
- UK: VALPAK is responsible for material recovery from both streams, municipal and industrial packaging waste, both directly through their trading company, Valient Materials, and indirectly through the purchase of PRNs.

From waste to resources management

Many local authorities which organise collection and sorting together with the respective compliance schemes have taken the opportunity to start the separate collection of packaging in order to re-think how they deal with waste overall. Hence, general waste management has developed from waste disposal, only taking into account public health issues, to resource management by optimising the use of natural resources as well (see **attachment 3**).

Technological developments

The efforts made by industry in innovation and technological development in different countries are not reflected in the report.

Considerable technological developments have been achieved in the fields of sorting and recycling. Ten years ago, the sorting of packaging was largely done by hand. Today, more and more sorting plants are semi or fully automatic. This has increased sorting productivity from 150 kg/ hour up to 800 kg/ hour per employee (see **attachment 4**).

Likewise, significant technological advances have been made in the field of recycling of used plastic packaging as well as used beverage cartons, for example:

- PET: bottle to bottle recycling.
- Feedstock recycling for mixed plastic waste.
- Development of markets for secondary raw materials (see booklet, **attachment 5**).
- Finnish recycling plant for used beverage cartons (where alongside the paper fraction, the aluminium part is recycled and the plastic part is recovered as well, **attachment 6**).

As a result of these advances, the costs of the recycling of plastic packaging are going down and will decrease further in the future.

Also in many European countries, Near Infra Red (NIR) technology (see **attachment 4**) has become more and more popular over the last five years, and is an example of the innovative technologies used in these countries. By NIR a computer recognises whether a packaging belongs to a fixed parameter and is then sorted out automatically by air. Three out of four cartons for beverage packaging are now sorted by NIR technology. However, it should be noted that the reason for promoting technology and innovation in Germany could be attributed more to economic reasons than to ecological ones.

Social Perspective

A significant impact can also be seen from a social perspective:

- A considerable number of jobs have been created by setting up and running the take-back and recovery systems (see **attachment 7** which includes estimate figures for five Member States in 2002).
- Environmental awareness on behalf of consumers as well as of business has significantly increased. For the first time, people have the possibility to notice how much waste they are producing and that they have a real opportunity to influence the sound management of waste through selective collection.

Attachment 8 shows a number of surveys in some European countries outlining the environmental awareness programmes rolled out by compliance schemes including education programmes for schools, seminars for teachers as well as the development of didactic environmental communication materials.

Likewise, companies' attitude towards Extended Producer Responsibility is in general shifting with more and more companies committed to taking initiatives to reduce the impact of their products on the environment (see **attachment 9**).

Task 2: Prevention

2.1 Packaging Prevention: indicators for the environmental performance of packaging
PRO EUROPE and its members are very sceptical about the introduction of a single parameter to assess the environmental performance of packaging, such as the Packaging Environment Indicator (PEI). In our view, packaging has to be seen as part of an integrated system.

Furthermore, from an environmental perspective, the packaging and the packed product should be jointly considered as a unit. Waste prevention should not only be considered in terms of qualitative and quantitative reduction in the packaging materials used but rather in the context of the entire process chain - from production to distribution and sales, to consumer use and subsequent disposal. Less packaging itself is not necessarily more environmentally responsible. For example, insufficient packaging can often lead to product losses bringing an increased environmental and/ or economic impact. To our understanding, prevention should be considered as overall environmental reduction including in particular the avoidance of material and energy losses.

A more efficient way of encouraging prevention should include policies aimed at recycling of materials and optimising energy use, while ensuring the functionality of the packaging, notably product protection.

PRO EUROPE would therefore recommend a holistic approach towards the whole life of the product and its packaging, instead of concentrating on only one part of the chain, as seems to be the case in relation to the PEI. This tool, at its current design state, has important limitations. It looks at packaging in isolation from the product it contains and, as the report recognises, *"it could produce environmentally perverse results, such as favouring over-minimised packaging that causes product wastage and greater environmental impact overall"* (page 43).

In recent years, it has been possible to de-couple economic growth from the increase in the amount of used packaging (see **attachment 10**). Compliance organisations have contributed to this objective by playing a key role in the recovery of used materials which are

reintroduced in the manufacturing process, saving not only raw materials, but also reducing energy consumption and emissions.

Moreover, it has to be taken into account that landfilling could be reduced enormously, see **attachment 11**, for the Austrian example.

PRO EUROPE believes it is not clear what purpose the PEI will be used for, e.g. as an information tool for the consumer, as technical guideline for companies or legislative measure. These different purposes would call for different requirements with regard to the exact standards the PEI had to fulfil.

2.2 Packaging Prevention Plans

From the report's descriptions of different prevention plans in some Member States, it can be concluded that:

- Packaging waste prevention figures are not better in those countries where it is mandatory to have Prevention Plans.
- Both individual and sectoral plans have advantages and disadvantages. For example, sectoral plans have a "swaying effect" on small and medium enterprises. In the long-term sectoral plans are better tools due to the grouping of data, while individual plans provide better information at an individual level but imply a higher administrative burden.

Nevertheless, in order to achieve good results on prevention, it is necessary to combine different instruments and not to put all the responsibility on packer/ fillers. PRO EUROPE and its members are supportive of further inclusive action such as information campaigns aimed at consumers, different actions towards producers concerning eco-design, promotion of research and development activities concerning new packaging materials technologies, etc.

Moreover, as long as many factors and different agents are involved, PRO EUROPE would recommend an approach towards prevention based on voluntary and sectoral agreements, which could lead to more effective results.

2.3 Essential requirements

Essential requirements, as laid out in Article 9 of the Packaging and Packaging Waste Directive, are only implemented in a few member states up to now. The members of PRO EUROPE support the application of the European standards by promoting communication activities towards companies in order to facilitate the application of the essential requirements from a voluntary approach. Regarding existing examples, see **enclosure 12**.

2.5 Producer responsibility

PRO EUROPE and its members would advocate a formula which implements shared producer responsibility regarding prevention, in order to involve all agents in the packaging chain other than or in addition to fillers, e.g. packaging manufacturers, distribution, etc.

2.5.5 Prevention targets

PRO EUROPE agrees with the following conclusions made in the report:

- The lack of reliable statistics on packaging waste makes it increasingly difficult to tackle prevention through a quantitative target. As the Commission recognises in its Communication, Towards a Thematic Strategy on waste prevention and recycling (COM (2003) 301), it will be necessary to wait until 2008 to have a first assessment of waste generation trends, as a consequence of the implementation of Regulation (EC) 2150/2002 on waste statistics.

- It is questionable whether weight or volume are always the most appropriate indicators of the environmental burden of waste. From our experience, the potential for additional reductions in the weight of packaging is limited, taking into account the requirements that packaging must fulfil to guarantee the preservation and quality of the products that it contains, and in view of the current state of recycling technologies.
- Prevention targets would have to take into account social and demographic evolutions, e.g. the growing part of old people within our society as well as the growing number of single households which both need and ask for specific packaging as easy to open and smaller portions. It is not clear to us how rigid targets can take into account these changing's.

Task 3: Packaging Re-use

PRO EUROPE considers that the interim report analyses carefully the issue of reuse providing us with a realistic approach from the environmental and social perspective. Nevertheless, PRO EUROPE considers that economic aspects have not been sufficiently examined.

Although the document is mainly focused on reuse systems for household packaging, it recognizes that reuse systems are commonly used among industries involving commercial and industrial packaging because social and logistical conditions are appropriate (low distances and high return rates). Therefore, it is important to emphasize that, when appropriate, industry supports reuse systems.

From the environmental point of view, the interim report considers a variety of LCA analysis carried out to compare reuse and non-reuse systems. Although it is difficult to come to generally applicable conclusions due to the fact that each LCA study analyses specific and non comparable situations, after reviewing the information gathered two main conclusions can be reached:

- Studies tend to show that reusable packaging systems are environmentally appropriate at low transport distances and high return rates. When longer transport distances are considered, results tend to show that one-way packaging is preferable.
- Even when the conditions considered in these studies are favourable to reusable packaging, it is shown that the differences between reuse and one-way packaging are not significant in terms of environmental impact.

Consequently, from an environmental point of view only under certain conditions reuse systems are preferable and when this occurs, the environmental performances of reusable and one-way packaging are not so different.

With regard to economic aspects, promoting reusable packaging systems would have significant impacts on economy, among them:

- Fillers would have to invest high amounts of money to adapt production facilities to reusable packaging. Moreover, environmental problems linked to water and detergent use might occur, which would imply additional depollution investments.
- Relevant investments on reusable packaging would have to be made by fillers. As far as these investments need to be amortized, reusable packaging can not be changed as frequently as innovation opportunities to improve its environmental performance could offer.
- Retailers and fillers would have to bear the costs of building extra warehousing to store and process empty packaging and also the costs of the return machines. These relevant investments could not be afforded by most of the small retailers.

- Local production would have an advantageous position to supply market needs. This could exclude certain fillers from the market creating barriers to the free movements of goods within the internal market.

Concerning social aspects, as it is underlined in the report, promoting reuse systems would also lead to significant changes in consumption patterns. The example of refillable milk bottles in United Kingdom clearly demonstrates the strengths and weaknesses of reuse systems from the social perspective and also indicates that it is questionable whether consumers would accept changing their lifestyles to facilitate the use of reusable packaging. In this sense, the issue of whether reusable packaging is environmentally, economically and socially preferable depends more on the features of the society in which the packaging systems exists than on the features of the packaging itself.

On the other hand, as we mentioned before, local products would be favoured and imports would find trade barriers resulting in a reduction of the variety of packaged products available for consumers, restricting their freedom of choice.

The interim report recognises that, according to the available studies and information, the implementation of reuse systems under the appropriate conditions does not lead to significant environmental benefits compared to one-way packaging.

For this reason, it is necessary to analyse carefully from a cost-benefit point of view whether the huge economic investments, besides the social impact, gives any consistency to the implementation of reuse systems. Anyway, in case it is considered justified, measures to promote reusable packaging should be flexible and not interfere with the rules of free market.

Task 4: stakeholder consultation

PRO EUROPE is grateful to the Commission for the opportunity to communicate its thoughts and comments on the Ecolas/ PIRA report. However, we would state that the timeframe which has been given to analyse the document and to provide the Commission with national data is very short. We hope that stakeholders will be consulted again as the study advances, and we look forward to providing the Commission with further comments on the study.

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