



Council of the European Union
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LIMITE

**FIN
RESPR
CADREFIN
POLGEN**

WORKING PAPER

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MEETING DOCUMENT

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|----------|---|
| From: | General Secretariat of the Council |
| To: | Working Party on Own Resources |
| Subject: | Plastic Packaging Waste-based Own Resource: - PPT presentation |

Delegations will find enclosed the slides that will be used by the Commission for presenting Plastic Packaging Waste-based Own Resource at the meeting of the WP on Own Resources on 15 June.

EU BUDGET FOR THE FUTURE MFF 2021-2027

Plastic Based Own Resource

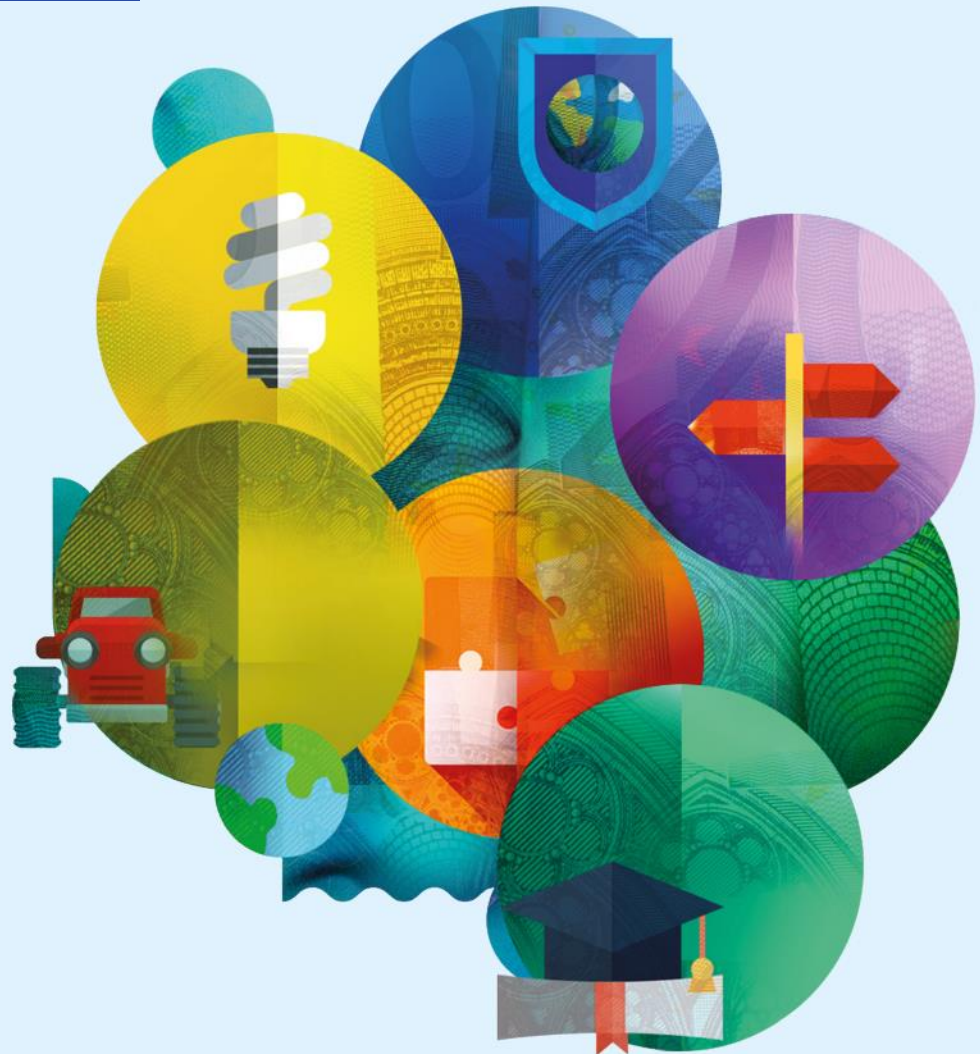
How does it work?
How much revenue will it
generate?
How will it be made
available?

DG BUDG
DG ENV
DG ESTAT

#EUbudget

Working Party Own Resources

15 June 2018





WHY HAS A PLASTIC-BASED OWN RESOURCE BEEN PROPOSED?

- PLASTIC** Makes a positive contribution to the European economy.
- PLASTIC** At the same time, creates negative externality for citizens, ocean and seas...
- PLASTIC** Covered by Circular Economy Action Plan with a 50% recycling target by 2025 and 55% target by 2030
- PLASTIC** Own Resource can contribute to meeting recycling targets
- PLASTIC** Own Resource provides incentives to reduce waste and foster recycling
- PLASTIC** Own Resource leaves Member States free to choose the right instruments/measures



DESIGN OF THE PLASTIC BASED OWN RESOURCE

- The Plastic-based Own Resource is not a tax
- Incentives for Member States to reduce plastic packaging waste that is not recycled
- Does not prescribe any tax or regulatory measure
- Statistical based: contribution proportional to the quantity of plastic packaging waste that is not recycled
- Easy to calculate: a call rate of EUR 0.80 per kilogram





WHAT IS THE STARTING POINT FOR DETERMINING THE OWN RESOURCE? UNDERLYING LEGISLATION (1)

- **Directive 94/62/EC of 20 December 1994 on packaging and packaging waste**
 - definitions of “packaging”, “recycling” and “waste”
 - 22.5% recycling target for plastic packaging waste by 2008

- **Commission Decision 2005/270/EC establishing the formats for reporting (replacing Commission Decision 97/138 /EC)**
 - Annual reporting 18 months after the reference year
 - Packaging waste generation = (poss.) packaging placed on the market
 - Packaging waste recycling = input to recycling or output of sorting
 - Rules allowing including waste exported outside the EU



WHAT IS THE STARTING POINT FOR DETERMINING THE OWN RESOURCE? UNDERLYING LEGISLATION (2)

➤ **The Packaging and Packaging Waste Directive: part of a revision of six waste directives**

- Aligning definitions
- Increasing the recycling targets for municipal and packaging waste
 - ✓ 50% target for plastic packaging waste recycling by 2025
 - ✓ 55% target for plastic packaging waste recycling by 2030
- Improving calculation rules and simplifying reporting requirements
 - ✓ Input to recycling to be counted only
 - ✓ Quality assurance of data to be ensured
 - ❖ Quality check reports
 - ❖ Minimum requirements for Extended Producer Responsibility schemes

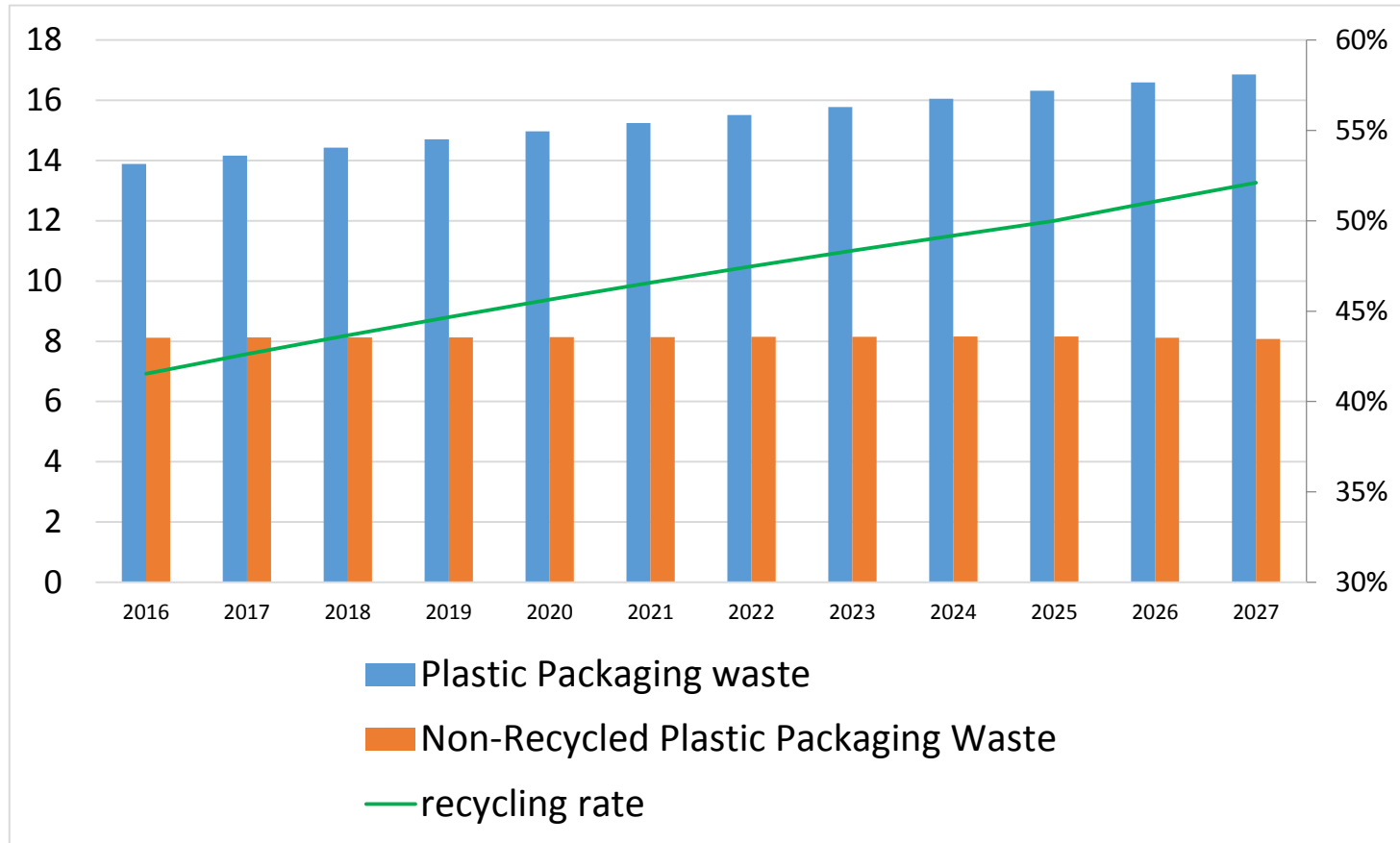
➤ **Timeline**

- May 2018: adoption of the amendment
- June 2018: publication in Official Journal
- March 2019: adoption of the implementing acts on reporting



REVENUE ESTIMATES

Quantity of plastic packaging waste and recycling rate*



Source: Commission services. * Estimates from 2018 onwards.



STATISTICAL BASIS

Monitoring under Packaging Waste Directive:

- Data collected since 21 years - improved over time
- Data already good quality – differences across Member States correlate with consumption expenditure and income level

Revised Directive will in time improve data quality including due to more precise rules, e.g. for:

- Calculation and measurement point for recycling
- Quality reports and information about average loss rates



CONTROL AND REPORTING (1)

- Scope: verifications of the procedures and national reporting systems to deliver data on plastic packaging.
- Objective: Obtain assurance on the reliability of the national statistics system and compliance with plastic packaging waste statistics and implementing acts.

**Similar to Gross National Income (GNI)
Statistical Based**



CONTROL AND REPORTING (2): SCOPE OF THE VERIFICATION: TIMING



Member State
submits data &
annual statement



Generation
and
recycling of
plastics
year n

January
 $n+1$

January
 $n+2$

July
 $n+2$

Commission may
inspect national
statistical system
and collection of
data year n (based
on risk assessment)



COUNCIL REGULATION ON THE METHODS AND PROCEDURE FOR MAKING AVAILABLE THE NEW OWN RESOURCES

MAKING

AVAILABLE

REGULATION 2 - COM(2018)326

- Legal basis: Article 322(2) of the Treaty on the Functioning of the European Union
- Qualified Majority Voting + European Parliament opinion
- Complements Regulation 609/2014
- Entry into force: with Own Resources Decision



MAKING AVAILABLE REGULATION 2 - COM(2018)326

How will the own resource based on Plastic packaging waste that is not recycled work?

- Type of own resource: Value Added Tax-type
- Common rules, applicable to all own resources, including this one:
 - Administrative cooperation
 - Use of accounts for own resources kept by national treasuries or Central Banks
 - Cash management provisions



MAKING AVAILABLE REGULATION 2 - COM(2018)326

How will the own resource based on Plastic packaging waste that is not recycled work? Specific rules for this own resource:

- Conservation of supporting documents: 6 years
- What and when to enter in the accounts:
 - 1st working day of the month: a twelfth of the amount forecast for the year in question
 - 30 June: yearly adjustment
 - Upon request: advancement of a twelfth
- Reporting:
 - By 15 April: forecast for the current and next year
 - By 31 July: annual statements of previous year (n-2)



MAKING AVAILABLE REGULATION 2 - COM(2018)326

How will the own resource based on Plastic packaging waste that is not recycled work? Specific rules for this own resource:

- Calculation: EUR 0,80 for each kilogram of plastic packaging waste that is not recycled.
- Making available provisions:
 - One twelfth, 1st working day of the month
 - Converted into national currencies
- Adjustments:
 - Difference between forecast and actual amounts (same rules as with Value Added Tax/Gross National Income)
 - Adjustments after inspections shall give rise to a particular adjustment



MAKING AVAILABLE REGULATION 2 - COM(2018)326

How will the own resource based on Plastic packaging waste that is not recycled work? Specific rules for this own resource:

- Bringing forward twelfths: For the European Agricultural Guarantee Fund (one twelfth in first quarter) and the European structural and investment funds (one twelfth in first semester)
- Interest provisions
- Committee procedure: Article 17 of the proposal; currently in Article 16 of Regulation 609/214
- Transitional provision: Member State shall provide calculations from January 2021 (actual and forecast)