Brussels, 15 June 2018

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WORKING PAPER

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MEETING DOCUMENT

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?**

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

  - 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
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*

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
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
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)
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
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)