

Minutes of the Stakeholder Roundtable on Fiscal Initiatives in support of the Plastic Strategy on 22 March 2018

The Commission had invited stakeholders from the European industry, trade union and environmental associations to discuss how fiscal measures can stimulate behavioural changes by the industry and encourage more sustainable consumer behaviour and which role the EU budget's revenue side could play in this context.

Opening remarks **Günther H. Oettinger, Commissioner for Budget & Human Resources**

Commissioner Oettinger said that the main objective of the plastic stakeholder roundtable was to discuss if and how the budget can contribute to environmental objectives of the EU.

Commissioner Oettinger reminded that the first objective of a possible plastic-based own resource or national contribution was to meet the objectives of the plastic strategy, to foster the European recycling industry and to develop innovation. He mentioned that the recent decision of China to ban imports from plastic waste was a challenge for the EU. He also made clear that the Commission will not penalise the European industry which already operates in a competitive international environment.

Commissioner Oettinger also put into perspective the discussion by explaining the constraints around the EU budget. He emphasised the need for "fresh money" to fill the "Brexit gap" and at the same time to finance migration and counter-terrorism policies.

1st Part *How can a fiscal measure stimulate behavioural changes on behalf of the industry and encourage more responsible consumer behaviour?*
Moderator: Daniel Calleja Crespo

- **European Plastic Converters**, expressed some openness to fiscal measures to the extent that “a tax on certain products might be a solution”. He is strongly opposed to a production tax, emphasising the legal and trade-related risks of discrimination of certain materials, but he would support a tax on plastic waste. He also considers that the revenues should be reinvested in plastic recycling and better collection systems.
- **Zero Waste Europe**, thinks that the plastic tax could be a good measure to incentivise collection and recycling of plastics. This measure, he believes, should be taken at the EU level, rather than member states level. He also mentioned that Extended Responsibility Schemes (‘EPR’) had no economic incentives to reduce waste (quite the opposite) and he consequently sees plastic tax as a complementary instrument.
- **Business Europe** is sceptical about a possible fiscal measure. Their main concern is that a high tax may be distortive and might push production out of Europe.

- The **Surfrider Foundation** is in favour of a progressive, non-discriminating tax at the EU level which would be complemented by border adjustment measures (so that plastic producers outside the EU are subject to the same constraints as regards environmental protection). It believes that a tax should not prevent Member States from putting in place environmental legislation such as bans on single-use plastics.
- **Friends of the Earth'** supports tax on plastics as would reduce use and production. The NGO also thinks that the introduction of such tax should be accompanied by the tariffs on imports.
- **Seas at Risk** supports an EU-wide plastic tax as it promises to change consumers' behaviour, as well as a single-use levy at the member states' level.
- **ETUC's** Confederal Secretary believes that the plastic tax cannot be used to fill a budget gap. Although ETUC seemed open as regards the introduction of a plastic tax, it considers that such a measures must be no means be detrimental to European companies vis-à-vis global competitors and must not be discriminatory from the point of view of employment. ETUC is also concerned about safety at work and it considers that a tax on plastic additives might be helpful.
- **Plastics Europe's** objectives are to increase circularity and resource efficiency. Tax on production may not only shift production away from Europe, but also cause the replacement with other materials, which would not necessarily be less harmful for the environment. They call for measures that are effective, harmonised and proportionate.
- **Europen** is also sceptical about a plastic tax. They consider that Extended Responsibility Schemes are a better and more efficient tool. The introduction of a tax would be a shift in strategy and would put at risk the efforts to put in place by means of EPRs.
- **Birdlife International** is convinced that environmental taxation does work, and he expressed his opinion in favour of a plastic tax at EU level. He emphasises that this idea should be seen as complementary to levies on single-use items, not as an alternative.
- **Clean Seas** would like to see taxes and/or levies introduced.

Many have shared the idea that should a tax be raised, the corresponding amount should be invested in sustainability.

Summary made by Mr. Calleja Crespo, DG Environment Director-General:

- Overall agreement on the importance of circular economy, efficient use of resources and the necessity to deal with plastic waste.
- Overall agreement that dealing with plastic waste requires a holistic approach (i.e. a combination of several measures fitting with the plastic strategy which could be complemented by taxation)
- Proportionality, non-discrimination, impact on competitiveness, impact on environment must be taken into account.

2nd Part

What could be the role of the revenue side of the EU budget?

Moderator: **Nadia Calviño**

Nadia Calviño, Director-General for Budget, then brings to the roundtable the question on how the revenue side of the budget can contribute to the environmental objectives of the EU. Can the budget create the right environmental incentives? How could the revenue side of the EU budget help member states to implement environmental strategy?

- **European Plastic Converters** acknowledged the importance of the link between revenues and expenditure. The organisation expressed a critical view from the perspective of subsidiarity and called for a better harmonisation of the environmental policies across the EU. As an example, too many countries continue with the practice of landfill in Europe (i.e. instead of recycling).
- **Zero Waste Europe** mentioned that if the plastic tax takes place, the focus should be on prevention and re-use systems.
- **Business Europe** highlights the importance of proper waste management, digitization and research.
- **Clean Seas** want to develop transparency and traceability of plastic materials and considers that the revenues from a plastic own resource should be allocated to this objective.
- **Europen** thinks that packaging waste management is a regional or national matter, and is sceptical that EU should intervene on this.
- **Birdlife International** raised a question on the enforcement of cross-border environmental legislation.
- **Plastic Recyclers** expressed views in favour of plastic tax, as it may help to achieve Paris Agreement. He put particular emphasis on collecting and sorting of plastic waste.

Concluding remarks **Günther H. Oettinger**, Commissioner for Budget & Human Resources

Commissioner Oettinger said that the Decision of proposing a plastic own resource was not settled yet. Next steps will also depend on the opinion of the College.

He also invited stakeholders to provide if needed their written contribution to DG Budg and DG Env.