



Enterprise and Industry DG

Daniel CALLEJA (Director-General DG ENTR)

**Meeting with Ecoembalajes España
(Brussels, 21 April 2014, 10:15h)**

BRIEFING NOTE

Mrs. [REDACTED] (Ecoembalajes España – Ecoembes) requested to meet you to discuss developments on resource efficiency as well as more specifically waste management, packaging and recycling.

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1. Resource efficiency, waste management, packaging and recycling

Line to take:

- *Resource efficiency is one of the 7 flagship initiatives of the Europe 2020 strategy and thus plays an important role in delivering on the EU's policy objectives.*
- *As reflected in the recent industrial policy communications, DG ENTR places a high importance on the transition towards a more resource efficient economy. Activities of innovative companies like Ecoembalajes are much encouraged.*
- *However, when it comes to introducing new targets on resource use, feasibility and impacts on the overall economy will need to be carefully assessed.*

Name of main contact person:

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Telephone number:

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Directorate/Unit:

ENTR.B1

2. Background information: resource efficiency

The Commission prepares to bring forward a **circular economy communication**, with adoption foreseen for May 2014 (DG ENV-lead – no inter-service consultation yet). It will serve as ‘chapeau’ document of the **circular economy package** to mark Commissioner Potočnik’s end of mandate.¹

We expect the communication to include a call for a **non-binding target to increase resource efficiency of the EU economy by 30% by 2030**, to be integrated into the **Europe 2020 reporting process** of Member States. It is to be measured at aggregate macro-level, based on raw material consumption (RMC)² by GDP. There is no breakdown at country or sector level foreseen so far. RMC expresses the amount of globally and domestically induced raw material extractions associated to the EU's consumption.

DG ENTR sees a great **potential for businesses** to benefit from increased resource efficiency, which is reflected in the industrial policy communications from 2012 and 2014. A policy announcement on resource efficiency could also provide more **predictability for investments into resource efficiency**.

However, such a target **should not introduce unjustified burden** and curb growth in still difficult economic times. The **cumulative impact of environmental targets** on EU industry needs to be thoroughly assessed before introducing a new target. Moreover, it could be difficult to place a resource efficiency indicator on top of the already existing targets that have a legal base in the waste legislation. We also have a number of questions on the robustness/usefulness of the proposed indicator. We therefore consider such a **high-profile announcement premature** and should at least require making it subject to further testing and confirmation (*see defensives*).

Last year’s 7th **Environment Action Programme** as decided by the Parliament and Council actually allows for a longer timeframe: “...*developing measurement and benchmarking methodologies by 2015 for resource efficiency of land, carbon, water and material use and assessing the appropriateness of the inclusion of a lead indicator and target in the European Semester*”.

Moreover, a potentially coercive approach of achieving an overall target goes against the philosophy of the **European Innovation Partnership on Raw Materials**, which tries to provide solutions in cooperation with industry to ensure that its raw material supply is secured.

The **European Resource Efficiency Platform** (EREP) has endorsed the proposed 30% target in its plenary on 31 March 2014, calling upon the EU to set a target to at least double resource productivity as compared with the pre-crisis trend (i.e. increase of well above 30% by 2030 – *see EREP flash report*). VP Tajani is a member of the platform (not present in the meeting; [REDACTED] and cabinet member F. Benini). EREP’s mandate runs until the end of the current Commission, but it might be extended. The recommendations also include a call for indicators on **land, water and biodiversity** (in cooperation with the OECD – no objections at this stage).

¹ Initially foreseen to include the waste review, but it now seems unlikely. A progress report on the Resource Efficiency Roadmap and impact analysis of a resource efficiency target are likely to be included – the Green SME Action Plan and green jobs communication probably not (discussion ongoing).

² Including: biomass, metal ores, minerals and fossil energy resources.

In the discussions within EREP, the **full spectrum of views** was expressed, including from **industry-side** with **some arguing for it** – or even proposing a more ambitious 40% resource efficiency target – and **others against**. A consortium of trade associations (Cembureau, Euroalliages, Eurofer, EUROGYPSUM, Euromines, EuSalt, EXCA, IMA-Europe, UEPG) and Cefic submitted letters to VP Tajani that strongly criticise the target.

The ongoing **waste review** is part of *fitness checks* that assess *inter alia* the **legally binding targets** in the Waste Framework Directive, the Landfill Directive and the Packaging and Packaging Waste Directive (PPWD). Annex 2 gives an overview of the proposed targets, which are more ambitious compared to the existing ones. The impact assessment board initially gave a negative opinion as the underlying analysis was not considered satisfactory, but turned it positive earlier this month. Discussions are ongoing when and in which format to adopt the review (now more likely to be a standalone document in the second half of the year rather than part of the circular economy communication).

A public consultation on the waste review took place last year. **Industry feedback** was generally positive, including on further actions to increase existing **targets for recycling** and **introduce certain landfill bans**. They called for an alignment of definitions among directives (e.g. ‘prevention’, ‘recycling’, ‘reuse’, ‘recovery’) and improvement of data collection and reporting mechanisms in member states. On packaging waste, Extended Producer Responsibility (EPR) schemes were highlighted as important drivers to improve separation in waste collection in member states. This will be addressed in the review. The reviewed PPWD will also step up measures to achieve an overall recovery of packaging material, either through recycling or energy recovery.

The DG ENTR/ENV “**Green Action Plan for SMEs: Enabling SMEs to turn environmental challenges into business opportunities**” is scheduled for adoption before summer 2014 (results of the public consultation published in March 2014). It brings forward initiatives to improve resource efficiency within SMEs, promote green entrepreneurship, develop opportunities for SMEs in a greener value chain and to further improve internal and international market access for green SMEs.

Under the **European Innovation Partnership for Raw Materials**, a number of actions are of particular relevance to resource efficiency. This includes product design for optimised use of (critical) raw materials and increased quality of recycling (emphasis on raw materials and materials efficiency in eco-design; research on product life extension and critical raw materials in complex products) and optimised waste flows for increased recycling (qualitative targets; landfill/incineration bans for certain waste; waste collection systems and Extended Producer Responsibility; reuse and recovery of end-of-life products).

Contact: [REDACTED], ENTR.B1 ([REDACTED])

- Annex:
- Flash report – EREP plenary meeting, 31 March 2014
 - Overview on proposed targets in the waste review (*internal draft*)

3. Defensives

Why do you consider the introduction of a new resource efficiency target premature?

I see a great **potential for businesses** to benefit from increased resource efficiency, which is reflected in the industrial policy communications from 2012 and 2014. But, it **should not introduce unjustified burden** and curb growth in still difficult economic times.

The **proposed resource efficiency indicator** (raw material consumption/GDP) is expressed in *relative* terms (vs. *absolute* – which avoids ‘capping’ growth), and takes imports into account, which avoids shifting production outside the EU. We had advocated both conditions in the discussions. However, ultimately, it will be important to get exact clarity on the target before assessing its impacts on industry.

In this context, I would raise the following points:

- The proposed resource efficiency target is **one more target applying to EU industry**, which will inevitably translate into additional burden for it while it faces difficult challenges due to strong global competition. There is also a potential risk that such a target will materialise in hard legislation, which will increase furthermore the burden.
- The relationship to the **existing waste targets** that have as a legal base the waste legislation should be explained and assessed. It should be made clear why an additional target is necessary.
- An overall target, as it stands now, does not distinguish the different situations and aggregates in one single indicator completely different issues. Raw Material Consumption (**RMC**) is a **weight-based indicator**, without taking into account any other parameter like the impact on the environment and health. For instance, the extraction of one tonne of sand is not comparable to the extraction of one tonne of gold ore.
- In a related modelling exercise, the timeframe for the **reference period** is quite short (2001-2011) and includes **crisis-related distortions**.
- If a target was to go ahead, in order to ensure policy coherence and relevance, it should be linked to the recently confirmed **aspirational goal for industry** to reach **20%** of the EU's GDP by 2020.
- Once this is clarified, detailed impacts will need to be assessed, including on the costs of production inputs and **cumulative cost impacts** if combined with other environmental objectives (air quality, framework 2030, etc.). DG ENV has commissioned a **study** to **assess impacts** of the targets, but I do not consider it sufficient.

Last year's **7th Environment Action Programme** as decided by the Parliament and Council actually allows for a longer timeframe: "*...developing measurement and benchmarking methodologies by 2015 for resource efficiency of land, carbon, water and material use and assessing the appropriateness of the inclusion of a lead indicator and target in the European Semester*".

Why do we consider the preliminary assessment of impacts of a new resource efficiency target not sufficient?

A recent **study** commissioned by DG Environment states that resource productivity improvement of around 2% to 2.5% per annum can be achieved with net positive impacts on EU28 GDP and that it turns negative beyond this rate.

I believe indeed that there is a potential for businesses and the economy as a whole to benefit from a transition towards a more resource efficient economy. However, the **impacts of introducing a new target need to be thoroughly assessed.**

On the above mentioned analysis, I would raise the following points:

- The timeframe for the main reference period used for the modelling (2001-2011) **risks producing distorted results due to the crisis** with a severe drop in manufacturing output and of related resource use.
- A thorough analysis would need to take the **cumulate impact of various environmental objectives** into account (notably air quality directive, energy and climate targets, waste targets).
- More detailed analysis of **sectors that are negatively impacted** would be necessary.
- We question the depth on the analysis of whether the **20% industry share of GDP** could be achieved in conjunction with the new resource efficiency target.
- This analysis was not presented to and discussed in the **European Resource Efficiency Platform (EREP)** before it was asked to endorse the proposed target.
- It's not an EC 'impact assessment'.

4. Background

ECOEMBALAJES ESPAÑA, S.A.

Ecoembalajes España, S.A. es una sociedad anónima sin ánimo de lucro, que se crea a finales de 1996, en previsión de la transposición de la Directiva Europea 94/62/CE que fija unos objetivos de reciclado y valorización a alcanzar en junio de 2001, armonizando así las normas sobre gestión de envases y residuos de envases entre los distintos Estados miembros de la Unión Europea.

Tiene como misión el diseño y gestión de un sistema encaminado a la recogida selectiva y periódica de residuos de envases y envases usados en el domicilio del particular o en su proximidad, para su posterior tratamiento y valoración. Éste es el Sistema Integral de Gestión (SIG), identificado por el Punto Verde.

El accionariado de esta sociedad está compuesto por 57 empresas y asociaciones de empresas que integran a todos los sectores que participan en la gestión de envases: **55% fabricantes y envasadores** (L'Oreal, Kraft Food España, Danone, Colgate Palmolive entre otros), **20% comercio y distribución** (Alcampo, Carrefour, Dia, El Corte Inglés, etc), **20% fabricantes de materias primas** (Anep, Recipap, Tetra pak, Ecoeacero, etc) y **5% recicladores** (Anarpla, Acare, Cespa, Recipap, etc).

Las actividades de Ecoembes se financian mediante las aportaciones de las empresas envasadoras acogidas al SIG. Esta aportación se calcula en relación a la cantidad de envases puestos en el mercado, aplicándose un baremo por unidad en función del peso y del tipo de material utilizado en cada envase.

Ecoembes. Su homólogo, ECOVIDRIO, se encarga de la gestión de los envases de vidrio. Aunque podrían existir otros Sistemas Integrados de Gestión de Envases, las principales empresas envasadoras han llegado a la conclusión de la forma más económica de gestionar los envases y dar cumplimiento a lo establecido por la ley, es la existencia de un único sistema de gestión.

Para realizar su labor, Ecoembes cuenta con más de 12.000 empresas adheridas. Dichas empresas realizan anualmente una declaración de los envases que han puesto en el mercado. En función del peso y el material utilizado, deben pagar una cantidad de dinero en concepto de “Punto Verde”, un símbolo que aparece en la mayor parte de los envases.



Ecoembes recoge por esta vía más de 3.800 millones de euros que se destinan a abonar a los ayuntamientos y entidades locales el sobre coste que les supone recoger los envases ligero (envases de plástico, bricks y latas) y los envases de papel y cartón de forma selectiva.

Desde 1998, Ecoembes ha firmado convenios de colaboración con los municipios y entidades locales de más de 40.000 habitantes y cuenta con la autorización de todas las Comunidades Autónomas para poder actuar en las mismas.

Además, Ecoembes trabaja directamente con sus empresas adheridas para diseñar planes de prevención encaminados a reducir el peso de los envases puestos en el mercado.

A nivel europeo Ecoembes pertenece a Pro Europe (Packaging Recovery Organization Europe) encargada de la protección del punto verde y a la que pertenecen actualmente los sistemas integrados de 34 países.

Pertenece además a EXPRA (Extended Producer Responsible Alliance). Esta organización promueve y protege conjuntamente el modelo de Responsabilidad Extendida Productor (EPR).

ECOEMBES EN CIFRAS

- Más de 12.000 empresas adheridas.
- Gestiona anualmente 1,7 millones de toneladas de envases.

- Ecoembes ha recaudado más de 3.800 millones de euros en concepto de punto verde que se han dedicado a financiar la recogida selectiva.
- Ecoembes actua en todas las Comunidades Autónomas.
- Desde 1999, Ecoembes ha logrado implantar más de 30.000 medidas de prevención que equivalen a un ahorro de 420.000 toneladas de materias primas.
- Desde 1996 el peso de los envases se ha reducido de media un 16%.
- En España se reciclan actualmente 7 de cada 10 envases.
- Se han distribuido más de 500.000 contenedores amarillos y azules para la recogida selectiva de los envases.
- La actividad de Ecoembes genera más de 42.000 puestos de trabajo.

5. **CV** [Redacted]

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