

FEAD Position Paper on Resource Efficiency

June 2012

FEAD welcomes the Roadmap to a Resource Efficient Europe of the European Commission and the European Parliament's own initiative report on a Resource Efficient Europe. We believe that these initiatives provide a major opportunity for European industries to increase their global competitiveness while reducing their environmental impact. In that regard, we would like to highlight the important role that the waste management sector plays in achieving increased resource efficiency throughout Europe. Further progress towards a European resource-efficient and recycling society can only be made, if the right economic and regulatory framework conditions are put in place.

Although the vision towards creating a resource efficient Europe has been well depicted in the European Institutions' various initiatives, we believe that this vision has to be underpinned by concrete measures as soon as possible. The key objective now is to specify how the set goals will be achieved in practice and provide a more detailed and specific impact assessment. FEAD, representing the private waste management sector, fully supports the vision of treating waste as a resource and would like to underline with this position paper certain actions that we believe should be among the priorities for the EU to implement the Roadmap to a Resource Efficient Europe.

Summary of key actions proposed by FEAD

- Ensure EU waste legislation is properly implemented in all Member States
- Ensure fair competition and equal VAT rates between private and public sector companies
- Extend Eco-Design Directive to cover material resource efficiency of key products
- Establish dialogue between producers' and recyclers' sectors
- Develop eco-labels identifying recycled material content of products
- Strengthen the producer responsibility principle and encourage use of IPR
- Reduce VAT rates to promote resource efficiency and the market for second hand goods
- Strengthen the requirements on green public procurement, including targets
- Set common framework for resource efficiency indicators
- Encourage separate collection of food waste and set food waste prevention targets

Ecodesign Directive – re-usability and recyclability of materials used in products

FEAD believes that the scope of the Eco-design Directive should be extended to other products, beyond energy related ones, or that a new instrument for them should be developed, which will promote the durability, reusability, reparability and recyclability of certain key products. This would

mean that the materials used in products should so far as possible be recyclable and in addition that the dismantling, repair or re-use of the products should be cost-effective, so avoiding in certain cases the shredding of products that contain valuable recyclable materials. The first step would be to identify which groups of products would be suitable for Eco-design regulation, through appropriate impact assessments. A better dialogue between the producers' and the recyclers' sectors should be established, concerning the design phase and the whole life cycle of products. Also the potential minimum recyclable content for certain products can be then taken into account at the design and production phase. Other useful measures that should be considered by the Commission are the development of Ecolabels identifying the recycled material content of products and indicators measuring the environmental footprint of products.

Extended Producer Responsibility Schemes

FEAD supports the development of incentives that encourage manufacturers to measure, benchmark and continuously improve their resource efficiency, as well as measures to strengthen the producer responsibility principle. Various and numerous extended producer responsibility schemes have been set up at national level under EU directives, such as packaging and packaging waste, batteries or WEEE, and others are being developed. These reflect national production, distribution and waste systems. The European Commission should establish guidelines on the best way to implement such EPR, including governance, as the development of clear EU guidance on the operation of take-back and recycling schemes could help remove barriers that hold back resource efficiency. We would also like to stress the importance of individual producer responsibility, as a way of ensuring that producers are made accountable for the design of the products, having an incentive to improve the resource efficiency of their product design, and will take more into account the end of life stage of their products and ensure that valuable raw materials will be put back into the economy.

Economic Incentives

The on-going work of the European Commission on studying how economic incentives and market-based instruments can affect waste management performance has shown that the right mix of market policies and regulatory measures, both at EU and member states' level, can boost recycling and promote resource efficiency. Legislation alone cannot bring optimal results. First of all, FEAD believes that the application of reduced VAT rates is an effective policy instrument and can be used to promote sustainability objectives, such as boosting the production and use of secondary raw materials (SRMs) and the repair and re-use of second hand goods. This could offer an incentive to manufacturers and industries to conserve finite raw materials and energy while reducing pressure on the natural environment. High quality SRMs which result from proper waste management treatment as well as renewable energies - amongst which, energy from waste – are efficient solutions that ought to be fostered. The supply of high quality secondary raw materials is a pre-condition to making recycled products a more attractive prospect in the market place. To this end, it is important to increase the demand for SRMs on a long-term basis and to promote sustainable resource efficiency.

Another key action should be to strengthen the requirements on Green Public Procurement (GPP) for products with significant environmental impacts. With the Commission's proposal for the

revision of the Public Procurement Directives already published and the on-going debate in the European Institutions, FEAD believes that this is the appropriate time to advocate the introduction of mandatory GPP targets. Based on equal performance, it should be mandatory for public authorities to give preference to secondary raw materials in public procurement. The lowest price should never be the sole award criterion. Such measures could help to achieve both sustainable growth, a key element of the EU2020 strategy, as well as the creation of a European recycling society and it would contribute to the general objective of resource efficiency in Europe.

Indicators

We urge the European Commission to set a common framework within which to coordinate the collection of data and setting of waste prevention/reduction targets. We recommend that the European Commission develops and requires Member States to apply common methodologies, measurement systems and indicators. A number of Member States use Material Flow Accounting to characterize their national resource flows, but as yet this information is not coordinated at EU level, nor is it linked to waste policy. Waste-related performance indicators (material-specific recovery and recycling rates, use of renewable energy, etc.) must ultimately become embedded within a higher-level Material Flow analysis. The improvements that such a waste-flow framework would provide are significant. Firstly, it would enable the European Commission to appreciate how intimately the waste management sector is (or should be) connected with the wider economy. It would also help the European Commission to visualize how the right policies can strengthen these connections to meet the objective of a greener, more sustainable economy, and where these policies might be applied up and down the value chain.

Prevention of food waste

The European Parliament has adopted a resolution drawing attention to the problem of food waste throughout the entire supply and consumption network. It was suggested that 2013 be designated as the "European Year against Food Waste". A study published by the European Commission indicated that the production of food waste in the 27 Member States amounts to nearly 89 million tonnes each year. Food waste accounts for one of the largest sources of overall waste going to landfill, of which two thirds is still edible. Currently, food scraps and other biological waste accounts for 40% of what is going in landfills. We urge the European Commission to develop a sustainable food waste strategy. We think that it is vital to improve enforcement of existing EU and national laws that mandate recycling of bio-degradable waste and we encourage composting of food scraps. Setting targets to eliminate landfilling of food scraps can be effective towards that end. FEAD believes that introducing separate collection of food waste would raise consumers awareness of the amount of food wasted and would help prevent food waste generation. Setting food waste-prevention targets for member states under the Waste Framework Directive targets to be in place by 2014 would be a significant step in the right direction.

In conclusion

Resource Efficiency is of utmost importance within Europe and the European Institutions have been shaping a positive long-term strategy, which FEAD fully supports. Many of its provisions though need to be underpinned now by concrete measures and actions. A first key objective is to

ensure that EU waste legislation is properly implemented across all member states and is accompanied by the appropriate economic instruments. In this respect, FEAD advocates better and more coherent definitions and harmonized environmental standards. As professionals in waste management, FEAD members are convinced that the Roadmap to a Resource Efficient Europe opens a window of opportunities for our sector and for the EU as a whole. Our members are prepared to contribute to its realization through investments, the exchange of best practices and the transfer of know-how. In order to achieve the set objectives however, there is a need to ensure fair competition and equal VAT rates between private and public companies operating in the waste and secondary resources markets. A level playing field is an important prerequisite to making best use of market forces to reach the goal of a resource efficient Europe, and an important precondition to generating more private investments to develop the green economy in Europe. The private sector can be a powerful engine for green growth. Therefore, private waste management companies ought to be given a better access to public-private partnerships and to EU-funding.

In this regard, FEAD welcomes the European Resource Efficiency Platform, designed to determine how to achieve the milestones and vision set out in the Commission's Roadmap to a resource-efficient Europe, including the ultimate vision of decoupling resource use and its impacts from economic growth. FEAD would be willing and ready to contribute to the work of this platform. We also welcome the Online Resource Efficiency Platform (OREP) created by the European Commission.

Concrete examples of resource efficiency applied by the private waste management sector can be found on our website, under the following link: www.fead.be/en/position-papers.

FEAD is the European Federation representing the European waste management industry. FEAD's members are national waste management associations covering 19 Member States and Norway. They have an approximate 60% share in the household waste market and handle more than 75% of industrial and commercial waste in Europe. Their combined annual turnover is approximately € 75 billion.

FEAD represents about 3000 companies with activities in all forms of waste management. These companies employ over 320000 people who operate around 2400 recycling and sorting centres, 1100 composting sites, 260 waste-to-energy plants and 900 controlled landfills. They play an important role in the determination of the best environmental option for waste management problems.