



Ensuring a Global Market for Secondary Raw Materials

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FEAD members advocate for sound waste shipment rules and, in this regard, support the introduction of measures which guarantee the protection of the environment and public health.

The European Commission's Directorate-General for Enterprise and Industry of the European Commission has commissioned to the consultancies Risk & Policy Analysts and ARCADIS the preparation of a study on the feasibility of introducing a certification scheme/standard for recycling treatment facilities in third countries.¹ Such a scheme needs to be very precise concerning the actors and waste streams that are to be covered. FEAD members therefore wish to contribute to this work with their expertise and know-how. At the same time, they would like to underline that the main focus of the EU regulators should be on combatting illegal shipments, especially of hazardous waste, which poses the greatest risks to human health and environment.

As highlighted by a recent study of the European Environment Agency (EEA), the wholesale of waste and scrap and its cross-border trade inside and outside the EU contributes to economic growth and job creation.² Below you will find our main recommendations and arguments advocating for a global market for secondary raw materials.

FEAD recommendations

- Better enforcement of the existing provisions of the Waste Shipment Regulation to prevent illegal shipments of waste, e.g. through harmonised EU waste inspection criteria;
- No disproportionate measures on shipments of non-hazardous waste that are in compliance with EU legislation;
- Set-up of an electronic data interchange system for waste shipments to facilitate the application of Annex VII of the Waste Shipment Regulation;
- Development of demand-side measures for secondary raw materials in Europe (e.g. reduced VATs, Green Public Procurement etc.);
- Creation of favourable conditions and legal certainty for long-term investments of private waste management companies in recycling infrastructure in Europe;

¹ Risk Policy Analysts, Arcadis: "The Feasibility of Introducing a Certification Scheme/Standard for Recycling Treatment Facilities";

² EEA report 7/2012: "Movements of waste across the EU's internal and external borders", page 24;

Focus EU actions on illegal waste shipments

Generally, FEAD members believe that illegal shipments of WEEE, i.e. hazardous waste, under a 're-use label' remains the main challenge for EU regulators. In particular, Waste Electrical and Electronic Equipment (WEEE) and End-of-Life Vehicles (ELVs) are illegally shipped outside the European Union, undergoing sub-standard treatment, leading to a loss of valuable and critical metals. Shipments of hazardous waste outside the OECD countries are prohibited and constitute an infringement of the Basel Convention and the Waste Shipment Regulation (WSR). Regulatory measures at the EU level have already been introduced to better enforce this ban. The revised WEEE Directive, for instance, foresees functionality tests to distinguish between electrical and electronic equipment which is still a 'good' and that which is already 'waste'. However, such illegal shipments need to be distinguished from legal shipments of hazardous waste the vast majority of which are taking place between EU Member States and in complete legality.³ In the context of better enforcing the provisions of the Waste Shipment Regulation and combatting illegal shipments, FEAD strongly calls for harmonised EU legislative criteria and requirements for waste shipment inspections. This also leads to more and better trained staff in the customs services at the borders of the European Union.

As far as non-hazardous, green-listed wastes are concerned, their shipments inside and outside the EU are, by and large, taking place in compliance with EU legislation on waste shipments.⁴

At the level of the OECD and Basel Convention, a number of guidelines on environmentally sound management of critical waste streams have been developed and incorporated into Annex VIII of the Waste Shipment Regulation.

Facilitating the application of Annex VII of the Waste Shipment Regulation

According to IMPEL, one major reason for non-compliance with the WSR is the wrong completion of the Annex VII form which requires the provision of information accompanying shipments of waste, as referred to in article 3(2) and (4) of the WSR.⁵ This is also due to diverging interpretations of the provisions of Annex VII by the Competent Authorities (CAs). The Waste Shipment Correspondents are currently trying to find adequate solutions to this problem by drafting Correspondent guidelines.

In this context, we very much welcome the upcoming launch of an EC study on an electronic data interchange system for waste shipments and are confident that this system will allow the Annex VII information requirements to be fulfilled electronically thereby ensuring traceability without

³ EEA report 7/2012, page 11 and following;

⁴ As to the amount of illegal shipments, the EEA report 7/2012 (page 30) provides the following figures: *"During a coordinated inspection campaign throughout 2008–2011 involving 22 European countries, the European Union Network for the Implementation and Enforcement of Environmental Law (IMPEL) found that 19 % of inspected shipments were in violation of the EU Waste Shipments Regulation. Of those, 37 % were illegal shipments. The inspections were targeted, so this number is not necessarily representative for all shipments (IMPEL, 2011). IMPEL is continuing to run and plan further cooperation, training and inspection activities to combat illegal waste shipments."*

⁵ IMPEL, European Union Network for the Implementation and Enforcement of Environmental Law, report: "Enforcement of EU Waste Shipment Regulation", April 2011, pages 24-25;

compromising business confidentiality of the waste traders.⁶ Our members, however, have reported that some of the currently existing national e-systems have shown weaknesses when applied in daily practice. These problems should be analysed in the EC study with the aim to propose solutions so as to avoid that they occur when potentially rolling out a European e-system. More detailed and better information on waste shipments through an electronic data system will help the CAs to identify those operators who are not in compliance with the WSR.

Certification scheme for recycling treatment facilities in third countries

FEAD promotes high environmental standards, not only for waste management installations in the European Union, but also globally. The EU is a key global supplier of state-of-the-art technology for the collection and treatment of different types of waste. Environmentally-sound management of waste at a global level, continue to create demand and jobs in the EU, contributing at the same time to environmental protection. Therefore, the EU should promote favourable framework conditions and legal certainty to enhance investments into recycling infrastructure in Europe in order to maintain and strengthen its leading position at a global level.

We consider that certification schemes for recycling treatment facilities in third countries are not providing the right answers to combat illegal shipments of hazardous waste. Moreover, we have doubts concerning the compliance of such a certification scheme with international trade (WTO) rules which would have to be assessed more in-depth. Exporting green-listed waste, e.g. paper, metal, plastics, without endangering human health and in an environmentally sound manner, also allows the full achievement of the recycling targets of the EU waste acquis.⁷ Whereas the amounts of recycled materials in Europe have increased as a result of the EU recycling targets, the uptake of secondary raw materials is still lagging behind domestically. This is also due to the outsourcing of production capacity from Europe to third countries and, linked to that, lower processing capacity of the manufacturing industries in Europe. There is a concrete risk that limiting legal exports of non-hazardous, green-listed wastes would lead to an over-supply of secondary raw materials, for which there is not sufficient demand in Europe. From a resource efficiency perspective, it is more beneficial to export green-listed waste for environmentally-sound recycling outside Europe than sending it to landfills or incinerators.

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.

⁶ FEAD members consider that Annex VII of the Regulation which enforces, as an officially binding legal document, the traceability of the entire supply chain for the ultimate buyer in cross-border and other waste trade within Europe, currently constitutes a clear violation of business confidentiality. The publication of confidential supply relationships along the entire supply chain raises serious problems to FEAD members;

⁷ EEA report 7/2012, pages 21-22.