



FEAD comments on certification of recycling facilities

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Summary

The idea of a mandatory certification scheme for recycling facilities worldwide has been put forward as a way of helping to achieve three different objectives:

1. To improve access to critical raw materials for EU manufacturers
2. To combat the illegal export of waste from the EU to Third Countries
3. To improve the environmentally sound management of waste in Third Countries.

FEAD does not believe that such a certification scheme would achieve any of these three objectives:

1. Critical raw materials which are important for European manufacturers are mainly linked to e-waste (WEEE), which contains in general hazardous substances. However, the EU already bans the export of hazardous waste outside the OECD, and the proposed certification scheme does not address e-waste. Europe should instead promote better access to these critical raw materials, firstly, through more effective enforcement of the existing EU ban on WEEE exports outside the OECD, secondly, through promoting better recyclability of WEEE inside the EU by eco-design measures and, lastly, through measures which encourage investment in treatment facilities for WEEE in Europe (e.g. introduction of certification schemes for WEEE treatment facilities at national level in EU Member States).

2. The proposed certification scheme would not stop rogue traders illegally exporting WEEE or unsorted non-recyclable waste. Instead, the scheme would impose a bureaucratic burden on the legal export of green-listed non-hazardous recyclable wastes such as paper, plastic and scrap metal, which are not critical raw materials.

3. The most significant environmental and health & safety concerns in Third Countries are caused by illegal shipments of hazardous waste and untreated waste, not by legal exports of recyclable paper, plastic and scrap metal. The best way to improve the environmentally sound management of waste in Third Countries is through the work of the Basel Convention, which is developing a framework on ESM of hazardous and other waste at international level.

In view of the ongoing work of the Directorate-General for Enterprise and Industry on certification of recycling treatment facilities and following the publication of the related ARCADIS and Risk Policy Analysts study¹, FEAD members would like to express the following comments:

No supply risks for green-listed wastes

As part of the EC's Raw Materials Initiative², the Commission is asked to examine the feasibility of applying a global certification scheme for recycling facilities, building on environmentally sound management criteria. However, it should be kept in mind that the EC Raw Materials Initiative is mainly trying to address certain Critical Raw Materials, including rare earth metals. Paper, plastics and scrap metal for recycling cannot be considered "critical raw materials" in this sense. FEAD does not believe that there are such supply risks for these secondary raw materials as is the case for the 14 listed critical raw materials.

Need to distinguish between different waste categories

The study does not sufficiently distinguish between the different waste categories (hazardous waste vs. non-hazardous waste, such as metals, paper and plastics). The Basel Convention and the Waste Shipment Regulation define three main categories according to which waste can be shipped:

- I. Green-listed waste (non-hazardous waste for recovery which can be shipped under general information obligations within and to many countries outside the EU);
- II. Yellow-listed waste (hazardous waste for recovery which can be shipped under an obligation of notification within the EU and the OECD but not to third countries);
- III. Red-listed waste (hazardous waste for which shipment is prohibited).

Illegal exports of WEEE outside the OECD and the substandard treatment of this waste material has been highlighted in the study as a key problem.³ On this issue, FEAD welcomes the Commission's decision to develop harmonised waste inspection criteria. Increased and more targeted controls of WEEE exports could help to ensure better enforcement of the export ban for WEEE outside the OECD. This would also result in more input material for European WEEE treatment plants, thereby supplying European manufacturers with critical raw materials.

A certification scheme on recycling facilities would not stop the illegal shipments of WEEE outside the OECD. The Arcadis/RPA study acknowledges the fact that illegal exports will not be adequately addressed through such a certification scheme.⁴ FEAD members consider that a mandatory certification scheme would also not stop illegal actors exporting waste which they

¹ ARCADIS/Risk Policy Analysts (RPA): The Feasibility of Introducing a Certification Scheme/Standard for Recycling Treatment Facilities, revised final report, November 2012;

² Tackling the Challenges in Commodity Markets and on Raw Materials, COM(2011) 25 final, page 19;

³ Arcadis/RPA study: page iii;

⁴ Arcadis/RPA study: page v;

describe as green-listed, recyclable material but which is in fact non-recyclable, unsorted waste. Such illegal actors will simply falsify the required documentation. Such abuse can only be stopped by the competent authorities within the EU, who need to step up their controls on the supply chain for green listed waste. Furthermore, we are of the position that an electronic data interchange system for waste shipments could contribute to ensuring the environmentally sound management of waste. More detailed and better information on waste shipments through an electronic data system will also help the Competent Authorities to identify those operators who are not in compliance with the WSR. Ultimately, it is the responsibility of EU exporters to ensure that the recyclable green-listed waste such as paper, plastic and scrap metals has properly been sorted and is of a quality that can be traded internationally.

The development of voluntary certification schemes (e.g. WEEELabex, EuCertPlast) should be further encouraged as common internal industry standards will contribute to higher quality recycling. As regards WEEE, work to establish European standards in the framework of CENELEC is ongoing. This work should be completed before any assessment can be made of its wider potential.

Stricter quality requirements in key export markets

Many countries outside the EU which import recyclable wastes such as paper, plastic and scrap metals have strengthened their controls on imported secondary raw materials in recent years, in particular China which is the single most important destination for green-listed waste from the EU. The experience of FEAD members is that Chinese re-processors now have ISO certified, state of the art facilities which means that concerns regarding the environmental standard of Chinese installations are, in most cases, no longer justified. EU exporters have responded to the demands of their Third Country customers and as a result, the quality of exported secondary raw materials is much higher than in the past. The reason why so much recyclable waste is exported from the EU to China is not so that it can be “dumped”, but because China is a rapidly growing resource-hungry economy with lower energy, labour and land costs which means that they can often pay a better price for recyclates than some domestic re-processors in the EU. The same is true of a number of other Far East countries (India, Indonesia etc.).

Building on ongoing international work

At Basel Convention level, a framework document on environmentally sound management⁵ has been finalised recently (Basel COP-11, 28 April - 10 May 2013). The Basel Convention deals with hazardous waste in particular, which is most critical in terms of impacts on health and the environment. The framework document contains a broad range of tools to implement environmentally sound management, one of which is voluntary certification at national level. This might address hazardous waste shipments, e.g. of WEEE. Within this context, FEAD could support voluntary certification schemes at national level in Europe. This would help to ensure that waste

⁵ Framework for the environmentally sound management of hazardous wastes and other wastes;

streams containing valuable metals, such as WEEE, undergo environmentally-sound pre-treatment in certified installations and would also give a boost to investment in WEEE treatment installations in Europe.

We would like to draw attention to the fact that the guidelines on environmentally sound management listed in Annex VIII of the Waste Shipment Regulation, developed at OECD, Basel Convention, International Maritime Organisation and International Labour Organisation level mainly address hazardous wastes. The amendments suggested in the Arcadis/RPA study would therefore not address green-listed waste which was the original intention behind introducing a certification scheme as suggested by the study.

Un-enforceability of a certification scheme in third countries

The feasibility of a global certification scheme for green-listed waste is questionable due to its complexity and the need to gain the agreement of all countries.⁶

Clearly, Europe does not have any jurisdiction or enforcement powers in third countries. As stated in the study, it would be important to analyse how third countries would react to the idea of an EU-driven certification scheme and to assess whether they would regard such a scheme as a trade barrier. The study states that *“A mandatory scheme may potentially conflict with WTO principles if it confers a trade advantage”*.⁷ In FEAD’s view, it is not coherent for the EU to argue for a free and fair world market for primary raw materials (e.g. EU/U.S. and others vs. China concerning certain critical raw materials) while at the same time trying to restrict the export of waste paper, plastics and metal scraps from the EU. Important markets could close for European exporters of secondary raw materials if importing countries refuse to participate in a certification scheme for sovereignty reasons or because of WTO aspects.

Disproportionate costs for European waste management operators

In FEAD’s view, the costs resulting from a certification scheme would be disproportionately high, and would fall on the law-abiding exporters and waste companies rather than on the illegal operators. This could particularly affect small and medium enterprises in the waste management and recycling business. As a result, investments in domestic waste collection, sorting and treatment infrastructure could be put at risk. Restricting the export of secondary raw materials could also make it difficult or even impossible for some EU Member States to reach the recycling targets required by EU waste legislation.

Moreover, the Arcadis/RPA study did not analyse sufficiently the economic impacts of a certification scheme. The increased bureaucracy associated with monitoring and auditing the scheme is for example likely to create delays on exports and add uncertainty to the market in the

⁶ Arcadis/RPA study: page iv;

⁷ Arcadis/RPA study: page 92;

short and medium term. Key questions that need to be answered are: How much green-listed waste would remain in the EU instead of being exported? What would be the impact on prices?

Prices for secondary raw materials are decided by the world markets and the demand is higher outside the EU (e.g. Asia, Turkey etc.) than domestically because the production industry is located there. Hence, the EU should continue its efforts to (re)develop a re-manufacturing industry in the European Union over time. Putting barriers to a free movement of goods is certainly not the right way to achieve this goal.

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.