

BIR and Euric: Exports to non-OECD countries will be costly, complex under proposed rules

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The revision of the EU Waste Shipment Regulation, particularly its implications for extra-EU trade is the "topic of the moment".

Businesses trading internationally in secondary raw materials are facing several potentially challenging regulatory changes in the coming years. At the Bureau of International Recycling's convention in Barcelona last week, Antoine Stilo, Policy Officer at the European Recycling Industries' Confederation (Euric) and Ross Bartley, BIR's trade and environment director, provided an overview of revisions that were currently being considered by policymakers and warned that these threatened the recycling industry and its ability to invest in new capacity and more advanced

processing technology.

The "topic of the moment" was the revision of the EU Waste Shipment Regulation (WSR), which was now being considered by the European Parliament's Environment Committee. Under the current proposal, the standard approach is a ban on exports of secondary raw materials to non-OECD countries, subject to exceptions where the importing countries authorise imports and demonstrate adequate capacity. EU exporters will likewise be obligated to set up (or purchase) auditing schemes to verify that facilities in non-OECD countries perform their recycling or recovery activities in a sustainable manner. Mr Bartley explained that obtaining timely responses from destination country governments could be difficult and the auditing process expensive, especially without a system for the sharing audit results.

The European Commission has described the costs incurred by exporting companies as a result of the rules as "new but moderate". However, in a report from the Regulatory Scrutiny Board, an independent body which advises the Commission, those "moderate" costs are estimated at €5,000-35,000 per audited receiving facility initially and between €5,000-15,000 annually thereafter.

Failure to consider financial damage to recyclers a "fundamental flaw" of WSR draft

Euric's Antoine Stilo said that the failure to protect the recycling industry from the financial damage in the EU Parliament's draft report was among the "fundamental flaws" of the proposal. "We only have minor changes when it comes to waste export restrictions that can have very damaging consequences on the recycling industry."

Another aspect of the WSR revision worrying recyclers is the "safeguarding" mechanism for EU exports of scrap and secondary raw materials to OECD countries which is built into the current legislative proposal. It was created as a response to the surge in waste plastic shipments to countries in the Asia-Pacific region and Turkey after China closed its doors to plastic waste imports. "But concern over plastic waste has 'spilled out' onto everything else, because they're putting in place a universal safeguard system," said Mr Bartley.

The safeguard would allow the suspension of EU waste exports to an OECD country if they increase considerably over a short period of time and the EU Commission has requested but not received sufficient evidence of the destination country's ability to treat the material properly. This was an area where the industry had seen some limited success with its lobbying. Higher import increases over longer periods of time are being considered as trigger thresholds for the safeguard mechanism, according to Mr Stilo.

Electronic data interchange for intra-EU shipments "a major advancement"

Amidst the cloud of worrying aspects of the WSR revision, there was good news at least for shipments within the EU. Mr Stilo highlighted the amendments that would facilitate intra-EU waste shipments that were welcomed by its members. These included, among other changes, allowing dealers and brokers to sign notification documents, establishing English as a default language of communication, allowing the creation of multilateral agreements in border areas and the creation of a waste shipment cooperation group for resolving disagreement on classification and other issues. Mr Stilo called the proposed EU-wide move from paper-based notifications to an electronic data interchange system "a major advancement".

Eric argues that if de facto trade restrictions are imposed, EU policymakers should ensure that there is sufficient demand on the internal market by imposing minimum recycled content requirements for all affected material streams. Alicia Garcia-Franco, director general of the Spanish Federation of Recovery and Recycling (FER), offered her country's experience as an alternative approach. She said she believes using end-of-waste (EoW) criteria will be key to dealing with the Waste Shipment Regulation. Spain has established national EoW criteria for recovered paper and board and for end-of-life tyres (ELT) subjected to mechanical processing. Last autumn, work began in Spain to develop criteria for waste plastics.

Swiss/Ghanean proposal could move all WEEE into the scope of the Basel Convention

Regarding developments on the global scale, Mr Bartley also gave a preview of important proposals being considered at the 15th meeting of the parties of the Basel Convention (COP15), which is running from 6 to 17 June 2022 in Geneva. Switzerland and Ghana have proposed changes to the listings for waste electrical and electronic equipment (WEEE) in the Annexes to the Convention: A1180 for e-scrap categorised as hazardous and Y49 for all other e-waste. If the proposal secures enough backing, it would subject all e-scrap destined for non-OECD countries to the prior informed consent procedure (notification).

In many ways, this would be analogous to the changes for waste plastic that went into effect at the beginning of 2021, although for plastics very high-quality material can still be exported as green-listed waste. If the parties to the Convention approve the changed entries for e-scrap and they also become part of the EU Waste Shipment Regulation, exports of Y49 material from the EU to non-OECD countries would be banned.

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