



Existing EPR Systems for ELVs, options for future regulations

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Content

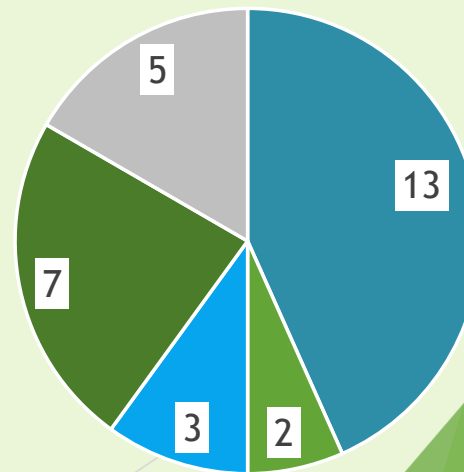
1. Current situation: EPR for ELVs in the EU
2. Extended producer responsibility (Art 8 WFD)
3. General minimum requirements (Art 8a WFD)
4. Economic conditions; Compliance Cost Compensation

1. Current Situation in EU27 + 3 EEA

1.1 PROs for ELVs


















- In compliance with the EU ELV Directive the national legislation obliges the producers to demonstrate / guaranty that ELVs are taken back for free.
- This might be implemented either individually by OEMs (by demonstrating contracts with ATFs) or collectively by Producer Responsibility Organisations (PROs) or a mix.
- Effectively all EU27+3 consider the established ELV collection systems as EPR.
















- EU27+3 with PROs (collective schemes) identified
- National Public Funds
- EU27+3 where PROs are mentioned in sources but not identified so far
- according different sources no PRO
- no information



1. Current Situation in EU27 + 3 EEA





1.2. Details: 15 PRO(+?), 2 public funds, 2 DRF

	confirmed actual information	BIO IS report on EPR (2014)	Other
	X = no PRO, individual responsibility only		
 AT	OECAAR Österreichische Shredder		
 BE	Febelauto		
 BG		2 PROs	
 CY			
 CZ	X		State Environmental Fund
 DE	X		
 DK	Dansk Bil-Retur		Deposit Refund System: Insurances --> EPA --> EPR scheme
 EE		X	
 EL	EDOE		
 ES	X		
 FI	Suomen Autokierrätys Oy		
 FR	X		
 HR	X		Environmental Protection and Energy Efficiency Fund
 HU	Car Rec		
 IE	ELVES		
 IT	X		
 LT	GIA AGIA		

	confirmed actual information	BIO IS report on EPR (2014)	Other
	X = no PRO, individual responsibility only		
 LU		1 PRO	
 LV		1 PRO	
 MT			
 NL	ARN		
 PL	X		2005 -2015: National Fund for Environmental Protection and Water Management
 PT	Valorcar		
 RO		X	
 SE	Bilretur / Bil Sweden		
 SI			
 SK	Auto Recycling		
 IS			
 NO	Autoretur		Deposit Refund System: Norwegian Tax Administration
 LI			
 UK		2 PROs	
 CH	Stiftung Auto Recycling		




1. Current Situation

1.3 Costs for EPR / public fund / DRF (1/3)

	Fee / tax collected	Purpose of the tax or fee
 AT	<u>OECAAR</u> in 2022: € 3,10 per vehicle PoM; minimum / max per brand and year: € 500 / € 15 500 <u>Österreichische Schredder</u> in 2022: € 1.50 per vehicle PoM; annual lump sum: € 100.	Management of the collective responsibility
 CZ	State Environmental Fund (Czech Republic): for each used vehicle when first registered with Emission limits Euro 2: ca. 122 €; Emission limits Euro 1: ca. 203 €; below Euro 1: ca. 406 €	Collection, processing, utilisation and disposal of ELVs and their parts, for infrastructure development and for support of alternative fuel vehicles.
 DK	ca. 11 € per year and per registered vehicle paid by the consumers to the Danish EPR System.	pay-out of ca. € 286 to the last owner when handling out to ATF and receiving a COD
 FI	Payment by OEMs of 3.19 € to PRO per vehicle registered.	Payment to PRO for administrative, guidance and information purposes





1. Current Situation

1.3 Costs for EPR / public fund / DRF (2/3)

	Fee / tax collected	Purpose of the tax or fee
 HR	ca. €80/1000kg by producers (OEMs & Importers) placing vehicles on the market	a) Compensation for the last owner when handing over an ELV to ATFs: For a complete ELV: ca € 130/1000 kg; For an incomplete ELV: ca. € 66/1000 kg; b) Compensation for the collector - for collection, storage and transport of ELVs to ATFs: € 20-60/1000 kg depending on the distance between the pick-up point and ATF; in the case of transport distance of more than 150 km ≈ € 0,105/km/1000 kg of vehicles transported.
 IE	<u>From 2023:</u> the fees will be 20 € per unit (one-time payment). If a Producer were to self-comply, registration fees would be paid to local authorities.	The fees paid to ELVES are used to support the operation and objectives of their operation - improving the processing of ELVs in Ireland, primarily ensuring ELV reuse and recovery targets are met and delivering public awareness around the correct way to scrap a vehicle.
 NL	25 € for each vehicle placed on the market (one-time payment).	ELV collection and proper treatment

1. Current Situation

1.3 Costs for EPR / public fund / DRF (3/3)

	fee / tax collected	purpose of the tax or fee
 PL	<u>2005 to 2015</u> : natural persons & smaller importers placing vehicles on the market, were required to pay a charge of PLN 500 (ca.110 €). OEMs / large importers are exempt but must maintain the network for free take back.	
 PT	€ 1.2 € per new vehicle PoM. € 1.2 per <u>used</u> vehicle PoM with type approval after 3 Feb 2010 € 5 per <u>used</u> vehicle PoM with type approval after 3 Feb 2010	Management of the nationwide network to ensure EPR obligations are covered
 SK	<u>2014</u> : 66,39 €/vehicle (new and used) newly registered as contribution to the Recycling Fund <u>2022</u> : -/-	
 NO	a) Recycling fee of 62,50 NOK (8 EUR) must be paid to the PRO. b) Upon first registration 2 400 NOK is paid to the government for a deposit.	a) compensations to ATFs for transportation to the nearest shredder (long distances and small volumes) + risk sharing model based on steel scrap prices b) Pay-out to the last owner when ELV is delivered to ATF: 3 000 NOK (approx. € 288).

1. Current Situation

1.4 Conclusion

EPR and PROs

1. EPR is established by the “free take back” requirement of the ELV Directive
2. More than 50% of EU27+3 have PROs
3. Most of the PROs have a marginal fee, covering basic management only
4. Only few PROs / public funds deliver services or funds to the reuse and recycling sector

Deposit Refund (DRF) Scheme

1. Three countries (NO, DK, HR) out of 30 apply a DRF scheme
2. The refund is between 130 € per ELV (HR) and 280 - 290 € per ELV (NO, DK).

2. Extended producer responsibility Art. 8 Waste Framework Directive (WFD)

- ▶ ... MS **may** take measures ... that ... producers has extended producer responsibility.
- ▶ **If** the MS opt to establish EPR, the general minimum requirements in Article 8a shall apply.

Effectively all Member States consider the established ELV collection systems as EPR, at least because the producers must demonstrate that they guaranty that ELVs are taken back for free either individually or collectively (in a PRO).



Art 8a WFD is applicable for ELV EPR schemes

3. General minimum requirements: Selected aspects

Art 8a(2): MS **shall** take measures [...] to create **incentives for the waste holders** to assume their responsibility to deliver their waste into the separate collection systems in place, notably, where appropriate, **through economic incentives** or regulations. → DK, NO, HR, CZ, PT, NL, others?

Art 8a(4) point a): explicitly excludes the ELV EPR from the compliance cost compensation

Art 8a(5) Governance of PROs: functioning for a clearing house to be defined (also for single PRO?)

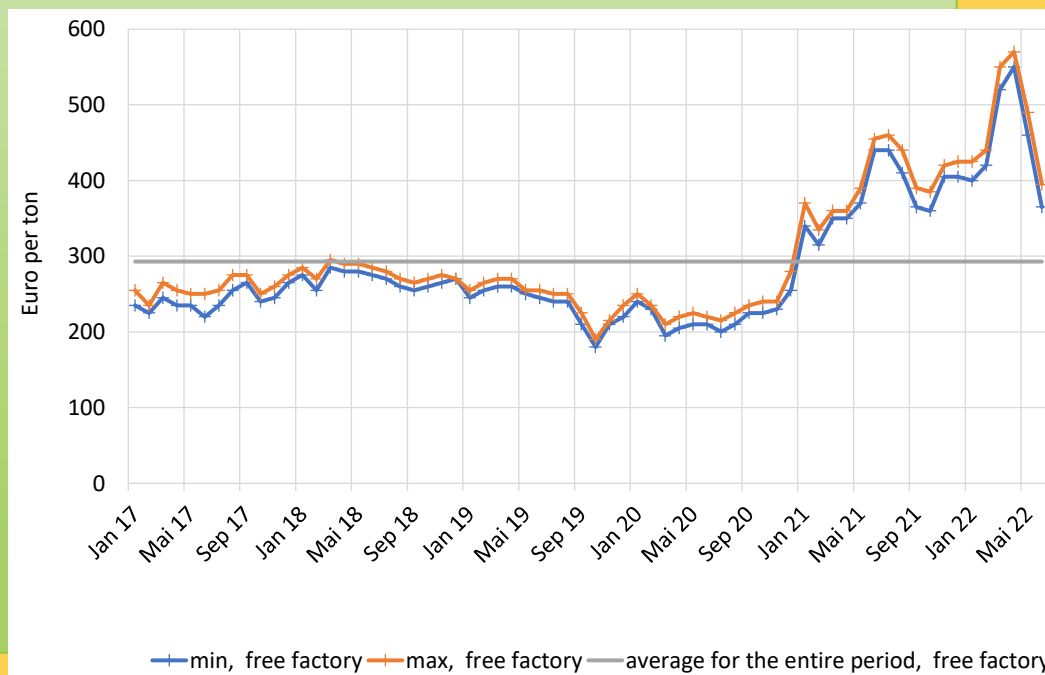
For further reading see either WFD or attachment to this presentation below.

4. Economic Conditions

- ▶ The illegal sector, compared to ATFs, can make additional profits of about 250 – 300 € per ELV. Illegal operators compete with ATFs for ELVs.
- ▶ In this context revenues (spare parts, steel, aluminum, catalytic converters) and, on the other hand, the compensation to the last owner are pure market conditions.
- ▶ For instance the volatile prices for shredder steel, (free fence, Germany) reflecting the compensation for ATFS too

Source:

www.euwid-recycling.com



4. Economic Conditions

Compliance Costs

Compliance cost can be:

- a) Effort for reporting on material flows,
- b) Effort to follow VIN and national CoDs procedures
- c) for some MS relevant only: long distance transport to shredder or other sorting / recycling plants

New, at the horizon:

- a) Management of EV (either involved in accidents or not),
- b) Storage of EV traction batteries (either involved in accidents or not),
- c) Training of ATF staff to manage EV as mentioned above in a) and b)
- d) Under consideration e.g. in France: Collection of abandoned vehicles (distinguish transport distances)

4. Economic Conditions

Compliance Costs Annex 1 No 3

Current obligation (ELV Directive Annex 1 No 3):
Treatment operations for depollution of end-of-life vehicles:

Removal obligation	Profitable
Removal of Pb-acid batteries	Profitable
Removal of Li-ion traction batteries	Often not profitable
Removal of liquified gas tanks	??
Removal of explosives (air bags)	Not profitable
Removal of fluids	Often referred as neutral
Removal of mercury	Apparently not relevant any more

4. Economic Conditions

Compliance Costs Annex 1 No 4

Current obligation (ELV Directive Annex 1 No 4):
Treatment operations in order to promote recycling:

Removal obligation	Profitable
Removal of catalytic converters	Profitable
Removal of components containing copper, aluminium and magnesium if not segregated in the shredding process	Shredder process considered as effective
Removal of large plastic components if these materials are not segregated in the shredding process (→ effectively recycled as materials)	Shredder process considered as effective
Removal of tyres if ... (see above)	Often not profitable, many countries have EPR for <u>all</u> EoL tyres
Removal of glass, without exemption	In practice many MS have allowed processing in shredders

4. Economic Conditions

Compliance cost: New at the horizon

Removal obligation	Profitable
Removal of EV traction motor (and separation of the rare earths)	Expected to become not profitable
Removal of other electric and electronic components with a size beyond 10*10 cm	Expected to become not profitable
Reconsideration of removal of large plastic components	Expected to become not profitable
Reconsideration of removal of glass	Expected to become not profitable
Reconsideration of removal of Aluminium & copper	Expected to become not profitable

5. Discussion

- ▶ Can ATFs cover additional burden without compliance cost compensation?
- ▶ Will the illegal sector increase if the ATFs have to cover these burdens alone?
- ▶ How to define the required compliance cost compensation?

Concept:

- ▶ 1st step: EU shall define processes and components (share of material) for pre-shredder dismantling (as already done in Annex 1 No 3 and No 4)
- ▶ 2nd step: The national EPR systems must define in a transparent (or competitive) manner the compensation for economically not profitable **single operations**.
- ▶ The process for the definition of compliance cost compensation shall be supervised by and independent national authority / body.

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3. General minimum requirements: WFD, Art 8a(1)

MS shall

- a) define the roles and responsibilities of actors involved, incl. producers, PROs, re-use and preparing for re-use operators and waste operators
- b) set waste management targets, at least quantitative targets as laid down in the ELV Directive (and others) and set other quantitative targets and/or qualitative objectives that are considered relevant for the EPR scheme.
- c) ensure that a reporting system is in place for products placed on the market and data on the collection and treatment of waste resulting from those products specifying, where appropriate, the waste material flows, as well as other data relevant for the purposes of point (b);
- d) ensure equal treatment of producers of products

3. General minimum requirements: WFD, Art 8a(2)

MS **shall** take measures

to ensure that **waste holders are informed** about waste prevention measures, centres for re-use and preparing for re-use, take-back and collection systems.

to create **incentives for the waste holders** to assume their responsibility to deliver their waste into the separate collection systems in place, notably, where appropriate, **through economic incentives** or regulations.

3. General minimum requirements: WFD, Art 8a(3)

MS **shall** take measures to ensure that producers / PROs

- a) has a clearly defined **geographical**, product and material **coverage** without limiting those areas to those where the collection and management of waste are the most profitable;
- b) provides an appropriate **availability of waste collection systems** within the areas referred to in point (a);
- c) has the necessary financial means or financial and organisational means to meet its EPR obligations;
- d) puts in place an **adequate self-control mechanism**, supported, where relevant, by **regular independent audits**, to appraise:
 - i. its financial management, including compliance with the requirements laid down in points (a) and (b) of paragraph 4;
 - ii. the quality of data collected and reported in accordance with point (c) of paragraph 1 of this Article and with the requirements of Regulation (EC) No 1013/2006;

3. General minimum requirements: WFD, Art 8a(3)

MS **shall** take measures to ensure that producers / PROs

- e) makes **publicly available information** about the attainment of the waste management targets referred to in point (b) of paragraph 1, and, in the case of collective fulfilment of EPR obligations, also information about:
 - i. its ownership and membership;
 - ii. the financial contributions paid by producers of products per unit sold or per tonne of product placed on the market; and
 - iii. the selection procedure for waste management operators.

3. General minimum requirements: WFD, Art 8a(4)

MS shall take measures to ensure that the financial contributions paid by the producer to comply with its EPR obligations:

- a) *cover the following costs for the products that the producer puts on the market in the Member State concerned: [...] → **this point explicitly does not apply for the ELV Directive.***
- b) in the case of collective fulfilment by PROs, **are modulated**, [...] by taking into account their durability, reparability, re-usability and recyclability and the presence of hazardous substances, ...; and
- c) do not exceed the costs that are necessary to provide waste management services in a cost-efficient way. Such costs shall be established in a **transparent** way between the **actors concerned**.

Derogation to depart from point a) → **not applicable for the ELV Directive**

3. General minimum requirements:

WFD, Art 8a(5)

“Governance and authorised representative”

- ▶ MS shall establish an **adequate monitoring and enforcement framework** with a view to ensuring that producers and PROs implement their EPR obligations, including in the case of distance sales, that the financial means are properly used and that all actors involved in the implementation of the EPR schemes report reliable data.
- ▶ Where, in the territory of a MS, multiple organisations implement PROs, the MS concerned shall appoint at least **one body independent of private interests or entrust a public authority to oversee the implementation of EPR obligations.**
- ▶ “authorised representative”
[...]

3. General minimum requirements: WFD, Art 8a(6) – (8)

- ▶ **Article 8a(6) “Stakeholder Dialogue”**

MS shall ensure a regular dialogue between relevant stakeholders involved in the implementation of EPR schemes, including producers and distributors, private or public waste operators, local authorities, civil society organisations and, where applicable, social economy actors, re-use and repair networks and preparing for re-use operators.

- ▶ **Article 8a(7) “implementation deadline”**

MS shall take measures to ensure that EPR schemes that have been established before 4 July 2018, comply with this Article **by 5 January 2023**.

- ▶ **Article 8a(8) “confidentiality of commercially sensitive information
[...]**