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Prague, 26/8/2024

Matter: Corrigendum - Draft Regulation of the European Parliament and of the Council on packaging and packaging waste, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904 and repealing Directive 94/62/EC - incentive to respect the Member States' existing exemptions

Dear Mmes Presidents, dear Mr. Vice President, dear Members of the Directorate,

Our undersigned organisations represent the vast majority of municipalities and towns in the Czech Republic, the majority of the business community, and all key professional and trade organisations in the waste recovery sector. We are addressing you with this letter as part of the Corrigenda process of the forthcoming European legislation.

As you are certainly aware, currently a <u>Draft Regulation of the European Parliament and Council on packaging</u> and packaging waste, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904 and repealing Directive 94/62/ES (hereinafter "**PPWR**") is being prepared for final approval by the European Parliament. As directly applicable piece of legislation PPWR is intended to replace the existing Directive 94/62/EC of the European Parliament and of the Council of 20 December 1994 on packaging and packaging waste, as amended (hereinafter "**Directive**").

In its Article 6(1), the Directive sets mandatory collection and recycling targets for packaging waste by specified dates. PPWR adopts the mandatory recycling targets of the Directive (or more precisely according to the amending Directive (EU) 2018/852 of the European Parliament and of the Council), but does not in any way take into account the current legislative situation regarding the implementation of the targets by Member States.

According to the above-quoted Article of the Directive, and without prejudice to the overall extent of recycling for all packaging waste, a Member State may postpone the deadline for achieving the targets for individual commodities referred to in paragraph 1(g) and (i), i.e. the targets set for 2025 and 2030, for up to five years, provided that:

- a) The derogation shall be limited to a maximum of 15 percentage points of a single target or split between two targets;
- b) The deviation shall not cause the extent of recycling to drop below 30% for any target;
- c) The deviation shall not cause the extent of recycling to drop below 60% for any of the recycling targets for glass and paper and cardboard;
- d) No later than 24 months before the relevant date set out in paragraph 1(g) or (i) (i.e. before 31 December 2025 or 31 December 2030 respectively), the Member State shall notify the Commission of its intention to postpone that date and shall submit an implementation plan in accordance with Annex IV to the Directive.

It should be noted that the quoted provision of the Directive itself, and the subsequent setting of exemptions for individual Member States, resulted from complicated negotiations between the Member States and the European Commission. According to the above-mentioned article of the Directive, a number of countries (including the Czech Republic) have made use of this option for various types of commodities. As a result, countries have prepared their strategies and national legislation to meet the targets and have been now making the necessary investments since 2019. Although the currently drafted PPWR regulation has taken over the quoted provisions of the Directive and the stated objectives, the PPWR should also explicitly mention the related statutory exemptions that are approved and applied in Member States' legislation. We, therefore, assume that the failure to take into account the exemptions currently in force for individual Member States is an error in the legislative process, which, however, needs to be corrected in the Corrigenda process. If PPWR did not ensure the continuity of the exemptions currently in force in accordance with the Directive, it would represent a major distortion of the legitimate expectations of Member States and citizens and would, in particular, have serious consequences for already made investments and existing investments that respect the new legislation of the Directive.

As an example, we draw attention to the Czech Republic that has negotiated with the European Commission, on the basis of Article 6(1a) of the Directive, a postponement of the deadline for the application of the recycling targets (subject to all other conditions being met) for the recycling of aluminium and aluminium packaging, so that 35% of the total amount of aluminium packaging will be recycled between 1 January 2025 and 31 December 2029 and 50% of the total amount of aluminium packaging will be recycled between 1 January 2030 and 31 December 2034. On the basis of this valid and agreed adjustment of the set target, national legislation and investment actions have been defined with a view to 2035, so that after this period the Czech Republic meets all European recycling targets properly.

In view of the ongoing, current and planned investments in the waste management sector to meet the statutory collection and recycling targets (taking into account the already established and reported derogations), we consider it highly desirable that the existing valid exemptions for individual Member States be also taken into account in PPWR by explicitly stating that the postponement of the deadline for meeting the recycling targets under the Directive remains in force.

If Member States are forced to repeat the whole process of postponing the recycling targets, with the risk that the Commission may cancel these previously agreed plans, the investments already made and planned in these Member States will be undermined. Furthermore, it should be noted that in the case of the 2025 targets, neither State could invoke the postponement of the targets, as the 24-month time-period set out in Article 50(2)(d) would not be met at the time of PPWR approval. At the same time, it is impossible that States planning a waste management transformation within a 10-year horizon would be able to increase the set recycling targets by leap.

We, therefore, propose and request a correction of the wording of the PPWR within the Corrigenda process so that for countries that have exemptions for selected packaging waste in their legislation within the implementation of Directive 2018/852, the recycling targets set out in the PPWR for the same selected packaging waste do not apply.

Furthermore, as recycling targets are also closely related to packaging waste collection targets, we request that for countries with exemptions from packaging waste recycling targets, mandatory collection targets for the same type of packaging waste in Article 52, for which an exemption under the Directive is still in force, should not also be mandatory in the PPWR.

In simple terms, the point is to make it absolutely clear in the text of the PPWR that the currently applicable and with the European Commission negotiated postponements of the recycling targets (and collection targets) applied in accordance with Directive 94/62/EC as amended also apply to the cases of recycling and collection targets under the PPWR.

Respectfully,

Signatories:

SVAZ MĚST A OBCÍ ČESKÉ REPUBLIKY	Union of Towns and Municipalities of the Czech Republic Mgr. Pavel Drahovzal, Vice-President of the Union
SORUŽENÍ MÍSTNÍCH SAMOSPIÁV	Association of Regional Administrations of the Czech Republic Mgr. Eliška Olšáková, President of the Association
HOSPODÁŘSKÁ KOMORA ČESKÉ REPUBLIKY	Czech Chamber of Commerce Ing. Tomáš Prouza, MBA, Vice-president of the Chamber
KZPS	Confederation of Employers' and Business Associations of the Czech Republic , Ing Jiří Horecký, Ph.D., MSc., MBA, President of the Confederation
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Czech Waste Management Association	Czech Waste Management Association Ing. Petr Havelka, Executive Director of the Association

	Public Services Association Ing. Richard Blahut, Chairman of the Association
ČESKÁ ASOCIACE OBĚHOVÉHO HOSPODÁŘSTVÍ	Czech Association of Waste Management RNDr. Miloš Kužvart, Executive Director of the Association