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Subject:	COMMISSION STAFF WORKING DOCUMENT The early warning report for Finland *Accompanying the document* REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS on the implementation of EU waste legislation, including the early warning report for Member States at risk of missing the 2020 preparation for re-use/recycling target on municipal waste

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COMMISSION STAFF WORKING DOCUMENT

The early warning report for Finland

Accompanying the document

REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

on the implementation of EU waste legislation, including the early warning report for Member States at risk of missing the 2020 preparation for re-use/recycling target on municipal waste

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1. Introduction

This early warning report is part of the Commission's overall implementation report and aims to assist Member States at risk of failing to meet the 2020 target of 50 % preparation for re-use/recycling of municipal waste set out in Article 11(2)(a) of Directive 2008/98/EC. It builds on previous support provided by the Commission to help Member States comply[1] with EU law in the area of municipal waste management. This resulted in country-specific roadmaps[2] being drawn up for the relevant Member States.

The assessment underpinning the early warning report is based on a collaborative and transparent process involving the Member States concerned and an in-depth analysis of their most recent policy developments. This also involved extensive consultation with the authorities in charge of waste management.

The possible actions identified during this process are based on the existing best practices and aim to help Member States in meeting the 2020 municipal waste preparation for re-use/recycling target; they therefore focus on policy measures that can be taken forward in the short term. These actions should be seen as complementary to those recommended in the roadmaps that were drawn up as part of the preceding compliance promotion activities and to the recommendations made in the Environmental Implementation Review[3]

2. Key findings

In 2016, Finland's municipal waste recycling rate (including composting) reported to Eurostat was 42 %. Its incineration rate was 55 %, while its landfilling rate was only 3 %. Based on an analysis of existing and firmly planned policies in the area of waste management, and despite a fairly good performance in the past few years, Finland is still considered at risk of missing the 2020 target of 50 % preparation for re-use/recycling target for municipal waste.

The assessment[4] that underpins the early warning report concludes that, despite the introduction of economic instruments such as a landfill tax, extended producer responsibility (EPR) and a high level of awareness among the public, Finland has been stagnating at a fairly high level but below the 50 % objective. This is considered to be linked to fairly generous flexibilities in the obligation to ensure separate collection of dry recyclables and bio-waste, and to frequent regulatory changes in recent years that have created uncertainty and led to a lack of investment. A degree of inefficiency in the organisation of the EPR schemes also slows down progress.

The table below lists possible actions to support Finland's efforts to improve its performance in waste management.

[1] http://ec.europa.eu/environment/waste/framework/support_implementation.htm
[2] Finland was not part of this exercise and therefore no country-specific roadmap was issued for Finland.
[3] http://ec.europa.eu/environment/eir/country-reports/index2_en.htm
[4] Eunomia Research & Consulting *et al.* (2018) Study to identify Member States at risk of non-compliance with the 2020 target of the Waste Framework Directive and to follow-up phase 1 and 2 of the compliance promotion exercise. The early warning report: Finland.'

OVERVIEW OF POSSIBLE ACTIONS TO IMPROVE PERFORMANCE
Incentives for municipalities / extended producer responsibility
1) Introduction of mandatory recycling targets for municipalities in line with the national 50 % target, and shift of some responsibility back to the municipalities by: **a.** setting recycling or residual waste targets at the municipal level, with fines for failure to meet the targets; **b.** updating the waste information system, as required; **c.** revising the Waste Act to redefine the responsibilities of the producer responsibility organisations (PROs) and municipalities, to ensure that their services are combined, or coordinated, and that municipalities have the powers to make the necessary system improvements.
2) Introduction of mandatory tri-party contractual arrangements between PROs, municipalities and collection companies to drive cooperation and efficiency savings across all levels of waste services, in order to reduce fragmentation.
Economic instruments
3) Setting the cost of disposal at a sufficiently high level to incentivise provision of high quality recycling services to the public and use of these services. This could be achieved by: **a.** implementing an incineration tax; **b.** ensuring PROs pay municipalities for any revenues obtained from the sale of recyclables; **c.** creating a mechanism (using surveys of residual waste) to ensure PROs pay an additional fee for the management of packaging in residual waste to the municipalities collecting such waste; **d.** implementing country-wide pay-as-you-throw systems, varying their approach (with regard to volume, weight, etc.) depending on the local circumstances.
Separate collection
4) Extension of the existing obligations to sort recyclables and bio-waste from households to cover buildings with any number of flats (without a de-minimis); equal application of the obligations to buildings with multiple flats in built-up areas and individual households in suburban and rural areas. Highly rural areas may need some form of exemption.
5) Increasing the roll-out of door-to-door collection.
6) Introduction of obligations for businesses to sort their food wastes, plastic, metals, and paper/card.
7) Development of national minimum service standards for waste collection to specify, for example, the type and volume of containers, frequency of collection and type of vehicle used, taking into account the type of housing stock, how rural the area is, typical climate, etc.

Technical support to municipalities

8) Development of a system at national level that provides technical support for municipalities, specifically in the following areas:

- **a.** choosing collection services;
- **b.** service procurement;
- **c.** service management;
- **d.** communication campaigns;

coupled with active sharing of good ideas and practices that can improve efficiency in terms of cost reduction and improvement in performance.

Communication and awareness-raising programmes

9) Development of a set of national communications materials addressed to the public for use at local level, with clear and consistent messages. These materials should be used as part of awareness-raising campaigns, in leaflets, and at civic amenity sites.

Longer-term strategic measures

10) Reduction of fragmentation of responsibilities for managing waste streams to make the sector as a whole – not just partitions of the sector – more efficient.

11) Analysis of the cost and performance implications of taking a 'free-market' approach and considering moving away from this approach if it is found to be costly.

12) Consideration of a longer-term strategy and vision for the waste sector, and implementation of a single package of changes to cover a 10- to 15-year period, rather than following a more piecemeal approach to improving legislation and practice in the sector.