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NOTE

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From:	General Secretariat of the Council
То:	Council
Subject:	Proposal for a 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
	- Policy debate

- 1. On 30 November 2022, the Commission adopted a proposal for a Regulation on Packaging and Packaging Waste. The proposal aims to prevent the generation of packaging waste, boost high quality recycling, and create a market for secondary raw materials, while at the same time facilitating consumer information and create new business opportunities. Under this proposal, sustainability requirements and restrictions for chemical substances will be established, and criteria under the extended producer responsibility schemes, labelling, marking and information requirements will be harmonised.
- 2. The Commission presented its legislative proposal and the accompanying impact assessment to the Working Party on the Environment (WPE) on 5 December 2022. The WPE discussed the proposal over the course of another 4 meetings.

3. In order to guide the discussion on the abovementioned legislative proposal at the forthcoming meeting of the Council (Environment) on 16 March 2023, the Presidency has prepared a background paper and two questions, as set out in the Annex to this note.

# Proposal for a 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

- Policy debate -

Presidency background paper with questions for Ministers

Even though recycling rates have increased in the EU, the amount of waste generated from packaging is growing faster than recycling. Over the last decade, the amount of packaging waste has increased by more than 20%, and is expected to increase by another 19 % until 2030 if no action is taken. For plastic packaging waste, the expected increase is 46 % by 2030. Growing amounts of packaging waste entail increased environmental consequences, including increased and inefficient use of resources, negative climate impacts, littering, overuse of substances of concern in packaging and soaring waste management challenges, including low quality recycling, and excessive landfill, incineration, and export at end of life.

Packaging production and packaging waste management has an estimated total turnover of EUR 370 billion in the EU. Transforming the packaging and packaging waste sector therefore has a significant role and potential in transforming Europe into a clean, sustainable, circular economy, in line with the European Green Deal. Following the Commission's action plan for a circular economy, the Council, in its conclusions of 4 October 2019 (12791/19), set out *i.a.* that all plastic packaging placed on the market in the EU should be reusable or recyclable by 2030, that the capacity for sorting and recycling packaging in the EU should increase fourfold, and invited the Commission to take further actions.

On 30 November 2022, the Commission adopted a new legislative proposal for a Regulation on Packaging and Packaging Waste ('PPWR proposal'), building on the review of the Packaging and Packaging Waste Directive (94/62/EC). The PPWR proposal aims to prevent the generation of packaging waste, boost high quality recycling, and create a market for secondary raw materials, while at the same time facilitating consumer information, creating new business opportunities and reducing the EU's import dependency on raw materials and fossil fuels.

#### Status of work in the Council

Under the Swedish Presidency, the PPWR proposal will have been discussed at four meetings of the Working Party on the Environment (WPE) before the Environment Council, and a first examination of the proposal is expected to be completed. In general, Member States have indicated support for the overarching objectives of the PPWR proposal, while seeking clarification and, in relation to some parts of the proposal, expressing concerns.

#### **Topics to discuss**

In order to provide guidance for the future work of the WPE, the Presidency suggests that the following two topics be addressed by the Environment Council on 16 March 2023.

## Overall ambition for a new packaging regime

The PPWR proposal aims to reverse the unsustainable trend of increasing packaging waste and to apply circular economy principles by introducing new targets and harmonised sustainability requirements across the EU. Those sustainability requirements include provisions on substances of concern, recyclability, recycled content, compostable packaging, packaging minimisation and reusable packaging. Targets are set to reduce packaging waste, to increase re-use and refill for different sectors and packaging formats, and to introduce rates of recycled content in plastic packaging. The recycling targets remain the same as in the current Packaging Directive.

The new rules include obligations on economic operators and provisions on harmonised labelling on packaging and waste receptacles, with the purpose of creating substantial value added for the industry and of facilitating the separation of waste packaging by consumers. The proposal also includes provisions on the management of packaging and packaging waste, as well as on green public procurement.

Recent geopolitical developments have revealed the EU's import dependency on raw materials and fossil fuel. It is estimated that the measures proposed on recycled content would reduce the fossil fuel requirements of the EU by 3.1 million tonnes per year (almost ¼ of the fossil fuel needed currently for plastic packaging production). Overall, the PPWR proposal points out that moving towards a more circular economy within packaging would deliver benefits such as empowering consumers, reducing negative impacts on the environment and human health, reducing import dependency, stimulating innovation and boosting economic growth, as well as reducing unnecessary household expenditure.

## Innovation and transformation with a view to waste prevention

In line with the waste hierarchy, one of the main objectives of the PPWR proposal is to prevent the generation of packaging waste, notably by packaging minimisation, restricting unnecessary packaging and fostering reusable and refillable packaging solutions. Apart from these measures at EU level, the Commission proposes that Member States must take national measures adapted to local circumstances in order to meet the reduction targets of 5% by 2030, 10% by 2035 and 15% by 2040 compared to 2018.

In the PPWR proposal, the two biggest contributors to reducing waste generation at EU-level are a proposed ban on unnecessary packaging, such as certain forms of avoidable single-use packaging in the hotel, retail and restaurant sector, and an obligation for companies to offer a certain percentage of their products to consumers in reusable or refillable packaging, for example takeaway drinks and meals or e-commerce deliveries. The setting of the targets is expected to help promote innovation and increase the share of re-use and refill solutions. Requirements established at product level should create more investment in innovative and environment-friendly packaging and new circular business models.

## Questions to ministers

To give guidance for the continued work on the proposed regulation, the Presidency invites Ministers to respond to the following two questions:

- 1. What is your view of the overall ambition of the PPWR proposal to reverse the unsustainable and costly trends related to packaging and packaging waste, and which elements do you consider to be the most adequate and timely in this regard?
- 2. What are the most important measures to drive packaging waste prevention and foster innovative solutions in the EU?