

Brussels, 25 April 2025 (OR. en)

8159/25

Interinstitutional File: 2023/0284 (COD)

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ENV 262 ENT 55 MI 227 CODEC 450

NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
Subject:	Proposal for a Regulation of the European Parliament and of the Council on circularity requirements for vehicle design and on management of end-of-life vehicles, amending Regulations (EU) 2018/858 and 2019/1020 and repealing Directives 2000/53/EC and 2005/64/EC
	 Guidance for further work

INTRODUCTION

- On 13 July 2023, the European Commission published a Proposal for a Regulation of the European Parliament and of the Council on circularity requirements for vehicle design and on management of end-of-life vehicles, amending Regulations (EU) 2018/858 and 2019/1020 and repealing Directives 2000/53/EC and 2005/64/EC (the 'Proposal').
- 2. In succession, the Spanish, Belgian, Hungarian and Polish Presidencies went on to achieve substantial progress through sixteen meetings of the Working Party on the Environment (WPE) between October 2023 and April 2025.
- 3. The Presidency intends to reach a general approach at the Environment Council on 17 June 2025. Although work at technical level is advancing well overall, one particular issue seems to require guidance from COREPER at this stage.

8159/25 TREE.1.A **LIMITE EN**

THE POST-CONSUMER WASTE ISSUE

- 4. During the WPE meeting of 17 February 2025, the Presidency brought to discussion the definition of *post-consumer waste* in Article 3. This issue had been previously identified and thoroughly discussed in the negotiations on the Packaging and Packaging Waste Regulation (PPWR)¹. Similarly to the original PPWR proposal, the Proposal provides that only waste originating from products that were placed on the market in the Union would count towards the fulfilment of targets for minimum plastic recycled content, as set out in Article 6. Based on the PPWR, the Presidency proposed to amend the current definition with the aim of including recycled content originating in third countries in order to ensure the compatibility of the new regime with existing WTO rules.
- 5. However, even if that approach gathered support from a number of delegations in the WPE, some concerns still persist regarding its WTO compliance. In this respect, the definition would probably need to be accompanied by a mechanism to ensure the equivalence of environmental standards, as was the case in PPWR, in order to prevent negative impacts on the competitiveness of the EU industry.
- 6. Some further options have therefore been explored during subsequent work at technical level. One of them consists of a list of countries eligible to recycle plastics recovered from post-consumer waste which could count towards the fulfillement of the targets set out in the ELV Regulation. That list should be established by the Commission through a delegated act. The determining criteria and requirements would be based on a vetted presence of a global waste treatment strategy covering the entire territory of the third country concerned, and the corresponding legal framework and enforcement strategy. In essence, this approach is similar to the one in the recently adopted Waste Shipment Regulation².

Regulation (EU) 2025/40 of the European Parliament and of the Council of 19 December 2024 on packaging and packaging waste, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repealing Directive 94/62/EC (Text with EEA relevance)

Regulation (EU) 2024/1157 of the European Parliament and of the Council of 11 April 2024 on shipments of waste, amending Regulations (EU) No 1257/2013 and (EU) 2020/1056 and repealing Regulation (EC) No 1013/2006 (Text with EEA relevance)

- 7. However, some concerns have been expressed regarding a solution based on a list of countries. In this regard, another option to introduce an obligation, or at least to promote the use of local recycled plastic content for manufacturers in the Union, could be also considered based on the following elements:
 - In Article 6: for parts and components manufactured in the Union, recycled plastic originating from post-consumer waste shall only be counted towards the achievement of the targets set out in paragraphs 1 and 1a if such waste has been recycled in an installation located within the Union; and/or
 - In Article 21: an eco-modulation of the extended producer responsibility (EPR) fees could be introduced on the basis of a "proximity principle" for recycled materials, as an economic incentive for manufacturers to rely on Union suppliers.

CONCLUSION

- 8. Based on the above, COREPER is invited to provide guidance for further work on the basis of the following questions:
 - Can you accept a change in the definition of post-consumer waste along the lines of the PPWR, together with a solution based on the list of eligible third countries, as described above; and
 - Would you consider a change in the definition of post-consumer waste along the lines of the PPWR, together with measures to introduce an obligation in Article 6 and/or to promote the use of recycled content originating in the Union for EU manufacturers through eco-modulation of the EPR fees in Article 21?

8159/25 TREE.1.A **LIMITE EN**