

## INCEPTION IMPACT ASSESSMENT

Inception Impact Assessments aim to inform citizens and stakeholders about the Commission's plans in order to allow them to provide feedback on the intended initiative and to participate effectively in future consultation activities. Citizens and stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to make available any relevant information that they may have, including on possible impacts of the different options.

<b>TITLE OF THE INITIATIVE</b>	Waste shipments – revision of EU rules
<b>LEAD DG (RESPONSIBLE UNIT)</b>	DG ENV B3 Waste Management & Secondary Materials
<b>LIKELY TYPE OF INITIATIVE</b>	Legislative proposal
<b>INDICATIVE PLANNING</b>	Q4 2020
<b>ADDITIONAL INFORMATION</b>	<a href="http://ec.europa.eu/environment/waste/shipments/legis.htm">http://ec.europa.eu/environment/waste/shipments/legis.htm</a>

**The Inception Impact Assessment is provided for information purposes only. It does not prejudge the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by the Inception impact assessment, including its timing, are subject to change.**

### A. Context, Problem definition and Subsidiarity Check

#### **Context**

The European Commission's Communication on a [European Green Deal](#) envisages measures to mobilise industry for a clean and circular economy. It also sets out the Commission's view that the EU should stop exporting its waste outside the EU, and so revisit the rules on waste shipments. [The Communication on the new Circular Economy Action Plan](#) further stresses the need for action to ensure that the EU does not export its waste challenges to third countries and to facilitate preparing for re-use and recycling of waste in the EU.

International trade in waste has increased considerably. In 2016, four times more waste were traded across international borders than in 1992 and this waste had a value of around 100 billion euro. In 2016, export of waste from the EU to third countries outside the EU amounted to around 40 million tonnes, around 20% of the global export of waste. At the same time, approximately 13 million tonnes of waste were imported into the EU.

Waste shipped across borders can generate risks for human health and the environment, especially when not controlled and managed properly. At the same time, traded wastes often have a positive economic value, notably as secondary raw materials that can contribute to a more circular economy.

The [Waste Shipment Regulation \(WSR\)](#) lays down procedures and control regimes for transboundary shipments of waste. It implements into EU law international rules on the matter, but also contains stricter provisions. The WSR requires Member States to ensure that shipments of waste and their treatment operations are managed in a manner that protects the environment and human health against any adverse effects that might result from such wastes. The WSR sets out control mechanisms for the export and import of waste from the EU to third countries, as well as for shipments between EU Member States. The types of controls under the WSR depend on the characteristics of the waste (for example hazardous, non-hazardous), its destination and its treatment as part of recovery (for example recycling) or disposal (for example landfilling) operations. The WSR also lays down export prohibitions for certain categories of waste and certain destinations: the most important example is the prohibition to export hazardous waste from the EU to non-OECD countries.

Art. 60 of the WSR provides that the Commission should carry out a review of the Regulation by 31 December 2020 and submit a report to the European Parliament and to the Council, accompanied, if appropriate, by a legislative proposal. As a first step the Commission carried out an [evaluation of the WSR](#), which was finalised in January 2020.

#### **Problem the initiative aims to tackle**

The WSR evaluation identified the following main problems with regard to the implementation of the WSR:

- The WSR does not effectively support the transition to a circular economy, as some of its procedures and inconsistent implementation by the Member States do not facilitate the transboundary movements of waste for recycling within the EU (notably delaying shipments).
- Important volumes of waste are exported outside the EU, often without sufficient control of the conditions under which these waste are managed in the destination countries, especially in developing countries. This can harm the environment and public health in destination countries and be a loss of valuable resources for the EU industry. The provisions of the WSR do not appear sufficient to address this situation, and their implementation is uneven across the EU.
- The enforcement of the WSR is also insufficient, which results in high amount of illegal shipments of

waste occurring within the EU, as well as from the EU to third countries.

The evaluation identified the following obstacles causing administrative burdens and ineffective implementation of the WSR:

- Paper-based procedures
- Non harmonised approaches and interpretations of WSR provisions and procedures in different Member States
- Procedures to facilitate the implementation of the WSR for operators (especially pre-consent facilities) are not used to their full extent
- Lack of uniform enforcement throughout the EU

#### **Basis for EU intervention (legal basis and subsidiarity check)**

The legal basis is Article 192 of the Treaty on the Functioning of the European Union.

Intervention at EU level is justified in view of the transboundary nature of waste shipments, the links with the EU internal market, the EU common customs regime and the EU environmental legislation.

Ensuring that waste shipments do not create detrimental impact on environment and public health requires the implementation and enforcement of regulations in the same way by all Member States to ensure a level playing field and limit unlawful shipments of waste.

### **B. Objectives and Policy options**

The aim of this initiative is to revise the WSR, as well as exploring other possible initiatives or guidance documents, with a view to improving its implementation. In particular this initiative aims to:

- facilitate preparing for re-use and recycling of waste in the EU, thereby adding value to waste in the EU;
- simplify and reduce burdens linked with the WSR's implementation in general, and in particular to ensure a smooth functioning of the EU internal market for waste destined for recycling or re-use, and support its transition to circular economy models,;
- restrict exports of waste that have harmful environmental and health impacts in third countries or can be treated domestically within the EU by focusing on countries of destination, problematic waste streams, types of waste operations that are source of concern, and enforcement to counteract illegal shipments.
- better address illegal shipments of waste within the EU and explore measures at multilateral, regional and bilateral levels to combat environmental crime notably in the areas of illegal exports and illicit trafficking, strengthen controls of shipments of waste, and improve the sustainable management of waste in third countries.

The baseline for this initiative will be the continuation of the current policy, without changes to the WSR. Other options will include an overhaul of the WSR, a more modest revision of the WSR, and flanking measures with soft law like guidance or informational tools. The specific options and associated measures will be further refined during the Impact Assessment process, but may include digital approaches to information exchange, simplification of procedures, provisions to further harmonise the implementation of certain procedures and provisions and measures to reduce unnecessary regulatory and administrative burdens.

### **C. Preliminary Assessment of Expected Impacts**

#### **Likely economic impacts**

Depending on the path of action considered, the following economic impacts may occur to a varying extent. The initiative aims to support the creation of a dynamic market for high quality waste shipped across the EU for recycling or with a view to prepare their reuse. This is expected to increase the supply of such waste to recycling facilities. Such an increase could generate economies of scale in the recycling sector, make it more competitive and result in a decrease in prices for recycled materials which are then put back in the economy as secondary raw materials.

This initiative would boost the recycling sector in the EU and encourage investments in high quality recycling in the EU. This would benefit notably SMEs, which are strongly represented in the sector.

Restricting the export of waste to countries outside the EU is likely to result in an increase in availability of waste resources to be treated in the EU. This will need to be matched by adequate and sufficient waste management capacity within the EU, representing both challenges and opportunities for the EU waste management sector.

This additional supply of waste on the EU market might also result in decreasing prices for waste materials. This would be beneficial to waste treatment operators in the EU. At the same time, waste collection companies could face challenges since they depend to a certain extent on the prices of waste materials for their economic viability. Reduced administrative burden and shorter or no delays in obtaining consents and in movements would benefit individual business actors involved in waste shipments, as well as public authorities.

#### **Likely social impacts**

The initiative is likely to generate additional economic activities in the sectors for recycling and trade/transport of

recycled materials, especially within the EU, and could therefore lead to an increase in jobs in these fields.
<b>Likely environmental impacts</b>
<p>This initiative should improve the conditions for investments and innovations that enable waste treatment and related industries and the entire economy to become more circular, resource-efficient and reduce its carbon footprint, in line with the climate and energy goals of the EU. Better enforcement should result in a decreased amount of illegal shipment whereby waste ends up in suboptimal or environmentally unsound management destinations. Furthermore, a smoother exchange of waste materials for high quality preparation for reuse and recycling would reduce the amount of waste being landfilled or incinerated. A more harmonised policy implementation throughout the Union should result in a level playing field as regards waste management: waste would be destined for the most circular treatment option and should ensure a shift of waste from landfills or incineration to a more circular solution.</p> <p>Restricting the export of waste outside the EU should prevent European waste from ending up in vulnerable regions that often do not have the capacity to deal with the amounts or specific characteristics of certain waste, hence causing damage to human health and the environment in those areas.</p>
<b>Likely impacts on fundamental rights</b>
No major impacts on fundamental rights are expected.
<b>Likely impacts on simplification and/or administrative burden</b>
Addressing the challenges identified in the evaluation should affect the level of administrative burden to the actors involved in waste shipment, both public and private. The precise impact on administrative burden will be investigated as part of the Impact Assessment using the EU Standard Cost Model.
<b>D. Evidence Base, Data collection and Better Regulation Instruments</b>
<b>Impact assessment</b>
An impact assessment will be prepared to support the preparation of this initiative and to inform the Commission's decision. The impact assessment will be developed in the course of 2020.
<b>Evidence base and data collection</b>
<p>Available evidence gathered and used in the evaluation will be considered. The Commission's findings as regards the evaluation of the WSR (see <a href="#">Staff Working Document</a>) were based on a considerable evidence base.</p> <p>Furthermore, annual Member States' reports to the Commission on the implementation of the WSR and of the Basel Convention will constitute an important source of information. Data on transboundary shipments of waste is published periodically by:</p> <ul style="list-style-type: none"> <li>• Eurostat (see <a href="http://ec.europa.eu/eurostat/web/waste/transboundary-waste-shipments">http://ec.europa.eu/eurostat/web/waste/transboundary-waste-shipments</a>).</li> <li>• DG Trade (see <a href="http://ec.europa.eu/trade/import-and-export-rules/export-from-eu/waste-shipment/">http://ec.europa.eu/trade/import-and-export-rules/export-from-eu/waste-shipment/</a>)</li> </ul> <p>Supporting data and information will be collected as part of a dedicated external contract to support the impact assessment, and in the course of consultations with stakeholders.</p>
<b>Consultation of citizens and stakeholders</b>
<p>The consultation will gather views from stakeholders on the different options. Consultations will include interviews with relevant stakeholders, including national, local and regional authorities and IGOs, NGOs and organisations representing industry and trade.</p> <p>Building on this work, an online public consultation in line with the Commission's general consultation principles and standards will be carried out in the first quarter of 2020 and remain open for a period of 12 weeks. The launch of the public consultation related to the impact assessment will be announced in the consultation planning that can be found at: <a href="http://ec.europa.eu/environment/consultations_en.htm">http://ec.europa.eu/environment/consultations_en.htm</a>. It will be available in English, however replies can be made in any of the 24 official EU languages.</p> <p>Moreover, a stakeholder meeting will be organised. This meeting will take place after the public consultation and will assist in identifying and confirming the elements in the options under assessment.</p> <p>A summary of all consultation activities' results will be published on the consultation page once all consultation activities are closed.</p>
<b>Will an Implementation plan be established?</b>
The decision whether to have an implementation plan will be taken as part of the Impact Assessment.