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Proposal for a

# DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

## amending Directive 2008/98/EC on waste

(Text with EEA relevance)

 $\{ SEC(2023) \ 420 \ final \} - \{ SWD(2023) \ 420 \ final \} - \{ SWD(2023) \ 421 \ final \} - \{ SWD(2023) \ 422 \ final \} \}$ 

#### EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

#### • Reasons for and objectives of the proposal

The European Green Deal<sup>1</sup> and the Circular Economy Action Plan<sup>2</sup> call for reinforced and accelerated EU and Member State action to ensure environmental sustainability of the textiles and food sectors as they represent top resource intensive sectors causing significant negative environmental externalities, where financing and technological gaps impede progress towards the transition to a circular economy and decarbonisation. Food and textiles are the first and the fourth most resource intensive sectors respectively<sup>3</sup> and that do not fully adhere to the fundamental EU waste management principles set out by the waste hierarchy which require the prioritisation of waste prevention followed by preparation for re-use and recycling. Reflecting on the commitments made, this proposal to amend the Waste Framework Directive (WFD)<sup>4</sup> focuses on two resource intensive sectors: textiles and food, with the following general objectives:

- To reduce environmental and climate impacts, increase environment quality and improve public health associated with textiles waste management in line with the waste hierarchy,
- To reduce the environmental and climate impacts of food systems associated with food waste generation. Preventing food waste would also contribute to food security.

#### Textile waste

Despite waste prevention being a key objective of the WFD and the implementation efforts at national level including by private actors, general waste generation continues to increase and only a 'relative decoupling' of waste generation from economic growth can be observed<sup>5</sup>. This trend for overall waste can also be observed for textile waste. It is, however, exacerbated by the so-called 'fast fashion', which is characterised by more frequent fashion collections being placed on the market<sup>6</sup> with low-priced products that do not internalise environmental externalities<sup>7</sup>, encourage customers to shop impulsively and incentivises purchasing larger quantities of clothes<sup>8</sup>. This increasing textile consumption leads to increasing volumes of textile waste, covering clothing and footwear, home textiles, technical textiles, and post-industrial and pre-consumer waste, in 2019 amounted to 12.6 million tonnes (Mt) (10.9 Mt post-consumer waste and 1.7 Mt post-industrial and pre-consumer waste). Clothing and footwear waste amounted to 5.2 Mt, equivalent to 12 kg per person per year in the EU.

<sup>&</sup>lt;sup>1</sup> Communication from the Commission to the European Parliament, the European Council, the European Economic and Social Committee and the Committee of the Regions on the European Green Deal, COM(2019) 640 final.

<sup>&</sup>lt;sup>2</sup> A new Circular Economy Action Plan: For a cleaner and more competitive Europe, COM(2020)98 final of 11.3.2020.

<sup>&</sup>lt;sup>3</sup> <u>EU Transition Pathways (europa.eu)</u>

<sup>&</sup>lt;sup>4</sup> OJ L 312 22.11.2008, p. 3.

<sup>&</sup>lt;sup>5</sup> European Environment Agency, *Waste prevention in Europe*, 2021, <u>Waste prevention in Europe</u> <u>European Environment Agency (europa.eu)</u>

<sup>&</sup>lt;sup>6</sup> Lai, O., *What is fast fashion*, Earth.org, 2021, <u>https://earth.org/what-is-fast-fashion</u>

<sup>&</sup>lt;sup>7</sup> Stakeholder workshop.

<sup>&</sup>lt;sup>8</sup> European Commission, Joint Research Centre, 2021, <u>https://data.europa.eu/doi/10.2760/858144</u>.

European Commission, Joint Research Centre. *Techno-scientific assessment of the management options* for used and waste textiles. 2023 (under development)

According to a study from the Joint Research Centre (JRC)<sup>10</sup>, currently, around 78% of the post-consumer textiles waste covering clothing and footwear, home textiles and technical textiles is not separately collected and ends up in mixed household waste, destined to be incinerated or landfilled. This resource-inefficient waste management is not in line with the waste hierarchy and leads to environmental harm in the EU and in third countries through excessive levels of greenhouse gas (GHG) emissions, water consumption, pollution and land use. Of the separate collected textile waste, representing only 22% of the post-consumer textile waste generated, around 32% is recycled within the EU (around 20% outside the EU) and around 8% is re-used within the EU (around 38% outside the EU), while the rest is exported.

The separate collection obligation for textiles in the WFD is coming into force on 1 January 2025. According to information from Member States, it is estimated that the separate collection systems and the sorting and recycling infrastructures are unlikely to be ready to handle the expected additional amounts to be collected. Sorting is expected to take place in most Member States close to the waste collection points and at a higher scale in those where the market conditions are favourable (e.g. lower costs of waste management, existing upscaleable infrastructure and skills, proximity to recycling/production hubs and ports). Recycling is not expected to take place in all countries and is likely to be located in regions close to the textile production centres and existing infrastructure bases.

The textile sector is resource intensive. In relation to both the production of raw materials and textiles most of the pressures and impacts related to the consumption of clothing, footwear and household textiles in the EU occur in other regions of the world. However, while most of the environmental pressures of the EU consumption of textiles occur in third countries<sup>11</sup>, they also affect the EU due to their global impact. The EEA estimates that to produce the amount of clothing, textiles and footwear consumed in the EU in 2020, 80% of primary raw materials, 88% of water and 92% of land used and 73% of GHG emissions took place outside the EU. For example, GHG emissions are a global phenomenon and are not circumscribed to specific boundaries or regions. Additionally, almost 13 million full-time equivalent workers were employed worldwide in the supply chain<sup>12</sup>. Therefore, preventing, re-using and recycling textile waste can help reducing the environmental footprint of the sector.

Additionally, the waste management costs of used clothing and household textiles are not internalised in the price of new products. On average, the costs of collection and treatment would equate to approximately 12 cents per item. However, these costs vary by item type, with those involving a mix of textile fibre types and the inclusion of disruptors (for example buttons and zips) costing more to manage and those that comprise a single fibre type with no disruptors such as t-shirts costing less. Given the large volumes of textile wastes currently disposed of in residual waste, the cost of disposal and the environmental externalities of that disposal including emissions from incineration and landfilling are also not internalised. Other externalities include notably the environmental and social impacts of textile waste exported to third countries disguised for re-use purposes, in particular, in relation to exported non-sorted textiles, of which a significant portion ends up in (illegal) landfills.

Fragmented definitions of textiles and textile waste lead to administrative burden and pose barriers to cross-border shipments. Different policy and regulatory signals in each Member

<sup>&</sup>lt;sup>10</sup> European Commission, Joint Research Centre. *Techno-scientific assessment of the management options for used and waste textiles.* 2023 (under development).

<sup>&</sup>lt;sup>11</sup> European Environment Agency, 2019.

<sup>&</sup>lt;sup>12</sup> EEA. Textiles and the environment: the role of design in Europe's circular economy (2022). Available at: https://www.eea.europa.eu/publications/textiles-and-the-environment-the.

State and information gaps (e.g. about the quality of feedstock) hamper the scaling up of the recycling industry and re-use and disrupt the level playing field of the single market, in addition to the complexity in recycling textiles due to different compositions of textile waste. This obstructs not only the transition to a circular economy in textiles, but also prevents quality jobs and value-added being created in the EU. The insufficient sorting and recycling infrastructure is likely to lead to textiles not being treated in line with the waste hierarchy even once the separate collection obligation comes into force. Low added-value manufacturing mainly occurs in third countries. Production and disposal of imported textile waste create significant negative societal impacts at local, regional and global levels<sup>13</sup>.

Therefore, specific objectives for this proposal as regards textile waste is to improve textile waste management in line with the 'waste hierarchy'<sup>14</sup> enshrined in the WFD, prioritising waste prevention, preparing for re-use and recycling of textiles over other recovery options and disposal and implement the polluter pays principle. The Circular Economy Action Plan (CEAP)<sup>15</sup> and the EU Strategy for Sustainable and Circular Textiles ('Textiles Strategy')<sup>16</sup> call for reinforced and accelerated EU and Member State action to prevent textiles waste and to improve the circularity of textiles, as it is a resource intensive sector causing significant negative environmental externalities, where financing and technological gaps impede progress towards the transition to a circular economy.

#### Food waste

Food waste is one of the largest sources of inefficiency in the agri-food chain. In particular, it results in negative environmental and climate impacts. Food consumption is the main contributor to the environmental impacts<sup>17</sup> and biodiversity footprint<sup>18</sup> of EU consumption.

When food is discarded, all the embedded energy and resources and their environmental consequences, such as GHG emissions – that accumulate along the food chain – still materialise with no benefit for human nutrition. Food processed, transported and cooked that is then wasted at consumption stage – has a higher environmental impact than unprocessed food products lost at the farm. The 58.5 Mt of food waste generated in the EU in  $2020^{19}$  caused emissions of 252 Mt of CO2 equivalents<sup>20</sup>. This corresponds to 16% of the total GHG impact resulting from the EU food system. Food waste also puts unnecessary pressure on limited natural resources. For example, the amount of water consumed to produce food that is

<sup>&</sup>lt;sup>13</sup> Ellen Mac Arthur Foundation, 2017, <u>https://ellenmacarthurfoundation.org/a-new-textiles-economy.</u>

<sup>&</sup>lt;sup>14</sup> The waste hierarchy is a central concept in the WFD that establishes an order of preference for managing and disposing of waste: prevention first (including re-use) followed by waste management operations: preparing for re-use, recycling, recovery and last disposal. It is operationalised through specific rules and performance targets, such as setting separate collection obligations and targets for prevention, recycling or diversion from landfill.

<sup>&</sup>lt;sup>15</sup> COM(2020)98 final.

<sup>&</sup>lt;sup>16</sup> COM(2022)141 final.

<sup>&</sup>lt;sup>17</sup> Sanye Mengual, E. and Sala, S., 2023. *Consumption Footprint and Domestic Footprint: Assessing the environmental impacts of EU consumption and production.* 

<sup>&</sup>lt;sup>18</sup> Sanyé-Mengual, E., Biganzoli, F., Valente, A., Pfister, S., & Sala, S. (2023). What are the main environmental impacts and products contributing to the biodiversity footprint of EU consumption? A comparison of life cycle impact assessment methods and models.

<sup>&</sup>lt;sup>19</sup> <u>https://ec.europa.eu/eurostat/databrowser/view/env\_wasfw/default/table?lang=en</u>
<sup>20</sup> Colculated using the Consumption Footprint methodology as presented in Figure 1.

Calculated using the Consumption Footprint methodology, as presented in: European Commission, Joint Research Centre, Sanyé Mengual, E., Sala, S., Consumption footprint and domestic footprint: assessing the environmental impacts of EU consumption and production: life cycle assessment to support the European Green Deal, Publications Office of the European Union, 2023, https://data.europa.eu/doi/10.2760/218540.

ultimately wasted can be quantified as 342 bn m<sup>3</sup> water eq.<sup>21</sup>, corresponding to 12% of the total impact of EU food production and consumption. Food waste is also responsible for 16% of impacts on soil caused by land use activities<sup>22</sup>, while the consequences on marine eutrophication are 15% of the total<sup>23,24</sup>.

As regards economic consequences, the 58.5 Mt of food waste have an associated market value estimated at 132 bn  $EUR^{25}$ . These costs include lost resources by food business operators at each stage of the food supply chain, but also unnecessary spending by households. In addition, the cost of collection and treatment of food waste is estimated at an additional 9.3 bn  $EUR^{26}$ .

Wasting food has important social consequences. It leads to unnecessary spending of resources that could be otherwise allocated. The average share of food expenditure (agri-food and food services) in total household expenditure in the EU is around 19%<sup>27</sup>. Discarding food that is fit for human consumption – rather than redistributing that food to those in need, including through food donation – also represents a missed opportunity in the light of growing challenges to food security. Although, in Europe, food availability is ensured, food affordability is a concern for a growing number of EU citizens: 32.6 million people cannot afford a meal with meat, fish, chicken or vegetarian equivalent every second day<sup>28</sup>. Finally, for many consumers, wasting food has an important ethical dimension<sup>29</sup>.

In this context, the EU and its Member States committed to achieving Sustainable Development Goal (SDG) Target 12.3 to halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses, by 2030.

The EU has implemented a dedicated action plan to reduce food loss and waste, including both regulatory and non-regulatory actions, initially as part of the 2015 Circular Economy Action Plan and, since 2020, under the EU's Farm to Fork Strategy<sup>30</sup>. In doing so, the Commission aims not only to lay down clear obligations for Member States as regards

A m<sup>3</sup>-world eq. represents a cubic meter consumed on average in the world. The average refers to a consumption-weighted average, and hence represents the locations where water is currently consumed.
Assessed considering impacts on four soil properties: biotic production erosion resistance groundwater

<sup>&</sup>lt;sup>22</sup> Assessed considering impacts on four soil properties: biotic production, erosion resistance, groundwater regeneration and mechanical filtration, as presented in: De Laurentiis, V., Secchi, M., Bos, U., Horn, R., Laurent, A. and Sala, S., Soil quality index: *Exploring options for a comprehensive assessment of land use impacts in LCA*, Journal of Cleaner Production, 215, pp.63-74, 2019.

<sup>&</sup>lt;sup>23</sup> The Consumption Footprint covers the 16 impact categories of the Environmental Footprint (European Commission, 2021) including freshwater eutrophication which is caused mainly by phosphorous emissions.

<sup>&</sup>lt;sup>24</sup> OJ L 471, 30.12.2021, p. 1–396.

<sup>&</sup>lt;sup>25</sup> Eurostat, 2022 (see note 92, page 32).

<sup>&</sup>lt;sup>26</sup> Manfredi, S., & Cristobal, J., *Towards more sustainable management of European food waste: Methodological approach and numerical application*. Waste Management and Research, 34(9), 957–968, 2016, https://doi.org/10.1177/0734242X16652965.

European Commission, Directorate-General for Agriculture and Rural Development, *EU agricultural outlook for markets, income and environment 2022-2032*, Publications Office of the European Union, 2023, p. 43. https://data.europa.eu/doi/10.2762/29222. Note: very small variation (less than 1%), because of slightly different MAGNET baseline used.

<sup>&</sup>lt;sup>28</sup> Eurostat, October 2022. Living conditions in Europe - material deprivation and economic strain - Statistics Explained

<sup>&</sup>lt;sup>29</sup> The need to ensure access to food and solidarity in the food supply chain is also highlighted in the recommendations of the European citizens' panel on food waste. For the complete set of recommendations, see Annex 16 of the Impact Assessment Report.

<sup>&</sup>lt;sup>30</sup> COM(2020)381 final

reduction of food waste but also to create policy environment that supports Member States in taking effective action.

The WFD, as revised in 2018, requires Member States to prepare specific food waste prevention programmes, in line with the waste hierarchy. It requires Member States to reduce food waste at each stage of the food supply chain, monitor food waste levels and report on progress made. The Commission adopted, in 2019, a common food waste measurement methodology<sup>31</sup>, to be utilised as a basis for EU-wide food waste monitoring.

In order to support Member States in taking action, the Commission has, since 2015, taken initiatives to clarify and harmonise relevant legislation (e.g., adoption of EU guidelines on food donation<sup>32</sup>, followed by amendments to food hygiene rules to facilitate safe food donation practices, as well as EU guidelines regarding the feed use of food no longer intended for human consumption<sup>33</sup>). The Commission has also established, as of 2016, a multistakeholder platform, the EU Platform on Food Losses and Food Waste<sup>34</sup> (FLW) to support all players in defining measures to prevent food waste, share best practice and evaluate progress. It has also adopted its own deliverables (e.g., recommendations for action in food waste prevention<sup>35</sup>) and has supported work undertaken at EU level to improve date marking<sup>36</sup> practices. The sharing of best practice and solutions to reduce food waste across the EU is also facilitated through the digital EU Food Loss and Waste Prevention Hub<sup>37</sup>. The RESTwithEU pilot project<sup>38</sup> evaluates and recommends digital tools to reduce food waste in the restaurant industry. Supporting consumer behavioural change is addressed by a dedicated sub-group of the Platform and a best practice compendium, developed by the EU pilot project, the European Consumer Food Waste Forum, will be made available by end June 2023. In order to strengthen the evidence base for food waste prevention, the Joint Research Centre carries out assessments of the effectiveness of food waste prevention interventions<sup>39</sup>, supported by an evaluation framework that can be utilised by all actors. Calls for proposals under the EU Research and Innovation Framework Programme Horizon 2020<sup>40</sup> and Horizon Europe<sup>41</sup> have been offering new opportunities for research and innovation to address food loss and waste. Other funding instruments for food waste prevention include the LIFE programme and InterReg Europe. Under the Single Market Programme, the Commission also makes available grants to support Member States and stakeholders<sup>42</sup> in improving food waste measurement and implementation of actions to reduce food waste, in collaboration with the European Health and Digital Executive Agency (HaDEA).

Many food business operators along the food supply chain have taken important steps to reduce food waste generation and improve resource efficiency. Under the EU Code of

<sup>&</sup>lt;sup>31</sup> OJ L 248, 27.9.2019, p.77-85.

<sup>&</sup>lt;sup>32</sup> OJ C 361, 25.10.2017, p. 1–29.

<sup>&</sup>lt;sup>33</sup> OJ C 133, 16.4.2018, p. 2–18.

<sup>&</sup>lt;sup>34</sup> https://food.ec.europa.eu/safety/food-waste/eu-actions-against-food-waste/eu-platform-food-losses-and-food-waste\_en

<sup>&</sup>lt;sup>35</sup> https://food.ec.europa.eu/system/files/2021-05/fs\_eu-actions\_action\_platform\_key-rcmnd\_en.pdf

<sup>&</sup>lt;sup>36</sup> https://ec.europa.eu/food/safety/food\_waste/eu\_actions/date\_marking\_en

<sup>&</sup>lt;sup>37</sup> https://ec.europa.eu/food/safety/food\_waste/eu-food-loss-waste-prevention-hub/eu-member-statepage/show/FI

<sup>&</sup>lt;sup>38</sup> https://restwith.eu/

<sup>&</sup>lt;sup>39</sup> European Commission, Joint Research Centre, Caldeira, C., Sala, S., De Laurentiis, V., *Assessment of food waste prevention actions. Development of an evaluation framework to assess the performance of food waste prevention actions*, Publications Office, 2019.

<sup>&</sup>lt;sup>40</sup> See projects <u>CHORIZO</u> and <u>ToNoWaste</u>

<sup>&</sup>lt;sup>41</sup> See projects <u>FOLOU</u> and <u>WASTELESS</u>

<sup>&</sup>lt;sup>42</sup> Example: <u>HaDEA 2022 call for proposals to help stakeholders take action on fighting food waste</u>

Conduct for responsible Food Business and Marketing Practices<sup>43</sup>, food processors and retailers, have made concrete commitments on food waste reduction in their operations and along the supply chain.

Despite these actions and the growing awareness of the negative impacts and consequences of food waste, political commitments made at EU and Member State levels and EU measures implemented since the 2015 CEAP, food waste generation is not sufficiently decreasing to make significant progress towards SDG Target 12.3. In the EU, despite the existing legal obligations in the WFD and the supporting activities of the Commission, action taken to date in Member States is disparate and has not allowed a significant reduction of food waste levels.

The setting of targets is therefore a necessary next step. The specific objectives of this proposal are: firstly, to assign clear responsibility to Member States for accelerating reduction of food waste along the food supply chain and in households, in their respective territories, and thus make a solid contribution towards achieving SDG Target 12.3; and secondly, to ensure sufficient and consistent response by all Member States to reduce food waste, in line with that of front-runners.

This should lead each Member State to take ambitious action – deploying the most effective measures, tailored to its specific national situation – and aiming to support consumer behavioural change as well as strengthen coordination of actions between actors across the whole food value chain as well as with other relevant actors (e.g., academia, NGOs, financial institutions, social economy actors, etc).

In addition, after the Conference on the Future of Europe, food waste was selected as the first subject for deliberative European Citizens' Panels. The Citizens' Panel's recommendations will support the Commission's work and will support Member States in designing national strategies and action plans to prevent food waste.

# • Consistency with existing policy provisions in the policy area

The proposed amendment is in accordance with the Article 11(1) of the WFD that requires Member States to set up separate collection for textiles by 1 January 2025. The proposal introduces extended producer responsibility (EPR) and other policy measures that aim to support the required finance and harmonise information and approaches related to the collection, sorting, re-use, preparing for re-use and recycling infrastructure that will be needed once the separate collection obligation unfolds its effect.

According to Art 9(6) of the WFD, the Commission is required, by 31 December 2023, to examine the data on food waste provided by Member States with a view to consider the feasibility of establishing a Union-wide food waste reduction target to be met by 2030 and submit a report to the European Parliament and to the Council, accompanied, if appropriate, by a legislative proposal. Setting targets should strengthen the current provisions of Article 9(1) of WFD that requires Member States to take measures to reduce food waste across the whole food supply chain.

# • Consistency with other Union policies

The EU Textiles Strategy addresses the production and consumption of textiles, whilst recognising the importance of the textiles sector. It presents a 2030 vision for textiles which

<sup>&</sup>lt;sup>43</sup> European Commission, Food Safety, *EU Code of Conduct on Responsible Food Business and Marketing Practices*, 2021

sets the goal for textile products that are long-lived and recyclable, to a great extent made of recycled fibres, free of hazardous substances and produced in respect of labour and social rights and the environment, and points to the need for producer responsibility along the value chain, for sufficient capacities for innovative fibre-to-fibre recycling, bio-based solutions, and reducing the incineration and landfilling of textiles to the minimum. Particularly relevant for waste management is that the EU Textiles Strategy announced harmonised EU rules on EPR for textiles, and economic incentives to make products more sustainable ("eco-modulation of fees"). Furthermore, it highlighted the Commission's aim to address the challenges related to the export of textile waste, and to promote decent work worldwide for a global just transition and a sustainable recovery<sup>44</sup>.

This initiative also aims to contribute to the goal of the circular economy action plan to significantly reduce total waste generation and halve the amount of residual (non-recycled) municipal waste by 2030. The revision of the Packaging and Packaging Waste Directive (PPWD) will aim to reduce waste generation of packaging waste. Taken together this initiative and the revision of the PPWD initiative will tackle over 65% of all municipal waste generated (packaging, food waste and textile waste) therefore contributing to the overarching objective of the WFD and the European Green Deal.

The Commission proposal for the Waste Shipments Regulation (WSR)<sup>45</sup> was adopted on 17 November 2021 and at the time of the adoption of this proposal negotiations are still ongoing. It aims to ensure that the EU does not export its waste challenges to third countries and to facilitate shipments for recycling, while discouraging shipments to disposal. Measures include criteria to better distinguish between mixed and non-mixed waste, as well as between used and waste goods, that may be established for textiles. Also, a stricter export regime to non-OECD third countries is proposed, as well as an obligation to audit the performance of recovery facilities in third countries. Finally, measures are proposed to step up the efforts on enforcement of the waste shipment rules, including for textile waste. The impacts of the WSR proposal are factored into the assessment performed. Furthermore, the measures that address shipments of materials (measures 2.6 and 2.9) distinguish textiles that are for re-use and no longer waste (and, therefore, not subject to the WSR) and those that are waste for which the measures in the proposal are referred to directly.

The proposed Ecodesign for Sustainable Products Regulation (ESPR)<sup>46</sup> will set a framework to set ecodesign requirements for specific product groups to significantly improve their circularity, energy performance and other environmental sustainability aspects. Ecodesign requirements can be of key importance for waste prevention and high-quality recycling, as they can improve product durability, reparability, recyclability and recycled content. The development of such requirements can also serve as a basis for the setting of harmonized financial contributions to EPR schemes. Ecodesign requirements for textiles are expected to be in place by 2025 or 2026. In addition to the introduction of new ecodesign requirements, ESPR will introduce measures to counter the destruction of unsold consumer products. Firstly, it proposed to introduce a requirement for large enterprises to publicly disclose information on the number and types of unsold consumer products they discard. This measure is intended to function as a reputational dis-incentive for this practice while it is also envisaged to create an improved evidence base on the extent to which the destruction of

<sup>&</sup>lt;sup>44</sup> COM/2022/66 final

<sup>&</sup>lt;sup>45</sup> COM/2021/709 final

<sup>&</sup>lt;sup>46</sup> COM/2022/142 final

unsold consumer products takes place. Secondly, ESPR will include an empowerment to adopt delegated acts prohibiting the destruction of specific groups of unsold consumer products, such as textiles, taking into account the information from the general disclosure obligation. Other important Union policies include the Textile Labelling Regulation<sup>47</sup> and the Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)<sup>48</sup>.

Legally binding targets for food waste reduction contribute to a number of other EU policy objectives, namely a reduction of GHG emissions, thus contributing to the EU's objective of climate neutrality by 2050 and to the objective of at least 55% net reduction in greenhouse gas emissions by 2030 as expressed in 2030 Climate Target Plan<sup>49</sup>. Food waste reduction also leads to more sustainable use of land, reduced marine eutrophication and less water scarcity, in line with the objective of establishing a sustainable food system, as put forward in the Farm to Fork Strategy.

The Strategy foresees the establishment of a baseline for food waste levels, considering new data reported by the Member States, and the setting of legally binding targets to reduce food waste across the EU by 2023.

The Bioeconomy Strategy<sup>50</sup> calls for actions to reuse, reduce and recycle bio-waste streams. The reduction of food waste contributes to core principles of the strategy such as the circular economy, the cascading use of biomass and the application of the waste hierarchy.

The Transition Pathway for Tourism<sup>51</sup>, published in February 2022, among its key actions highlights the reduction of food waste in the hospitality sector. In December 2022, Member States adopted Council Conclusions on the European Agenda for Tourism 2030<sup>52</sup>, calling Commission and Member States to support improved circularity of tourism services, including food waste.

Finally, food waste has been identified as one of the main drivers affecting food security from both the supply and demand sides<sup>53</sup>. Reducing food waste can contribute to increased resilience of food systems and to food security in general, by improving supply chain efficiency and productivity as well as food affordability. By increasing the efficiency of food systems and supporting consumer behavioural change to avoid unnecessary discarding of food, it would be possible to feed a greater number of people with the same food production. Reducing food waste can therefore contribute to meeting the expected growing demand for food whilst ensuring that our food system operates within planetary boundaries. Moreover, reducing food loss and waste could contribute to food price decreases, thereby potentially improving economic access to food.

<sup>&</sup>lt;sup>47</sup> OJ L 272 18.10.2011, p. 1

<sup>&</sup>lt;sup>48</sup> OJ L 396 30.12.2006, p. 1

<sup>&</sup>lt;sup>49</sup> COM(2020) 562 final

<sup>&</sup>lt;sup>50</sup> COM(2012)060 final

<sup>&</sup>lt;sup>51</sup> https://op.europa.eu/en/publication-detail/-/publication/404a8144-8892-11ec-8c40-01aa75ed71a1

<sup>&</sup>lt;sup>52</sup> <u>https://data.consilium.europa.eu/doc/document/ST-15441-2022-INIT/en/pdf</u>

<sup>&</sup>lt;sup>53</sup> SWD(2023)4 final, *Drivers of food security*.

# 2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

# Legal basis

Article 192 of the Treaty on the Functioning of the European Union (TFEU)<sup>54</sup> empowers the EU to act in the field of environmental policy to preserve, protect and improve the quality of the environment, protect human health, contribute to the prudent and rational utilisation of natural resources, and promote measures at the international level to deal with regional or worldwide environmental problems.

The proposal is set through a targeted amendment of the Directive 2008/98/EC on waste (WFD) which is the only legal vehicle to regulate textile waste prevention and management in the EU and is based on Article 192(1) TFEU. While there are several legal acts regulating textiles products (e.g. REACH, Textiles Labelling Regulation), the WFD is the only legal instrument regulating all aspects of textile waste management, including the specific obligations to ensure separate collection, treatment and reporting requirements.

The targeted amendment of the WFD builds on these existing requirements to remove identified regulatory barriers and address market failures by making those provisions clearer, more specific and harmonised to reduce the scope of potential national divergences and create the conditions for the scaling up re-use and recycling of textiles infrastructure. In addition, the creation of the EPR for textiles obligations follows the minimum requirements established in EU law and aim for harmonisation. This objective is further pursued by mandating the Commission to adopt more detailed rules through implementing acts. Clear application dates for the individual measures are defined in line with the feasibility of implementing them and the necessary adaptation time needed for the obliged stakeholders.

In the area of food waste, the targeted amendment of the WFD builds on existing requirements addressing major aspects of food waste prevention (definition of food waste and common food waste measurement methodology, obligations for Member States to reduce food waste at each stage of the food supply chain, monitor and report annually on food waste levels, preparation of national food waste prevention programmes) and management (e.g., separate collection).

# • Subsidiarity (for non-exclusive competence)

Given the transboundary nature of textiles value chain from an economic, environmental and social perspective, the sale, consumption and end-of-life management of textiles is intrinsically linked to the functioning of the single market and global value chains. The high dependency on raw materials highlights the importance of boosting circular business models to lower the use of primary raw materials and help mitigate the associated with its negative environmental externalities.

The collection, sorting and recycling systems need to be scaled up to be prepared for the upcoming separate collection obligation and its full implementation since several regulatory and market failures that impact all Member States and actors across the textile value chain currently obstruct sufficient provision of collection, sorting and recycling capacity. The absence of a common EU approach to textiles management risks creating or further entrenching a regulatory fragmentation and disrupted waste and material flows, thereby hampering cross-border movements of textiles (products, used and waste textiles) and

<sup>&</sup>lt;sup>54</sup> OJ C 326, 26.10.2012, p.47.

coordinated action and swift investments across the EU. There are high risks for further increase in the regulatory fragmentation and administrative burdens on the industry stakeholders, mainly SMEs, resulting from diverse application of the polluter pays principle through national extended producer responsibility schemes for textiles. Addressing transboundary environmental externalities, including GHG emissions and the export of textiles (and waste disguised as non-waste) to third countries is more effectively addressed by EU action, in particular, as the key problem drivers relate to regulatory failures resulting from lack of harmonised definitions and regulatory fragmentation and a funding gap common to all Member States.

All Member States generate food waste, which creates significant transboundary environmental externalities. The production, storage, transport and processing of food and disposal of food waste cause environmental and climate impacts (such as GHG emissions, and effects on land use, biodiversity, water use and eutrophication) within the EU. Moreover, production of food imported to the EU can lead to significant global environmental and climate impacts.

Reduction of food waste across the EU in a consistent manner is needed to ensure, in each Member State, prudent and rational utilisation of natural resources, reduction of negative impacts on climate, biodiversity and use of natural resources, with benefits extending beyond national borders. Importantly, by making the food system more efficient, food waste reduction also contributes to food security across the EU.

Food is traded widely within the EU market and food businesses that operate cross-border need coherence and clarity on the level of ambition expected in order to plan investments and actions on food waste prevention. A coordinated approach at EU level can bring reliability and continuity and thus support adoption of new business models by food business operators in order to accelerate food waste reduction across the food value chain.

Despite political commitments made at international, EU and national levels, existing legal requirements in the WFD and supporting activities by the Commission, Member States' responses to food waste have been uneven and are, overall, not sufficient to address the problems identified and the environmental, economic and social consequences for consumers, enterprises and society as a whole. The variation in efforts across Member States as regards reduction of food waste generation and different levels of expectations as to the contribution of food business operators indicates a need for more coordinated and uniform measures at EU level to drive the progress at the breadth and pace required to achieve SDG Target 12.3.

Setting legally binding food waste reduction targets for Member States to achieve by 2030 is expected to reinforce efforts to identify and scale-up effective strategies and initiatives both within and across Member States by: streamlining the contribution of food business operators, notably in the context of cross-border supply chains; helping to ensure that drivers of food waste generation (market and behavioural) are addressed consistently and simultaneously by all Member States, in line with actions taken by the - so far few - frontrunners; and accelerating the development of effective national food waste prevention strategies through the spreading of good practices and further leveraging the EU knowledge base related to food waste prevention.

Setting targets in EU waste legislation is a policy instrument that would require Member States to take action whilst giving full flexibility as to the selection of measures required.

Member States may, therefore, choose the policy instruments that would be the most effective and efficient according to the specific situation in their respective territories.

# Proportionality

The WFD regulatory approach of harmonising certain elements of waste management (definitions, quantitative or qualitative objectives operationalising the waste hierarchy, polluter pays principle, reporting requirements) and leaving room for national and local-specific implementing measures (waste management planning and permitting of waste) is consistent with EU level action limited to only the extent strictly necessary.

An increased harmonisation of the approaches to textile waste management in terms of scope of textiles targeted, clear definitions, minimum shipment and treatment requirements to operationalise the waste hierarchy, organisational features of textile collection systems and burden sharing would provide legal certainty for the needed concerted action by the concerned stakeholders across the textile value chain (Member States, social enterprises, waste managers, producers, other economic players, citizens) to invest in the development of infrastructure across the EU to maximise re-use and recycling. These operators achieve economic efficiencies due to economies of scale and lower compliance costs by only having to adhere to one EU-wide uniform regulatory approach, for which EU level action is required. A harmonised approach to closing the financing gap through common rules on EPR while reducing other regulatory barriers hampering greater uniformity of textile waste for sorting inputs and outputs and shipments across country borders for sorting, re-use and recycling would considerably reduce economic burdens on the industry and SMEs, maintaining their competitiveness. it should also be noted that since the textile sector is 99% comprised of SMEs, the fulfilment of the extended producer responsibilities would be exercised collectively by means of producer responsibility organisations taking up the responsibility on their behalf, which would significantly reduce administrative burden on them. The combined improvement of environmental quality can be considered an important co-benefit. To further reduce the impact on SMEs, microenterprises (up to 10 employees) - representing 88% of all companies in the sector - are excluded from the extended producer responsibility, which provides for an important alleviation of administrative burden and impact on SMEs.

The textiles sector is dominated by SMEs. Microenterprises cover around 88% of the sector. The proposal is specifically tailored to minimise the financial and administrative impacts on microenterprises, most notably by excluding all microenterprises from the EPR. All remaining SMEs (i.e. SMEs that are not microenterprises) would still be covered by the EPR. At the same time, the support to re-use and recycling would support also those SMEs covered by the EPR (i.e. those that are not microenterprises) compared to the status quo by ensuring more funding is available, and a more stable feedstock of re-usable and recyclable textiles are available in the market.

For food waste, the proposed setting of food waste reduction targets, does not set new measures at EU level. Setting targets gives Member States the freedom as regards the selection of the most effective measures, tailored to its specific national situation. Member States are not obliged to take any new measures relating to food waste reduction other than those already established by the WFD (i.e. reducing food waste at each stage of the food supply chain, preparing food waste prevention programmes, implementing related actions, monitoring and reporting on progress achieved). Moreover, Member States have already committed, since the adoption of the Sustainable Development Agenda in 2015, to take action to reduce food waste in order to contribute to SDG Target 12.3, which is de facto a non-binding, aspirational target.

The experience from leading countries shows that the measures implemented by governments so far are based on the voluntary engagement of economic actors in the food supply chain in common roadmaps aiming to achieve shared food waste reduction objective. Financial assistance (in the form of action grants) is currently offered at EU level, in order to support stakeholders in taking concrete steps to improve food waste measurement and prevention. The grants implemented so far by the Commission, under the Single Market Programme, have in particular targeted SMEs in order to address their specific needs and support the development and dissemination of best practice.

The further exchange of knowledge, best practices, tools, guidelines and experience will continue via the EU Platform (including its sub-groups) and the dedicated website (EU Food Loss and Waste Prevention Hub).

Overall, the proposed measures do not go beyond what is necessary to ensure regulatory compliance while guaranteeing the protection of the environment.

#### • Choice of the instrument

Given the above explanations, amendment to the WFD, a Directive, is the right instrument to use. It allows for a harmonisation of certain elements while leaving space to Members States to accommodate national specificities in the transposition of the Directive.

The WFD is the only legal vehicle to regulate textile waste prevention and management in the EU and is based on Article 192(1) TFEU. While there are several legal acts regulating textiles products (e.g. REACH, Textiles Labelling Regulation), the WFD is the only legal instrument regulating all aspects of textile waste management, including the specific obligations to ensure separate collection, treatment and reporting requirements.

Food waste is also defined and regulated in the WFD. While a number of individual measures which can help reduce food waste are regulated in legislation related to functioning of the food market, food safety or food information to consumers at Union level, the overall legislative framework for food waste prevention, including monitoring and reporting on food waste arising and planning of national food waste prevention programmes, is part of the WFD.

#### 3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

#### • Ex-post evaluations

No ex-post evaluations were undertaken since the latest amendment of the WFD only took place in 2018. It would have therefore been premature to have an ex-post evaluation of the recent amendments made that have yet to unfold their full effect. Additionally, the WFD foresees specific review clauses for specific waste streams that would result in analyses of the impacts of current provisions.

#### • Stakeholder consultations

The consultation method and strategy were outlined in the Call for Evidence (CfE) for a proposal on 'Environmental impact of waste management – revision of EU waste

framework'<sup>55</sup> and the Inception Impact Assessment (IIA) 'Proposal for a revision of Directive 2008/98/EC on waste – part on food waste reduction target'.<sup>56</sup> Given that the two proposals aim to amend the same legal act under the same legal basis, it was decided to merge them. Consequently, the open public consultation conducted in May-August 2022, covered both waste streams.

#### Textile waste

As part of the CfE, the Commission received 197<sup>57</sup> separate responses. Respondents are based in 25 different countries including four non-EU countries: 65 in Belgium reflecting the number of industry trade associations and non-governmental organisation (NGOs) in that country, 23 in Germany, 16 in France, 14 in the Netherlands and 12 in Italy.

The results of the consultation indicated overall support to the need to improve the management of textiles in line with the waste hierarchy, calling for regulatory measures that would address the current market failures that favour disposal. There was overall support to the introduction of the extended producer responsibility schemes in line with the polluter pays principle, including from the affected industry. However, it was accompanied by strong calls for as much harmonisation as possible to limit the impact on the industry which is dominated by SMEs, in particular, to ensure full coherence with the ecodesign requirements for textile products under the ESPR when implementing the EPR fee modulation requirements. Representatives from the recycling industry recalled that associated recycling schemes for textiles require appropriate transition periods to set up the recycling capacity and systems to ensure input qualities. The current design of clothing with mixed composition of textiles is a challenge for recycling as well as lack of automatic sorting technologies and capacities necessary to prepare feedstock for recycling. Stakeholders from the re-use and NGO field pointed to evidence how second-hand clothing contributes to the reduction of textile waste and that separate collection of used textiles and not just waste textiles is essential to ensure reuse. The textile industry representatives also emphasised the socio-economic and environmental benefits of circular business models such as the renting of textiles to extend textile lifetime compared to owned textiles. Stakeholders from various stakeholder groups emphasized the importance of ensuring harmonised application of the waste textiles and used textiles to facilitate cross border movements of such materials and to tackle any illegal shipments of waste disguised as used products, notably to address concerns raised by some stakeholders on the environmentally sound treatment of exported used and waste textiles, in particular, unsorted. Similar strong calls from a broad group of stakeholders concerned the need for harmonisation of textiles definitions as well as the products subject to the extended producer responsibility and its key features, in particular, to reduce the risk of market and legislative fragmentation and administrative burden in view of several countries considering introduction of extended producer responsibility schemes.

<sup>&</sup>lt;sup>55</sup> European Commission, Have your say, Published initiatives, Environmental impact of waste management – revision of EU waste framework, <u>https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13225-Environmental-impact-of-waste-management-revision-of-EU-waste-framework\_en</u>

<sup>&</sup>lt;sup>56</sup> European Commission, Have your say, published initiatives, Food waste – reduction targets, <u>https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13223-Food-waste-reduction-targets\_en</u>

<sup>&</sup>lt;sup>57</sup> 198 indicated on <u>Environmental impact of waste management – revision of EU waste framework</u> (europa.eu) because one is a duplication from WEEE forum.

A public consultation was open 24 May 2022 - 24 August 2022 to collect additional evidence on the baseline, seek opinions and insights about the issues related to textile waste, the feasibility and possible impacts of alternative actions, gather examples of best practices and views on the subsidiarity of possible actions. In total, 731 valid responses<sup>58</sup> were received. In addition, 207 respondents submitted written contributions. Respondents were mostly company/business organisations and business associations (40%, 299 replies) and EU citizens (36%, 255 replies). 94% of the respondents (693 replies) are based in EU and most of them are based in Belgium (16%, 119 replies)<sup>59</sup>, Germany (13%, 96 replies), Italy (11%, 82 replies) and France (8%, 63 replies).

It is important to stress that textile waste is the type of waste that least concerns the respondents consulted only being stated as such by 63% of concernment on companies and business associations. The remaining stakeholders (EU citizens, NGOs, and public authorities) showed greater levels of concern in the matter. More than half of the respondents agreed or strongly agreed that they were participating in the separate collection of textile waste, with a deferral on results depending on the stakeholder group they pertained to. EU citizens led the collection of textile waste, followed by public authorities; and leaving NGOs and companies and business associations the last positions. However, only 40% of public authorities, 32% of companies and business associations, 28% of EU citizens and 24% of NGOs agreed or strongly agreed (221 replies) that they were satisfied with the waste collection system in place where they live to collect textile waste.

Nearly 30 position papers covered the area of textiles waste, of which about half came from SMEs or organisations representing them. SMEs pointed out that there is currently no large-scale plan to process textile waste. They stressed the need to promote durable, high-quality textiles, improve their re-use, wherever possible prepare them for re-use and scale up sufficient sorting for re-use, recycling and processing infrastructure. They also recommended that changes in textiles' design and consumption patterns should take place, that the amount of textile waste should be decreased through ambitious waste policies. The same points on durability and re-use of textiles, as well as on sorting and recycling capacity were shared by the recycling industry that also noted that circular and social textile value chains should be developed.

Among the recommendations were the need to set quantitative re-use and preparation for reuse targets and to improve separate collection systems. SMEs noted that EPR schemes should enforce the waste hierarchy by setting quantitative targets for waste prevention and preparation for re-use, ensure the eco-modulation of fees and fair competition in recycling markets, granting access to the waste stream to preparing for re-use operators, while also involving social enterprises as key stakeholders in the development, governance and functioning of these schemes. They also advocated consistency with other regulatory initiatives, such as the ESPR and WSR and the harmonisation of end-of-waste criteria at EUlevel, which was also endorsed by the recycling industry. SMEs also pointed out the need for guidance to achieve high levels of separate collection of textiles and that mature fibre sorting and pre-processing is critical to scale the recycling of post-consumer waste. Some position papers reflect on a harmonised definition of textile waste.

<sup>&</sup>lt;sup>58</sup> All received contributions were considered valid.

<sup>&</sup>lt;sup>59</sup> The high number of respondents from Belgium is assumed to result from the fact that Brussels hosts many of the organisations representing different groups of interest before EU Institutions, such as industry associations, non-governmental and consumers' organisations etc.

In addition, stakeholder interviews were conducted. In April and May 2022 interviews were organised with selected stakeholders from across all stakeholder groups primarily focussing on a broader scope at first and then later focussing on used textile and textile waste. Twenty-seven one-to-one interviews / one-to-group interviews were held with regard to problem identification, the scope of the objectives and evidence gathering with regard to the impacts of options and measures. According to the stakeholders, an EU-wide EPR framework should include specific elements in order to be efficient. Measures on re-use, repair and separate collection need to include enforceable, binding targets to stimulate producers to make the transition to circularity. As regards the scope of the initiative, some of the stakeholders suggested that the collection should include textile waste generated by households and professionals that is comparable to household textiles such as clothes, home and interior textiles, bags made from textiles and textile accessories; however, they raised concerns on shoes and technical textiles. They also suggested to limit the scope first and to extend it over time when the infrastructure is in place and to use the Customs Tariff CN codes to define the textiles covered by the suggested EPR scheme.

The stakeholders expressed different views on the issue of guidance. In terms of targets, the stakeholders recommended that targets with a gradual increase in their level of ambition over time should be developed, depending on the levels of consumption, as well as enforceable resource reduction targets for textile production, by e.g., a recycled-content target. They also highlighted the fact that any targets should be combined with the scaling up of recycling technologies in the Member States and that the re-use targets should ensure that re-use is actually taking place. They noted that it is important to consider that targets for preparation for re-use and recycling of textile waste should be based on the waste hierarchy.

Targeted consultation for used textiles and textile waste took the form of four virtual stakeholder workshops using group discussions as a whole as well as break-out groups and use of digital white boards. Additionally, a meeting of the WFD Expert Group (Member States), interviews and a conference on the future of Europe were used to obtain more targeted evidence.

Information gathered during stakeholder consultations helped inform the definition of the problems and which policy options to focus on.

#### Food waste

In the context of the Inception Impact Assessment, 85 contributions were received from respondents in 17 Member States and 2 third countries (United Kingdom and USA). Most contributions were from business associations (27), followed by NGOs (18, of which 12 with an environmental focus), companies (11), EU citizens (9), consumer (4) and environmental (3) organisations. Six public authorities (including 3 Member States) provided input through the feedback mechanism.

Overall, stakeholders expressed support for the EU legislative initiative, seen as essential in order to achieve the Green Deal objectives of climate neutrality and transition to sustainable food systems as called for by the Farm to Fork Strategy. Most stakeholders affirm that food waste reduction targets should cover the whole supply chain (reflecting an integrated food systems approach), with the future EU target in line with Sustainable Development Goal (SDG) Target 12.3. While some industry respondents (mainly from primary production and processing sectors) prefer a target focussed on retail and consumption only, other industry stakeholders and non-governmental organisations (NGOs) argue for a holistic approach to

ensure shared responsibility and accountability of all actors. Several stakeholders stress the need for a solid evidence base for setting targets as well as a baseline that recognises efforts of early achievers. Around one-third of contributions received called for ambitious actions and an advanced target level (50%), including almost all NGOs; on the other hand, the three contributions from Member States suggested that basic or medium options are more realistic. Some stakeholders (from environmental- and consumer NGOs as well as) social enterprises call, in addition, for the integration of on-farm food losses in the future legislative proposal, whilst primary producers argue that such losses cannot be addressed (for both legal and operational reasons). Finally, many stakeholders call for policy coherence and the need to build a culture of food value in order to address systemic issues linked to food systems.

The public consultation, which was open from 24 May 2022 to 24 August 2022 covered both textile and food waste. Regarding food waste reduction, stakeholders across all groups agreed or strongly agreed (over 90%) with the benefits brought by reducing food waste, the most important being to 'help reduce environmental impacts' and to 'help mitigate climate change'. Respondents identified the main actors that need to take more action to reduce food waste as consumers, retailers and other distributors, food manufacturers, and hospitality and food services. Respondents noted that the most important challenges for the reduction of food waste concern the need for consumers to adopt new habits, such as improved food management skills, followed by the need for businesses to integrate food waste prevention in their operations. Ensuring sufficient action is taken at the pace needed to reach global commitments to halve food waste by 2030 was considered more important by public authorities than other groups. As regards possible EU measures to improve waste prevention, 74% of respondents (488 replies) agreed or strongly agreed with the setting of legally binding food waste reduction targets, with even greater support expressed by public authorities (86%, 25 replies).

53 position papers received through the public consultation focused on food waste or included considerations on this topic. 26 papers including comments on food waste were received from business associations, 12 from non-profit organizations, 8 from companies and 7 from public authorities. Most of the position papers expressed agreement on the setting of food waste reduction targets, with 10 papers advocating the need for ambitious targets (50% reduction) and 18 in favour of applying targets in all the stages of the supply chain. However, two business organisations disagreed on setting targets at the primary production stage, due to the imbalance of power in the supply chain and market dynamics that cannot be controlled by farmers. Several papers stressed the importance of prioritizing those actions with the greatest environmental or climate impact and the role of packaging in preventing food waste was also highlighted, mainly by business associations. Concerning the actions and policy initiatives that the EU should undertake, rules on date marking and actions related to awareness raising and education were the most mentioned, with some also referring to improved monitoring systems and one suggesting to provide fiscal incentives for food donations. Policy coherence between food waste and other related policies (e.g., labelling, climate action, Common Agricultural Policy) was also recommended by some stakeholders.

Data collection on food waste prevention initiatives were carried out by means of two surveys sent to Member State experts and stakeholders in the food value chain. Both surveys aimed at collecting quantitative data on costs of food waste prevention initiatives and amounts of food waste prevented. In addition, four interviews were held with selected stakeholders who replied to the survey (two companies, a non-profit organization and a public authority) in order to collect additional data and insights on their initiatives and/or to clarify information provided through the surveys.

Finally, targeted consultation meetings were held with the EU Platform on FLW on four occasions. The EU Platform on FLW includes international organisations, EU institutions, Member States' experts and stakeholders from the food supply chain including farmers, industry, environmental-, consumer- and other NGOs (including food banks and other charities). Private sector organisations in the food value chain represent SMEs for their specific sector of activity (e.g., food manufacturing, retail, food services etc.)

The most frequent issues raised by stakeholders consisted in the inclusion of all the stages of the food supply chain in the scope of the targets, with some highlighting the importance of monitoring and integrating on-farm, pre-harvest food losses; the importance of taking into account food and feed safety (expressed especially by private sector organizations); the concern regarding the choice of 2020 as a baseline for target-setting due to the impact of COVID-19 (highlighted by some Member States and NGOs); the possibility of differentiating and taking into account edible and non-edible food waste (mentioned by private sector organizations); and the possibility of considering the results already achieved by Member States when setting the baseline (highlighted by Member States and private sector organizations).

In the context of finalising the impact assessment, the Commission further convened a meeting of the Member States Expert Group on Food Losses and Food Waste (7 March 2023) and a joint meeting of the EU Platform on FLW and the Advisory Group on Sustainability of Food Systems (13 March 2023). The abovementioned issues were reiterated, and further feedback provided regarding the consideration of different policy options for setting targets.

Information gathered during the abovementioned stakeholder consultations helped inform the definition of policy options, in particular that targets not be limited to the consumption and retail stages but that they cover the food supply chain more broadly. The data on costs of food waste prevention collected through the survey for stakeholders showed a high variability and were generally higher than values found in the literature. Therefore, they were not directly used in the model to calculate the macro-economic impacts of targets.

# Citizens' Panel

As a follow-up to the Conference on the future of Europe, the Commission announced a "new generation" of citizens' panels to consult randomly selected citizens before certain key proposals at the European level. Food waste was selected amongst the three first topics to be addressed by citizens (along with virtual worlds and learning mobility), with the panel convened for three sessions held from December 2022 to February 2023. Although the Citizens' panel was not part of the consultation activities organised for the purpose of the preparation of the legal proposal, citizens' recommendations<sup>60</sup> will continue to support the Commission's work related to food waste prevention and have been considered in the preparation of this legislative proposal. Citizens' recommendations will also serve as a guide to help Member States in achieving the food waste reduction targets in this proposal.

The 23 recommendations put forward by citizens highlight the need to take a broad food systems approach, engaging all actors and strengthening collaboration across the food supply chain. This comprehensive approach is put forward in the three topics addressed by the

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European Citizens' Panel on Food Waste, *Final recommendations*, February 2023

panel's recommendations: 1) Cooperation in the food value chain: from farm to fork; 2) Food business initiatives; and 3) Supporting consumer behavioural change.

Citizens' recommendations reflect the three principal lines of action, which need to be undertaken by Member States in order to accelerate food waste reduction at national level and reach the future targets. The overarching EU regulatory framework for food waste prevention laid down in the WFD as well as supporting measures undertaken at EU level will also draw from the recommendations and support Member States in achieving the future targets.

## • Collection and use of expertise

## Textile waste

The Joint Research Centre provided crucial scientific inputs throughout the impact assessment stages, including by reviewing documents and publishing evidence on the issue<sup>61</sup>:

The Commission procured an external study to support this impact assessment of policy options for a revision of the WFD in 2023 – Specific Contract n° 090202/2021/861277/ENV.B.3. It was also supported by several experts and technical assistance studies listed in the Annex to the Impact Assessment.

#### Food waste

In addition to IIA, public and targeted consultations described above, the impact assessment in the area of food waste was supported by the following expertise:

- The Joint Research Centre provided crucial scientific inputs <u>by preparing two</u> reports with analysis supporting development of the impact assessment of the revision of the WFD, in particular on the feasibility of setting food waste reduction targets:
  - European Commission, Joint Research Centre: Setting the scene for an EU initiative on food waste reduction targets, 2023<sup>62</sup>
  - European Commission, Joint Research Centre: Assessing the economic, social and environmental impacts of food waste reduction targets. A model-based analysis, 2023<sup>63</sup>
- On 25 October 2022, Eurostat published the first dedicated statistical monitoring of the amount of food waste in the European Union, supported with additional explanations on the data of food waste amounts in the EU. The description and interpretation of data as well as methodology can be found at the Eurostat Statistics

<sup>&</sup>lt;sup>61</sup> <u>European Commission, Joint Research Centre. Circular economy perspectives in the EU Textile sector.</u> <u>2021</u> and European Commission, Joint Research Centre. Techno-scientific assessment of the management options for used and waste textiles. 2023 (under development).

<sup>&</sup>lt;sup>62</sup> De Laurentiis, V, Mancini, L, Casonato, C, Boysen-Urban, K, De Jong, B, M'Barek, R, Sanyé Mengual, E, Sala, S. *Setting the scene for an EU initiative on food waste reduction targets*. Publication Office of the European Union, Luxembourg, 2023, doi: 10.2760/13859, JRC133967.

<sup>&</sup>lt;sup>63</sup> De Jong B, Boysen-Urban K, De Laurentiis V, Philippidis G, Bartelings H, Mancini L, Biganzoli F, Sanyé Mengual E, Sala S, Lasarte-López J, Rokicki B, M'barek R. Assessing the economic, social and environmental impacts of food waste reduction targets. A model-based analysis. Publications Office of the European Union, Luxembourg, 2023, doi:10.2760/77251, JRC133971.

Explained webpage dedicated to food waste<sup>64</sup>. The data have been last updated in March 2023.

#### • Impact assessment

The proposal is accompanied by an impact assessment. The impact assessment provides to a large extent two stand-alone sections covering separately the food and textile waste, as both topics in terms of problems addressed, objectives set and options identified have different specificities that could not be answered by the same approach.

After addressing the comments of the Regulatory Scrutiny Board in its initial negative opinion of 17 March 2023 and making the necessary modifications and additions, the impact assessment received a positive opinion with reservations on 26 May 2023.

Detailed comments from the Regulatory Scrutiny Board and how they have been taken into account can be found in Table 1 in Annex I to the Impact Assessment accompanying this proposal.

The impact assessment compiled all possible measures for analysis, based on inputs received from an external consultant, stakeholder workshops, an online public consultation and targeted interviews. The diverse, complex and often interrelated measures were grouped under three policy options, which are compared to a business-as-usual scenario.

The three policy options for textiles can be summarised as follows:

- Option 1 Supports Member States in implementing and enforcing current provisions through more harmonised application of definitions, approaches to separate collection and attribution of responsibility for waste management by adopting non-binding guidance, recommendations and exercise of existing Commission mandates for secondary legislation, improving current stakeholder platforms for guidance and exchange of best practices. This option addresses all problem drivers and both specific objectives albeit with a likely reduced impact due to the nature of the measures being limited to non-binding instruments
- Option 2 Sets additional binding regulatory requirements to improve the waste management performance in line with the waste hierarchy through a targeted amendment of the WFD. The purpose of the amendments is to create new operational obligations on Member States, producers of textiles and waste management operators. They would clarify and harmonise definitions at EU level, clarify the scope of the existing reporting obligations to improve the robustness of data, clarify the scope of the separate collection obligations, and introduce new operational obligations for waste operators to ensure sorting for re-use and recycling. The flagship measure of this option is introducing a mandate for Member States to set up national EPR schemes for textiles and harmonise its scope, objectives and key organisational and operational features. This option addresses all problem drivers and both specific objectives
- Option 3 Prescribing waste management performance targets at EU level. This option entails an amendment to the WFD establishing binding waste management

<sup>&</sup>lt;sup>64</sup> <u>https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Food waste and food waste prevention - estimates.</u> The database can be found under code ( env\_wasfw ) at Eurostat website)

performance targets operationalising the waste hierarchy for the Member States and economic operators. Harmonisation of scopes and definitions would be integral to the definition of the target in the WFD and subsequent implementing acts defining more detailed rules on the calculation methodology for each of the target. This option addresses both specific objectives and all problem drivers, albeit it would not bring about a level of harmonisation as provided by Option 2 since it leaves the decisions on the means to attain the performance levels to the Member States. Since the current data on textile waste generation is not sufficiently robust, which is partly due to the fragmented understanding of whether collected textiles are waste and the scope of the textiles covered by Member State implementation, the Impact Assessment explains the feasibility of the mechanism by which targets could be set in the future and the impacts of that process (and not the actual levels of targets). In relation to setting a target for collection, a more detailed assessment based on an interim medium-ambition target is presented. Measure 3.6 specifically is about setting a 50% collection target for textiles: The attainment of the target would improve separate collection rate for textiles thereby increasing re-use rates, recycling rates and decreasing disposal rates, but it would also impose administrative burden and the existing 2025 separate collection obligation may have a similar effect on the separate collection rate. There is also large heterogeneity across the predicted rates across Member States, which may make it challenging to set a target at this stage.

Impacts on SMEs are assessed as part of the impact assessment process. The SME filter identified this initiative as having high overall impact on SMEs. The various SME categories are identified across the textile value chain as a basis for the IA process.

88% of textile companies are microenterprises (0-9 employees), 12% are other SMEs (10-249 employees) and the remaining 0.3% are large companies (more than 250 employees). SMEs were very well engaged in the public consultation as well as in the targeted consultation processes. 320 respondents to the public consultation were SMEs versus 138 large companies. Amongst the categories 'businesses/companies' and 'business association' we received 200 SME replies compared to 99 from large businesses. Also, large business associations that have expressed detailed views are largely composed of SME members representative of the composition of the textile sector in manufacturing and retail and waste management stages.

In general, SMEs pointed out in their position papers that currently there is no large-scale planning to process the waste. Most of them agreed that textile production's design and consumption patterns have to be changed, leading to the production of textiles of higher quality that can last longer. They also highlighted the importance of prioritizing waste prevention and re-use and the need to set re-use and preparation for re-use targets, as well as to improve separate collection systems. Regarding EPR, the main points were to ensure that EPR schemes enforce the waste hierarchy by setting quantitative targets for waste prevention and preparation for re-use, ensure a harmonised approach to eco-modulation of EPR fees and the fair competition in recycling markets, granting access to the waste stream to preparing for re-use operators, while also involving social enterprises as key stakeholders in the development, governance and functioning of these schemes. Also, the harmonisation at EUlevel of end-of-waste criteria was advocated which was also endorsed by the recycling industry, as well as the insurance of the consistency with other regulatory initiatives, such as the ESPR and WSR. Further, they pointed out that guidance to achieve high levels of separate collection of textile waste is needed, while maturing fibre sorting and pre-processing is critical to scale the recycling of post-consumer waste. Some of them reflected on the need for a harmonised definition of textile waste.

In addition to the collection of stakeholder evidence on the potential impacts on SMEs additional assessment using data from Eurostat on the composition, turnover and spread of SMEs was performed in order to identify those impacts that would significantly impact on such enterprises. The consultant's study considered the specific impacts on SMEs for each measure. In this respect measures under Option 1 are likely to place no significant administrative burden on SMEs, while at the same time the measures should simplify obligations placed on SMEs aligning the scope of textiles. The guidance and support platform foreseen under this option would have the largest impacts on SMEs overall. Measures under Option 2 and 3 are expected to have minor additional costs on SMEs. The most burdensome measure that considers the application of extended producer EPR schemes (measure 2.9) would address SMEs given the majority of producers are SMEs. Additionally, reporting obligations have been targeted to revise existing obligations in the first place to make them more fit for purpose and improve the knowledge base for the textile sector overall.

To avoid the application of unnecessary administrative and compliance burdens, the IA proposes, and the legal text excludes micro-enterprises and the re-use sector from the scope of the EPR. Re-use actors that place both new and used products on the market, would be requested to only account for and report the new ones. The knock-on consequence of such exclusions would be a minor increase in the costs applicable to enterprises with over 10 employees, with those over 250 employees facing the largest additional burdens.

The impacts on competitiveness have been assessed quantitatively, where possible, considering impacts on different types of competitiveness<sup>65</sup>. Price competitiveness aims to reflect the relative impacts of prices companies or company groups are able to set within a market. Dynamic competitiveness refers to the impacts on research and innovation that would enable to maintain or improve the firms' competitiveness stance over time. Strategic competitiveness refers to the firms' ability to partially meet their raw material or product demand through re-used or recycled textiles within the EU. The impacts on competitiveness are either positive or neutral.

For food waste, policy options focused on different types, levels and scope of food waste reduction targets to be achieved by 2030, which can be summarised as follows:

**Option 1** is based on the minimum targets examined in the 2014 proposal to revise WFD<sup>66</sup>.

- Target for primary production no target,
- Target for processing and manufacturing -10%,
- Target for retail and consumption stages 15%

**Option 2** is a more ambitious variant with the maximum target examined in 2014 for retail and consumption stages.

<sup>&</sup>lt;sup>65</sup> For an overview of the channels through which the circular economy impacts competitiveness, please see Flachenecker, F. (2018) The causal impact of material productivity on macroeconomic competitiveness in the EU. *Environmental Economics and Policy Studies* 20, 17–46. <u>https://doi.org/10.1007/s10018-016-0180-3</u> and Flachenecker, F., Kornejew, M. (2019) The causal impact of material productivity on microeconomic competitiveness and environmental performance in the EU. *Environmental Economics and Policy Studies* 21, 87–122. <u>https://doi.org/10.1007/s10018-018-018-0223-z</u>

<sup>&</sup>lt;sup>66</sup> COM/2014/0397 final

- Target for primary production no target%,
- Target for processing and manufacturing -10%,
- Target for retail and consumption stages 30%

**Option 3** reflects the targets set referred to in SDG Target 12.3 and additional commitment made by the "Food is never waste" Coalition at 2021 UN Food Systems Summit.

- Target for primary production -10%,
- Target for processing and manufacturing -25%,
- Target for retail and consumption stages 50%

Options 1 to 3 consist of legally binding targets i.e. they are subject to annual reporting and, if targets are not met, they can be enforced by infringement procedures.

**Option 4** reflects setting a voluntary target at the level of the SDG 12.3 commitment regarding the retail and consumption stages (i.e. 50% reduction), with no numerical commitment assumed for earlier stages. This option would not be subject to enforcement mechanisms other than annual reporting of food waste levels.

The analysis of the impacts demonstrated that all options deliver significant environmental benefits. The magnitude of benefits increases with the scope and level of targets, from Option 1 to Option 3. The benefits would be lowest for Option 4. The main gain comes from reduction of GHG emissions (however it differs significantly depending on methodological approach). Other environmental impacts considered for this IA – land use, marine eutrophication and water use – show a similar pattern for the impacts i.e. that magnitude of benefits increases with the scope and level of targets.

Concerning economic impacts – reduction of food waste is expected to reduce demand for food which in turn could lead to marginal negative impacts on food production sector (-3.6% in most pessimistic assumption) and positive on other sectors, resulting in an overall slightly positive balance (up to EUR2.3 bn).

Quantifiable social impacts are strongly linked to economic impacts and show a similar pattern. The greater the reduction of food waste, the better the options perform in terms of food affordability and household savings. On the other hand, the magnitude of negative impacts on employment in the agri-food sector rise from Option 1 to Option 3, which are, however, expected to be compensated through new job profiles in the food sector and gains in other economic sectors.

The impact on SMEs is expected to be limited. The initiative focuses on setting of food waste reduction targets for Member States and will not apply to individual businesses. While Member State authorities will likely engage with all actors in the food supply chain, the actions observed so far in countries which have undertaken coordinated actions to reduce food waste focus on larger businesses and on voluntary measures encouraging engagement in food waste prevention supported by government financing. In the consultation process, SMEs have not expected problems caused directly by this initiative, although remained cautious about the potential future implementing action by Member States.

#### Preferred options

Based on assessments of how the options contribute to the two main objectives, on the balance between economic, environmental and social impacts, and on the total costs and

benefits where these could be calculated, the preferred option for the Commission is Option 2. However, the setting of a textiles waste collection target (measure 3.6) may additionally be considered to complement the measures in Option 2. Measure 3.6 could therefore also be part of the preferred option. Other textile waste management targets cannot be set at this stage due to the lack of complete and robust data.

The Impact Assessment concludes that setting a 50% target for separate collection for textiles would facilitate the concerted action of the various textile value chain, re-use operators and waste management operators to ensure the treatment of the textiles in line with the waste hierarchy, prioritising re-use and fibre to fibre recycling. It also concludes that such a target may need to be considered carefully in view of the current large variations in the separate collection rates across the EU and the overarching obligation in the WFD that such waste shall be separately collected. In view of those considerations, as well as the strengthened rules on the organisation of the separate collection through EPR and the objective to reduce administrative burden, the preferred option reflected in the legislative proposal does not include a separate collection target.

In the area of food waste, after comparison of economic, environmental and social impacts, but also the technical feasibility of the proposed options, the preferred option is Option 2. This option is expected to be effective in providing a strong policy impulse for Member States to take action to reduce food waste at national level and achieve substantial environmental gains, while being proportionate and feasible. The establishment of legally binding food waste reduction targets should thus follow a step-wise approach, starting with a level which is lower than the one set under the SDG, with a view to ensuring a consistent response of Member States and tangible progress towards Target 12.3. An interim review of progress made by Member States, based on the annual monitoring of food waste levels, would allow for a possible adjustment of the targets in view of strengthening the Union's contribution and further aligning with SDG Target 12.3 as well as providing direction for further progress beyond 2030.

#### Regulatory fitness and simplification

The proposed measures have different levels of administrative burden, which would mainly result from monitoring and reporting on compliance, both for public authorities and for businesses. At the same time, this proposal makes full use of digitalisation to reduce administrative burden.

The proposed targets on food waste reduction are based on measures already included in the WFD, therefore create no additional administrative burden.

Preferred combined option	Description of impact	Overall balance
Option 2 - Additional regulatory requirements + target for textiles (measure 3.6) AND	<ul> <li>Economic costs</li> <li>€913 million per year for sorting obligations</li> <li>Register development costs of €2-12.3 million across Member States and maintenance costs of €11 200 and 69 000 per Member State per year</li> <li>€7.79 million per year for producers to report for the purpose of EPR</li> <li>€4.04 million costs of operating PRO registers and inspections</li> </ul>	Costs: €975 million (these costs may fall on consumers, producers or a mix of both). Overall value added for EU economy form the reduction of food waste

Option 2 for food waste	• €39.2 million per year for additional textile collection, sorting and treatment to meet a 50% collection target	1.6 bn EUR (0.016%)
reduction	• €208 per competent authority and €78 per exporter	Benefits:
targets	annualised per inspection	Direct benefits of €656
8	• €750 000 per year for EU enterprises to comply with EU	million of reusable and
	reporting obligations	recyclable textiles for
	• €26.5 million landfill tax loss for Member States due to	the EU re-use and
	textiles diverted from landfills	recycling market as well
	• Reduction in demand for food of 4.2% and a change in value	as support to €3.5-4.5
	of agri-food production of -1.8% alongside a fall in market prices of between 0.1 and 2.6%	billion annual overall returns from EPR
	<ul> <li>A fall in farm income of €4.2 billion per annum</li> </ul>	investments.
	*	mvestments.
	Total adjustment costs for food waste reduction for actors in the food chain - $\notin 2$ bln [ $\notin 41$ /ton of food waste avoided]	Savings in household
		food expenditure of
	Economic benefits for textile sector	€439 per year per
	• <u>EPR</u> : €3.5-4.5 billion annual overall returns on recycling investment (including the benefits indicated for the other	household (4 pers.)
	mostiment (including the benefits indicated for the other measures)	Additional GHG
	• <u>Additional sorting</u> : €534 million per year of re-use value and	emission reduction equal
	€94 million per year of recycling value	to €16 million per year
	• <u>Additional collection</u> : €28 million per year of combined re-	from textiles and
	use and recycling value	additional GHG emission reduction equal
	Economic benefits for food waste reduction	to 62 million tonnes per
	• overall value added for EU economy €1.6 bn (including	year (overall
	abovementioned costs)	environmental savings
	• savings in household food expenditure of €439 per year per	monetised - €9-23 bn),
	household (4 pers.)	8 740 jobs created in
	Environmental benefits	waste management but
	• $\notin$ 16 million from GHG emission reduction from textile waste	up to 135 000 lost in
	as well as reduction in release of pollutants to air, water and land that would otherwise result from poor waste	agri-food sectors
	management.	(expected to be
	• 3.9 (in EU) and 12.6 (out of EU) million tonnes GHG	compensated in other
	emission reduction (including rebound effect) OR 62 million	sectors)
	tonnes of GHG avoided (without counting the rebound effect)	Overall effectiveness,
	• reduction in release of pollutants to air, water and land that	efficiency and
	would otherwise result from poor waste management	coherence: positive
	<ul> <li>Reduced impact on land use of 2.2 Trillion Pt,</li> <li>reduction in marine eutrophication of 532 million kg of Neq</li> </ul>	
	<ul> <li>reduction in manife cutophication of 552 minion kg of Neq</li> <li>reduction in water scarcity of 80 billion m3 per annum.</li> </ul>	
	<ul> <li>Overall environmental savings monetised - €9-23 bn</li> </ul>	
	Social benefits	
	• 8 740 jobs created in relation to textiles and social impacts of	
	EU waste in third countries mitigated (no net impact	
	assessment; see Annex 4 for details and underlying	
	assumptions)	
	• Up to 135 000 jobs lost in agri-food sectors (expected to be compensated in other sectors)	

# • Fundamental rights

The proposal has no consequences for the protection of fundamental rights.

## 4. BUDGETARY IMPLICATIONS

The financial statement included shows the detailed budgetary implications and the human and administrative resources required by this proposal.

The European Commission, and more specifically the Directorate-Generals for Environment (DG ENV) and for Health and Food Safety (DG SANTE), will be responsible for negotiating the Directive through the regular co-decision procedure, as well as for its general implementation and adoption of all the implementing and delegated acts envisaged in it. Other Directorate-Generals and agencies that will provide input include DG Joint Research Centre (JRC) and the European Environmental Agency (EEA).

For DG Environment, the current financial simulations are based on existing 0.75 FTE (AD) for the co-decisions process and implementation as well as new 3.0 FTE contractual agents for the technical implementation of developing the implementing acts foreseen.

For DG SANTE, the financial simulations are based on existing 0.5 FTE (AD) for the codecision process and the monitoring of implementation across Member States.

The costs for Commission staff amount to a total of EUR 2 033 000 based on the latest salary scales, which are publicly available.

# 5. OTHER ELEMENTS

## • Implementation plans and monitoring, evaluation and reporting arrangements

The proposal includes several provisions to improve monitoring. Annex 14 of the Impact Assessment details the monitoring and evaluation tools. The impact of the preferred policy option in the attainment of the objectives to reduce textile waste and residual textile waste generation is monitored through the indicators and targets set out in measure 3.6. and based on the improved data flows on textiles as a result of measure 2.14. The latter will also enable further performance targets to be set that is currently assessed as not feasible under option 3. Monitoring is based on annual data on textiles prepared for re-use under the EPR schemes (measure 2.14 and see Annex 10 for details).

In case of food waste, monitoring will rely on existing reporting obligations i.e. annual reporting from Member States of arising amounts of food waste (Article 37(3) of the WFD) and the biennial review of progress on implementation on food waste prevention programmes by the European Environment Agency (Article 30 of the WFD).

#### • Detailed explanation of the specific provisions of the proposal

Article 1 lays down the amendments for the WFD, in particular the following articles of that Directive:

Article 2(1)(a) lays down the revised scope of the exclusion from the scope of the Directive for gaseous effluents emitted into the atmosphere and carbon dioxide captured and transported for the purposes of geological storage and geologically stored.

Article 3 lays down new definitions for 'producer of textile, textile-related and footwear products listed in Annex IVc', 'making available on the market', 'producer responsibility organisation', 'online platform' and 'consumer'.

Article 9a lays down requirements as regards measures to be taken by Member States to prevent food waste concerning supporting behavioural change and supply chain cooperation (1) and defines food waste reduction targets to be achieved by Member States by 2030 (4).

Article 22a lays down requirements as regards measures to be taken by Member States to introduce extended producer responsibility scheme for textiles, textile-related and footwear products and harmonised rules for its application, including on the products in its scope and the scope of the financial responsibility of the producers.

Article 22b lays down requirements as regards measures to be taken by Member States for the establishment of the textiles, textile-related and footwear producer register to implement the extended producer responsibility schemes.

Article 22c lays down requirements as regards measures to be taken by Member States for the establishment and responsibilities for producer responsibility organisations for textiles.

Article 22d lays down requirements as regards measures to be taken by Member States for the management of textile waste.

Article 29a lays down obligations as regards measures to be taken by for Member States to review and adapt their food waste prevention programmes in view of attaining the reduction targets (1) and to designate the competent authorities responsible for the coordination of food waste reduction measures (2).

Article 37 lays down reporting requirements as regards measures to be taken by Member States with regard to textiles and change in the reporting requirements of Member States with regard to the re-use of products data flow to the European Environmental Agency.

Article 2 lays down the transposition of the amendments to the Directive.

Article 3 lays down entry into force of the amendments to the Directive.

Article 4 lays down the addresses of the amendments to the Directive.

#### 2023/0234 (COD)

#### Proposal for a

## DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

#### amending Directive 2008/98/EC on waste

### (Text with EEA relevance)

#### THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION.

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee<sup>1</sup>,

Having regard to the opinion of the Committee of the Regions<sup>2</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- The European Green Deal and the Circular Economy Action Plan<sup>3</sup> call for reinforced (1)and accelerated Union and Member State action to ensure environmental and social sustainability of the textiles and food sectors as they represent top resource intensive sectors that cause significant negative environmental externalities. In those sectors, financing and technological gaps impede progress towards the transition to a circular economy and decarbonisation. The food and textiles sectors are the first- and the fourth- most resource-intensive sectors respectively<sup>4</sup> and they do not fully adhere to the fundamental Union waste management principles set out in the waste hierarchy which requires the prioritisation of waste prevention followed by preparation for reuse and recycling. These challenges require systemic solutions with a lifecycle approach.
- According to the EU Strategy for Sustainable and Circular Textiles<sup>5,</sup> important (2)changes are needed to move away from the currently prevailing linear way in which textile products are designed, produced, used and discarded, with a particular need to limit fast fashion. That Strategy considers it important to make producers responsible for the waste that their products create and refers to the establishment of harmonised Union extended producer responsibility rules for textiles with eco-modulation of fees. It provides that the key objective of such rules is to create an economy for collection, sorting, re-use, preparation for re-use and recycling, and to incentivise producers to

<sup>1</sup> OJ C , , p. . OJ C , , p. .

<sup>2</sup> 

<sup>3</sup> COM(2020)98 final of 11 March 2020.

<sup>4</sup> EU Transition Pathways (europa.eu)

<sup>5</sup> COM(2022)141 final of 30 March 2022.

ensure that their products are designed in respect of circularity principles. To that end, it foresees that a notable share of contributions made by producers to extended producer responsibility schemes have to be dedicated to waste prevention measures and preparation for re-use. It also supports the need for strengthened and more innovative approaches to sustainable management of biological resources to increase the circularity and valorisation of food waste and re-use of bio-based textiles.

- (3) Having regard to the negative effects of food waste, Member States committed themselves to taking measures to promote the prevention and reduction of food waste in line with the 2030 Agenda for Sustainable Development, adopted by the United Nations (UN) General Assembly on 25 September 2015, and in particular its target of halving per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses, by 2030. Those measures aimed to prevent and reduce food waste in primary production, in processing and manufacturing, in retail and other distribution of food, in restaurants and food services as well as in households.
- (4) As a follow-up to the Conference on the Future of Europe, the Commission committed itself to enabling citizens' panels to deliberate and make recommendations ahead of certain key proposals. In this context, a European Citizens' panel was convened, from December 2022 to February 2023 to elaborate a list of recommendations<sup>6</sup> on how to step-up actions to reduce food waste in the Union. As households account for over half of food waste generated in the Union, citizens' insights on food waste prevention are particularly relevant. Citizens recommended three principal lines of action including strengthening cooperation in the food value chain, food business initiatives and supporting consumer behavioural change. The panel's recommendations will continue to support the Commission's overall work programme related to food waste prevention and may serve as a guide to help Member States in achieving the food waste reduction targets.
- (5) Directive 2009/31/EC of the European Parliament and of the Council<sup>7</sup> excluded from the scope of Directive 2006/12/EC of the European Parliament and of the Council<sup>8</sup> carbon dioxide captured and transported for the purposes of geological storage and geologically stored pursuant to the requirements of Directive 2006/12/EC. The provision in Directive 2009/31/EC amending Directive 2006/12/EC was not, however, incorporated in Directive 2008/98/EC of the European Parliament and of the Council<sup>9</sup>, which repealed Directive 2006/12/EC. Therefore, for the purposes of ensuring legal certainty, this Directive incorporates the amendments of Directive 2009/31/EC concerning the exclusion of carbon dioxide captured and transported for the purposes of geological storage and geologically stored from the scope of Directive 2008/98/EC.
- (6) Definitions of producers of textile products, online platforms and producer responsibility organisations linked to the implementation of the extended producer responsibility for textiles need to be included in Directive 2008/98/EC so that the scope of these concepts and linked obligations is clarified.
- (7) Member States have, to a certain extent, developed materials and carried out campaigns targeting food waste prevention for consumers and food business operators;

<sup>&</sup>lt;sup>6</sup> For the complete list of recommendations, see Annex 16 of the Impact Assessment Report.

<sup>&</sup>lt;sup>7</sup> OJ L 140, 5.6.2009, p. 114.

<sup>&</sup>lt;sup>8</sup> OJ L 114, 27.4.2006, p. 9.

<sup>&</sup>lt;sup>9</sup> OJ L 312, 22.11.2008, p. 3.

however, these mainly focus on raising awareness rather than eliciting behavioural change. In order to reach the full potential for reducing food waste and ensure progress over time, behavioural change interventions have to be developed, tailored to the specific situations and needs in Member States, and fully integrated in national food waste prevention programmes. Importance should also be given to regional circular solutions, including public-private partnerships and citizen engagement as well adaptation to specific regional needs such as outermost regions or islands.

- (8) Despite the growing awareness of the negative impacts and consequences of food waste, the political commitments made at EU and Member State levels, and Union measures implemented since the 2015 Circular Economy Action Plan, food waste generation is not sufficiently decreasing to make significant progress towards achieving Target 12.3 of the UN Sustainable Development Goal (SDG) 12. In order to ensure significant contribution towards the attainment of SDG Target 12.3, the measures to be taken by Member States should be strengthened to make progress in the implementation of this Directive and of other appropriate measures to reduce food waste generation.
- (9) In order to achieve results in the short term, and to give food business operators, consumers and public authorities the necessary perspective for the longer term, quantified targets for reduction of food waste generation, to be achieved by Member States by 2030, should be set.
- (10) Having regard to the Union's commitment to the ambition set out in SDG Target 12.3, the setting of food waste reduction targets to be achieved by Member States by 2030 should provide a strong policy impulse to take action and ensure a significant contribution to global targets. However, given the legally binding nature of such targets, they should be proportionate and feasible, and take into account the role of different actors in the food supply chain as well as their capacity (in particular micro and small enterprises). The establishment of legally binding targets should thus follow a step-wise approach, starting with a level which is lower than the one set under the SDG, with a view to ensuring a consistent response of Member States and tangible progress towards Target 12.3.
- (11) Reducing food waste at the production and consumption stages requires different approaches and measures and involves different stakeholder groups. Therefore, one target should be proposed for the processing and manufacturing stage and another one for the retail and other distribution of food, restaurants and food services and households.
- (12) Bearing in mind the interdependence between the distribution and consumption stages in the food supply chain, in particular the influence of retail practices on consumer behaviour and the relation between food consumption in- and out-of-home, it is advisable to set up one joint target for these stages of the food supply chain. Setting separate targets for each of these stages would add unnecessary complexity and would limit Member States' flexibility in focusing on their specific areas of concern. In order to avoid that a joint target results in excessive burden on certain operators, Member States will be advised to consider the principle or proportionality in setting up measures to reach the joint target.
- (13) Demographic changes have a significant impact on the amount of food consumed and food waste generated. Therefore, a joint food waste reduction target, applying to retail and other distribution of food, restaurants and food services and households, should be

expressed as a percentage change in food waste levels per capita in order to take into account population changes.

- (14) Based on the harmonised methodology set out in Commission Delegated Decision (EU) 2019/1597<sup>10</sup>, the first year for which data on food waste levels were collected was 2020. Therefore, the year 2020 should be used as a baseline for setting food waste reduction targets. For Member States, which can demonstrate that they performed food waste measurements before 2020, using methods consistent with Delegated Decision (EU) 2019/1597, the use of an earlier baseline should be allowed.
- (15) In order to ensure that the step-wise approach towards the achievement of the global target delivers its objectives, the levels set for the legally binding targets on reduction of food waste, should be reviewed and revised, if appropriate, to take into account the progress made by Member States over time. This would allow for a possible adjustment of the targets in view of strengthening the Union's contribution and further aligning with SDG Target 12.3, to be reached by 2030 and providing direction for further progress beyond that date.
- (16) In order to ensure better, timelier, and more uniform implementation of the provisions related to food waste prevention, to anticipate any implementation weaknesses, and to allow taking action ahead of the deadlines for meeting the targets, the system of early warning reports, introduced in 2018, should be extended to cover food waste reduction targets.
- In line with the polluter-pays principle, as referred to in Article 191(2) of the Treaty on (17)the Functioning of the European Union (TFEU), it is essential that the producers placing on the Union market certain textile, textile-related and footwear products take responsibility for their management at their end-of life as well as extending their lifetime through making used textile, textile-related and footwear products available on the market for re-use. To implement the polluter pays principle, it is appropriate to lay down the obligations for the management of textile, textile-related and footwear producers, which include any manufacturer, importer or distributor, that, irrespective of the selling technique used, including by means of distance contracts as defined in Article 2, point (7), of Directive 2011/83/EU of the European Parliament and of the Council<sup>11</sup>, makes available those products on the market for the first time within a territory of a Member States on a professional basis under its own name or trademark. The scope of the producers covered by the extended producer responsibility should exclude micro enterprises and self-employed tailors producing customised products in view of their reduced role in the textile market as well as those placing on the market used textiles, textile-related and footwear products or such products derived from used or waste of those products in view of supporting re-use, including through repair, refurbishment and upcycling whereby certain functionalities of the original product is changed, within the Union.
- (18) There are wide disparities in the way separate collection of textiles are or are planned to be set up, whether through extended producer responsibility schemes or other

<sup>&</sup>lt;sup>10</sup> Commission Delegated Decision (EU) 2019/1597 of 3 May 2019 supplementing Directive 2008/98/EC of the European Parliament and of the Council as regards a common methodology and minimum quality requirements for the uniform measurement of levels of food waste (OJ L 248, 27.9.2019, p. 77).

<sup>&</sup>lt;sup>11</sup> Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council (OJ L 304, 22.11.2011, p. 64).

approaches. Where extended producer responsibility schemes are considered, there are also broad disparities, such as on the products in their scope and the responsibility of producers as well as governance models. The rules on extended producer responsibility laid down in Directive 2008/98/EC should therefore in general apply to extended producer responsibility schemes for producers of textile, textile-related and footwear products. However, they should be complemented by further specific provisions relevant for the textile sector characteristics, in particular, the high share of small and medium-sized enterprises (SMEs) among the producers, the role of social enterprises and the importance of re-use in increasing the sustainability of the textile value chain. They should also be more detailed and harmonised to avoid creating a fragmented market that could have a negative impact on the sector, particularly on micro enterprises and SMEs, for the collection, treatment and recycling, as well as to provide clear incentives for sustainable textile product design and policies and facilitate the markets of secondary raw materials. In this context, Member States are encouraged to consider authorising multiple producer responsibility organisations as competition among such producer responsibility organisations may lead to greater consumer benefits, increase innovation, lower costs, improve collection rates, and increase choices for producers seeking to contract with such organisations.

- (19) The household textile and apparel clothing comprise the largest share of Union textile consumption and the biggest contributor to unsustainable patterns of over production and overconsumption. Household textiles and apparel are also the focus of all existing separate collection systems in Member States along with other post-consumer apparel and accessories and footwear that are not primarily composed of textiles. Therefore, the scope of the established extended producer responsibility scheme should cover household textile products and other articles of apparel, clothing accessories and footwear. In order to ensure the legal certainty for the producers on the products subject to the extended producer responsibility, the products in scope should be identified by reference to the Combined Nomenclature codes pursuant to Annex I to Council Regulation (EEC) No 2658/87<sup>12</sup>.
- (20) The textile sector is resource intensive. While, in relation to both the production of raw materials and textiles, most of the pressures and impacts related to the consumption of clothing, footwear and household textiles in the Union occur in third countries, they also affect the Union due to their global impact on climate and the environment. Therefore, preventing, preparing for re-use and recycling textile waste can help reduce the global environmental footprint of the sector, including in the Union. In addition, the current resource-inefficient waste management of textile waste is not in line with the waste hierarchy and leads to environmental harm both in the Union and in third countries, including through greenhouse gas emissions from incineration and landfilling.
- (21) The purpose of the extended producer responsibility for textiles, textile-related and footwear products is to ensure a high level of environmental and health protection in the Union, create an economy for collection, sorting, re-use, preparation for re-use and recycling, in particular, fibre-to-fibre recycling, as well as incentives for producers to ensure that their products are designed in respect of circularity principles. The producers of textiles and footwear should finance the costs of collecting, sorting for re-use, preparing for re-use and recycling, and of the recycling and other treatment of

<sup>&</sup>lt;sup>12</sup> OJ L 256, 7.9.1987, p. 1.

collected used and waste textiles and footwear, including unsold consumer products considered waste that were supplied on the territory of the Member States after the entry into force of this amending Directive to ensure that the extended producer responsibility obligations do not apply retroactively and comply with the principle of legal certainty. Those producers should also finance the costs of carrying out compositional surveys of mixed collected municipal waste, support to research and development in sorting and recycling technologies, reporting on separate collection, re-use and other treatment and of providing information to end-users about the impact and sustainable management of textiles.

- (22) Producers should be responsible for setting up collection systems for the collection of all used and waste textiles, textile-related and footwear products and ensuring that they are subsequently subject to sorting for re-use, preparation for re-use and recycling to maximise the availability of second-hand clothing and footwear and reduce the volumes for types of waste treatment that are lower in the waste hierarchy. Ensuring that textile products can be and are used and re-used for longer is the most effective way of significantly reducing their impact on the climate and the environment. This should also enable sustainable and circular business models such as re-use, renting and repair, take-back services and second-hand retail creating new green quality jobs and cost-saving opportunities to citizens. Making producers responsible for the waste that their products create is essential to decouple textile waste generation from the growth of the sector. Therefore, the producers should also be responsible for the recycling, in particular, prioritising the scaling up of fibre-to-fibre recycling, and other recovery operations and disposal.
- (23)Producers and producer responsibility organisations should finance the scaling up of textile recycling, in particular, fibre-to-fibre recycling enabling the recycling of a broader variety materials and creating a source of raw materials for textile production in the Union. It is also important that the producers support financially research and innovation into technological developments in automatic sorting and composition sorting solutions that allow the separation and recycling of mixed materials and the decontamination of the waste to enable high-quality fibre-to-fibre recycling solutions and the uptake of recycled fibre content. To facilitate compliance with this Directive, Member States should ensure that information and assistance are available to economic operators from the textile sector, especially small and medium enterprises, which should take the form of guidance, financial support, access to finance, specialised management and staff training material, or organisational and technical assistance. If support is financed through state resources, including when wholly financed by contributions imposed by the public authority and levied on the undertakings concerned, it may constitute State aid within the meaning of Article 107(1) TFEU; in such cases, Member States have to ensure compliance with State aid rules. The mobilisation of private and public investment in the circularity and decarbonisation of the textile sector are also the focus of several Union funding programmes and roadmaps such as Hubs for Circularity and specific calls under Horizon Europe. It is also necessary to further assess the feasibility of setting Union targets for the recycling of textiles to support and drive technological development and the investments into recycling infrastructure as well as the push for ecodesign for recycling.
- (24) Used and waste textiles, textile-related and footwear products should be collected separately from other waste streams, such as metals, paper and cardboard, glass, plastics, wood and bio-waste from 1 January 2025 to maintain their reusability and

potential for high-quality recycling. Considering the environmental impact and the loss of materials due to used and waste textiles not being separately collected, and consequently not treated in an environmentally sound manner, the collection network of used and waste textiles, textile-related and footwear products should cover the whole territory of Member States including the outermost regions, be close to the enduser and not target only areas and products where the collection is profitable. The collection network should be organised in cooperation with other actors active in the waste management and re-use sectors, such as municipalities and social enterprises. In view of the significant environmental and climate benefits associated with re-use, the primary and secondary purpose of the collection network should be the collection of re-usable and recyclable textile, textile-related and footwear products accordingly. Since the consumer is not trained to distinguish between re-usable and recyclable items, the collection systems should, including for logistical efficiency purposes, provide for the collection receptacles that collect both used and waste items together. High collection rates would drive high re-use performance and quality recycling in the textile supply chains, boost the uptake of quality secondary raw materials and support the investment planning in the textile sorting and processing infrastructure. In order to verify and improve the effectiveness of the collection network and the information campaigns, regular compositional surveys at least at NUTS 2 level should be carried out on mixed municipal waste collected to determine the amount of waste textiles and footwear therein. In addition, information on the performance of the separate collection systems and the attained annual separate collection rate should be calculated and made publicly available annually by the producer responsibility organisations.

- (25) In view of the key role of social enterprises and social economy entities in the existing textile collection systems and their potential to create local, sustainable, participatory and inclusive businesses models and quality jobs in the Union, in line with the objectives of the EU Social Economy Action Plan<sup>13</sup>, the introduction of extended producer responsibility schemes should maintain and support the activities of social enterprises and social economy entities involved in used textiles management. These entities therefore should be regarded as partners in the separate collection systems supporting the scale-up of re-use and repair and creating quality jobs for all and in particular for vulnerable groups.
- (26) Producers and producer responsibility organisations should be actively involved in providing information to end users, in particular consumers, that used and waste textiles and footwear should be collected separately, that collection systems are available and that end-users have an important role in ensuring waste prevention and an environmentally optimal management of textiles waste. This information should include availability of re-use arrangements for textiles and footwear and the environmental benefits of sustainable consumption and the environmental, health and social impacts of the textile apparel industry. The end users should also be informed about their important role in making informed, responsible and sustainable textile and footwear waste. These information requirements apply in addition to the requirements on the provision of information to end-users in relation to the textile products laid down in the Ecodesign for Sustainable Product Regulation<sup>14</sup> and the

<sup>&</sup>lt;sup>13</sup> COM (2021) 778 final of 9 December 2021.

<sup>&</sup>lt;sup>14</sup> *OJ to insert the reference number once adopted.* 

Regulation (EU) No 1007/2011 of the European Parliament and of the Council<sup>15</sup>. The disclosure of information to all end users should make use of modern information technologies. The information should be provided both by classical means, such as posters both indoors and outdoors and social media campaigns, and by more innovative means, such as electronic access to websites provided by QR codes.

- (27)In order to increase textiles' circularity and environmental sustainability and to reduce the adverse impacts on climate and the environment, Regulation .../... [PO insert the serial number and institutions for the Ecodesign for Sustainable Product Regulation, and complete the footnote]<sup>16</sup> will develop binding textile product ecodesign requirements, which will, depending on what the impact assessment will show to be beneficial for increasing textile environmental sustainability, regulate durability, reusability, reparability, and fibre-to-fibre recyclability of textiles, and mandatory recycled fibre content in textiles. It will also regulate the presence of substances of concern to allow their minimisation and tracking in view of reducing waste generation and improving recycling, as well as the prevention and reduction of synthetic fibres shed into the environment to significantly reduce microplastic release. At the same time, modulation of extended producer responsibility fees is an effective economic instrument to incentivise more sustainable textile design leading to improved circular design. In order to provide a strong incentive for ecodesign while taking into account the objectives of the internal market and the composition of the textile sector which is primarily composed of SMEs, it is necessary to harmonise criteria for the modulation of extended producer responsibility fees based on the most relevant ecodesign parameters to enable the treatment of textiles in line with the waste hierarchy. The fee modulation according to the ecodesign criteria should be based on the Ecodesign requirements and their measurement methodologies that are adopted pursuant to the Ecodesign for Sustainable Product Regulation for textile products or to other Union law establishing harmonized sustainability criteria and measurement methods for textile products and only where the latter are adopted. It is appropriate to empower the Commission to adopt harmonised rules for the fee modulation to ensure the alignment of the fee modulation criteria with those product requirements.
- (28) In order to monitor that producers meet their obligations relating to their financial, and organisational obligations to ensuring the management of used and waste textile, textile-related and footwear products they make available on the market for the first time within the territory of a Member State, it is necessary that a register of producers is established and managed by each Member State and that producers should be obliged to register. The registration requirements and format should be harmonised across the Union to the greatest extent possible so as to facilitate registration in particular where producers make textile, textile-related and footwear products available on the market for the first time in different Member States. The information in the register should be accessible to those entities that play a role in the verification of the compliance with the extended producer responsibility obligations and their enforcement.

 <sup>&</sup>lt;sup>15</sup> Regulation (EU) No 1007/2011 of the European Parliament and of the Council of 27 September 2011 on textile fibre names and related labelling and marking of the fibre composition of textile products and repealing Council Directive 73/44/EEC and Directives 96/73/EC and 2008/121/EC of the European Parliament and of the Council (OJ L 272, 18.10.2011, p. 1).

<sup>&</sup>lt;sup>16</sup> *OJ* to insert the reference number once adopted.

- (29) Since the textile sector is 99% comprised of small and medium sized enterprises, the implementation of an extended producer responsibility scheme for textiles, textile-related and footwear products should aim to reduce as much as possible administrative burdens. Therefore, the fulfilment of the extended producer responsibilities should be exercised collectively by means of producer responsibility organisations taking up the responsibility on their behalf. Producer responsibility organisations should be subject to authorisation by Member States and should document, inter alia, that they have the financial means to cover the costs entailed by the extended producer responsibility and that they fulfil that responsibility.
- Article 30(1) of Regulation (EU) 2022/2065 of the European Parliament and of the (30)Council<sup>17</sup> obliges certain providers of online platforms allowing consumers to conclude distance contracts with producers offering textile, textile-related and footwear products to consumers located in the Union, prior to allowing a producer to use its services, to obtain certain identification information from that producer and a self-certification by the producer committing to only offer products or services that comply with the applicable rules of Union law. In order to ensure the effective enforcement of the extended producer responsibility obligations, it should be specified that providers of online platforms falling within the scope of Chapter 3, Section 4, of Regulation (EU) 2022/2065 should obtain from those producers information on the registration in the textile producer register that Member State are obliged to set up pursuant to this Directive, as well as the registration number(s) of the producer in that register, and a self-certification by the producer committing itself to only offer textile, textile-related and footwear products to which the extended producer responsibility requirements laid down by this Directive apply. The rules on enforcement laid down in Chapter IV of Regulation (EU) 2022/2065 apply to providers of such platforms in relation to these traceability rules.
- In order to ensure the treatment of textiles in line with the waste hierarchy set out in (31)Directive 2008/98/EC, producer responsibility organisations should ensure that all separately collected textiles and footwear are subject to sorting operations that generate both items that are fit for re-use meeting the needs of the receiving secondhand textile and the recycling feedstock markets in the Union and globally. In view of the greater environmental benefits associated with extending the lifetime of textiles, re-use should be the main objective of the sorting operations followed by sorting for recycling where the items are professionally assessed as not re-useable. These sorting requirements should be developed by the Commission as a priority as part of the harmonised Union end-of-waste criteria for re-useable textiles and recycled textiles, including on initial sorting that may take place at the collection point. Such harmonised criteria should bring about consistency and high quality in the collected fractions as well as in material flows for sorting, waste recovery operations and secondary raw materials across borders which in turn should facilitate the scaling up re-use and recycling value chains. Used clothes professionally assessed as fit for re-use by the re-use operators or social enterprises and social economy entities at the collection point from end-users should not be considered waste. In case re-use or recycling is not technically possible, the waste hierarchy should still be applied, avoiding landfilling where possible, in particular of biodegradable textiles that are a source of methane emissions, and applying energy recovery when incineration is applied.

<sup>&</sup>lt;sup>17</sup> OJ L 277, 27.10.2022, p. 1.

- (32)Exports of used and waste textiles outside the EU have been steadily increasing with exports representing the greatest share of the re-use market for post-consumer textiles generated in the EU. In view of the significant increase of the collected textile waste after the introduction of separate collection by 2025 it is important to strengthen the efforts to combat illegal shipments of waste to third countries disguised as non-waste for the purpose of ensuring high environmental protection. Building on Regulation .../... [P.O. insert the institutions and serial number, and complete the footnote for the Regulation on the Shipment of waste]<sup>18</sup> and in view of the objective to ensure the sustainable management of post-consumer textiles and tackle illegal shipments of waste, it should be provided that all separately collected used textiles, textile-related and footwear products undergo a sorting operation prior to their shipment. Furthermore, it should be provided that all separately collected used textile, textilerelated and footwear items are regarded as waste and subject to Union waste legislation, including on the shipments of waste, until they have undergone a sorting operation by a trained sorting for re-use and recycling operator. The sorting should be carried out in accordance with the harmonised sorting requirements that deliver high quality re-usable fraction that meet the needs of the receiving second hand textile markets in the EU and globally and by establishing criteria to distinguish between used goods and waste. Shipments of used textiles, textile-related and footwear products should be accompanied by information demonstrating that those items are the output of a sorting or a preparing for re-use operation and that the items are suitable for re-use.
- (33) In order for Member States to achieve the targets set out in this Directive, Member States should revise their food waste prevention programmes to include new measures, involving multiple partners from the public and private sectors, with coordinated actions tailored to address specific hotspots as well as attitudes and behaviours that lead to food waste. In the preparation of these programmes, Member States could draw inspiration from the recommendations produced by the Citizens' Panel on Food Waste.
- (34) Clear accountability and governance of food waste prevention measures are essential to ensure effective coordination of action to drive change and reach the targets set out in this Directive. Due to the shared agenda amongst many authorities and the variety of stakeholders engaged in the fight against food waste in Member States, there is a need for a designated competent authority in charge of overall coordination of actions at national level.
- (35) The granularity of the information on post-consumer municipal textiles management at Union level should be improved to more effectively monitor the re-use of products, including of re-use and preparation for re-use of textiles, including in view of the potential setting of the performance targets in the future. Re-use and preparation for re-use data represent key data flows for the monitoring of the decoupling of waste generation from economic growth and the transition towards a sustainable, inclusive and circular economy. Therefore, these data flows should be managed by the European Environmental Agency.
- (36) The empowerment to adopt delegated acts set out in Article 9(8) of Directive 2008/98/EC as regards a common methodology and minimum quality requirements for the uniform measurement of levels of food waste should be moved, with minor

<sup>&</sup>lt;sup>18</sup> *OJ* to insert the reference number once adopted.

adaptations, to a new Article that deals specifically with prevention of food waste generation.

- (37) In order to bring the Combined Nomenclature codes listed in Directive 2008/98/EC in line with the codes listed in Annex 1 to Council Regulation (EEC) No 2658/87, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of amendments to Annex IVc to Directive 2008/98/EC. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.
- (38) In order to ensure uniform conditions for the implementation of Directive 2008/98/EC, implementing powers should be conferred on the Commission concerning a harmonised format for registration in the register based on the information requirements set out in Article 22b(4), fee modulation criteria for the application of Article 22c(3), point (a), and a methodology for the calculation and verification of the separate collection rate referred to in Article 22c(6), point (c). Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council<sup>19</sup>.
- (39) Directive 2008/98/EC should therefore be amended accordingly.
- (40) Since the objectives of this Directive, namely to improve the environmental sustainability of food and textile waste management and to ensure the free movement of used and waste textiles in the internal market, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, only be achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective on subsidiarity,

# HAVE ADOPTED THIS DIRECTIVE:

#### Article 1

#### Amendments

Directive 2008/98/EC is amended as follows:

(1) in Article 2(1), point (a) is replaced by the following:

'(a) gaseous effluents emitted into the atmosphere and carbon dioxide captured and transported for the purposes of geological storage and geologically stored in accordance with Directive 2009/31/EC of the European Parliament and of the Council\*;

<sup>&</sup>lt;sup>19</sup> Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.02.2011, p. 13).

\* Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006 (OJ L 140, 5.6.2009, p. 114).';

(2) in Article 3, the following paragraphs are inserted:

'4b. 'producer of textile, textile-related and footwear products listed in Annex IVc' means any manufacturer, importer or distributor or other natural or legal person excluding those that supply used textile and footwear products listed in Annex IVc and textile, textile-related and footwear products listed in Annex IVc derived from such used or waste products or their parts on the market, enterprises which employ fewer than 10 persons and whose annual turnover and balance sheet total does not exceed EUR 2 million and self-employed tailors producing customised products, who, irrespective of the selling technique used, including by means of distance contracts as defined in Article 2(7) of Directive 2011/83/EU of the European Parliament and of the Council\*, either:

(a) are established in a Member State and manufactures textile, textilerelated and footwear products listed in Annex IVc under their own name or trademark, or have them designed or manufactured and supply them for the first time under their own name or trademark within the territory of that Member State;

(b) are established in a Member State and resell within the territory of that Member State, under their own name or trademark, textile, textile-related and footwear products listed in Annex IVc manufactured by other producers referred to in point (a), on which the name, brand or trademark of the manufacturer does not appear;

(c) are established in a Member State and supply for the first time in that Member State on a professional basis, textile, textile-related and footwear products listed in Annex IVc from another Member State or from a third country; or

(d) sell textile, textile-related and footwear products listed in Annex IVc by means of distance communication directly to end-users, including private households or other than private households, in a Member State, and are established in another Member State or in a third country;

4c. 'making available on the market' means any supply of a product for distribution or use on the Union market in the course of a commercial activity, whether in return for payment or free of charge;

4d. 'producer responsibility organisation' means a legal entity that financially or financially and operationally organises the fulfilment of extended producer responsibility obligations on behalf of producers;

4e. 'online platform' means online platform as defined in Article 3, point (i), of Regulation (EU) 2022/2065 of the European Parliament and of the Council\*\*;

4f. 'consumer' means natural persons who are acting for purposes which are outside their trade, business, craft or profession;

\* Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council (OJ L 304 22.11.2011, p. 64).

\*\* Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (OJ L 277, 27.10.2022, p. 1).';

- (3) in Article 9, paragraph 1, points (g) and (h), and paragraphs 5, 6 and 8 are deleted.
- (4) the following Article 9a is inserted:

# 'Article 9a

## Prevention of food waste generation

- 1. Member States shall take appropriate measures to prevent generation of food waste in primary production, in processing and manufacturing, in retail and other distribution of food, in restaurants and food services as well as in households. Those measures shall include the following:
  - (a) developing and supporting behavioural change interventions to reduce food waste, and information campaigns to raise awareness about food waste prevention;
  - (b) identifying and addressing inefficiencies in the functioning of the food supply chain and support cooperation amongst all actors, while ensuring a fair distribution of costs and benefits of prevention measures;
  - (c) encouraging food donation and other redistribution for human consumption, prioritising human use over animal feed and the reprocessing into non-food products;
  - (d) supporting training and skills development as well as facilitating access to funding opportunities, in particular for small and medium sized enterprises and social economy actors.

Member States shall ensure that all relevant actors in the supply chain are involved proportionately to their capacity and role in preventing the generation of food waste along the food supply chain, with a specific focus on preventing disproportionate impact on small and medium sized enterprises.

- 2. Member States shall monitor and assess the implementation of their food waste prevention measures, including compliance with the food reduction targets referred to in paragraph 4, by measuring the levels of food waste on the basis of the methodology established in accordance with paragraph 3.
- 3. The Commission is empowered to adopt delegated acts in accordance with Article 38a to supplement this Directive as regards laying down a common methodology and minimum quality requirements for the uniform measurement of food waste levels.
- 4. Member States shall take the necessary and appropriate measures to achieve, by 31 December 2030, the following food waste reduction targets at national level:
  - (a) reduce the generation of food waste in processing and manufacturing by 10 % in comparison to the amount generated in 2020;

- (b) reduce the generation of food waste per capita, jointly in retail and other distribution of food, in restaurants and food services and in households, by 30 % in comparison to the amount generated in 2020.
- 5. Where a Member State can provide data for a reference year prior to 2020, which have been collected using methods comparable to the methodology and minimum quality requirements for the uniform measurement of levels of food waste as set out in the Commission Delegated Decision (EU) 2019/1597, an earlier reference year may be used. The Member State shall notify the Commission and the other Member States of its intention to use an earlier reference year within 18 months of the entry into force of this Directive and shall provide the Commission with the data and measurement methods used to collect them.
- 6. When the Commission considers that the data do not comply with the conditions set out in paragraph 5, it shall, within 6 months of the receipt of a notification made in accordance with paragraph 5, adopt a decision requesting the Member State to either use 2020 or a year other than that proposed by the Member State as reference year.
- 7. By 31 December 2027, the Commission shall review the targets to be reached by 2030, laid down in paragraph 4, with a view, if appropriate, to modify and/or extend them to other stages of the food supply chain, and to consider setting new targets beyond 2030. To that end, the Commission shall submit a report to the European Parliament and to the Council, accompanied, if appropriate, by a legislative proposal.';
  - (5) in Article 11, paragraph 1, the third sentence is replaced by the following:

'Subject to Article 10(2) and (3), Member States shall set up separate collection at least for paper, metal, plastic and glass.';

(6) in Article 11b, paragraph 1 is replaced by the following:

'1. The Commission shall, in cooperation with the European Environment Agency, draw up reports on the progress towards the attainment of the targets laid down in Article 9a(4), Article 11(2), points (c), (d), and (e), and Article 11 (3) at the latest three years before each deadline laid down therein.';

(7) the following Articles 22a to 22d are inserted:

# *'Article 22a*

# Extended producer responsibility scheme for textiles

- 1. Member States shall ensure that producers have extended producer responsibility for household textile products, articles of apparel, clothing accessories and footwear, apparel and clothing accessories listed in Annex IVc ("textile, textile-related and footwear products") that they make available on the market for the first time within the territory of a Member State, in accordance with Articles 8 and 8a.
- 2. The Commission is empowered to adopt delegated acts in accordance with Article 38a to amend Annex IVc to this Directive in order to bring the Combined Nomenclature codes listed in Annex IVc to this Directive in line with the codes listed in Annex 1 to Council Regulation (EEC) No 2658/87\*.

- 3. Member States shall define in a clear way the roles and responsibilities of relevant actors involved in the implementation, monitoring and verification of the extended producer responsibility scheme referred to in paragraph 1.
- 4. Member States shall ensure that the producers of textile, textile-related and footwear products listed in Annex IVc cover the costs of the following:
  - (a) collection of used and waste textile, textile-related and footwear products listed in Annex IVc and subsequent waste management that entails the following:
    - (1) the collection of those used products for re-use and the separate collection of waste products for preparation for re-use and recycling in accordance with Articles 22c and 22d,
    - (2) transport of collected loads referred to in point (1) for subsequent sorting for re-use, for preparation for re-use and for recycling operations in accordance with Article 22d,
    - (3) sorting, preparation for re-use, recycling and other recovery operations and disposal of collected loads referred to in point (1),
    - (4) collection, transport and treatment referred to in points (1) and (2) of waste generated by social enterprises and other non-waste operators that are part of the collection system referred to in Article 22c, paragraphs 5 and 11;
  - (b) carrying out compositional survey of collected mixed municipal waste in accordance with Article 22d(6);
  - (c) providing information on sustainable consumption, waste prevention, re-use, preparing for re-use, recycling, other recovery and disposal of textiles and footwear products in accordance with Article 22c(13)(14) and (17);
  - (d) data gathering and reporting to the competent authorities in accordance with Article 37;
  - (e) support to research and development to improve the sorting and recycling processes, in particular, in view of scaling up fibre-to-fibre recycling, without prejudice to Union state aid rules.
- 5. Member States shall ensure that producers of textiles, textile-related and footwear products listed in Annex IVc cover the costs referred to in paragraph 4 of this Article in relation to the used and waste textiles, textile-related and footwear products listed in Annex IVc deposited at the collection points set up in accordance with Article 22c, points 5 and 11, where such products were made available on the market for the first time within the territory of a Member State after [*P.O. insert date of entry into force of this amending Directive*].
- 6. The costs to be covered referred to in paragraph 4 shall not exceed the costs that are necessary to provide the services referred to in that paragraph in a cost-efficient way and shall be established in a transparent way between the actors concerned.
- 7. For the purpose of compliance with Article 30, paragraph 1, points (d) and (e), of Regulation (EU) 2022/2065, Member States shall ensure that providers of online platforms, falling within the scope of Chapter 3, Section 4 of that regulation, allowing consumers to conclude distance contracts with producers offering textile, textile-related and footwear products listed in Annex IVc to consumers located in the Union obtain the following information from producers;

- (a) information on the registration in the register of the producers referred to in Article 22b in the Member State where the consumer is located and the registration number(s) of the producer in that register;
- (b) a self-certification by the producer committing itself to only offering textile, textile-related and footwear products listed in Annex IVc with regard to which the extended producer responsibility requirements referred to in paragraphs 1 and 4 of this Article and Article 22c(1) are complied with in the Member State where the consumer is located.
- 8. Member States shall ensure that the extended producer responsibility schemes laid down in paragraph 1 of this Article are established by [P.O insert date thirty months after the entry into force of this amending Directive] in accordance with Articles 8, 8a, 22a to 22d.

## Article 22b

### Textile, textile-related and footwear producer register

1. Member States shall establish a register of producers of textile, textile-related and footwear products listed in Annex IVc to monitor compliance of those producers with Article 22a and 22c(1).

Member States shall ensure that the register provides links to other national registers to facilitate the registration of producers in all Member States.

- 2. Member States shall ensure that producers are required to register in the register referred to in paragraph 1. To that end, Member States shall require the producers to submit an application for registration in each Member State where they make textile, textile-related and footwear products listed in Annex IVc available on the market for the first time.
- 3. Member States shall only allow producers to make available on the market for the first time within their territory textile, textile-related and footwear products listed in Annex IVc where they or, in the case of authorisation, their authorised representatives for the extended producer responsibility, are registered in that Member State.
- 4. The application for registration shall include the following information:
  - (a) name, trademark and brand names, where available, under which the producer operates in the Member State and address of the producer including postal code and place, street and number, country, telephone, if any, web address and e-mail address, and name of a single contact point;
  - (b) national identification code of the producer, including its trade register number or equivalent official registration number and Union or national tax identification number;
  - (c) the Combined Nomenclature codes of the textile, textile-related and footwear products listed in Annex IVc that the producer intends to make available on the market for the first time within the territory of that Member State;
  - (d) the name, postal code, place, street and number, country, telephone, web address, e-mail address and national identification code of the producer responsibility organisation, trade register number or an equivalent official

registration number, the Union or national tax identification number of the producer responsibility organisation, and the represented producer's mandate;

- (e) a statement by the producer or the producer responsibility organisation, stating that the information provided is true.
- 5. Member States shall ensure that the obligations under this Article may, on the producer's behalf, be met by a producer responsibility organisation.

Where a producer has designated a producer responsibility organisation, the obligations under this Article shall be met by that organisation *mutatis mutandis* unless otherwise specified by the Member State.

- 6. Member States shall ensure that the competent authority:
  - (a) receives applications for the registration of producers referred to in paragraph 2 via an electronic data-processing system the details of which shall be made available on the competent authorities' website;
  - (b) grants registrations and provides a registration number within a maximum period of 12 weeks from the moment that the information laid down in paragraph 4 is provided;
  - (c) may lay down detailed arrangements with respect to the requirements and process of registration without adding substantive requirements to the ones laid down in paragraph 4;
  - (d) may charge cost-based and proportionate fees to producers for the processing of applications referred to in paragraph 2.
- 7. The competent authority may refuse or withdraw the producer's registration where the information outlined in paragraph 4 and related documentary evidence is not provided or is not sufficient or where the producer no longer meets the requirements set out in paragraph 4, point (d).
- 8. Member States shall require the producer, or, where applicable, the producer responsibility organisation to notify the competent authority without undue delay of any changes to the information contained in the registration in accordance with paragraph 4, point (d), and of any permanent cessation as regards the making available on the market for the first time within the territory of the Member State of the textile and footwear products referred to in the registration. A producer shall be excluded from the register of producers if it has ceased to exist.
- 9. Where the information in the register of producers is not publicly accessible, Member States shall ensure that providers of online platforms allowing consumers to conclude distance contracts with producers are granted access, free of charge, to the register.
- 10. The Commission shall adopt implementing acts establishing the harmonised format for registration in the register based on the information requirements set out in paragraph 4 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39(2).

### Article 22c

### Producer responsibility organisations for textiles

- 1. Member States shall ensure that producers of textile, textile-related and footwear products listed in Annex IVc designate a producer responsibility organisation to fulfil their extended producer responsibility obligations laid down in Article 22a on their behalf.
- 2. Member States shall require producer responsibility organisations intending to fulfil the extended producer responsibility obligations on behalf of producers in accordance with Articles 8a(3), 22a, 22b, 22d and this Article to obtain an authorisation by a competent authority.
- 3. Member States shall require the producer responsibility organisations to ensure that the financial contributions paid to them by producers of textile, textile-related and footwear products listed in Annex IVc:
  - (a) are based on the weight of the products concerned and, for textile products listed in Part 1 of Annex IVc, are modulated on the basis of the ecodesign requirements adopted pursuant to the Regulation .../... of the European Parliament and of the Council [*P.O. insert the serial number for the Ecodesign for Sustainable Products Regulation when adopted*]\*\* that are most relevant for the prevention of textile waste and for the treatment of textiles in line with the waste hierarchy and the corresponding measurement methodologies for those criteria adopted pursuant to that Regulation or on the basis of other Union law establishing harmonised sustainability criteria and measurement methods for textile products, and that ensure the improvement of environmental sustainability and circularity of textiles;
  - (b) are adjusted to take account of any revenues by the producer responsibility organisations from re-use, preparing for re-use or from the value of secondary raw materials from recycled waste textiles;
  - (c) ensure equal treatment of producers regardless of their origin or size, without placing disproportionate burden on producers, including small and medium sized enterprises, of small quantities of textile, textile-related and footwear products listed in Annex IVc.
- 4. Where necessary to avoid distortion of the internal market and ensure consistency with the ecodesign requirements adopted pursuant to Article 4 read in conjunction with Article 5 of Regulation.../... [P.O. *insert the serial number for Ecodesign for Sustainable Products Regulation when adopted*], the Commission may adopt implementing acts laying down the fee modulation criteria for the application of paragraph 3, point (a), of this Article. That implementing act shall not concern the precise determination of the level of the contributions and shall be adopted in accordance with the examination procedure referred to in Article 39(2) of this Directive.
- 5. Member States shall ensure that the producer responsibility organisations establish a separate collection system for used and waste textile, textile-related and footwear products listed in Annex IVc, regardless of their nature, material composition, condition, name, brand, trademark or origin, in the territory of a Member State where they make those products available on the market for the first time. The separate collection system shall:

- (a) offer the collection of such used and waste textile, textile-related and footwear products to the entities referred to in paragraph 6, point a, and provide for the necessary practical arrangements for collection and transport of such used and waste textile, textile-related and footwear products, including the provision, free of charge, of suitable collection and transport containers to the connected collection points ("connected collection points");
- (b) ensure the collection, free of charge, of such used and waste textile, textilerelated and footwear products collected at the connected collection points, with a frequency that is proportionate to the area covered and the volume of such used and waste textile and footwear products usually collected through those collection points;
- (c) ensure the collection, free of charge, of waste generated by social enterprises and other non-waste operators from such textile, textile-related and footwear products collected through the connected collection points.

Any coordination among producer responsibility organisations remains subject to Union competition rules.

- 6. Member States shall ensure that the collection system referred to in paragraph 5:
  - (a) consists of collection points set up by the producer responsibility organisations and waste management operators on their behalf in cooperation with one or more of the following: social enterprises and social economy entities, distributors, public authorities or third parties carrying out collection on their behalf of used and waste textile, textile-related and footwear products listed in Annex IVc, and other voluntary collection points;
  - (b) covers the whole territory of the Member State taking into account population size and density, expected volume of used and waste textile, textile-related and footwear products listed in Annex IVc, accessibility and vicinity to end-users, not being limited to areas where the collection and subsequent management of those products is profitable;
  - (c) maintains a sustained increase of the separate collection rate to achieve technically feasible levels taking into account good practices.
- 7. Member States shall ensure that the collection rate referred to in paragraph 6, point (c) is calculated in accordance with paragraphs 8 and 9.
- 8. The separate collection rate referred to in paragraph 6, point (c) shall be calculated as the percentage obtained by dividing the weight of waste textile, textile-related and footwear products listed in Annex IVc collected in accordance with paragraph 5 in a given calendar year in a Member State by the weight of such waste textile, textilerelated and footwear products that is generated and collected as mixed municipal waste.
- 9. The Commission shall adopt implementing acts laying down the methodology for the calculation and verification of the separate collection rate referred to in paragraph 6, point (c) of this Article. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 39(2).
- 10. Member States shall ensure that producer responsibility organisations are not allowed to refuse the participation of social enterprises and other re-use operators in the separate collection system established pursuant to paragraph 5.

- 11. Without prejudice to paragraph 5, points (a) and (b), and paragraph 6, point (a), Member States shall ensure that social enterprises are allowed to maintain and operate their own separate collection points and that they are given equal or preferential treatment in the location of the separate collection points. Member States shall ensure that social enterprises and social economy entities that are part of the connected collection points in accordance with paragraph 6, point (a) are not required to hand over collected used and waste textiles, textile-related and footwear products listed in Annex IVc to the producer responsibility organisation.
- 12. Member States shall ensure that collection points set up in accordance with paragraphs 5, 6 and 11 are not subject to the registration or permit requirements of this Directive.
- 13. Member States shall ensure that, in addition to the information referred to in Article 8a(2), producer responsibility organisations make available to end-users, in particular consumers, the following information regarding the sustainable consumption, re-use and end-of-life management of textile and footwear with respect to the textile, textile-related and footwear products listed in Annex IVc that the producers make available on the territory of a Member State:
  - (a) the role of consumers in contributing to waste prevention, including any best practices, notably by fostering sustainable consumption patterns and promoting good care of products while in use;
  - (b) re-use and repair arrangements available for textile and footwear;
  - (c) the role of consumers in contributing to the separate collection of used and waste textile and footwear;
  - (d) the impact on the environment, human health as well as social and human rights of textile production, in particular fast-fashion practices and consumption, recycling and other recovery and disposal and inappropriate discarding of textile and footwear waste, such as littering or discarding in mixed municipal waste.
- 14. Member States shall ensure that the producer responsibility organisation provide the information referred to in paragraph 13 on a regular basis, that the information is up to date and provided by means of:
  - (a) a website or other means of electronic communication;
  - (b) information in public spaces;
  - (c) education programmes and campaigns;
  - (d) signposting in a language, or languages, which can be easily understood by users and consumers.
- 15. Where, in a Member State, multiple producer responsibility organisations are authorised to fulfil extended producer responsibility obligations on behalf of producers, Member States shall ensure that they cover the whole territory of the Member State of the separate collection system for used and waste textile, textile-related and footwear products listed in Annex IVc. Member States shall entrust the competent authority or appoint an independent third party to oversee that producer responsibility organisations fulfil their obligations in coordinated manner and in accordance with the Union competition rules.

- 16. Member States shall require that producer responsibility organisations ensure the confidentiality of the data in their possession as regards proprietary information or information directly attributable to individual producers or their authorised representatives.
- 17. Member States shall ensure that producer responsibility organisations publish on their websites, in addition to the information referred to in Article 8a(3), point (e):
  - (a) at least each year, subject to commercial and industrial confidentiality, the information on the amount of products placed on the market, the rate of separate collection of used and waste textile, textile-related and footwear products listed in Annex IVc, including such unsold products, on the rates of re-use, preparation for re-use and recycling, specifying separately the rate of fibre-to-fibre recycling, achieved by the producer responsibility organisation, and on the rates of other recovery, disposal and exports;
  - (b) information on the selection procedure for waste management operators selected in accordance with paragraph 18.
- 18. Member States shall ensure that producer responsibility organisations provide for non-discriminatory selection procedure, based on transparent award criteria, without placing disproportionate burden on small and medium-sized enterprises to procure waste management services from waste management operators referred to in paragraph 6(a) and from waste management operators to carry out subsequent waste treatment.
- 19. Member States shall ensure that producer responsibility organisations require the reporting of data from the producers on the textile, textile-related and footwear products listed in Annex IVc made available on the market on an annual basis.

## Article 22d

## Management of textile waste

- 1. Member States shall ensure, by 1 January 2025 and subject to Article 10(2) and (3), the separate collection of textiles for re-use, preparation for re-use and recycling.
- 2. Member States shall ensure that the collection, loading and unloading, transportation and storage infrastructure and operations and other handling of textile waste, including at subsequent sorting and treatment operations, receives protection from weather conditions and other sources of contamination to prevent damage and crosscontamination of the collected textiles. Separately collected used and waste textiles shall be subject to a screening at the separate collection point to identify and remove non-target items or materials or substances that are a source of contamination.
- 3. Member States shall ensure that used and waste textiles, textile-related and footwear products that are separately collected in accordance with Article 22c(5) are considered waste upon collection.

With regard to textiles other than the products listed in Annex IVc, as well as unsold textile, textile-related and footwear products listed in Annex IVc, Member States shall ensure that the different fractions of textiles materials and textiles items are kept separate at the point of waste generation where such separation facilitates subsequent re-use, preparation for re-use or recycling, including fibre-to-fibre recycling where technological progress allows.

- 4. Member States shall ensure that used and waste textiles, textile-related and footwear products that are separately collected in accordance with Article 22c(5) are subject to sorting operations to ensure the treatment in line with the waste hierarchy established in Article 4(1).
- 5. Member States shall ensure that sorting operations of used and waste textile, textilerelated and footwear products that are separately collected in accordance with Article 22c(5) comply with the following requirements:
  - (a) the sorting operation is to generate textiles for re-use and preparation for re-use;
  - (b) sorting for re-use operations sort textile items at an appropriate level of granularity, separating fractions that are fit for direct re-use from those that are to be subject to further preparation for re-use operations, target a specific re-use market applying up-to-date sorting criteria relevant to the receiving market;
  - (c) items that are assessed as not suitable for re-use are sorted for recycling and, where technological progress allows, specifically for fibre-to-fibre recycling.
  - (d) the output of sorting and subsequent recovery operations destined for re-use meet the criteria for ceasing to be considered as waste, as referred to in Article 6.
- 6. By 31 December 2025 and every 5 years thereafter, Member States shall carry out a compositional survey of collected mixed municipal waste to determine the share of waste textiles therein. Member States shall ensure that, on the basis of the information obtained, the competent authorities may require the producer responsibility organisations to take corrective action to increase their network of collection points and carry out information campaigns in accordance with Article 22c(13) and (14).
- 7. Member States shall ensure that, in order to distinguish between used and waste textiles, shipments of used textiles, textile-related and footwear products suspected of being waste may be inspected by the competent authorities of Member States for compliance with the minimum requirements set out in paragraphs 8 and 9 for the shipments of used textile, textile related and footwear products listed in Annex IVc and monitored accordingly.
- 8. Member States shall ensure that shipments arranged on a professional basis of used textiles, textile-related and footwear products comply with the minimum record keeping requirements set out in paragraph 9 and are accompanied by at least the following information:
  - (a) a copy of the invoice and contract relating to the sale or transfer of ownership of the textiles, textile-related and footwear products which states that they are destined for direct re-use and that they are fit for direct re-use;
  - (b) evidence of a prior sorting operation carried out in accordance with this Article and, where available, the criteria adopted pursuant to Article 6(2), in the form of a copy of the records on every bale within the consignment and a protocol containing all record information according to paragraph 9;
  - (c) a declaration made by the natural or legal person in possession of used textiles, textile-related or footwear products that arranges, on a professional basis, the transport of used textiles, textile-related and footwear products that none of the material within the consignment is waste as defined by Article 3(1);

- (d) appropriate protection against damage during transportation, loading and unloading, in particular, through sufficient packaging and appropriate stacking of the load.
- 9. Member States shall ensure that shipments of used textiles, textile-related and footwear products comply with the following minimum record keeping requirements:
  - (a) the record of the sorting or preparation for re-use operations shall be fixed securely but not permanently on the packaging;
  - (b) the record shall contain the following information:
    - (1) a description of the item or items present in the bale reflecting the most detailed sorting granularity that the textile items have undergone during the sorting or preparation for re-use operations such as type of clothes, size, colour, gender, material composition,
    - (2) the name and address of the company responsible for the final sorting or preparation for re-use.
- 10. Member States shall ensure that, where the competent authorities in a Member State establish that an intended shipment of used textiles, textile-related and footwear consists of waste, the costs of appropriate analyses, inspections and storage of used textiles, textile-related and footwear suspected of being waste may be charged to the producers of textile, textile-related and footwear products listed in Annex IVc, to third parties acting on their behalf or to other persons arranging the shipment.

\* Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1).

\*\* Regulation .../... (OJ .....p. ) [P.O. insert the publication details for the Ecodesign for Sustainable Products Regulation]';

- (8) in Article 29, paragraph 2a is deleted.
- (9) the following Article 29a is inserted:

#### 'Article 29a

#### Food waste prevention programmes

- 1. By [*P.O. insert date of two years after entry into force of this amending Directive*], Member States shall review and adapt their food waste prevention programmes, with a view of attaining the targets provided for in Article 9a(4). Those programmes shall at least contain the measures laid down in Article 9(1) and 9a(1)) and, where relevant, the measures listed in Annexes IV and IVa.
- 2. Each Member State shall designate the competent authorities responsible for the coordination of the food waste reduction measures implemented in order to reach the target set out in Article 9a(4) and inform accordingly the Commission by [*P.O. insert the date of within three months after the entry into force of this amending Directive*]. The Commission shall subsequently publish that information on the relevant EU website.';
  - (10) Article 37 is amended as follows:
    - (a) in paragraph 3, the first sub-paragraph is replaced by the following:

'Member States shall report the data concerning the implementation of Article 9(4) and the data referred to in point (a) of Article 22c(17) to the European Environment Agency every year. Member States shall not be required to report quantitative data on the re-use of textiles pursuant to Article 9(4). Member States shall report the data concerning the implementation of Article 9a(2) to the Commission every year.';

(b) paragraph 7 is replaced by the following:

'7. The Commission shall adopt implementing acts laying down the format for reporting the data referred to in paragraphs 1, 3, 4 and 5 of this Article. For the purposes of reporting on the implementation of points (a) and (b) of Article 11(2), Member States shall use the format established in Commission Implementing Decision of 18 April 2012 establishing a questionnaire for Member States reports on the implementation of Directive 2008/98/EC of the European Parliament and of the Council on waste. For the purpose of reporting on food waste, the methodology developed under Article 9a(3) shall be taken into account when developing the format for reporting. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39(2) of this Directive.';

- (11) Article 38 is amended as follows:
  - (a) paragraphs 2 and 3 are replaced by the following:

'2. The power to adopt delegated acts referred to in Articles 7(1), 9a(3), 11a(10), 27(1), 27(4), 38(2) and 38(3) shall be conferred on the Commission for a period of five years from 4 July 2018. The power to adopt delegated acts referred to in Article 22a(2) shall be conferred on the Commission for a period of five years from [PO insert date eighteen months after the entry into force of this amending Directive]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Articles 7(1), 9a(3), 11a(10), 22a(2), 27(1), 27(4), 38(2) and 38(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.';

(b) paragraph 6 is replaced by the following:

'6. A delegated act adopted pursuant to Articles 7(1), 9a(3), 11a(10), 22a(2), 27(1), 27(4), 38(2) and 38(3) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.';

(12) Annex IVc is inserted as set out in the Annex to this Directive.

## Article 2

### Transposition

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by [*P.O. insert date eighteen months after the entry into force of this amending Directive*] at the latest. They shall forthwith communicate to the Commission the text of those provisions.

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

## Article 3

# Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

## Article 4

## Addressees

This Directive is addressed to the Member States.

Done at Brussels,

For the European Parliament The President For the Council The President

# LEGISLATIVE FINANCIAL STATEMENT

#### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- **1.1.** Title of the proposal/initiative
- **1.2.** Policy area(s) concerned
- **1.3.** The proposal/initiative relates to:

### 1.4. **Objective**(s)

- 1.4.1. General objective(s)
- 1.4.2. Specific objective(s)
- *1.4.3. Expected result(s) and impact*
- 1.4.4. Indicators of performance

### **1.5.** Grounds for the proposal/initiative

- 1.5.1. *Requirement(s)* to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative
- 1.5.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention, which is additional to the value that would have been otherwise created by Member States alone.
- 1.5.3. Lessons learned from similar experiences in the past
- 1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments
- 1.5.5. Assessment of the different available financing options, including scope for redeployment
- **1.6.** Duration and financial impact of the proposal/initiative
- **1.7.** Method(s) of budget implementation planned

#### 2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system(s)
- 2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed
- 2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them
- 2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)
- 2.3. Measures to prevent fraud and irregularities
- 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

# **3.1.** Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- **3.2.** Estimated financial impact of the proposal on appropriations
- 3.2.1. Summary of estimated impact on operational appropriations
- 3.2.2. Estimated output funded with operational appropriations
- 3.2.3. Summary of estimated impact on administrative appropriations
- 3.2.3.1. Estimated requirements of human resources
- 3.2.4. Compatibility with the current multiannual financial framework
- 3.2.5. Third-party contributions
- **3.3.** Estimated impact on revenue

# 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

### **1.1.** Title of the proposal/initiative

Proposal for a Directive of the European Parliament and of the Council amending Directive 2008/98/EC on waste

**1.2. Policy area(s) concerned** 

09 – Environment & Climate Change

# **1.3.** The proposal/initiative relates to:

🗵 a new action

□ a new action following a pilot project/preparatory action<sup>86</sup>

 $\boxtimes$  the extension of an existing action

□ a merger or redirection of one or more actions towards another/a new action

# 1.4. **Objective**(s)

# 1.4.1. General objective(s)

The general objectives of the amendment of the Waste Framework Directive, respectively for textile and food are to:

- reduce environmental and climate impacts, increase environment quality and improve public health associated with textiles waste management in line with the waste hierarchy,

- reduce the environmental and climate impacts of food systems associated with food waste generation. Preventing food waste would also contribute to food security.

1.4.2. Specific objective(s)

For textile waste, this proposal aims to improve textile waste management in line with the 'waste hierarchy'<sup>1</sup> enshrined in the WFD, prioritising waste prevention, preparing for re-use and recycling of textiles over other recovery options and disposal and implement the polluter pays principle.

For food waste, the specific objectives are to assign clear responsibility to Member States for accelerating reduction of food waste in line with SDG Target 12.3 and to ensure sufficient and consistent response by all Member States.

*1.4.3. Expected result(s) and impact* 

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The expected results are as follows:

- Reducing textile waste, increasing re-use, preparing for re-use and recycling of textiles, incentives to design textiles to facilitate re-use, preparing for re-use and recycling (through the extended producer responsibility) as well as generating financial possibilities to increase the re-use, preparing for re-use and recycling infrastructure required in the EU

As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

- Additional benefits of  $\notin$ 656 million of reusable and recyclable textiles for the EU reuse and recycling market as well as support to  $\notin$ 3.5-4.5 billion annual overall returns from extended producer responsibility investments

- Additional GHG emission reduction equal to €16 million per year from textiles

- 8 740 jobs created in waste management

- Reducing food waste generation by 10% in the processing and manufacturing of food and by 30% in retail, food services and households (by 2030)

- Overall value added for EU economy €1.6 bn (including abovementioned costs)

- Savings in household food expenditure of €439 per year per household (4 pers.)

- Reduction in a number of environmental impacts related to food such as GHG emissions, marine eutrophication, land use or water scarcity – of overall value estimated  $\notin$ 9-23 bn, including between 16.5 and 62 million tonnes of estimated GHG emissions reduction

## *1.4.4. Indicators of performance*

Specify the indicators for monitoring progress and achievements.

The indicators of progress and achievement of the objectives will be:

- Compositional survey of collected mixed municipal waste to determine the share of waste textiles therein

- Data on the preparation for re-use of used and waste textile

- Information on the rate of separate collection of used and waste textile and footwear products listed in Annex IVc, the re-use and preparation for re-use and recycling rate achieved by the producer responsibility organisation

- By 2030, achieving reduction food waste generation by 10% in the processing and manufacturing of food and by 30% in the retail, food services and households

## **1.5.** Grounds for the proposal/initiative

1.5.1. *Requirement(s)* to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The detailed requirements would need to be specified through implementing acts in a time horizon of around 3 years. These will cover the following:

- Implementing acts establishing the harmonised format for registration in the register

- Possible delegated acts to amend the Combined Nomenclature codes listed in Annex IVc to bring them in line with the codes listed in Annex 1 of Council Regulation (EEC) No 2658/87 and to ensure the legal certainty on the products covered by the extended producer responsibility

- Possible implementing act laying down criteria for producer responsibility organisations for the financial contributions paid to them by producer

- Implementing act laying down the methodology for the calculation and verification of the separate collection rate

- Implementing acts adopted pursuant to paragraph 37 of this Article laying down the format for reporting the data referred to in paragraph 1 to adapt them to the requirements set out in paragraph 3 of that Article

- There are no requirements to be met in the area of food waste (as the necessary prerequisites have already been adopted in the 2018 WFD revision and subsequent secondary legislation

1.5.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention, which is additional to the value that would have been otherwise created by Member States alone.

Given the transboundary nature of textiles value chain from an economic, environmental and social perspective, the sale, consumption and end-of-life management of textiles is intrinsically linked to the functioning of the single market and global value chains. The high dependency on raw materials highlights the importance of boosting circular business models to lower the use of primary raw materials and help mitigate the associated with its negative environmental externalities.

The collection, sorting and recycling systems need to be scaled up to be prepared for the upcoming separate collection obligation and its full implementation since several regulatory and market failures that impact all Member States and actors across the textile value chain currently obstruct sufficient provision of collection, sorting and recycling capacity. The absence of a common EU approach to textiles management risks creating or further entrenching a regulatory fragmentation and disrupted waste and material flows, thereby hampering cross-border movements of textiles (products, used and waste textiles) and coordinated action and swift investments across the EU. There are high risks for further increase in the regulatory fragmentation and administrative burdens on the industry stakeholders, mainly SMEs, resulting from diverse application of the polluter pays principle through national extended producer responsibility schemes for textiles. Addressing transboundary environmental externalities, including GHG emissions and the export of textiles (and waste disguised as non-waste) to third countries is more effectively addressed by EU action, in particular, as the key problem drivers relate to regulatory failures resulting from lack of harmonised definitions and regulatory fragmentation and a funding gap common to all Member States.

All Member States generate food waste, which creates significant transboundary environmental externalities. The production, storage, transport and processing of food and disposal of food waste cause environmental and climate impacts (such as GHG emissions, and effects on land use, biodiversity, water use and eutrophication) within the EU. Moreover, production of food imported to the EU can lead to significant global environmental and climate impacts.

Reduction of food waste across the EU in a consistent manner is needed to ensure, in each Member State, prudent and rational utilisation of natural resources, reduction of negative impacts on climate, biodiversity and use of natural resources, with benefits extending beyond national borders. Importantly, by making the food system more efficient, food waste reduction also contributes to food security across the EU. Food is traded widely within the EU market and food businesses that operate crossborder need coherence and clarity on the level of ambition expected in order to plan investments and actions on food waste prevention. A coordinated approach at EU level can bring reliability and continuity and thus support adoption of new business models by food business operators in order to accelerate food waste reduction across the food value chain.

Setting food waste reduction targets for Member States to achieve by 2030 is expected to reinforce efforts to identify and scale-up effective strategies and initiatives both within and across Member States by: streamlining the contribution of food business operators, notably in the context of cross-border supply chains; helping to ensure that drivers of food waste generation (market and behavioural) are addressed consistently and simultaneously by all Member States, in line with actions taken by the – so far few- frontrunners; and accelerating the development of effective national food waste prevention strategies through the spreading of good practices and further leveraging the EU knowledge base related to food waste prevention.

# 1.5.3. Lessons learned from similar experiences in the past

The Waste Framework Directive (WFD) establishes horizontally applicable concepts related to waste generation and waste management, including waste treatment, recycling and recovery. It creates the waste hierarchy, giving priority to waste prevention over reuse and/or recycling, subsequently recycling over other recovery options and final disposal via landfilling. Further, it obliges Member States to have in place functioning Extended Producer's Responsibility (EPR) schemes, which ensure that producers of products bear responsibility for the management of the waste stage of their products. In the Circular Economy Action Plan (CEAP), the Commission committed to review the WFD in the context of textiles waste.

For food, while this is the first target on reduction of food waste generation, other targets set in waste legislation aiming to increase waste recycling or decrease landfilling of waste are generally regarded as successful, as they provide clear objectives and legal certainty for all players and society in general, while giving Member States full flexibility as to the selection of measures required. Experience shows that progress made towards targets need to be monitored and support provided to Member States through the exchange of best practices on instruments and tools applicable at national level to achieve the targets as well as clarification through guidance and/or amendment of relevant measures in related legislation to facilitate waste prevention (e.g. addressing any barriers encountered.

1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments

The initiatives fall under the umbrella of the European Green Deal, which guides the EU's recovery strategy. The Green Deal recognises the advantages of investing in our competitive sustainability by building a fairer, greener and more digital Europe. This includes circular economy, which is the main driver of increasing material recovery and improving quality of secondary raw materials as well as the Farm to Fork Strategy.

The support and commitment of the European Commission in the research in the field of circular economy and in particular related to textiles is covered by projects funded under the H2020 programme and the financial contribution to their

implementation. The results of these projects will support and promote circularity and recyclability of textiles. The network of European Digital Innovation Hubs – funded under the Digital Europe Programme, helps SMEs to implement digital tools that support circularity and recyclability of textiles as well as to mitigate food waste in the agri-food and hospitality industry. In the area of food waste, supporting projects research projects are funded under the H2020 programme but also under Horizon Europe.

# 1.5.5. Assessment of the different available financing options, including scope for redeployment

For textiles, in theory, national legislations in Member States could have been established. However, it can be observed that the legislation in place (and planned) would not guarantee the required level of harmonisation across the EU that would avoid contributing to the fragmentation of the internal market.

For textiles, in theory, national legislations in Member States could have been established. However, it can be observed that the legislation in place (and planned) would not guarantee the required level of harmonisation across the EU that would avoid contributing to the fragmentation of the internal market.

The European Environmental Agency was chosen for the data collection and validation given the existing management of re-use of products data flow, outstanding reputation and its availability to manage the data flow. Links to the Manufacturing Data Spaces can help to reduce implementation and transaction costs.

Tasks related to development of implementing acts at the EU level cannot be externalised.

The nature of the proposal – legally binding targets imposed on Member States means that related measures will be financed mostly at national level.

# **1.6.** Duration and financial impact of the proposal/initiative

## □ limited duration

- □ in effect from [DD/MM]YYYY to [DD/MM]YYYY

# ⊠ unlimited duration

- Implementation with a start-up period from 2024 to 2028,
- followed by full-scale operation.

# **1.7.** Method(s) of budget implementation planned<sup>87</sup>

# ☑ **Direct management** by the Commission

- 🗷 by its departments, including by its staff in the Union delegations;
- $\Box$  by the executive agencies
- □ Shared management with the Member States

□ **Indirect management** by entrusting budget implementation tasks to:

- $\Box$  third countries or the bodies they have designated;
- $\Box$  international organisations and their agencies (to be specified);
- $\Box$  the EIB and the European Investment Fund;
- $\Box$  bodies referred to in Articles 70 and 71 of the Financial Regulation;
- $\Box$  public law bodies;
- □ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees;
- $\Box$  bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees;
- □ bodies or persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
- If more than one management mode is indicated, please provide details in the 'Comments' section.

## Comments

None.

<sup>&</sup>lt;sup>87</sup> Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: <u>https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx</u>

## 2. MANAGEMENT MEASURES

### 2.1. Monitoring and reporting rules

Specify frequency and conditions.

This Legislative Financial Statement includes staff expenditure in the Commission. A potential need for reinforcement for the European Environmental Agency will be grouped together in a Legislative Financial Statement of a forthcoming legal proposal, taking synergies into account. Standard rules for this type of expenditure apply.

#### 2.2. Management and control system(s)

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

N/A - cf. above

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

N/A - cf. above

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)

N/A – cf. above

#### 2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

N/A - cf. above

## 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

# **3.1.** Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

• Existing budget lines

In order of multiannual financial framework headings and budget lines.

	Budget line	Type of expenditure		Con	tribution	
Heading of multiannual financial framework	Number	Diff./Non- diff. <sup>88</sup>	from EFTA countries <sup>89</sup>	from candidate countries and potential candidates 90	From the third countries	other assigned revenue
7	20 02 02 01 Headquarters and Representation offices	Non- diff.	NO	NO	NO	NO
7	20 02 01 01 Contract staff	Non- diff.	NO	NO	NO	NO

• New budget lines requested

<u>N/A</u>

<sup>&</sup>lt;sup>88</sup> Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

<sup>&</sup>lt;sup>89</sup> EFTA: European Free Trade Association.

<sup>&</sup>lt;sup>90</sup> Candidate countries and, where applicable, potential candidates from the Western Balkans.

# **3.2.** Estimated financial impact of the proposal on appropriations

- 3.2.1. Summary of estimated impact on operational appropriations
  - $\square$  The proposal/initiative does not require the use of operational appropriations
  - Image: The proposal/initiative requires the use of operational appropriations, as explained below:

EUR million (to three decimal places)

Heading of multiannual financial framework	7	'Administrative expenditure'
---	---	------------------------------

This section should be filled in using the 'budget data of an administrative nature' to be firstly introduced in the <u>Annex to the Legislative</u> <u>Financial Statement</u> (Annex 5 to the Commission decision on the internal rules for the implementation of the Commission section of the general budget of the European Union), which is uploaded to DECIDE for interservice consultation purposes.

DG Environment		2023	2024	2025	2026	2027	TOTAL
Human resources		0.171	0.358	0.358	0.358	0.358	1,603
O Other administrative expenditure							
TOTAL DG Environment	Appropriations	0.171	0.358	0.358	0.358	0.358	1,603

DG ENV costs stem from the co-decision process and implementation as well as the various implementing acts proposed under the proposed amendments.

Existing staff (0.75 FTE, AD) will be fully employed for the negotiation and general implementation of the amended Directive and the different preparatory work and drafting of the implementing acts according to the deadlines proposed in amendment. The latter will require 0.33 FTE (AD).

3 additional contractual staff (3 CAs) are needed to perform the technical work, including:

- Implementing acts establishing the harmonised format for registration in the register

- Possible delegated acts to amend the Combined Nomenclature codes listed in Annex IVc to bring them in line with the codes listed in Annex 1 of Council Regulation (EEC) No 2658/87 and to ensure the legal certainty on the products covered by the extended producer responsibility

- Possible implementing act laying down criteria for producer responsibility organisations for the financial contributions paid to them by producers

- Implementing act laying down the methodology for the calculation and verification of the separate collection rate

- Implementing acts adopted pursuant to paragraph 37 of this Article laying down the format for reporting the data referred to in paragraph 1 to adapt them to the requirements set out in paragraph 3 of that Article.

DG SANTE		2023	2024	2025	2026	2027	TOTAL
O Human resources		0.086	0.086	0.086	0.086	0.086	0,427
O Other administrative expenditure							
TOTAL DG SANTE	Appropriations	0.086	0.086	0.086	0.086	0.086	0,430

DG SANTE costs stem from the co-decision process and the monitoring of performance across Member States. They reflect existing staff (AD).

<b>TOTAL appropriations</b> <b>under HEADING 7</b> of the multiannual financial framework		(Total cor payments)	nmitments =	Total	0.257	0.444	0.444	0.444	0.444	2,033	
		_								EUR million	n (to three decimal places)
			2023	2	024	2025	20	26	2027	TOTAL	_
TOTAL appropriations	Commitments	5	0.257	0	.444	0.444	0.4	444	0.444	2,033	1
under HEADINGS 1 to 7 of the multiannual financial framework	Payments		0.257	0	.444	0.444	0.4	144	0.444	2,033	

#### 3.2.2. Estimated output funded with operational appropriations

Commitment appropriations in EUR million (to three decimal places)

Indicate Year Year Year	Year Enter as many years as necessary to show the	TOTAL
-------------------------	---	-------

objectives and outputs				Ν	1	N+1	Ν	+2	N+	3	Ċ	luration o	of the i	mpact (se	e point 1	1.6)		
outputs	OUTPUTS																	
Φ	Type <sup>91</sup>	Avera ge cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJ	ECTIVE N	o 1 <sup>92</sup>				<u>.</u>		1		<u>I</u>		<u> </u>						
- Output																		
- Output																		
- Output																		
Subtotal for spec	ific objecti	ve No 1																
SPECIFIC OBJ	ECTIVE N	No 2																
- Output																		
Subtotal for speci	ific objecti	ve No 2																
ТОТ	TALS																	

<sup>91</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.). As described in point 1.4.2. 'Specific objective(s)...'

<sup>92</sup> 

## 3.2.3. Summary of estimated impact on human resources and administrative appropriations

Estimated requirements on administrative appropriations in the Commission

- $\Box$  The proposal/initiative does not require the use of appropriations of an administrative nature.
- X The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

				EUR mill	lion (to three d	decimal places)
2023	2024	2025	2026	2027	TOTAL	

HEADING 7 of the multiannual financial framework						
Human resources	0.257	0.444	0.444	0.444	0.444	2.033
Other administrative expenditure						
Subtotal HEADING 7 of the multiannual financial framework	0.257	0.444	0.444	0.444	00.444	2.033

Outside HEADING 7 <sup>93</sup> of the multiannual financial framework	N/A	N/A	N/A	N/A	N/A	N/A
Human resources						
Other expenditure of an administrative nature						
Subtotal outside HEADING 7 of the multiannual financial framework	N/A	N/A	N/A	N/A	N/A	N/A

TOTAL	0.257	0.444	0.444	0.444	0.444	2.033
-------	-------	-------	-------	-------	-------	-------

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

#### 3.2.3.3. Estimated requirements of human resources in the Commission

-  $\square$  The proposal/initiative does not require the use of human resources.

<sup>93</sup> 

Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

## The proposal/initiative requires the use of human resources, as explained below:

		2023	2024	2025	2026	2027
20 01 02 01 (Headquarters and Offices)	Commission's Representation	1.5	1	1	1	1
20 01 02 03 (Delegations)						
01 01 01 01 (Indirect research)						
01 01 01 11 (Direct research)						
Other budget lines (specify)						
			•	•		
20 02 01 (AC, END, INT from t	he 'global envelope')		3	3	3	3
20 02 03 (AC, AL, END, INT an	nd JPD in the delegations)					
<b>XX</b> 01 xx <b>yy zz</b> <sup>94</sup>	- at Headquarters					
	- in Delegations					
01 01 01 02 (AC, END, INT - Ir	ndirect research)					
01 01 01 12 (AC, END, INT - I	Direct research)					
Other budget lines (specify)						
TOTAL		1.5	4	4	4	4

**XX** is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	DG ENV: Existing 0.75 FTE (AD) for co-decision and existing 0.33 FTE (AD) for implementation						
	DG SANTE: Existing 0.5 FTE (AD) for co-decision and monitoring of Member						
	States.						
External staff	DG ENV: 3 additional contractual staff (3 CAs) are needed to perform the technical						
	work, including:						
	- Implementing acts establishing the harmonised format for registration in the						
	register						
	- Possible delegated acts to amend the Combined Nomenclature codes listed in						
	Annex IVc to bring them in line with the codes listed in Annex 1 of Council						
	Regulation (EEC) No 2658/87 and to ensure the legal certainty on the products						
	covered by the extended producer responsibility						
	- Possible implementing act laying down criteria for producer responsibility						
	organisations for the financial contributions paid to them by producers						
	- Implementing act laying down the methodology for the calculation and						
	verification of the separate collection rate						
	- Implementing acts adopted pursuant to paragraph 37 of this Article laying down						
	the format for reporting the data referred to in paragraph 1 to adapt them to the						
	requirements set out in paragraph 3 of that Article.						

<sup>&</sup>lt;sup>94</sup> Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

# 3.2.4. Compatibility with the current multiannual financial framework

The proposal/initiative:

- 🖾 can be fully financed through redeployment within the relevant heading of the Multiannual Financial Framework (MFF).
- − □ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

Explain what is required, specifying the headings and budget lines concerned, the corresponding amounts, and the instruments proposed to be used.

-  $\Box$  requires a revision of the MFF.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. Third-party contributions

The proposal/initiative:

- 🗷 does not provide for co-financing by third parties
- $\Box$  provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year N <sup>95</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

<sup>&</sup>lt;sup>95</sup> Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

## **3.3.** Estimated impact on revenue

- In the proposal/initiative has no financial impact on revenue.
- $\square$  The proposal/initiative has the following financial impact:
- $\Box$  on own resources
- $\Box$  on other revenue

please indicate, if the revenue is assigned to expenditure lines  $\Box$ 

### EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative <sup>96</sup>						
		Year N	Year N+1	Year <b>N+2</b>	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article								

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

<sup>&</sup>lt;sup>96</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.