

# Putting quality recycling at the heart of a circular economy

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## **Introduction**

Viewing waste as a resource requires a clear and ambitious policy framework in order to make Europe more competitive, improve resource efficiency and generate local employment opportunity. With the European Commission currently reviewing policies on how to move in this direction, this document provides feedback on how the UK's reprocessing and recycling industries, supported by the wider supply chain, believe this can happen.

## **Summary**

- 1. Mandatory source separation of recyclables, including biowaste, would reduce recycling contamination and create new economic opportunity**
- 2. Recycling rates must reflect true recycling in order to enhance traceability and transparency of waste flows**
- 3. Better enforcement of waste shipments regulations is needed to avoid substandard treatment**
- 4. Guidance on acceptable levels of recyclate contamination is needed at EU level to ensure a level playing field**
- 5. Recycling targets must be ambitious to provide investor confidence and have suitable lead times to be achievable**
- 6. Phased ban on recyclables to landfill and incineration is needed so as not to undermine higher re-use and recycling**
- 7. Demand pull measures and appropriate use of EU funding is needed to stimulate eco-design, demand for quality secondary raw materials and investment into reuse and recycling infrastructure**

- 1. Mandatory source separation recyclables, including biowaste, would reduce recycling contamination and create new economic opportunity**

Co-mingled waste collection coupled with poor sorting at many UK Material Recovery Facilities (MRFs) are responsible for high contamination rates of materials destined for recycling, costing

the UK recycling industry in excess of 50 million pounds annually<sup>1</sup>. Whilst it is acknowledged that a number of MRFs do produce high quality materials for recycling, mandatory separate collection of biowaste together with more emphasis on setting up systems for paper, plastics, metals and glass will help reduce contamination and improve the quality of our secondary raw materials.

As guidance to maximum acceptable levels of contamination for quality recycling the Resource Association's "Recycling Quality Information Point (REQIP)"<sup>2</sup> can be used as reference to what should be achievable in reality.

Lastly, in order to encourage better source separation of recyclables, there must be more transparency to citizens about what happens to waste once it has left the household. A recent YouGov survey in the UK showed that around 70% of respondents wanted more information about what happens to recycled materials and 32% would be more likely to source separate their recyclables if they did know. The Resource Association's "End Destinations of Recycling Charter" aims to address this exact issue.

## **2. Recycling rates must reflect true recycling in order to enhance traceability and transparency of waste flows**

In order to move towards a circular economy, Europe must favour quality recycling, understood by the Resource Association as material that can be collected and re-processed into the same or similar product. Therefore, a harmonised methodology for recycling would need to reflect the true recycling rate: for paper and aluminium this would be the point at which it enters the mill, for plastics the point at which it enters a grinder etc.

The EU Commission's July 2014<sup>3</sup> proposal to harmonise the recycling methodology in Article 11 of the WFD based on the "weight of waste put into a final recycling process" goes in the right direction but more clarification is needed to avoid differences in interpretation among Member States. As such the Resource Association would support a definition of "final recycling" in Article 3 of the WFD, which would refer to the reprocessing of materials reclaimed from waste into products, materials or substances with similar properties as the equivalent virgin raw material.

This will be a significant but necessary change to the current situation in the UK and the majority of EU Member States. However, this change could also be accompanied by a carbon metric, accompanied by other indicators (such as residual waste arisings per capita), to differentiate the waste management performance of Member States in accordance with the waste hierarchy<sup>4</sup> (See point 4).

Today, UK Local Authorities calculate recycling rates based on the weight of materials collected at the kerbside, regardless of what truly happens with this material, or how much contaminant to recycling it contains. Even bales of sorted material that are destined for recycling abroad contain significant contaminants and unsuitable for recycling, are still counted as such. Contaminants will still have to be disposed of by the receiving entity and are often carried out in sub-standard treatment conditions if done outside of Europe

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<sup>1</sup> Resource Association (2012) Costs of contamination Report, available online [here](#)

<sup>2</sup> Resource Association (2014) Recycling Quality Information Point, more info available [online](#)

<sup>3</sup> EC COM/2014/0397 available [online](#)

<sup>4</sup> Eunomia (2015) Recycling Carbon Index: England, Wales and Northern Ireland Local Authorities 2013/2014 available [online](#)

In short, it is essential that materials destined for recycling locally or for export don't achieve end of waste status prematurely. If they do then statistics will still fail to reflect the true level of recycling.

### **3. Better enforcement of waste shipments regulations is needed to avoid substandard treatment**

Shipping waste to be treated abroad is a frequent occurrence in Europe. The Resource Association acknowledges the value of the export market in delivering quality recycling for the UK's collected recyclables and supports the viable export of these materials to the many state of the art reprocessing facilities that exist worldwide.

Given the amount of material destined for recycling outside of Europe, it is very important to have a system that effectively ensures the material is treated in socially and environmentally sound conditions for the reputation of the sector. Unfortunately much of the material that is legally exported from the UK is poor quality and goes to facilities that do not operate to the same standards as UK business. Additionally there is the concern that material that does not comply with Trans Frontier Shipment (TFS) requirements is also leaving the country.

Measures to improve transparency in supply chains help reputable businesses due diligence their counter parties, and help drive a gap between criminal activity. As part of the UK's producer responsibility packaging waste scheme, export recovery notes are provided for packaging waste that is exported to recovery facilities with a 'broadly equivalent status' as the UK, and evidence is provided by exporters to the regulator in order to obtain accreditation for broadly equivalent status (e.g. permits, contact details of the facility etc). Combined with an electronic system of Annex VII forms, and notification documents with appropriate confidentiality and privacy protections, these measures could help create more transparent supply chains across the EU, enabling competent authorities to focus on tackling waste crime.

### **4. Guidance on acceptable levels of recyclate contamination needed at EU level to ensure a level playing field**

The failure to provide guidance on acceptable limits of contamination in recyclate materials destined for reprocessing within the Community or overseas should be addressed at EU level to ensure a level playing field. As mentioned previously, the Resource Association's "Recycling Quality Information Point (REQIP)"<sup>5</sup> can be used as reference to what should be achievable in reality.

Minimum acceptable standards will enable reprocessors and exporters to put pressure on their supply chains to deliver quality recyclates. The lack of guidance, coupled with criminal penalties for non-compliance when exporting, merely creates a distorted market and fails to ensure the best environmental outcomes. Reputable businesses might impose financial penalties with suppliers who deliver poor quality, or they might stop doing business with a supplier to avoid criminal sanctions, but without minimum acceptable standards, it is very hard for them to put pressure on their supply chains when the only consequence will be that they will lose business. Businesses want to have certainty in what is and what is not acceptable, and this also helps competent authorities target waste crime.

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<sup>5</sup> Resource Association (2014) Recycling Quality Information Point, more info available [online](#)

## **5. Recycling targets must be ambitious to provide investor confidence and have suitable lead times to be achievable**

The Resource Association would welcome more ambitious targets for re-use and recycling in the Waste Framework and Packaging Directives. However, a change to an output based reporting approach would be a big jump for many Member States and it is important that the targets are ambitious, yet achievable with current technologies and possible future innovations. In order to facilitate Member State buy-in to changing the methodology for measuring recycling, carbon based targets accompanied by other resource efficiency indicators such as land, water and material footprints<sup>6</sup> would be welcome. Underpinned with use of a metric such as residual waste arisings per capita, this new package of measures would provide a necessary 'reboot' for target setting and measurement across Europe that would encourage the circular economy approach to resources that is so widely desired.

It is also essential that the material scope of the Directives are clear and precise, focussed on the actual material stream rather than who collects it.

## **6. Phased ban on recyclables to landfill and incineration needed so as not to undermine higher re-use and recycling**

The Resource Association is aware that many products put on the market today are not amenable to recycling and currently must either be landfilled or incinerated. These products should not be produced in the first place in towards a circular economy. The move in the Commission's initial 2014 proposal to ban waste to landfill is laudable but this must not incentivise a deeper shift to energy from waste and result in further infrastructure lock-in, giving little incentive for further source separation.

It is important to make sure we protect the space needed to grow recycling and not crowd this out with excess EFW capacity – future proofing is vital – there is a role for EFW in our resources management mix but it needs appropriate sizing and an intelligent long term strategy for circular economy in which EFW plays a significant transitional role over the next 10-20 years without stifling the ability to grow the recycling/circular economy agenda as directed by the EU and supported by most stakeholders. As such a phased ban on recyclables to incineration over a similar transitional period based on the availability of developed recycle markets would be welcome.

The Resource Association also suggest that more research is done into the potential use of fiscal measures to ensure that a balanced strategic approach is taken, in which resource use taxation continues to be used on measures down the waste hierarchy (such as landfill and incineration) designed to ensure the recycling and reuse-led circular economy is encouraged to grow to its full potential.

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<sup>6</sup> Friends of the Earth Europe, 2014, The Four Footprints: Increasing our resource efficiency, reducing our social and environmental impacts available [online](#)

Finally, the wish by the Commission to exploit the potential of “waste to energy” as part of an Energy Resilient Union<sup>7</sup> could, therefore, seriously undermine any ambition of a revised circular economy package – balance is required in the Commission’s approach.

## **7. Demand pull measures and appropriate use of EU funding needed to stimulate eco-design, demand for secondary raw materials and investment into reuse and recycling infrastructure**

Product design is an essential element of the circular economy and the Resource Association applauds the move for Extended Producer Responsibility schemes to take into account product design that is amenable for re-use and recycling. However, waste policy can only achieve part of the step towards a circular economy and wider “demand pull” measures are needed from other policy areas.

Individual producer efforts to make re-usable, multi-use and recyclable products should be rewarded in monetary terms. Stronger use of Green Public Procurement that would require businesses to design products for easy re-use and recycling and specify openly how their products and packaging will be dealt with once they have been used would be welcome. In addition financial rewards through reduced VAT on quality secondary raw materials and shift of taxation onto the virgin equivalents are some potential avenues to be explored.

Another possibility would be to differentiate producer responsibility fees by rewarding those companies that make packaging materials with high recycled content. Those with high recycled content would pay less whilst those with no/low recycled content would pay more. In certain cases, the introduction of mandatory recycled content in new products could help the recycling industry overcome market failures. For example, in the case of plastics, at times where virgin polymer prices are cheaper than recycled equivalents, having such provisions would safeguard recyclers from a drop in demand for recycled material. Voluntary measures to do this, such as the UK’s Dairy Roadmap, however, have proved ineffective and so mandatory approaches should be favoured.

Lastly it is essential that EU funds are used in such a way that help promote activities at the top of the waste hierarchy, namely waste prevention, re-use and recycling. Use of structural and cohesion funds for the building of new landfill and thermal treatment capacity must be rapidly phased out.

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<sup>7</sup> European Commission (2015) Communication on the Energy Union Package (COM (2015)80) available [online](#)