



## FEAD and EuRIC call for clear demarcation between municipal waste and commercial and industrial waste

From the very beginning of discussions on the Circular Economy Package, a lot of debate has focused on the definition of municipal waste. This came as no surprise since the definition of municipal waste is linked to the headline recycling targets in the Package and is also crucial to the cost-efficient, innovative and competitive operation of waste and recycling markets.

For private waste management and recycling companies to make the necessary long term investments for a circular economy, they need legal certainty and fair competition rules which ensure that markets for secondary raw materials can operate in an open and consistent manner. But across the EU the principle of fair and open markets is not consistently applied. In some Member States municipalities claim that both waste from households and similar waste from other sources should come within their exclusive rights. In-house services in the municipalities are increasing, which often results in them awarding contracts for household waste management to themselves without tendering, giving rise to inefficient “municipal monopolies”. This is why it is important that the Circular Economy proposals make a clear distinction between municipal waste on one hand and commercial and industrial waste on the other.

Thus, it is vital that the scope of the term “municipal waste” refers only to household waste and waste which is truly similar in nature, composition and quantity. It is therefore essential to maintain the criterion on quantity in Article 3.1a to prevent large volumes of commercial and industrial waste from being wrongly included in the definition of municipal waste.

The scope of the term “municipal waste” should not be broadened to include commercial and industrial waste which is not similar in nature, composition and quantity to household waste (all three criteria proposed by the Commission). It would be wrong to include commercial and industrial waste in the municipal waste recycling target, and would reduce the ambition of the set municipal waste target. Moreover, the collection of commercial and industrial waste should not be financed and cross subsidised by public funds. Hence, the criterion on “quantity” is of key importance and should be kept.

Therefore we support the original EC proposal and CA 1B tabled by EPP and ALDE MEPs:

*‘1a. “municipal waste” means...*

*(b) mixed waste and separately collected waste from **small businesses, office buildings and institutions including schools, hospitals, and government buildings**<sup>1</sup> that is **similar** to household waste in nature, composition **and comparable in quantity**.*

When preparing her draft report, rapporteur, MEP Bonafè, already then recognised the importance of the criterion on “quantity” in her justification for proposing a definition of commercial and industrial waste. The justification for that amendment reads as follows: *“Municipal waste needs to be distinguished from waste deriving from other economic activities which cannot be considered to be similar due to its nature, composition and quantity”*.

Therefore, we strongly support using the quantity criterion to clearly draw the line between municipal waste on one hand, and commercial and industrial waste on the other. This will become even more important if in future the EU decides to introduce a recycling target for commercial and industrial waste as part of the move towards a circular economy.

In view of the vote in plenary on Circular Economy Package, EuRIC and FEAD call on MEPs to guarantee cost-efficient, innovative and open to competition waste and recycling markets in Europe by supporting CA 1B.

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<sup>1</sup> There is no reason to include of small businesses, office buildings and institutions including schools, hospitals, and government buildings in the scope of municipal waste simply because the criteria (incl. “quantity”) qualifying similar waste are sufficient to define waste from these sources largely managed today in open and competitive markets.



**EuRIC** - **The European Recycling Industries' Confederation** is the umbrella organisation for recycling industries in Europe. Through its Member Federations from 20 EU and EFTA countries, EuRIC represents today across Europe over:

- 5,500 companies generating an aggregated annual turnover of about 95 billion €, including large companies and SMEs, involved in the recycling and trade of various resource streams;
- 300,000 local jobs which cannot be outsourced to third EU countries;
- An average of 150 million tons of waste recycled per year (paper, metals, glass, plastics and beyond);

Recyclers play a key role in a circular economy. By turning wastes into resources, recycling is the link which reintroduces recycled materials into the value chains again and again.

**FEAD** – **The European Federation of Waste Management and Environmental Services** is the European federation representing the European waste and resource management industry. FEAD's members are national waste management associations covering 18 Member States, Norway and Serbia. They have an approximate 60% share in the household waste market and handle more than 75% of industrial and commercial waste in Europe. Their combined annual turnover is approximately € 75 billion. FEAD represents about 3,000 companies with activities in all forms of waste management. These companies employ over 320,000 people who operate around 2,400 recycling and sorting centres, 1,100 composting sites, 260 waste-to-energy plants and 900 controlled landfills.

They play a key role in the transition to a circular economy by producing resources which can be re-injected in the economy and by supplying energy. Our companies add value through innovative and cost-efficient collection, sorting, and recycling of secondary raw materials. In doing so, they play a key role in achieving the best economic and environmental outcomes.