Use of the Economic Instruments and Waste Management Perfomances

Final Report

Publication

Report

Citation

Watkins, Emma; Dominic Hogg; Andreas Mitsios et al. 2012: Use of Economic Instruments and Waste Management Performances. Final report prepared for the European Commission – DG Environment.

The objective of the present study is to analyze the relationship between the performance of the waste management systems in the EU Member States (MS) and their use of economic instruments (EI). On the basis of this analysis, the opportunity to move towards a European common approach for the use of EIs in relation to waste management is explored. The results show that landfill charges and product responsibility schemes are implemented in most MS. Pay-as-you-throw (PAYT) systems have only been introduced in half of the MS. Three main policy recommendations have been identified in the study: setting a minimum level of landfill tax to be applied in all MS, setting criteria/producing guidance for the design of producer responsibility schemes, and encouraging the use of charging that ensures waste generators face incentives in line with the waste hierarchy. The study is available for download.

The project results show a fairly clear and linear correlation between the total landfill charge and the percentage of municipal waste recycled and composted in the MS. Case studies conducted on three MS (UK, Austria, Germany) suggest that there are different routes to reducing the landfilling of waste, i.e. it appears difficult to "eliminate landfilling" through a tax alone and the principal effect of bans appears to have been to reduce the landfilling of waste and increase the amount of waste incinerated or sent to MBT. The study has found that circa half of the MS employ Pay-as-you-throw (PAYT) systems for municipal waste. In MS there is a broad range of both the basis for charging and the amounts charged.

Producer responsibility schemes are in place for different waste streams: packaging, Waste Electrical and Electronic Equipment (WEEE), End of life vehicles (ELV), Batteries. The coverage of these systems is quite well, the most MS have such systems in place. For the most producer responsibility schemes comparable data on costs paid into the schemes proved difficult to find; the way in which the costs are determined varies between MS, and in several cases cost information is only available to the schemes' members. For producer fee schemes on packaging the analysis shows a huge range of fees per tonne of packaging material placed on the market in the MS. And for packaging also some "cheap" schemes demonstrate high levels of recovery/recycling (notably BE and LU) and some "expensive" schemes demonstrate low levels of recovery/recycling (notably EE and PL).

A modelling exercise was undertaken within the study to investigate what might be the

effect in quantitative and qualitative terms of implementing new (sets of) EIs in the waste sector. Two different scenarios on EIs show that the amount of MSW diverted from landfill in 2025 in EU-27 can be increased by 43 Mt compared to a baseline scenario.

Three main policy options have been identified based on the work undertaken within the study: (I) Setting a minimum level of landfill tax to be applied in all MS, (II) Setting criteria/producing guidance for the design of producer responsibility schemes and (III) Encouraging the use of charging that ensures waste generators face incentives in line with the waste hierarchy.

Further policy recommendations are formulated on the experience of the project team, i.e. implementation of taxes on primary materials, a levy for the generation of residual waste or Deposit refunds for hazardous materials/materials containing valuable materials, etc.

The study [pdf, 2.5 MB, English] is available for download.

Language

English

Authorship

Alexander Neubauer
Jenny Tröltzsch
Emma Watkins
Dr. Dominic Hogg
Andreas Mitsios
Shailendra Mudgal
Dr. Hubert Reisinger
Mike Van Acoleyen

Published by

European Commission, Directorate-General Environment (DG Environment), International

Year

2012

Dimension

180 pp.

Project

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Project ID

2670-04

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Keywords

Resource Conservation + Circular Economy
resources, waste, economic instruments, landfill taxes, incineration taxes, pay-as-you-throw systems, producer responsibility schemes
Europe
