



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 7 November 2013
(OR. en)**

**Interinstitutional File:
2013/0371 (COD)**

**15845/13
ADD 2**

**ENV 1028
MI 974
IND 305
CONSOM 186
CODEC 2473**

COVER NOTE

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 5 November 2013

To: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
Union

No. Cion doc.: SWD(2013) 443 final

Subject: COMMISSION STAFF WORKING DOCUMENT EXECUTIVE
SUMMARY OF THE IMPACT ASSESSMENT Accompanying the
document Proposal for a DIRECTIVE OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL amending Directive 94/62/EC
on packaging and packaging waste to reduce the consumption of lightweight
plastic carrier bags

Delegations will find attached document SWD(2013) 443 final.

Encl.: SWD(2013) 443 final



Brussels, 4.11.2013
SWD(2013) 443 final

COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

Proposal

**for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
amending Directive 94/62/EC on packaging and packaging waste to reduce the
consumption of lightweight plastic carrier bags**

{ COM(2013) 761 final }
{ SWD(2013) 444 final }

COMMISSION STAFF WORKING DOCUMENT

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1. PROBLEM DEFINITION

Plastic carrier bags¹ are a popular and convenient product widely used for transporting items from the store back home. It was estimated that in 2010 every EU citizen used 198 such bags, 89% of which are single-use. In a business as usual scenario their consumption is expected to increase further. The properties that have made plastic bags commercially successful – low weight and resistance to degradation – are also contributing to their environmental impacts. In 2010, more than 8 billion plastic bags were littered in the EU. Moreover, municipal or private waste collection systems in the EU send a very significant part (49,7% or 710 000 tons a year) of plastic bags collected to landfills, which is clearly sub-optimal from a resource efficiency perspective. Very high consumption of single-use plastic carrier bags, their inappropriate end-of-life treatment, and their resistance to degradation are damaging our environment including marine ecosystems.

In the EU, plastic carrier bags are considered as packaging under the Packaging and Packaging Waste Directive (Directive 94/62/EC²). However, there is no EU legislation or policy *specifically* targeting plastic carrier bags. Some Member States have already developed policies to reduce the use of plastic carrier bags by means of pricing measures, agreements with the retail sector or awareness campaigns, with variable results. Following attempts by some Member States to ban plastic bags, the Environment Council of 14 March 2011 discussed the issue and invited the Commission to analyse possible EU action against the use of plastic bags.

2. ANALYSIS OF SUBSIDIARITY AND EU ADDED VALUED

High consumption rates of plastic bags pose both a common and a transboundary challenge for the EU. It is unlikely that all Member States will tackle the issue effectively without EU intervention. The added value of EU action would lie in providing a framework establishing a shared objective, concepts and definitions, and a timeframe, while leaving Member States free to decide about precise implementation methods, in line with the subsidiarity principle.

¹ A definition of plastic carrier bags is provided in Annex II of the full Impact Assessment (Commission Staff Working Paper COM(2013) XXX final).

² Official Journal L 365, 31.12.1994 p.10-23.

EU action is fully in line with the two objectives of the Packaging Directive: to prevent and reduce the environmental impacts of packaging and packaging waste, and to ensure the coherence in addressing a common and transboundary problem.

3. OBJECTIVES

The general objective of an EU policy initiative on plastic carrier bags is to limit negative impacts on the environment, encourage waste prevention and a more efficient use of resources, while limiting negative socio-economic impacts.

More specifically, the objectives of the initiative are to:

- limit the environmental damage caused by an increasing consumption of plastic bags in terms of littering and unsustainable resource use, by significantly reducing the amount of single-use plastic carrier bags consumed per capita by 2015;
- tackle a common and transboundary problem in a coordinated and coherent way across the EU.

The Impact Assessment evaluates the main environmental, social and economic impacts of potential policy options aimed at reducing the use of single-use plastic carrier bags. Various levels of ambition are assessed and compared to a baseline scenario, in order to identify the instruments that minimise costs, while maximising benefits.

4. POLICY OPTIONS

The options put forward in the analysis focus on prevention measures targeting single-use plastic carrier bags.

Option 1 (the "baseline scenario") takes a "do-nothing" approach in which the status-quo would be maintained. There would be no additional policies and measures aiming to limit the consumption of single-use plastic carrier bags at EU or national level.

Option 2 ("Voluntary commitment of a significant share of the EU retail sector not to provide single-use plastic carrier bags") entails a voluntary agreement by a significant share of the EU retail sector to stop providing single-use plastic carrier bags. For the purpose of the Impact Assessment, such an agreement would translate into a reduction of 55% single-use plastic carrier bags.

Option 3 ("Setting an EU level prevention target for single-use plastic carrier bags combined with economic instruments and accompanied by the possibility for Member States to introduce market restrictions by way of derogation of article 18 of the Packaging Directive"). This option is composed of three mutually supportive elements: a prevention target; a pricing measure; and a possibility for Member States to introduce market restrictions by way of derogation of article 18 of the Packaging Directive. The prevention (reduction) target would be set for single-use plastic carrier bags at EU level, and would result in a reduction of 80% of the EU average consumption of single-use plastic bags.

Option 4 ("Introducing an EU level ban of single-use plastic carrier bags"), the provision of single-use plastic carrier bags in retail service would be prohibited – a reduction of 100% of single-use plastic bags consumed in the EU.

5. ANALYSIS OF IMPACTS

The assessment focuses on the additional impacts that options 2-4 have compared to the baseline scenario.

All options to reduce the use of single-use plastic carrier bags share the same types of impacts; only the magnitude of these impacts differ from one option to another.

- *Environmental impacts*

The main environmental benefits are linked to the ***decline in the amount of waste*** and the number of bags littered, which translates into ***lower litter clean-up expenses*** and expenses incurred in formal waste management (collection, recycling and disposal). These costs are expected to be reduced considerably as consumption of single-use plastic bags diminishes. Lower consumption of single-use plastic bags would also result in ***more efficient resource use*** and lower greenhouse gas emissions.

- *Economic and social impacts*

Measures to reduce the consumption of single-use plastic carrier bags, especially regulatory measures, are likely to entail some ***administrative burden*** to ensure implementation and enforcement, for both the public and private sectors. The administrative burden will depend on the final design of the implementation measures chosen by Member States.

The net ***impacts on producers*** are expected to be positive. Although the measures proposed entail a decrease in the activity of single-use plastic bag manufacturers, producers of multiple-use plastic bags will benefit from the changes. In the EU, 70% of single-use carrier bags are imported, limiting the negative impacts on European producers. Reduced availability of single-use plastic carrier bags would in part be offset by a switch to reusable plastic carrier bags, mainly produced in the EU.

The net impacts on retailers are also expected to be positive, although they may face initial costs to implement any of the proposed measures (e.g. awareness raising, administrative costs, an increase in costs of providing other free alternatives). These costs could be offset by the increased sale of reusable alternatives and the overall reduction of consumption of single-use carrier bags currently often provided free of charge. Some retailers may even profit economically from measures to reduce single-use plastic bag consumption.

Impacts on employment levels are likely to be slightly negative in all the proposed policy options.

Consumers may face an initial increase of costs under all options, as the recommended use of economic instruments would imply that they are asked to pay for plastic carrier bags. However, these costs will decrease as consumers switch to reusable alternatives, which save costs in the longer run.

All options will **increase awareness** of the environmental impacts of single-use plastic bags and resource efficiency aspects, and help promote more sustainable consumption patterns. All measures have the potential to influence consumer behaviour more broadly, and guide manufacturers' and retailers' business models.

6. COMPARING THE POLICY OPTIONS

The four policy options have been assessed quantitatively and qualitatively. The quantitative analysis focuses on three environmental impacts (resource use; littering rates; and impacts on public spending on waste management and litter collection) and on six economic and social impacts (administrative burden; impacts on EU producers; impacts on EU retailers; impacts on consumers; impact on employment levels; and public awareness).

Table 1: Quantitative comparison of the main environmental impacts of the options proposed, in 2020

Environmental Impact Indicators	Baseline (business as usual)	Retailers' voluntary agreement	Prevention target + economic instrument	Ban
Tonnes of total plastic carrier bags (% reduction)	0	13	20	24
<i>Tonnes of single-use plastic carrier bags (% reduction)</i>	0	55	82	100
Number of total plastic carrier bags (% reduction)	0	47	70	85
<i>Number of single-use plastic carrier bags (% reduction)</i>	0	55	80	100
Oil (kt saved)	0	463	693	842
Emissions (MtCO ₂ eq avoided)	0	81,2	121,4	147,6
Littered bags' reduction (billion/2015)	0	4,1	5,3	6,4

Table 2: Quantitative comparison of the main economic impacts of the options proposed, averaged over years 2015-2020, relative to the baseline (business as usual).

Economic Impact Indicators (€m/year)	Baseline (business as usual)	Retailers' voluntary agreement	Prevention target + economic instrument	Ban
Costs Reduction to Retailers	0	412,5	649,8	791,7
Profits to EU Bag Manufacturers	0	5,7	3,8	4,2
Cost reduction for Litter Collection	0	34,0	46,3	54,2

Cost reduction for waste management	0	25,8	39,8	49,5
Total savings and benefits	0	478,0	739,8	899,5

Table 3: Quantitative comparison of the main social impacts of the options proposed, relative to the baseline (business as usual).

Social Impact Indicators	Baseline (business as usual)	Retailers' voluntary agreement	Prevention target + economic instrument	Ban
Net Change in Employment in EU Bag Manufacture in 2015 (Full Time Equivalents)	0	-860	-1340	-1641

A ban on single-use plastic bags would score best against environmental and economic indicators, followed by a prevention target (80% reduction) and a voluntary agreement with the retail sector (55% reduction), with the business as usual scenario having the poorest score. The ban would lead to the largest negative effects on employment, followed by a prevention target and a voluntary agreement, with the business as usual scenario not leading to net changes in employment levels.

Six other issues (more difficult to quantify) complement the analysis in a qualitative way:

Flexibility of Member States to decide on specific policy measures. A prevention target would prescribe an objective, but would grant all Member States the flexibility to decide which measures work best in their national contexts, a condition that would not be met in the case of an EU-wide voluntary agreement with the retail sector nor in the case of a ban.

Implementation costs. Changes in institutional arrangements needed to implement any new measure may entail administrative and human resource costs.

A voluntary agreement with part of the EU retail sector would entail lower implementation costs for public authorities than a prevention target or a ban. On the other hand, a voluntary agreement also comes with risks related to possible free-riding and the difficulty of imposing sanctions in case of non-compliance.

The administrative costs related to a prevention target accompanied by a pricing instrument will depend on the exact measures to be adopted by individual Member States. Public authorities are likely to face additional costs related to monitoring (in particular to ensure compliance by retailers with reporting obligations), but this would be a small part of the costs already borne by Member States in the context of reporting on existing targets for packaging and packaging waste. In the case of a prevention target monitoring and enforcement costs are likely to be lower than in the case of a ban.

Member States that have already implemented measures to reduce the use of plastic bags and have already reached the average *per capita* target will not need face further impacts.

- **Possibility to generate revenues.** The economic instruments recommended to accompany a prevention target for single-use plastic bags would generate revenues that could be directed towards public authorities or retailers. If revenues flow to public authorities, they could be used to offset (part of) the administrative costs related to implementation and enforcement.

- **Acceptance of the measure.** As the retailers in the EU Retail Forum only cover 55% of the total EU consumption of single-use plastic bags, if such a voluntary agreement were to materialize, many smaller retail shops would not take part. This not only risks confusing consumers as availability of single-use plastic bags would vary across shops, but also raises questions in terms of a level playing field between all retailers in the EU. Moreover, there is a risk that individual retailers covered by the Retail Forum do not accept the agreement.
- **Raising awareness on sustainable consumption.** Making single-use plastic bags more scarce and introducing economic instruments may help raise consumer awareness of (un)sustainable consumption patterns, beyond the consumption of plastic bags only. This effect is less likely in the case of a voluntary agreement with only part of the EU retail sector.
- **Other issues.** A ban and a prevention target may affect small shops more than larger ones because it might discourage impulse buying by “walk-up” customers. For larger retailers, which represent the main channel for plastic bags distribution to consumers, ‘impulse shopping’ is likely to account for a smaller share of sales.

7. PREFERRED OPTION

An EU-wide prevention target with an explicit recommendation to use economic instruments and the possibility for Member States to apply market restrictions by way of derogation of Article 18 (option 3 as described in Section 3.2.3 of the full Impact Assessment report) has the highest potential to deliver ambitious environmental results, while achieving positive economic impacts, limiting negative effects on employment, ensuring public acceptance and contributing to wider awareness on sustainable consumption.

However, further consideration of the policy options analysed in this impact assessment during the Commission's inter-service consultations have led to the conclusion that it would be difficult at present to design and implement an EU-wide reduction target, given the current very large differences between Member States' consumption levels of single-use plastic bags. Instead of establishing a common EU target, it is therefore preferable to introduce in Article 4 of Directive 94/62/EC the obligation for all Member States to reduce the consumption of single-use plastic carrier bags, while allowing them to set their own national reduction targets and to choose the measures to reach those targets. At a later stage the establishment of an EU-wide reduction target could however be considered.

8. MONITORING AND EVALUATION

Member States will be expected to transpose the Directive 12 months after its entry into force, and to implement measures that reduce single-use plastic bag consumption within 2 years of the entry into force. They would notify the Commission of their national legislation to reach the objective, which the Commission would then check for conformity.

The core indicator for progress towards meeting the objectives set for this policy initiative would be "Single-use plastic carrier bags placed on the market".

Monitoring a reduction in the consumption of single-use plastic carrier bags combined with economic instruments and accompanied by the possibility for Member States to introduce

market restrictions by way of derogation of article 18 of the Packaging Directive should be relatively straightforward, given the monitoring instruments that already exist for the implementation of the Packaging Directive and the Waste Framework Directive.

Member States are responsible for the implementation, monitoring and enforcement of their national measures to achieve the requirements of the policy initiative advocated in this report. Therefore, the exact data collection methods will depend on the internal organisation of each Member State and the nature of the implementing instruments chosen. New measures aiming to reduce the use of single-use plastic carrier bags will not imply major changes to existing monitoring obligations, as these are already covered by those set in the Waste Framework Directive and the Packaging Directive.

The Commission will encourage the sharing of best data collection practices from countries that have successfully implemented such initiatives, as it has done in the context of other waste stream Directives.