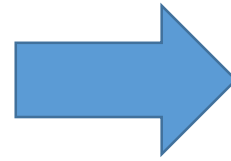


Economic instruments and the management of generated revenue

Loro Francesco
Tirana, March 2015

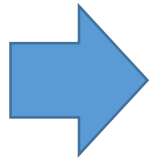
Two kinds of revenues

- Ecologic tax
- Bank guarantee

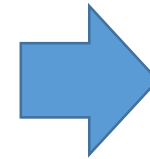


Enforcement of
Polluter pay
principle

- European level
 - Dir. 2008/98/CE
 - Dir. 1999/31/CE



- National Level
 - Law 152/2006
 - Decree 36/2003



- Local level
 - Regional Law 3/2000

The Management of Ecological taxes



- Is a part of the gate tariff
- In Veneto there are 3 ecological taxes
 1. On the basis of the National Decree 594/1995: Landfilled waste tribute
 2. Regional law 3/2000: tax to reduce the environmental pressure on the Region and Municipality where the landfills are located (Location tax)
 3. Regional law 3/2000: tax for urban waste disposed in plants located outside the provincial boundaries (Self-sufficiency tax)

The management of Ecological taxes

- The national decree 549/95 defines that these revenues have to be used to reduce the impacts on the environment:
 1. New treatment plants (also wastewater treatment plant)
 2. Remediation of polluted areas
 3. Development and draft of regional waste management plan
 1. Waste analysis costs
 2. Technical support with experts and Universities
 4. Development of separate collection
 1. Creation of green centers
 2. Infrastructures and vehicles
 5. Information campaigns
 6. Management of abandoned waste

The management of the revenue



- The Regional administration every year evaluate the amount of the tax
- In 2013 close to 2.000.000 €
- The 10 % is addressed to Provinces
- The Regional administration every year define an announcement to assign a grant

BELLUNO € 26.630
PADOVA € 53.950
ROVIGO € 22.332
TREVISO € 46.212
VENEZIA € 40.421
VICENZA € 55.325
VERONA € 105.065

The structure of the announcement

- Two main categories
 1. Creation and maintenance of natural area and parks (30%)
 2. Projects related to waste management
- Who can participate?
 - All the public bodies (Municipalities, Public Waste Management company...)
- Which cost will be covered?
 - All the cost have to be demonstrated
 - The maximum grant is 150.000
 - The grant will cover between 40% and 70% of the costs of the project

The assignment criteria



ALLEGATO A alla Dgr n. 1346 del 28 luglio 2014

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BANDO – CRITERI E MODALITÀ DI CONCESSIONE DEI CONTRIBUTI PREVISTI DALLA L.R. 3/2000, ARTT. 47 E 48

1. OBIETTIVI E FINALITÀ DEL BANDO

In attuazione della DGR n. 1346 del 28 luglio 2014, la Regione Veneto, richiamate le finalità ambientali generali previste dall'art. 2 della L.R. n. 3/2000, ed in particolare, la riduzione della produzione di rifiuti, l'incentivazione massima del recupero dai rifiuti di materiali riutilizzabili tramite la differenziazione degli stessi sia a monte che a valle della raccolta, la progressiva riduzione delle discariche come sistema ordinario di smaltimento, propone la concessione di contributi a soggetti pubblici o privati per l'attuazione di alcune azioni prioritarie, individuate tra gli specifici obiettivi previsti dall'art. 47 della medesima norma.

Al fine di poter individuare quanto più possibile omogenei e oggettivi parametri di valutazione degli interventi candidati a finanziamento, si ritiene adeguato suddividere le suddette tipologie di interventi in due distinti gruppi, un *gruppo A* afferente l'*Istituzione e manutenzione delle aree naturali protette* e un *gruppo B*

Criteri di valutazione degli interventi proposti	Punteggio attribuibile
<u>Corrispondenza alle azioni prioritarie rappresentate al punto 1</u> , individuate tra gli obiettivi previsti dall'art. 47 della L.R. n. 3/2000.	da 1 a 4
<u>Valenza strategica e funzionale dell'opera</u> candidata a finanziamento considerata in relazione allo specifico contesto territoriale.	da 1 a 3
<u>Livello di efficacia ambientale</u> dell'intervento proposto. (solo in riferimento a iniziative afferenti il <i>gruppo A: Istituzione e manutenzione delle aree naturali protette</i>)	da 1 a 3
<u>Livello di progettazione dell'intervento in funzione della cantierabilità e previsione di ultimazione dei lavori.</u>	da 1 a 5

- Each project will be evaluated on the basis of these criteria:
 - Congruence with the main target of the National decree 594/1995
 - Strategic value of the project
 - Environmental value of the area (only for Parks and protected area)
 - Time line and Gant scheme of the project
- Each bullet points have a score from 1 to 5

The effects of these grants in 2015



- 20 Recycling center
- 8 Parks and protected areas
- 3 maintenance service on landfills (leachate and biogas collection systems)
- 1 reuse center

The regional taxes



10,87	-4,11	11,20	10,61	2.077.616	60	-13,32	0,50
4,95	-1,00	5,00	4,90	13.041	60	-11,01	0,25
5,63	-2,26	5,77	5,56	32.835.108	60	-9,80	0,75
3,14	-2,18	3,23	3,05	7.507.380	60	2,95	0,50
1,71	1,18	1,77	1,59	4.165.902	60	-13,64	0,78
8,68	-0,22	8,46	8,24	552	60	-6,11	0,60
2,40	-0,10	2,30	2,20	800	56	-5,88	1,20
17,81	-1,05	16,76	15,71	2.636.888	60	-9,86	0,15
14,12	-0,13	13,99	13,86	645.133	60	-10,13	0,20
16,00	-0,13	15,87	15,74	863.398	60	-18,75	0,12
2,34	-0,12	2,22	2,10	22.385	60	-25,96	2,00
3,92	-0,21	3,71	3,50	57.368	60	-9,60	0,50
0,22	-0,11	0,11	0,00	1.524.852	60	3,38	0,85

- There are several regional decree that define the details of each tax
- The different taxes have dedicated voices in the regional balance
- The use of the revenues are the same of the national tax, but part of the revenues are managed at local level (Municipality, Province)

Location tax

- At the moment only landfills have to pay this tax
- Part of the revenue is addressed to Municipalities that are adjacent to the Municipality where the plant is located (20% max)
 - If the plant is close less than 500 m to the boundary
 - Specific geographic situation
- Every year the Regional administration define the amount of the tax

2013	€/t
Urban Waste	10,33
Industrial waste	5,00

Self-sufficiency tax



- Currently this tax is fixed at 0,00 because there aren't emergency situation
- In 2007 due to some technical problem in two big landfills the Regional administration defined these taxation levels:
 - 0€/t if the the duration of the emergency situation is less than 90 days
 - 5 €/t if the the duration of the emergency situation is more than 90 d and less than 183 days
 - 10 €/t if the the duration of the emergency situation is more than 183 days

The bank guarantee



- The bank guarantee is a system to prevent ecological disaster
- All treatment plant have to present a bank guarantee to obtain the permit
- The bank guarantee is returned after the closure of the plant after the remediation and environmental clean-up
- In case of non-compliance of the permit the bank guarantee will cover the costs of waste management

Part of the revenue from Ecotax it was used to dispose waste collected in an old plant that bankrupted during the '80

The enforcement of EPR: the Italian way

- EPR concept was enforced for the first time in 1997 in the Italian legislation
- CONAI is the mandatory consortium of packaging producer and packaging user
- Producer and user have to enforce IPP (integrated product policy)
- Different consortium for different kind of packaging: COREPLA (mandatory consortium for plastic packaging) – COMIECO (paper) – RILEGNO (WOOD)

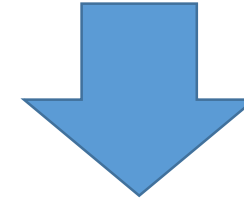


One step back: the packing

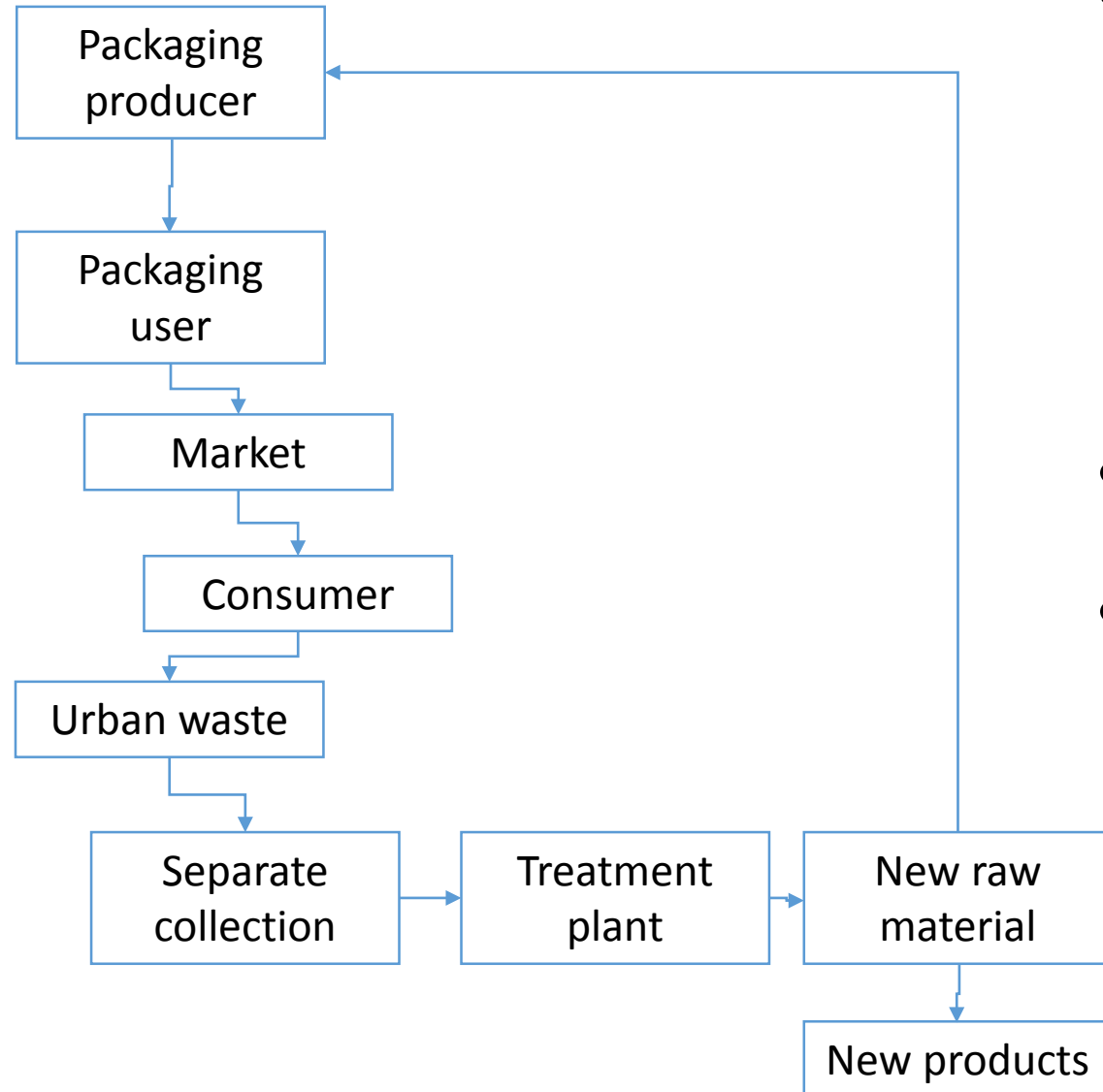
- Directive 94/62/CE describes three different kind of packaging:
 - sales packaging or primary packaging
 - grouped packaging or secondary packaging
 - transport packaging or tertiary packaging
- The tertiary packaging isn't a part of urban waste and in some case also the secondary. Private waste plant collects and treat this kind of waste based on agreement with the waste produced.

The recycling targets

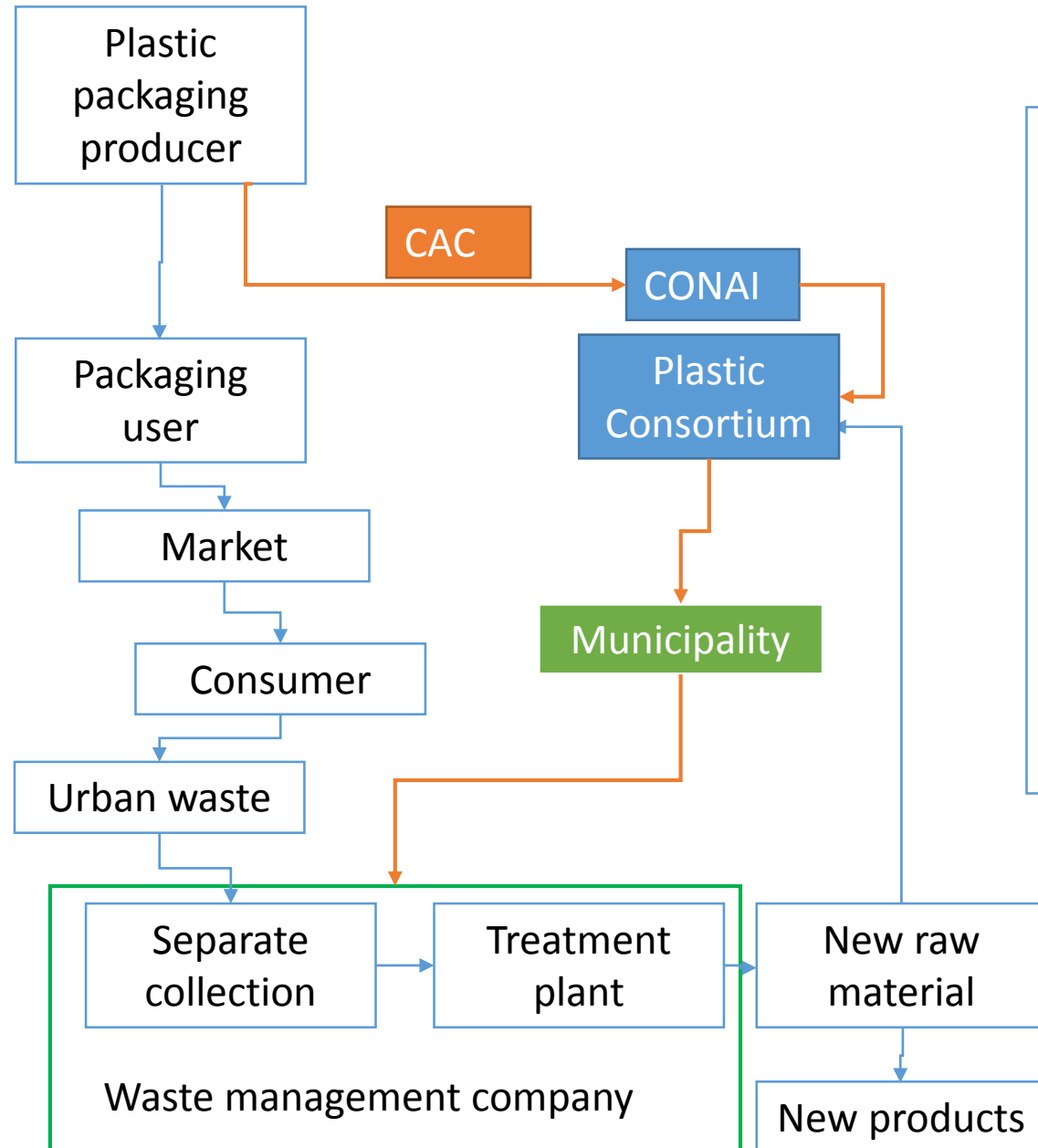
- The WFD has defined as target at 2020:
 - Paper, metal, plastic and glass from households and possibly from other origins – at least 50%



- Packaging Producer and User have to pay to collect and treat their waste
- The urban waste management company collects, through the separate collection the largest part of primary packaging



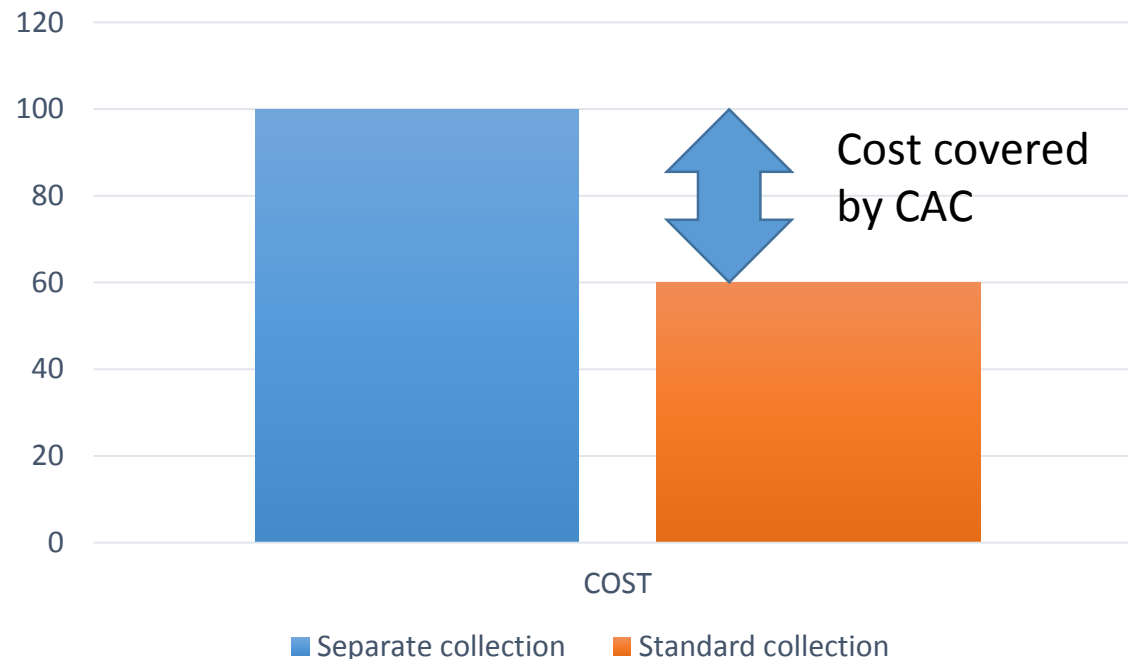
How to cover the costs?



- In Italy CONAI collects the amount of a specific FEE called CAC on the basis of the weight of packaging directly from the producer
- All kind of packaging have to pay (secondary and tertiary included)
- The amount of CAC is used to cover the cost of separate collection and Conai's overhead
- The money stream destined to municipality is calculated on the basis of a national agreement between CONAI and Municipality Association (ANCI)- This agreement is not mandatory. A municipality can manage directly his own waste but in this case without a fixed price (market rule)

The ANCI-CONAI Agreement

- The agreement defines the rules to calculate the amount of money for each Municipality
- This amount is used to cover the EXTRA COST of separate collection
- If the quality of separate collection is too low, the CAC is reduced
- CONAI becomes the owner of the separated waste



ANCI CONAI Agreement – Follow the money*



* All the president's men
– *"Follow the money"*
Quote

- CONAI as owner of the waste can sell it getting an extra revenue. This money aren't used to cover the cost of separate collection but to reduce the CAC
- The quality level is high in order to push the enforcement of separate collection but in many cases too high. To comply the minimum level it is necessary to sort the separate waste in a dedicated plant. The costs of this treatment is not covered by the CAC
- The packaging producer have to pay for tertiary packaging but these fractions are not collected and it is necessary to enforce a separate system (that isn't subsidized by CAC) to achieve the EU targets

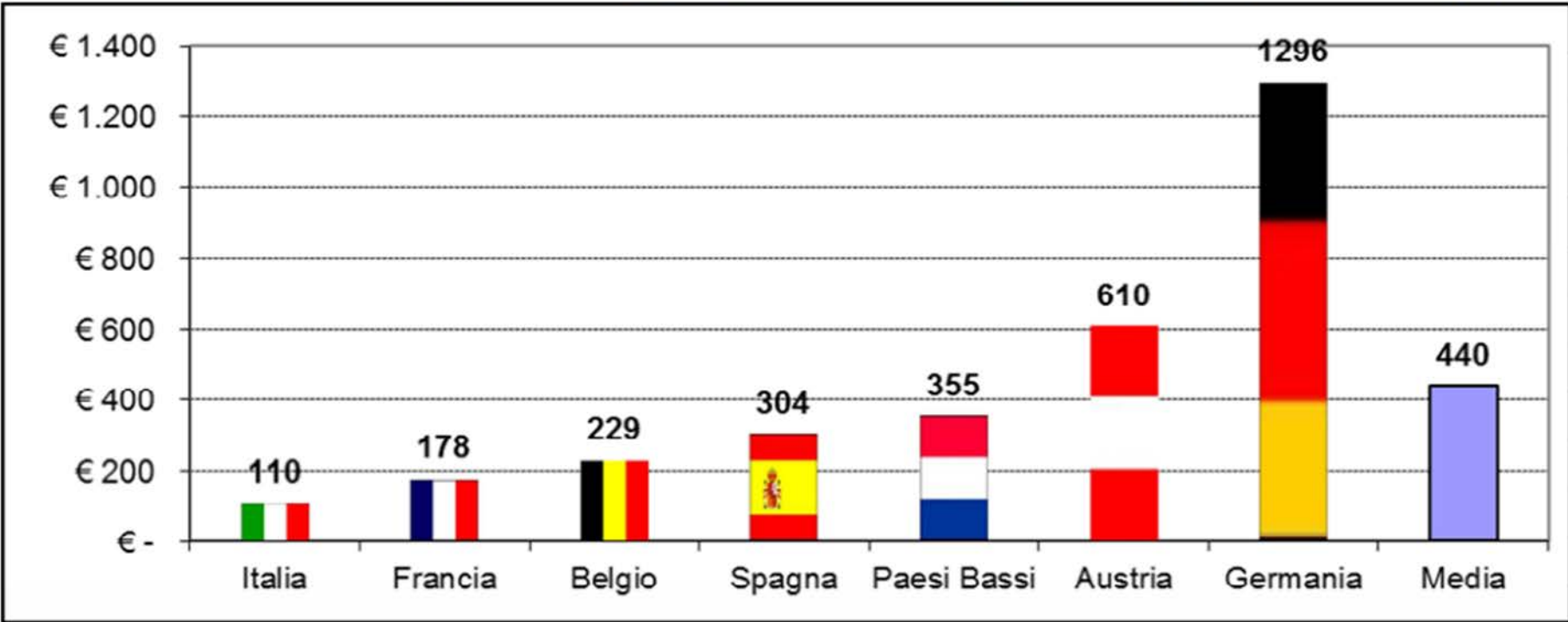


The result of these factors is a level of taxation
extremely low

What's happen if the taxation level is too low?

- Not enough pressure on producer and packaging cost

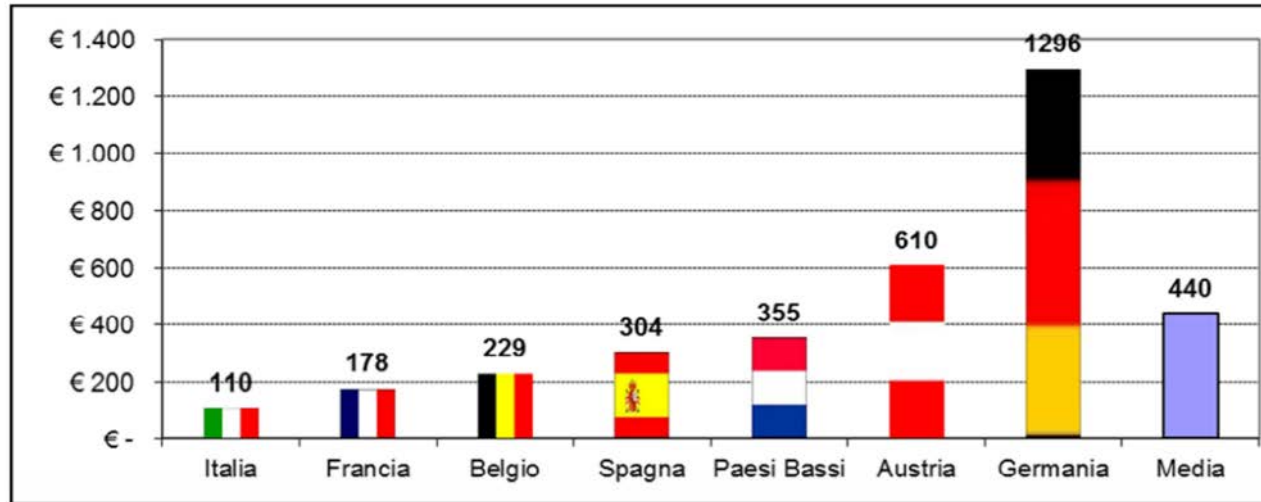
Confronto tra i CAC degli imballaggi in plastica nei vari paesi europei (Fonte Corepla)



Impact of CAC for a 1,5 l PET bottle

Finlandia	Norvegia	Danimarca	Germania	Austria	ITALIA
76 cent	11 cent (min.)	7 cent	5 cent	2,5 cent	0,3 cent

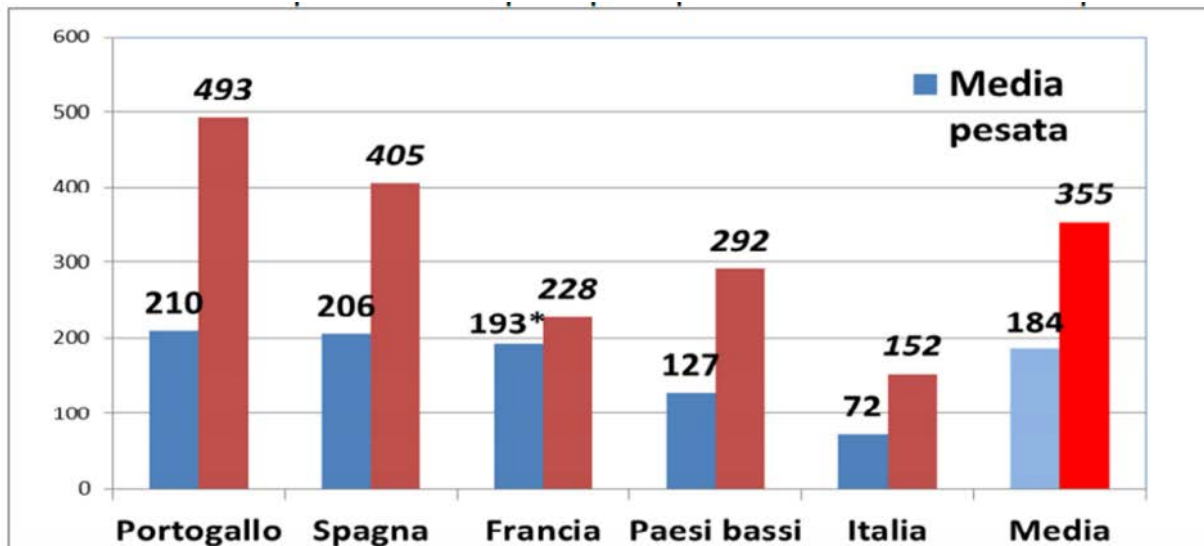
Taxation level for plastic in 2013 (COREPLA)



It seems clear that CONAI have to be changed, but after 20 years is not easy.

To support the separate collection and IPP the Consortium model could be the right choice

Payment due to a Municipality for a t of plastic (2013)



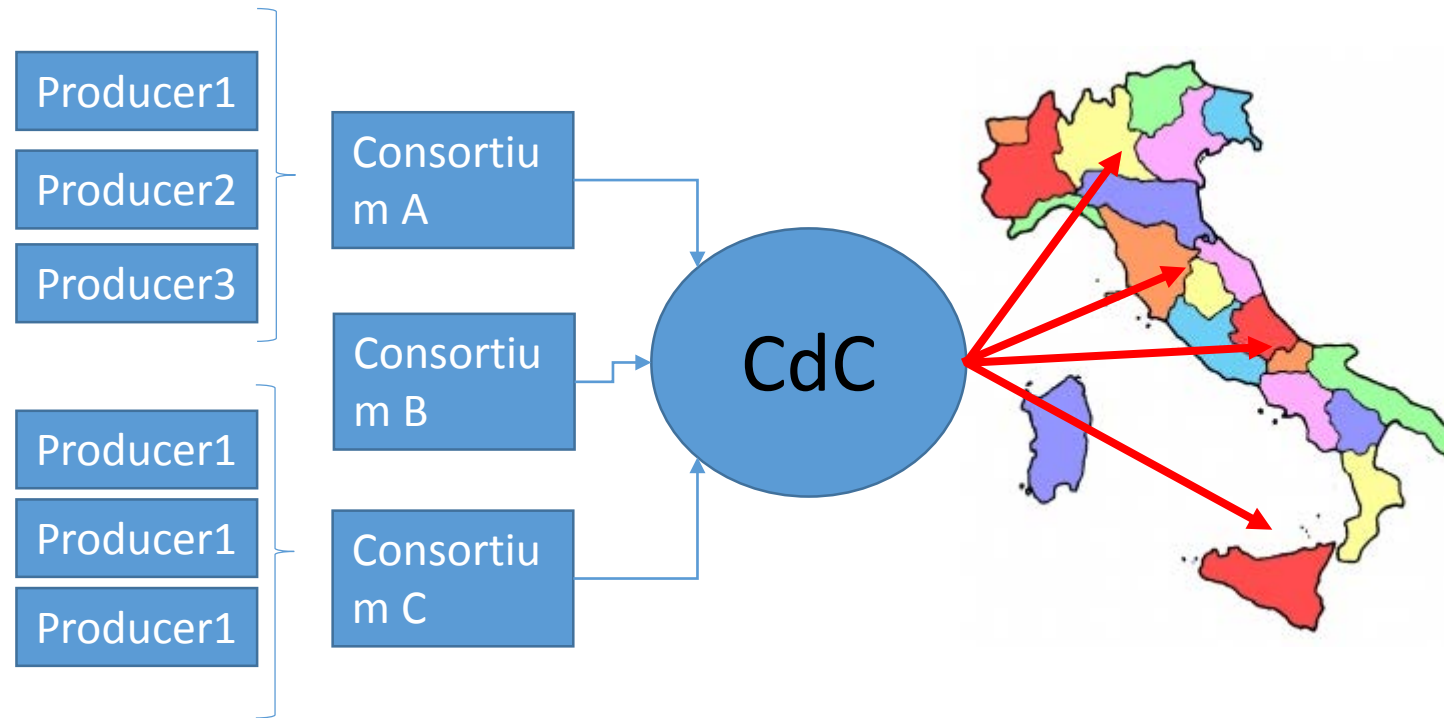
But all the players should be represented in the Consortium board to avoid distortions

How to push the market: the ecodesign

- Several countries introduced specific legislation to reduce the production of waste or to ease the recovery
 - France – COTREP (www.cotrep.fr) adopted an higher taxation if the producer use a PVC label on PET packaging
 - Germany, Finland, Sweden use a key money system (in Germany 0,25 € on metal, plastic, glass bottles used to contain water and soft drinks)
 - Japan administration impose not only the kind of plastic but also the colour in order to ease the separate collection

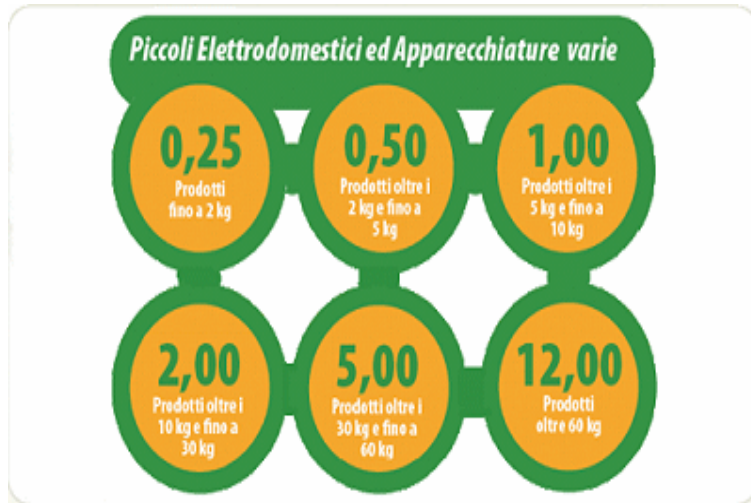
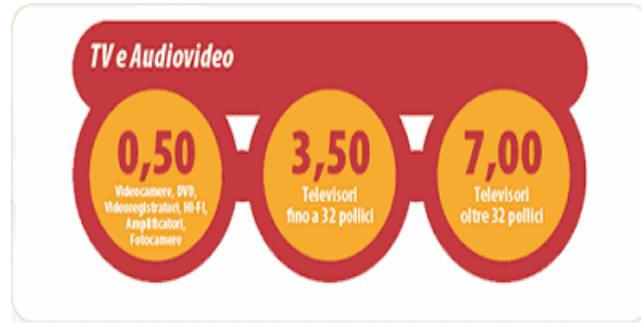


Other kind of solution adopted in Italy



- WEEE consortium: There isn't a mandatory consortium but a group of consortium managed by an independent authority (Coordination Center - CdC)
- EEE produced and importer have to take part to a consortium
- The collection and treatment of WEEE is managed by CdC, that coordinate the activities of consortiums

The cost of WEEE collection and treatment



- The cost related to the collection and treatment of WEEE are evaluated by CDC.
- Different EEE = different Fee
- The producer have to pay to CDC the total amount on the basis of the quantity of EEE putted on the market
- The market price have to show clearly the amount of the fee (Visible FEE)

Thanks for your attention



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Information and reports on environmental topics

<http://www.arpa.veneto.it/temi-ambientali/rifiuti>

